

**Report 20-3**  
**March 2020**

# **State of Wisconsin**

## FY 2018-19 Single Audit

STATE OF WISCONSIN



Legislative Audit Bureau ■



# **State of Wisconsin**

## FY 2018-19 Single Audit

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Reports are submitted to the Joint Legislative Audit Committee and made available to other committees of the Legislature and to the public. The Audit Committee may arrange public hearings on the issues identified in a report and may introduce legislation in response to the audit recommendations. However, the findings, conclusions, and recommendations in the report are those of the Legislative Audit Bureau.

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# STATE OF WISCONSIN | Legislative Audit Bureau

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Joe Chrisman  
State Auditor

March 20, 2020

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 of the federal Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The audit also assists us in fulfilling our audit responsibilities under s. 13.94, Wis. Stats.

Our report contains the auditor's reports on internal control over financial reporting and on compliance with program requirements, and our audit opinion on the State of Wisconsin's Schedule of Expenditures of Federal Awards. In fiscal year (FY) 2018-19, state agencies administered \$12.4 billion in federal financial assistance. We qualified our opinion on compliance related to cash management requirements for three federal programs.

We tested internal controls and compliance with laws and regulations for 16 federal programs that were selected for review using risk-based assessment criteria established by the federal government and specified in Uniform Guidance. Although state agencies generally complied with federal requirements, we made 9 recommendations to improve administration of federal programs.

We also followed up on the status of corrective actions to address prior audit findings reported in our FY 2017-18 single audit report (report 19-3). We also report new and continuing internal control deficiencies and areas of federal noncompliance. The federal government will work with state agencies to resolve the new and continuing concerns we identified.

We appreciate the courtesy and cooperation extended to us by state agency staff during our audit. Agency responses to individual findings are included within the agency chapters. As required by Uniform Guidance, agency corrective action plans to address these findings are included separately in the auditee section of this report.

Respectfully submitted,

Joe Chrisman  
State Auditor

JC/CS/ss





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## Introduction ■

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Wisconsin state agencies administered \$12.4 billion in federal financial assistance during fiscal year (FY) 2018-19 including \$11.2 billion in cash assistance, \$945.8 million in noncash assistance, and \$179.6 million in outstanding loan balances. As a condition of receiving federal funds, state agencies must meet the audit requirements of the federal Single Audit Act of 1984, as amended, and of the federal Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). We performed this audit for FY 2018-19 at the request of state agencies that administered federal financial assistance and to assist us in fulfilling our audit responsibilities under s. 13.94, Wis. Stats. We focused our audit on the internal controls over 16 selected federal programs and tested compliance with laws and regulations related to these programs.

In performing this audit, we are required by federal rules to:

- render an opinion on the State’s basic 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 2018-19 financial statements was included in the State’s Comprehensive Annual Financial Report (CAFR), which was issued by the Wisconsin Department of Administration (DOA) in December 2019 and is available

on DOA’s website. 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. This single audit report, along with other required information, has been submitted to the federal government as required by Uniform Guidance.

As shown in Table 1, the ten largest programs accounted for 83.7 percent of the \$12.4 billion in federal financial assistance state agencies administered during FY 2018-19.

Table 1  
**State of Wisconsin Expenditures of Federal Funds<sup>1</sup>**  
 FY 2018-19

Federal Program	Primary Recipient	Expenditures	Percentage of Total
Medicaid Cluster	DHS	\$ 5,500,992,064	44.5%
Highway Planning and Construction Cluster	DOT	996,871,459	8.1
Student Financial Assistance Cluster	UW System	983,123,395	7.9
Supplemental Nutrition Assistance Program (SNAP) Cluster	DHS	857,176,765	6.9
Research and Development Cluster	UW System	590,105,267	4.8
Unemployment Insurance <sup>2</sup>	DWD	454,905,892	3.7
Child Nutrition Cluster	DPI	262,240,166	2.1
Children’s Health Insurance Program (CHIP)	DHS	244,311,237	2.0
Temporary Assistance for Needy Families (TANF) Cluster	DCF	241,584,508	1.9
Special Education Cluster (IDEA)	DPI	226,953,122	1.8
Subtotal		10,358,263,875	83.7
Other Federal Programs		2,015,786,145	16.3
<b>Total</b>		<b>\$12,374,050,020</b>	<b>100.0%</b>

<sup>1</sup> Includes cash assistance; noncash assistance, such as food commodities; and outstanding loan balances.

<sup>2</sup> In accordance with federal requirements, consists of insurance benefits paid from employer contributions and direct federal funding.

The Department of Health Services (DHS) is responsible for the Medicaid Cluster, which is the largest federal program administered by the State. In addition, DHS disbursed more than \$857.2 million in federal funds and benefits under the Supplemental Nutrition Assistance Program (SNAP) Cluster for Wisconsin’s FoodShare program and \$244.3 million under the Children’s Health Insurance Program (CHIP).

The Department of Transportation (DOT) is responsible for administering the Highway Planning and Construction Cluster, which was the second-largest federal program administered by the State during FY 2018-19.

The University of Wisconsin (UW) System administered federal student financial assistance totaling \$983.1 million under the Student Financial Assistance Cluster, which was the third-largest federal program administered by the State during FY 2018-19. UW System also disbursed \$590.1 million under a variety of research and development grants.

Other state agencies administered other large federal programs, including:

- the Department of Workforce Development (DWD), which expended funds under the Unemployment Insurance (UI) program;
- the Department of Public Instruction (DPI), which provided funds to local schools and other entities under the Child Nutrition Cluster and the Special Education Cluster (IDEA); and
- the Department of Children and Families (DCF), which expended funds under the Temporary Assistance for Needy Families (TANF) Cluster.

Uniform Guidance establishes the process for selecting the grant programs to be audited. Uniform Guidance categorizes federal programs as “type A” (large programs) and “type B” (smaller programs). For the State, type A programs had expenditures of \$30.0 million or more in federal funds. The type A and B programs selected for audit were those determined to be subject to a higher risk of noncompliance based on the risk factors established by Uniform Guidance.

The audit of FY 2018-19 focused on the eleven type A programs and five type B programs listed in Section I of the Schedule of Findings and Questioned Costs. These programs were administered by seven state agencies and accounted for 51.2 percent of the \$12.4 billion in federal financial assistance administered by state agencies. Table 2 shows the amount of federal financial assistance administered by each state agency.

We also followed up on the status of corrective actions to address prior audit findings reported in our FY 2017-18 single audit report (report 19-3). Our FY 2018-19 single audit report includes those findings that are required to be reported under Uniform Guidance, including findings related to the audit of the State’s financial statements. In addition, we noted certain additional internal control or compliance matters that we conveyed to agency management in separate communications.

Table 2

**Summary Schedule of Expenditures of Federal Awards**  
by Wisconsin State Agency for the Year Ended June 30, 2019

State Agency	Individual Programs and Other Clusters	Research and Development Cluster	Student Financial Assistance Cluster	Total
Department of Health Services	\$ 6,995,123,443	\$ –	\$ –	\$ 6,995,123,443
University of Wisconsin System	114,354,338	590,105,267	983,123,395	1,687,583,000
Department of Transportation	1,074,454,491	–	–	1,074,454,491
Department of Public Instruction	836,410,720	–	–	836,410,720
Department of Children and Families	618,223,792	–	–	618,223,792
Department of Workforce Development	595,638,276	–	–	595,638,276
Department of Administration	169,598,862	–	–	169,598,862
Department of Natural Resources	153,673,464	–	–	153,673,464
Department of Military Affairs	81,611,468	–	–	81,611,468
Department of Veterans Affairs	50,709,002	–	–	50,709,002
Department of Justice	46,694,852	–	–	46,694,852
Wisconsin Technical College System	28,405,570	–	–	28,405,570
Department of Agriculture, Trade and Consumer Protection	13,584,923	–	–	13,584,923
Public Service Commission	12,890,334	–	–	12,890,334
Elections Commission	2,693,472	–	–	2,693,472
Department of Corrections	1,957,601	–	–	1,957,601
Board for People with Developmental Disabilities	1,285,316	–	–	1,285,316
Wisconsin Historical Society	1,272,411	–	–	1,272,411
Department of Tourism	870,542	–	–	870,542
Child Abuse and Neglect Prevention Board	526,949	–	–	526,949
Wisconsin Court System	455,054	–	–	455,054
Department of Safety and Professional Services	331,431	–	–	331,431
Board of Commissioners of Public Lands	55,047	–	–	55,047
<b>Total State of Wisconsin</b>	<b>\$10,800,821,358</b>	<b>\$590,105,267</b>	<b>\$983,123,395</b>	<b>\$12,374,050,020</b>

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## **Auditor's Report ■**

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## Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters

Honorable Members of the Legislature      The Honorable Tony Evers, Governor

We have audited the financial statements and the related notes 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, which collectively comprise the State's basic financial statements, as of and for the year ended June 30, 2019, and have issued our report thereon dated December 20, 2019.

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*, which is issued by the Comptroller General of the United States. The basic financial statements and related auditor's opinions have been included in the State of Wisconsin's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019.

Our report includes a reference to other auditors who audited the financial statements of the Environmental Improvement Fund, the University of Wisconsin (UW) System Fund, the College Savings Program Trust Fund, the Wisconsin Housing and Economic Development Authority, the UW Hospitals and Clinics Authority, and the UW Foundation, as described in our report on the State of Wisconsin's basic financial statements. The financial statements of the Environmental Improvement Fund, the UW System Fund, the College Savings Program Trust Fund, 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*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors. Although the financial statements of the UW Hospitals and Clinics Authority and the UW Foundation were audited in accordance with auditing standards generally accepted in the United States of America, they were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the UW Hospitals and Clinics Authority or the UW Foundation.

### Internal Control over Financial Reporting

Management of the State of Wisconsin is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the financial statements, we considered the State's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 misstatements, or to detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the State's basic financial statements will not be prevented, or that a material misstatement will not be detected and corrected on a timely basis. 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.

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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be a material weakness or significant deficiencies.

We consider the deficiency in internal control described in Section II of the Schedule of Findings and Questioned Costs as Finding 2019-005 to be a material weakness. We consider the deficiencies in internal control, described in Section II of the Schedule of Findings and Questions Costs as Findings 2019-001 through 2019-004 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State's basic financial statements are free from material misstatement, we performed tests of 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*.

### **Responses to Findings**

Agency-specific responses to the findings identified in our audit are described in Section II of the Schedule of Findings and Questioned Costs. Agency-specific corrective action plans for the findings identified in our audit are included in the Corrective Action Plans chapter. The responses and corrective action plans were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

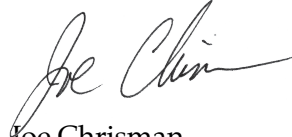
### **Purpose of This Report**

This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be used when considering the State's internal control and compliance. The purpose of this report is solely to describe the scope of our testing of internal control and compliance



and the result of that testing, and not to provide an opinion on the effectiveness of the State's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

LEGISLATIVE AUDIT BUREAU

A handwritten signature in black ink, appearing to read "Joe Chrisman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Joe Chrisman  
State Auditor

December 20, 2019



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## **Auditor's Reports on Federal Programs** ■





## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

Honorable Members of the Legislature

The Honorable Tony Evers, Governor

### **Report on Compliance for Each Major Federal Program**

We have audited the State of Wisconsin's compliance with the types of compliance requirements described in the federal Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. 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.

The State of Wisconsin's basic financial statements include the operations of the Wisconsin Housing and Economic Development Authority, the Wisconsin Economic Development Corporation, and the University of Wisconsin Hospitals and Clinics Authority. These entities expended \$365.6 million in federal awards that are not included in the State of Wisconsin's Schedule of Expenditures of Federal Awards for the year ended June 30, 2019. Our audit, as described under the Auditor's Responsibility section of this report, did not include the operations of these entities because these entities engaged other auditors to perform an audit of compliance.

#### **Management's Responsibility**

Management of each Wisconsin state agency is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the State of Wisconsin's major federal programs based on our audit of the types of compliance requirements referred to in the first paragraph. 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*, which is issued by the Comptroller General of the United States; and the audit requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements that could have a direct and material effect on a major federal program. 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 qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination on the State of Wisconsin's compliance.

**Basis for Qualified Opinion on Certain Major Federal Programs**

As described in the accompanying agency report narratives and in Section III of the Schedule of Findings and Questioned Costs, the State of Wisconsin did not comply with requirements regarding the following:

Finding Number	CFDA Number	Major Federal Program/Cluster	Type of Compliance Requirement
2019-400	10.553/10.555/ 10.556/10.559	Child Nutrition Cluster	Cash Management
2019-401	10.558	Child and Adult Care Food Program	Cash Management
2019-402	84.287	Twenty-First Century Community Learning Centers	Cash Management

Compliance with such requirements is necessary, in our opinion, for the State of Wisconsin to materially comply with the requirements applicable to these programs.

**Qualified Opinion on Certain Major Federal Programs**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section, the State of Wisconsin complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on the Child Nutrition Cluster (CFDA #10.553/10.555/10.556/10.559), Child and Adult Care Food Program (CFDA #10.558), and Twenty-First Century Community Learning Centers (CFDA #84.287) federal programs, for the year ended June 30, 2019.

**Unmodified Opinion on Each of the Other Major Federal Programs**

In our opinion, the State of Wisconsin complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs, for the year ended June 30, 2019.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying agency report narratives and in Section III of the Schedule of Findings and Questioned Costs as Findings 2019-100, 2019-300 through 2019-306, and Findings 2019-810 and 2019-811. Our opinion on each major federal program is not modified with respect to these matters.

Wisconsin state agencies' responses and corrective action plans to the noncompliance findings identified in our audit are in the accompanying agency report narratives and the Corrective

Action Plans chapter, respectively. The responses and corrective action plans were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

### Report on Internal Control over Compliance

Management of the State of Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph. In planning and performing our audit, we considered the State of Wisconsin's internal control over compliance with the types of compliance requirements that could have a direct and material effect on a major federal program. This consideration was solely to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance. This consideration was 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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 a 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 and in Section III of the Schedule of Findings and Questioned Costs as Findings 2019-400 through 2019-402 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a 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 2019-100, 2019-300 through 2019-306, and Findings 2019-810 and 2019-811, to be significant deficiencies.

Wisconsin state agencies' responses and corrective action plans to the internal control over compliance findings identified in our audit are in the accompanying agency report narratives and the Corrective Action Plans chapter, respectively. The responses and corrective action

plans were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on 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 for the State of Wisconsin as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the State of Wisconsin's basic financial statements. We have issued our report thereon dated December 20, 2019, which contains unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 20, 2019. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

LEGISLATIVE AUDIT BUREAU



Joe Chrisman  
State Auditor

March 18, 2020



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## Department of Administration ■

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The Wisconsin Department of Administration (DOA) provides support services to other state agencies, manages certain housing and economic development activities, and performs other functions prescribed by law. DOA is also responsible for providing the Governor with fiscal management information and the policy alternatives required for preparing Wisconsin's biennial budget. In FY 2018-19, DOA administered \$169.6 million in federal financial assistance.

We tested DOA's internal controls and compliance with grant requirements for the Low-Income Home Energy Assistance Program (LIHEAP) (CFDA #93.568), which is a type A program. We also tested DOA's internal controls and compliance with grant requirements for Weatherization Assistance for Low-Income Persons (Weatherization) (CFDA #81.042), which is a type B program. We identified an internal concern over federal reporting for these programs (Finding 2019-100).

We also tested internal controls for federal cash management processes performed by DOA and tested compliance with requirements of the Cash Management Improvement Act (CMIA) of 1990, as specified in 31 CFR Part 205. We identified concerns with the timing of draws of federal funds that affect grants administered by the departments of Health Services (DHS) and Public Instruction (DPI). Findings 2019-301 through 2019-303 are discussed in the DHS chapter, which starts on page 23, and Findings 2019-400 through 2019-402 are discussed in the DPI chapter, which starts on page 45. DHS and DPI will be responsible for implementing corrective actions and resolving the findings with the federal government.

In addition, we followed up on DOA's progress in addressing Findings 2018-100 and 2018-101 of our FY 2017-18 single audit (report 19-3). DOA implemented corrective actions to address our concerns related to Finding 2018-101, and to

partially address Finding 2018-100. It will be important for DOA to continue to work to resolve this finding. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 75 and describes the status of each finding as of the end of our audit period as well as ongoing steps to address findings that were not fully corrected.

### **Finding: 2019-100: Internal Controls over Reporting**

#### *Criteria:*

The U.S. Department of Health and Human Services (DHHS) provides funding to DOA's Division of Energy, Housing, and Community Resources (DEHCR) for the Low-Income Home Energy Assistance Program (LIHEAP) (CFDA #93.568). The U.S. Department of Energy (DOE) provides funding to DEHCR for the Weatherization Assistance for Low-Income Persons (WAP) program (CFDA #81.042). These programs are used to provide benefits to eligible low-income home owners and renters to reduce the energy burden in heating and cooling their homes. DOA uses the Home Energy (HE) Plus computer system to determine eligibility for individuals applying for benefits, to calculate benefits, and to store information on applicants and beneficiaries, including the types of benefits provided and household data, such as household income.

As the LIHEAP recipient for the State of Wisconsin, DOA is required to submit reports to DHHS, including the *LIHEAP Performance Data Form*, which includes information on funding and performance metrics, such as home energy burden. As the WAP recipient for the State of Wisconsin, DOA is required to submit reports to DOE, including the *WAP Quarterly Program Report*, which includes information on funding and performance metrics, such as energy savings. DOA is also responsible for maintaining effective internal controls to ensure the accuracy of reports filed with DHHS and DOE.

#### *Condition:*

DOA uses internally generated queries to automatically summarize information from the HE Plus computer system to prepare certain reports for the LIHEAP and WAP programs. For example, DOA used an internally generated query to automatically summarize the household data for the *LIHEAP Performance Data Form*. Although our review indicated that DOA materially complied with reporting compliance requirements for LIHEAP and WAP, it did not develop sufficient internal controls to ensure the accuracy of query results or have adequate compensating controls in place.

#### *Questioned Costs:*

None.

**Context:**

During our FY 2018-19 audit, we interviewed DEHCR staff to gain an understanding of the procedures and internal controls in place to ensure the reporting compliance requirements were met.

**Effect:**

No material noncompliance was identified in our testing of the LIHEAP and WAP program reports. However, we found DOA’s internal controls were not sufficient to ensure the accuracy of the queries of the HE Plus computer system. The deficiency in internal control over compliance for the reporting requirement increases the risk that DOA could submit inaccurate reports.

**Cause:**

DOA did not have ongoing procedures in place to review the accuracy of queries of the HE Plus computer system that are used to prepare federally required reports.

**Recommendation**

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*We recommend the Wisconsin Department of Administration develop and implement procedures to regularly review HE Plus queries to ensure accurate data is used in the preparation of federally required reports.*

**Finding 2019-100: Internal Controls over Reporting**

**Weatherization Assistance for Low-Income Persons** (CFDA #81.042)

<u>Award Number</u>	<u>Award Year</u>
DE-EE0007959	2019

**Low-Income Home Energy Assistance** (CFDA #93.568)

<u>Award Numbers</u>	<u>Award Years</u>
G-17B1WILIEA	2017
G-18B1WILIEA	2018
G-1901WILIEA	2019

**Questioned Costs:** None

**Response from the Wisconsin Department of Administration:**

The Wisconsin Department of Administration agrees with the audit finding and recommendation.





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## Department of Health Services ■

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The Wisconsin Department of Health Services (DHS) provides services to clients in communities and institutions, regulates certain care providers, and supervises and consults with local public and volunteer agencies. It administers state and federal programs involving public health, mental health, substance abuse, long-term care, services to people with disabilities, and medical care. In FY 2018-19, DHS administered \$7.0 billion in federal financial assistance.

We tested DHS's internal controls and compliance with grant requirements for three type A programs: WIC Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA #10.557), Immunization Cooperative Agreements (CFDA #93.268), and Medicaid Cluster (CFDA #93.775/93.777/93.778). We also tested DHS's internal controls and compliance with grant requirements for Public Health Emergency Preparedness (CFDA #93.069) and Block Grants for Community Mental Health Services (CFDA #93.958), which are type B programs. Our audit findings are the following:

- Computer Data Matches (Finding 2019-300);
- Timing of Draws of Federal Funds—Public Health Emergency Preparedness (Finding 2019-301);
- Timing of Draws of Federal Funds—Immunization Cooperative Agreements (Finding 2019-302);
- Timing of Draws of Federal Funds—Block Grants for Community Mental Health Services (Finding 2019-303);

- Monitoring of Subrecipients—Public Health Emergency Preparedness Program (Finding 2019-304);
- Security for Medical Assistance Program IT Systems (Finding 2019-305); and
- Medical Assistance Program Provider Overpayments (Finding 2019-306).

In addition, we followed up on DHS's progress in addressing Findings 2018-300 through 2018-305 of our FY 2017-18 audit (report 19-3), as well as Findings 2017-301 and 2017-302 of our FY 2016-17 audit (report 18-5), which were included in the Summary Schedule of Prior Audit Findings in report 19-3. DHS implemented corrective actions to address our concerns related to Findings 2018-302, 2018-304, 2017-301, and 2017-302, and to partially address Finding 2018-300. DHS did not implement corrective actions to address our concerns related to Findings 2018-301, 2018-303, and 2018-305. It will be important for DHS to continue to work to resolve these findings. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 75 and describes the status of each finding as of the end of our audit period as well as ongoing steps to address findings that were not fully corrected.

### **Finding 2019-300: Computer Data Matches**

#### *Criteria:*

The U.S. Department of Health and Human Services provides funding to DHS for the Medical Assistance (MA) Program. Funding under this program is used to provide financial assistance to states for medical payments on behalf of adults, children, pregnant women, and the aged who meet income and resource requirements, and other categorically eligible groups. Local agency caseworkers assist with performing eligibility determination functions by collecting information from MA applicants and recording this information into the statewide Client Assistance for Reemployment and Economic Support (CARES) computer system, which determines eligibility for various income maintenance programs.

DHS is required under 42 CFR s. 435.948 to verify the reasonableness of wage and other financial information obtained from applicants and that is used in making eligibility determinations. DHS is allowed to determine which information from various computer databases is useful for verifying the reasonableness of information in CARES. DHS completes data matches with the following:

- information from the U.S. Social Security Administration (SSA), including social security numbers and supplemental security income payments;
- unemployment compensation (UC) information maintained by the Department of Workforce Development (DWD) Division of Unemployment Insurance; and

- state wage information collected by the Division of Unemployment Insurance in DWD, which is Wisconsin's state wage information collection agency (SWICA).

As required by 42 CFR s. 435.952, DHS must promptly perform the data matches. Local agency caseworkers then follow up on data match discrepancies to ensure eligibility determinations are based on the most recent and reliable data. DHS policy generally requires that caseworkers resolve 80 percent of all data match discrepancies within 45 days of the data match date and document the actions taken to resolve each discrepancy. If it is determined that benefits were provided to ineligible individuals or excessive benefits were provided to eligible individuals, DHS must take steps to recover the overpayments and return the federal share to the federal government.

***Condition:***

We again determined that DHS has not met its policy requirement of resolving 80 percent of SWICA data match discrepancies within 45 days. Using SWICA data match discrepancy and resolution data provided by DHS, we found that 62.8 percent of data match discrepancies were resolved within 45 days between April 2018 and March 2019. This percentage is lower than the prior year when 70.8 percent of matches were resolved within 45 days. We also observed that 10 of the 25 data match discrepancies we reviewed were not resolved within 45 days. On average, the 10 data match discrepancies took caseworkers an additional 22 days beyond the required 45 days to resolve.

***Questioned Costs:***

None.

***Context:***

We found DHS completed required data matches with SSA, UC, and SWICA. In total, we reviewed 65 data match discrepancies that occurred between April 2018 and March 2019, including 25 SWICA data match discrepancies. We noted no issues with those involving the SSA and UC data matches. Furthermore, we found that the resolution rate for UC data match discrepancies we reviewed improved compared to the prior year, noting that caseworkers resolved 98.6 percent of the UC discrepancies within 45 days compared to 97.2 percent the prior year.

***Effect:***

Because caseworkers did not consistently follow up in a timely manner on the SWICA-identified data match discrepancies, it is unknown whether the most accurate information available was used to make eligibility determinations. It is also possible that some individuals received services for which they were not eligible and for which DHS received federal reimbursement.

***Cause:***

SSA data matches are entirely automated within CARES, and UC data matches include some automation. Because SWICA data matches discrepancies require more

manual action from caseworkers than those from SSA and UC data matches, SWICA data match discrepancies may require more time to resolve than SSA and UC data match discrepancies. Although DHS identified measures for addressing the reasons why caseworkers did not resolve SWICA data match discrepancies in a timely manner, it has not yet fully implemented these measures, which include adding CARES system enhancements and increased automation for SWICA data match discrepancies as well as providing training to caseworkers.

**☑ Recommendation**

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*We recommend the Wisconsin Department of Health Services implement the measures that it identified to assist caseworkers in resolving data match discrepancies in a timely manner, which include adding CARES system enhancements and increased automation for discrepancies generated from SWICA data matches as well as providing training to caseworkers.*

**Finding 2019-300: Computer Data Matches**

**Medical Assistance Program** (CFDA #93.778)

<u>Award Numbers</u>	<u>Award Years</u>
1805WI5MAP	2018
1905WI5MAP	2019

**Questioned Costs:** None

**Response from the Wisconsin Department of Health Services:** The Wisconsin Department of Health Services agrees with the audit finding and recommendation.

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**Finding 2019-301: Timing of Draws of Federal Funds—Public Health Emergency Preparedness**

**Finding 2019-302: Timing of Draws of Federal Funds—Immunization Cooperative Agreements**

**Finding 2019-303: Timing of Draws of Federal Funds—Block Grants for Community Mental Health Services**

*Criteria:*

The Cash Management Improvement Act (CMIA) of 1990, as amended, requires that the State enter into an agreement with the U.S. Department of the Treasury for certain federal programs to ensure that neither the State nor the federal government earns interest income at the expense of the other. This agreement is referred to as the Treasury-State Agreement (TSA). For other federal programs,



CMIA regulations in 31 CFR s. 205.33 require the State to minimize the time between when the State draws federal funds from the federal government and when the State disburses funds for federal program purposes. The regulations further specify that the timing and amount of the draws from the federal government are to be as close as administratively feasible to the State's actual cash outlay.

***Condition:***

To determine the timing of drawing federal funds, the State Controller's Office in the Department of Administration (DOA) uses a report from the State's enterprise resource planning system, STAR, which includes the State's accounting system. This STAR report identifies the earliest date the federal funds should be drawn in addition to the amount that may be drawn, both of which are based on information derived from federal program transactions processed in STAR by DHS and other state agencies. These transactions include those that directly result in a payment as well as other non-payment transactions, such as those that allocate costs.

A payment may be scheduled in STAR to be disbursed at a future date, rather than immediately after the date the transaction was approved in STAR. However, after a payment transaction is approved in STAR, the central federal draw process begins regardless of the scheduled disbursement date. For those payments DHS scheduled in STAR to be disbursed at a future date, particularly those scheduled to be disbursed five days or more in the future, the STAR report indicated the federal funds could be drawn even though the actual STAR disbursement had not yet occurred. Further, DHS did not have controls in place to limit the time between the draw of federal funds and the disbursement of federal funds for those grant expenditures that were not processed through benefit or subrecipient payment systems and subsequently recorded in STAR.

***Questioned Costs:***

None.

***Context:***

During FY 2018-19, DHS administered approximately \$11.5 million for the Public Health Emergency Preparedness program (CFDA #93.069), \$56.2 million for the Immunization Cooperative Agreements program (CFDA #93.268), and \$8.7 million for the Block Grants for Community Mental Health Services program (CFDA #93.958). We reviewed a selection of draws of federal funds and a selection of expenditure transactions for each program. For each selected item, we compared the date the federal funds were drawn and received from the federal government to the State's scheduled payment disbursement date. We did not identify concerns in the timing of federal draws for expenditures processed through DHS benefit or subrecipient payment systems, which represented the largest payments for these programs.

***Effect:***

Five days or more elapsing between the date a payment transaction was approved and the date the payment was disbursed indicates that the draw of federal funds

was initiated before it was appropriate to do so and, therefore, the State did not minimize the time between drawing and disbursing funds for federal program purposes. For the selected payment transactions we reviewed, certain payment disbursements were scheduled five or more days in the future. For example:

- A payment for the Public Health Emergency Preparedness program was approved in STAR on September 12, 2018, with a scheduled disbursement date of September 27, 2018. The related federal funds were received on September 13, 2018, which was 14 days prior to the scheduled disbursement date.
- A payment for the Immunization Cooperative Agreements program was approved in STAR on May 24, 2019, with a scheduled disbursement date of June 19, 2019. The related federal funds were received on May 28, 2019, which was 22 days prior to the scheduled disbursement date.
- A payment for the Block Grants for Community Mental Health Services program was approved in STAR on February 20, 2019, with a scheduled disbursement date of March 1, 2019. The related federal funds were received on February 21, 2019, which was 8 days prior to the scheduled disbursement date.

*Cause:*

STAR is a complex system, and the processing that creates the STAR report used by DOA is several steps removed from the entry of a payment transaction, increasing the difficulty of including payment transactions in that report based on the scheduled disbursement date. Because the STAR report DOA used in drawing federal funds is based on the date the transaction was approved in STAR rather than the scheduled disbursement date, DOA was unaware whether scheduled disbursement dates varied significantly from the approved date in the STAR report.

In FY 2017-18, we recommended that DOA correct this deficiency (Findings 2018-100 and 2018-101). In response to our prior audit recommendations, DOA revised procedures in the *Wisconsin Accounting Manual* in March 2019 to explain the need to reduce the time between the draw of federal funds and the scheduled disbursement of funds for federal programs by as much as administratively feasible. However, the control deficiency in DOA's draw process for the grant programs was present for the majority of FY 2018-19. From March through June 2019, DHS also did not implement changes to its practice of scheduling certain payments to address this issue. Instead, DHS relied on future changes DOA planned to make to STAR to improve the central draw process.

**Recommendation**

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*We recommend the Wisconsin Department of Health Services work with the Wisconsin Department of Administration to ensure compliance with federal cash management requirements, including by reducing the time between the draw of federal funds and the*

scheduled disbursement of funds for federal programs it administers by as much as administratively feasible.

**Finding 2019-301: Timing of Draws of Federal Funds—Public Health Emergency Preparedness**

**Public Health Emergency Preparedness** (CFDA #93.069)

<u>Award Numbers</u>	<u>Award Years</u>
1NU90TP921893-01-00	2017-18
6NU90TP921893-01-01	2017-18
6NU90TP921893-01-02	2017-18
6NU90TP921893-01-03	2017-18
6NU90TP921893-01-04	2017-19
6NU90TP921893-01-05	2017-19
6NU90TP921893-01-06	2017-19
6NU90TP921893-01-08	2017-20

**Questioned Costs:** None

**Finding 2019-302: Timing of Draws of Federal Funds—Immunization Cooperative Agreements**

**Immunization Cooperative Agreements** (CFDA #93.268)

<u>Award Numbers</u>	<u>Award Years</u>
5NH23IP000760-05-00	1/1/2013–6/30/2018
6NH23IP000760-05-02	1/1/2013–6/30/2019
6NH23IP000788-05-03	9/30/2013–6/30/2019
5NH23IP000860-03-00	9/30/2014–9/29/2017
6NH23IP000860-03-04	9/30/2014–6/30/2019

**Questioned Costs:** None

**Finding 2019-303: Timing of Draws of Federal Funds—Block Grants for Community Mental Health Services**

**Block Grants for Community Mental Health Services** (CFDA #93.958)

<u>Award Numbers</u>	<u>Award Years</u>
B09SM010057-17	10/1/2016–9/30/2018
B09SM010057-18	10/1/2017–9/30/2019
B09SM010057-19	10/1/2018–9/30/2020

**Questioned Costs:** None

**Response from the Wisconsin Department of Health Services:** The Wisconsin Department of Health Services agrees with the audit finding and recommendation.

## **Finding 2019-304: Monitoring of Subrecipients—Public Health Emergency Preparedness Program**

### *Criteria:*

DHS receives federal funding from the Centers for Disease Control and Prevention under the Public Health Emergency Preparedness (PHEP) program (CFDA #93.069) to support the development of emergency-ready public health departments that are flexible and adaptable in order to aid state responsiveness to a variety of hazards. DHS is subject to *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) in administering the program. Uniform Guidance includes three requirements related to the monitoring of subrecipients. First, 2 CFR s. 200.331 (a) (1) requires DHS to communicate certain award information to subrecipients at the time of the subaward. Second, 2 CFR s. 200.331 (b) requires DHS to evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate nature and level of subrecipient monitoring. Third, 2 CFR s. 200.331 (d) through (f) requires DHS to monitor the activities of the subrecipient as necessary to ensure that the subrecipient uses the subaward for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals.

### *Condition:*

We found that DHS did not comply with all of the subrecipient monitoring requirements of Uniform Guidance in administering the PHEP program. First, we found 1 of the 11 subrecipient agreements we reviewed did not communicate all of the required award information. For example, the agreement did not identify the Federal Award Identification Number, the Federal Award Date, or the CFDA number and name. Second, DHS could not provide documentation to support that it had completed 1 of the 11 risk assessments for subrecipients we reviewed. We found that the subrecipient that did not receive all of the required information was different than the subrecipient for which DHS could not provide documentation that a risk assessment had been completed. In addition, although the completed risk assessments indicated each subrecipient's risk was low, DHS did not have procedures in place to determine what monitoring steps would be taken for subrecipients with risks greater than low.

Finally, we found that DHS could not provide documentation of other subrecipient monitoring activities it conducted. For example, DHS required subrecipients to submit budgets for review by PHEP staff. However, there was no formal documentation, such as a confirmation, email, or comments to note that the review was completed. In addition, DHS did not have a tracking method in place to identify that it had received all budgets and that all budgets had been reviewed. These findings when considered together support that DHS needs to take further steps to ensure that Uniform Guidance requirements are implemented for the PHEP program.

### *Questioned Costs:*

None.

*Context:*

During FY 2018-19, DHS expended \$11.5 million under the PHEP program and disbursed nearly \$9.2 million to approximately 100 subrecipients, including county and city health departments, tribes, and the University of Wisconsin System. DHS is responsible for performing monitoring procedures for the subrecipients of these funds. We reviewed the agreements between DHS and subrecipients to identify whether DHS had communicated the required award information to subrecipients. We also reviewed monitoring activities performed by DHS for the PHEP program during FY 2018-19, including by gaining an understanding of the process DHS used for reviewing subrecipient single audit reports, the results of risk assessments completed for subrecipients, and the procedures used by DHS to monitor subrecipients through the review of periodic reports and budget activities. We also considered informal monitoring activities, including the frequency of discussions DHS held with subrecipients.

*Effect:*

Because DHS did not comply with all of the subrecipient monitoring compliance requirements for the PHEP program, there is a higher risk that DHS, as well as the subrecipients, are not in compliance with all federal requirements.

*Cause:*

DHS did not develop sufficient written procedures or controls to ensure all subrecipient monitoring requirements were performed and documented for the PHEP program. Because DHS contracts with many of the same PHEP program subrecipients each year and works closely with them to discuss programmatic goals and outcomes, DHS did not consider it necessary to document all of its monitoring activities.

Although DHS staff responsible for the PHEP program completed many of the subrecipient monitoring requirements required by Uniform Guidance, DHS had not ensured it consistently used standard award templates that communicated all required information to subrecipients, implemented a tracking methodology for completing required risk assessments; and documented that it received and reviewed monitoring reports from all subrecipients in a timely manner. DHS also did not have procedures to identify what steps were necessary when a risk assessment identified a subrecipient with risk greater than low. Given the lack of procedures and controls, it is more challenging for DHS to ensure it complies with subrecipient monitoring requirements when staff turnover occurs as it did in November 2019.

**☑ Recommendation**


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*We recommend the Wisconsin Department of Health Services develop and implement policies and procedures and maintain documentation to ensure compliance with Uniform Guidance subrecipient monitoring requirements, including:*

- *ensuring that all required award information is communicated in all subrecipient agreements;*

- *developing written subrecipient monitoring procedures to identify what monitoring steps are necessary when risks greater than low are identified from the risk assessment process;*
- *implementing a tracking method to ensure that all subrecipient risk assessments are completed; and*
- *maintaining documentation of all subrecipient monitoring activities conducted.*

**Finding 2019-304: Monitoring of Subrecipients—Public Health Emergency Preparedness Program**

**Public Health Emergency Preparedness** (CFDA #93.069)

<u>Award Numbers</u>	<u>Award Years</u>
1 NU90TP921893-01-00	7/1/2017-6/30/2018
6 NU90TP921893-01-01	7/1/2017-6/30/2018
6 NU90TP921893-01-02	7/1/2017-6/30/2018
6 NU90TP921893-01-03	7/1/2017-6/30/2018
6 NU90TP921893-01-04	7/1/2017-6/30/2019
6 NU90TP921893-01-05	7/1/2017-6/30/2019
6 NU90TP921893-01-06	7/1/2017-6/30/2019
6 NU90TP921893-01-08	7/1/2017-6/30/2020

**Questioned Costs:** None

**Response from the Wisconsin Department of Health Services:** The Wisconsin Department of Health Services agrees with the audit finding and recommendation.

**Finding 2019-305: Security for Medical Assistance Program IT Systems**

*Criteria:*

DHS is highly dependent on information technology (IT) systems to administer the MA Program. For example, DHS relies on IT systems to ensure adequate controls are in place for determining eligible program participants and processing MA Program payments. DHS contracts with a vendor to operate the Medicaid Management Information System (MMIS), which is used to process MA Program medical claims and other payments. DHS also contracted with a vendor to develop the CARES system, which is used to determine eligibility for most MA Program participants. Although DHS contracts for CARES system support, it determines the security policies and procedures for the system.

DHS is responsible for ensuring that adequate IT security controls are in place in both MMIS and CARES. For example, 45 CFR s. 95.621, requires DHS to determine appropriate security requirements and to review information systems used in the administration of the MA Program. Further, because MMIS and CARES include medical information related to MA Program participants, DHS is required by

45 CFR 164.308 to ensure security requirements are in place to protect that information.

DHS is also required to follow state IT security policies and procedures established by DOA. In October 2018, DOA established statewide information IT policies and standards for state agencies to follow when administering state IT systems. These policies and standards are based on the National Institute of Standards and Technology (NIST) framework. Specifically, NIST developed *Special Publication 800-53* to provide guidance for meeting minimum requirements for federal information systems, including guidance on remediating security vulnerabilities within a defined time frame.

***Condition:***

We found DHS did not fully comply with the federal regulations and state policies and procedures to ensure the security of IT systems for the MA Program. For example, we found security weaknesses in CARES in areas such as reviewing and monitoring access. In addition, we found DHS did not adequately monitor MMIS access it had granted to DHS staff. We determined that the detailed results of our reviews in these areas were too sensitive to communicate publicly. Therefore, we communicated the results in a separate confidential communication to DHS dated January 30, 2020.

We also found that a third-party had identified MMIS security weaknesses, including in areas such as access and data processing, through MMIS security assessments it performed for the operating vendor of MMIS. DHS did not ensure the vendor resolved the security weaknesses in a timely manner. Of the security weaknesses reported to DHS in February 2018, 14 security weaknesses assessed as high and 13 assessed as medium were not fully remediated as of June 2019. In addition, DHS did not implement compensating controls to address the security weaknesses.

***Questioned Costs:***

None.

***Context:***

We reviewed DHS IT security policies and procedures and compared them to federal regulations, DOA policies and procedures, and NIST guidance. DHS determines IT security policies and procedures for CARES and other DHS applications applicable to the MA Program. However, the operating vendor of MMIS is contractually required to obtain a third-party security assessment of MMIS. DHS was provided with the security assessment in February 2018, which it used to monitor the policies and procedures in place for MMIS during fiscal year 2018-19. We reviewed the MMIS security assessment and status of DHS's follow-up on the findings provided in the security assessment.

***Effect:***

Procedures and settings that do not align with federal regulations and state policies and procedures weaken the level of security for IT systems applicable to

the MA Program. For example, failure to properly manage and maintain a secure environment could result in inappropriate access, which could result in the issuance of erroneous or fraudulent payments, ineligible program participants, or inappropriate viewing of confidential data.

*Cause:*

DHS IT policies did not conform to DOA policies and procedures, which represent the minimum standards. In addition, in some instances, DHS policies need to be more stringent to comply with federal regulations for the types of data it manages. DHS attributed the delay in remediating the MMIS security weaknesses, in part, to actions DHS planned in November 2019 that would resolve certain weaknesses without vendor changes. DHS chose to accept the risk presented by the delay. In other instances, DHS did not hold the vendor accountable for original remediation dates. According to DHS, under its prior contract with the vendor, DHS relied on the vendor to identify the timeline to remediate specific security weaknesses. Despite periodic monitoring and discussion with the vendor, DHS did not object when the vendor extended remediation timelines. Under a new contract that began in August 2018, and in response to the most recent MMIS security assessment obtained in September 2019, DHS is taking steps to develop remediation timelines for the vendor based on the severity of the security weakness.

**Recommendation**

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*We recommend the Wisconsin Department of Health Services ensure that it adequately safeguards information technology systems used in administering the Medical Assistance Program, including by:*

- *developing and implementing information technology policies and procedures that comply with federal regulations and state policies and procedures;*
- *establishing specific timelines for remediation of security weaknesses identified; and*
- *monitoring that corrective actions to remediate security weaknesses are taken in a timely manner.*

**Finding 2019-305: Security for Medical Assistance Program IT Systems**

**Medical Assistance Program** (CFDA #93.778)

<u>Award Numbers</u>	<u>Award Years</u>
1805WI5MAP	2018
1905WI5MAP	2019

**Questioned Costs:** None



**Response from the Wisconsin Department of Health Services:** The Wisconsin Department of Health Services agrees with the audit finding and recommendation.

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## **Finding 2019-306: Medical Assistance Program Provider Overpayments**

### *Criteria:*

The U.S. Department of Health and Human Services provides funding to DHS for the MA Program. DHS uses MA program funding to make payments for services provided to eligible participants. DHS is required by 42 USC s. 1396a (a) (42) (A) to operate a program to audit provider records to ensure that proper payments are made under the MA Program.

Under 42 CFR s. 433.316, MA Program overpayments, which are the amounts paid by DHS to a provider that are in excess of the amounts allowable for the services provided, are required to be refunded to the federal government within one year of discovery. Discovery of an overpayment is defined as the identification by DHS, the federal government, or the provider of the overpayment, and the communication to the provider that the overpayment is subject to recovery. Unless it is the result of fraud, the federal regulations provide that an overpayment is discovered on the date on which DHS first notifies a provider in writing of an overpayment and specifies the amount that is subject to recovery unless notification already occurred in another manner.

Further, 42 USC s. 1396b (d) (2) (C) requires that when DHS identifies an overpayment, it is required to recover or attempt to recover that overpayment. However, regardless of whether DHS is successful in recovering an overpayment, the return to the federal government of the federal share is required to be completed within one year of discovery of the overpayment.

### *Condition:*

As required by DHS s. 108.09, Wis. Adm. Code, if DHS identifies an overpayment during an MA Program provider audit and a voluntary repayment is not achieved, DHS sends a Notice of Intent to Recover (NIR) letter as a final step to initiate recovery from the provider.

In September 2016, a circuit court issued an injunction prohibiting DHS from recovering payments for noncompliance with MA Program requirements other than those set forth in Wisconsin Statutes. Under the injunction, DHS was prohibited from issuing NIR letters or otherwise recovering funds from an MA provider except for payments DHS was unable to verify from the provider's records that a service was actually provided or for which an amount claimed was inaccurate or inappropriate for the service that was provided. The circuit court also stated that if DHS did not cease recovery efforts prohibited under the injunction, it would be found in contempt of court.

DHS continued to conduct audits of MA Program providers, identify potential overpayments, and communicate to the MA providers the identified overpayments. However, except in limited circumstances, DHS ceased completing NIR letters for contested provider overpayments it had identified. As a result, DHS did not begin recovery efforts nor return the federal share of identified overpayments.

In July 2019, the circuit court ruled in favor of DHS. DHS subsequently began processing the backlog of audits that had accumulated during the period of time the court's injunction was in place. In December 2019, the plaintiffs petitioned the Supreme Court for review of the case.

*Questioned Costs:*

None.

*Context:*

During FY 2018-19, the MA Program had federal expenditures of \$5.5 billion. We reviewed the process used by DHS to audit MA provider records to ensure that proper payments were made under the MA Program. As part of this review, we obtained a listing of the MA provider audits and found DHS had closed 175 audits during FY 2018-19. However, in June 2019, DHS had 1,208 audits outstanding. DHS estimated a total of \$18.3 million in overpayments were outstanding as of June 2019 from providers that had been sent preliminary letters through June 2018.

*Effect:*

DHS did not comply with federal regulations to return to the federal government in a timely manner the federal government's share of the overpayments DHS identified from MA Program providers.

*Cause:*

During FY 2018-19, DHS was prohibited from issuing NIR letters in an attempt to begin recovery efforts for overpayments identified in the provider audit process. Since a NIR was not issued, DHS interpreted federal regulations to mean that the one-year time period during which it must return to the federal government its share of overpayments had not begun. DHS did not consider that issuing preliminary letters may constitute an action that begins the time period for returning overpayments to the federal government. Although the overpayments communicated in DHS's preliminary letters are characterized to the provider as amounts that may be recovered, this does not necessarily preclude them from being considered as discovery of an overpayment under the provisions in 42 CFR s. 433.316 (c) (1).

Further, federal regulations do not explicitly indicate that DHS must be able to recover the overpayment, such as through the issuance of an NIR letter, for the federal government's share of the overpayment to be returned within one year. The federal regulations allow a one-year time period for returning the federal share of identified overpayments, in part, for DHS to make attempts to settle the overpayment amount and collect the amounts.

In FY 2017-18, we communicated that DHS’s practice of issuing preliminary letters and communicating potential overpayments to providers is sufficient under federal regulations to begin the time period in which DHS must return the federal share of overpayments identified (Finding 2018-305). Because DHS disagreed with the finding, it made no changes during FY 2018-19.

**☑ Recommendation**

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*We again recommend the Wisconsin Department of Health Services comply with the federal regulations and return to the federal government its share of Medical Assistance Program provider overpayment amounts it has identified and communicated to providers.*

**Finding 2019-306: Medical Assistance Program Provider Overpayments**

**Medical Assistance Program** (CFDA #93.778)

<u>Award Numbers</u>	<u>Award Years</u>
1805WI5MAP	2018
1905WI5MAP	2019

**Questioned Costs:** None

**Response from the Wisconsin Department of Health Services:** The Wisconsin Department of Health Services respectfully disagrees with the audit finding and recommendation.

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## Department of Military Affairs ■

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The Department of Military Affairs (DMA) provides a military force through the Wisconsin National Guard, which is available for use in state and national emergencies. Through the Division of Emergency Management, DMA also implements statewide emergency preparedness plans and administers federal disaster and emergency relief funds. In FY 2018-19, DMA administered \$81.6 million in federal financial assistance.

We tested DMA's internal controls and compliance with grant requirements for the National Guard Military Operations and Maintenance (O&M) Projects (CFDA #12.401), which is a type A program. We also tested internal controls and compliance with grant requirements for Disaster Grants—Public Assistance (Presidentially Declared Disasters) (CFDA #97.036), which is a type B program. Our audit findings are the following:

- National Guard Military Operations and Maintenance (O&M) Projects Extensions (Finding 2019-810); and
- Internal Controls Over Matching and Reporting for the Disaster Grants—Public Assistance (Presidentially Declared Disasters) Program (Finding 2019-811).

### **Finding 2019-810: National Guard Military Operations and Maintenance (O&M) Projects Extensions**

*Criteria:*

The National Guard Military O&M Projects grant provides funding for minor construction, maintenance, repair or operation of facilities, as well as mission

operational support for the Army and Air National Guard. DMA and the federal National Guard Bureau enter into a Master Cooperative Agreement, which is made up of 16 appendices. Each appendix pertains to a functional area and contains the applicable terms and conditions, such as the authorized and unauthorized activities for operations and maintenance.

The National Guard Bureau established National Guard Regulation 5-1, National Guard Grants and Cooperative Agreements. Under Ch. 11-10 of this regulation, DMA is required to submit a written extension request to the United States Property and Fiscal Officer (USPFO) for each appendix for which there are unexpended grant funds 90 days or more after the close of the federal fiscal year. For example, a 2018 grant that ends with the federal fiscal year on September 30, 2018, would require an extension to be submitted if there were unexpended grant funds as of December 31, 2018. For each appendix, the extension request is required to include a listing of all unexpended grant funds and a projected timeline for when those grant funds will be expended. DMA is required to submit extension requests every 90 days until all grant funds under that appendix are expended. Without a submitted extension request, DMA is not permitted to expend additional grant funds nor receive federal reimbursement under that appendix for that grant year.

DMA works with program managers employed by the federal government in administering the National Guard Military O&M Projects grant. Because DMA is the recipient of the National Guard Military O&M Projects grant for the State of Wisconsin, DMA is responsible for maintaining effective internal controls to ensure extension requests are submitted to the USPFO.

***Condition:***

During our FY 2018-19 audit, we reviewed 50 expenditures for the National Guard Military O&M Projects grant for which an extension request should have been submitted to the USPFO. For 10 of the 50 expenditures we reviewed, DMA could not demonstrate that an extension request had been submitted.

***Questioned Costs:***

We question a total of \$271,198 in improper National Guard Military O&M Projects expenditures because DMA could not demonstrate an extension request had been submitted. There may also be additional improper National Guard Military O&M Projects expenditures because other extension requests were not submitted.

***Context:***

We interviewed DMA staff to gain an understanding of the procedures for submitting extension requests to the USPFO. We requested the submitted extension requests for 10 individually important expenditures and 40 randomly sampled expenditures for which an extension request should have been submitted. We then assessed if there was a submitted extension request covering the time period during which the expenditure occurred.

*Effect:*

DMA did not consistently comply with federal regulations for submitting an extension request when there were unexpended grant funds 90 days or more after the close of the federal fiscal year. Because DMA could not demonstrate extension requests were submitted as required, it expended funds when it was not permitted to do so and, subsequently, DMA received federal reimbursement for grant expenditures that may not be allowable.

*Cause:*

DMA had assigned the role of submitting extension requests to the federal program managers, but it did not implement procedures to ensure that an appendix requiring an extension had an extension request submitted.

**Recommendation**

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*We recommend the Wisconsin Department of Military Affairs develop and implement procedures to ensure extension requests are submitted as required.*

**Finding 2019-810: National Guard Military Operations and Maintenance (O&M) Projects Extensions**

***National Guard Military Operations and Maintenance (O&M) Projects***  
(CFDA #12.401)

<u>Award Numbers</u>	<u>Award Years</u>
46502015ARMYOM	2015
46502016ARMYOM	2016
46502017ARMYENV	2017
46502017ARMYOM	2017
46502017MITCHFO	2017
46502017TELADD	2017
46502018ARMYOM	2018
46502018DISLRN	2018
46502018MITCHFO	2018
46502018TELADD	2018
46502018TELECOM	2018
46502018TRUSEC	2018
46502018VOLKFO	2018
46502018VOLKNR	2018
46502018VOLKTCF	2018

**Questioned Costs:** \$271,198

**Response from the Wisconsin Department of Military Affairs:** The Wisconsin Department of Military Affairs agrees with the audit finding and recommendation.

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## **Finding 2019-811: Internal Controls over Matching and Reporting for the Disaster Grants—Public Assistance (Presidentially Declared Disasters) Program**

### *Criteria:*

The Federal Emergency Management Agency (FEMA) provides funding to DMA for the Disaster Grants—Public Assistance (Presidentially Declared Disasters) program (Disaster Grants) (CFDA #97.036). This funding provides assistance for response and recovery from major disasters and emergencies declared by the President of the United States. During FY 2018-19, DMA expended \$18.5 million under this program for eight disasters, each of which are made up of multiple projects.

As the recipient of the Disaster Grants for the State of Wisconsin, DMA is responsible for expending a required percentage of total expenditures from state funding sources to meet a matching requirement, and it is required to submit quarterly financial reports to FEMA. DMA is also responsible for maintaining effective internal controls, including policies and procedures to ensure it expends the required percentage of total expenditures and submits accurate quarterly financial reports to FEMA.

### *Condition:*

DMA used an internally generated spreadsheet to automatically summarize the incurred expenditures used to meet the matching requirement. DMA also used this spreadsheet to automatically generate expenditure amounts for the quarterly financial reports to FEMA. Our review indicated that DMA materially complied with the matching and reporting compliance requirements for the Disaster Grants. However, we identified concerns with the query that obtained expenditure data for the spreadsheet from the State's accounting system. Specifically, the query used an inappropriate date field that could produce different results if the same date range was entered in that field but the query was executed on different days. In addition, certain criteria can be manually entered into certain fields for which consistent criteria should be used in order to produce consistent results.

Although DMA developed the spreadsheet and underlying query to ensure the matching and reporting compliance requirements were met, these internal controls were not sufficient to ensure consistency and accuracy. Further, DMA did not have adequate compensating controls.

### *Questioned Costs:*

None.

### *Context:*

During our FY 2018-19 audit, we interviewed DMA staff to gain an understanding of the procedures and internal controls in place to ensure the matching and reporting compliance requirements were met for the Disaster Grants. To assess if the internal controls were appropriate and effective, we reviewed the formulas



applied by the spreadsheet and the underlying query used to obtain the expenditure data from the State’s accounting system.

*Effect:*

Although no material noncompliance was identified for the Disaster Grants, we found DMA’s internal controls were not sufficient. The deficiency in internal controls over compliance for the matching and reporting requirements increases the risk that DMA will expend more or less than its required percentage of total expenditures and that DMA will submit inaccurate quarterly financial reports to FEMA.

*Cause:*

Although DMA performed reviews of the spreadsheet results, the reviews were not designed in a manner that would identify the issues with the underlying query used to obtain the expenditure data. DMA also did not perform specific quality assurance reviews of the underlying query to ensure the query functioned correctly and consistently produced accurate results. DMA also did not have established procedures for executing the underlying query to ensure appropriate and consistent criteria was entered.

**Recommendation**

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*We recommend the Wisconsin Department of Military Affairs modify the query that obtains expenditure data from the State’s accounting system so that the query consistently provides accurate data, and develop and implement written procedures to ensure the query is consistently executed using appropriate criteria.*

**Finding 2019-811: Internal Controls over Matching and Reporting for the Disaster Grants—Public Assistance (Presidentially Declared Disasters) Program**

***Disaster Grants—Public Assistance (Presidentially Declared Disasters)***  
(CFDA #97.036)

<u>Award Numbers</u>	<u>Award Years</u>
4650DR1933PA	2011
4650DR4076PA	2013
4650DR4141PA	2014
4650DR4276PA	2017
4650DR4288PA	2017
4650DR4343PA	2018
4650DR4383PA	2019
4650DR4402PA	2019

**Questioned Costs:** None

**Response from the Wisconsin Department of Military Affairs:** The Wisconsin Department of Military Affairs agrees with the audit finding and recommendation.



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## Department of Public Instruction ■

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The Wisconsin Department of Public Instruction (DPI) provides guidance and technical assistance to support public elementary and secondary education in Wisconsin. It also provides assistance for the development and improvement of public and school libraries. In FY 2018-19, DPI administered \$836.4 million in federal financial assistance.

We tested DPI's internal controls and compliance with grant requirements for three type A programs: Child Nutrition Cluster (CFDA #10.553/10.555/10.556/10.559), Child and Adult Care Food Program (CFDA #10.558), and Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) (CFDA #84.367). We also tested DPI's internal controls and compliance with grant requirements for Twenty-First Century Community Learning Centers (CFDA #84.287), which is a type B program. Our audit findings are the following:

- Timing of Draws of Federal Funds—Child Nutrition Cluster (Finding 2019-400);
- Timing of Draws of Federal Funds—Child and Adult Care Food Program (Finding 2019-401); and
- Timing of Draws of Federal Funds—Twenty-First Century Community Learning Centers (Finding 2019-402).

In addition, we followed up on DPI's progress in addressing Finding 2018-400 of our FY 2017-18 audit (report 19-3). DPI implemented corrective actions to address this finding. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 75 and describes the status of each finding as of the end of our audit period.

**Finding 2019-400: Timing of Draws of Federal Funds—Child Nutrition Cluster****Finding 2019-401: Timing of Draws of Federal Funds—Child and Adult Care Food Program****Finding 2019-402: Timing of Draws of Federal Funds—Twenty-First Century Community Learning Centers***Criteria:*

The Cash Management Improvement Act (CMIA) of 1990, as amended, requires that the State enter into an agreement with the U.S. Department of the Treasury for certain federal programs to ensure that neither the State nor the federal government earns interest income at the expense of the other. This agreement is referred to as the Treasury-State Agreement (TSA). For other federal programs, CMIA regulations in 31 CFR s. 205.33 require the State to minimize the time between when the State draws federal funds from the federal government and when the State disburses funds for federal program purposes. The regulations further specify that the timing and amount of the draws from the federal government are to be as close as administratively feasible to the State's actual cash outlay.

*Condition:*

To determine the timing of drawing federal funds, the State Controller's Office in the Department of Administration (DOA) uses a report from the State's enterprise resource planning system, STAR, which includes the State's accounting system. This STAR report identifies the earliest date the federal funds should be drawn in addition to the amount that may be drawn, both of which are based on information derived from federal program transactions processed in STAR by DPI and other state agencies. These transactions include those that directly result in a payment as well as other non-payment transactions, such as those that allocate costs.

A payment may be scheduled in STAR to be disbursed at a future date, rather than immediately after the date the transaction was approved in STAR. However, after a payment transaction is approved in STAR, the central federal draw process begins regardless of the scheduled disbursement date. For those payments DPI scheduled in STAR to be disbursed at a future date, particularly those scheduled to be disbursed five days or more in the future, the STAR report indicated the federal funds could be drawn even though the actual STAR disbursement had not yet occurred. DPI indicated that prior to May 2019, it regularly scheduled payment disbursements for aids payments 11 days in the future.

Although compensating controls were identified for major federal programs included in the FY 2018-19 TSA, these compensating controls were not applicable to major federal programs not included in the TSA.

*Questioned Costs:*

None.

*Context:*

During FY 2018-19, DOA drew federal funds of approximately \$214.3 million for the Child Nutrition Cluster (CFDA #10.553/10.555/10.556/10.559), \$36.9 million for the Child and Adult Care Food Program (CFDA #10.558), and \$16.2 million for the Twenty-First Century Community Learning Centers (CFDA #84.287) program. We reviewed a selection of draws of federal funds and a selection of expenditure transactions for each program. For each selected item, we compared the date the federal funds were drawn and received from the federal government to the State's scheduled payment disbursement date.

Payments that were scheduled to be disbursed at a future date represented more than 98.0 percent of the payment transactions associated with the Child and Adult Care Food Program, more than 96.0 percent of the payment transactions associated with the Twenty-First Century Community Learning Centers program, and more than 24.0 percent of the payment transactions associated with the Child Nutrition Cluster. Compensating controls were in place for the National School Lunch Program (CFDA #10.555) under the Child Nutrition Cluster because it is included in the TSA.

*Effect:*

Five days or more elapsing between the date a payment transaction was approved and the date the payment was disbursed indicates that the draw of federal funds was initiated before it was appropriate to do so and, therefore, the State did not minimize the time between drawing and disbursing funds for federal program purposes. For the selected payment transactions we reviewed, certain payment disbursements were scheduled five or more days in the future. For example:

- A payment for the Child Nutrition Cluster was approved in STAR on January 15, 2019, with a scheduled disbursement date of January 28, 2019. The related federal funds were received on January 18, 2019, which was ten days prior to the scheduled disbursement date.
- A payment for the Child and Adult Care Food Program was approved in STAR on April 4, 2019, with a scheduled disbursement date of April 15, 2019. The related federal funds were received on April 5, 2019, which was ten days prior to the scheduled disbursement date.
- A payment for the Twenty-First Century Community Learning Centers program was approved in STAR on September 26, 2018, with a scheduled disbursement date of October 9, 2018. The related federal funds were received on September 27, 2018, which was 12 days prior to the scheduled disbursement date.

*Cause:*

STAR is a complex system, and the processing that creates the STAR report used by DOA is several steps removed from the entry of a payment transaction, increasing the difficulty of including payment transactions in that report based on the scheduled disbursement date. Because the STAR report DOA used in drawing federal funds is based on the date the transaction was approved in STAR rather than the disbursement date, DOA was unaware of whether scheduled disbursement dates varied significantly from the approved date in the STAR report.

In FY 2017-18, we recommended that DOA correct this deficiency (Findings 2018-100 and 2018-101). In response to our prior-year recommendations, DOA revised procedures in the *Wisconsin Accounting Manual* in March 2019 to explain the need to reduce the time between the draw of federal funds and the scheduled disbursement of funds for federal programs by as much as administratively feasible. However, because the issue was not communicated until March 2019, the control deficiency in DOA’s draw process for the federal programs was present for the majority of FY 2018-19. DPI implemented changes beginning in May 2019 to reduce the time between when payments were entered into STAR and when they were scheduled to be disbursed to approximately one week, which it deemed to be administratively feasible. However, the changes DPI implemented were not made until late in FY 2018-19.

**Recommendation**

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*We recommend the Wisconsin Department of Public Instruction ensure that the time between the draw of federal funds and the scheduled disbursement of funds for federal programs it administers is reduced by as much as administratively feasible.*

**Finding 2019-400: Timing of Draws of Federal Funds—Child Nutrition Cluster**

**Child Nutrition Cluster** (CFDA #10.553/10.555/10.556/10.559)

<u>Award Numbers</u>	<u>Award Years</u>
182WI063N1099	2018
192WI063N1099	2019

**Questioned Costs:** None

**Finding 2019-401: Timing of Draws of Federal Funds—Child and Adult Care Food Program**

**Child and Adult Care Food Program** (CFDA #10.558)

<u>Award Numbers</u>	<u>Award Years</u>
182WI063N1099	2018
192WI063N1099	2019

**Questioned Costs:** None

**Finding 2019-402: Timing of Draws of Federal Funds—Twenty-First Century Community Learning Centers**

***Twenty-First Century Community Learning Centers*** (CFDA #84.287)

<u>Award Numbers</u>	<u>Award Years</u>
S287C160050	2016-17
S287C170050	2017-18
S287C180050	2018-19

**Questioned Costs:** None

**Response from the Wisconsin Department of Public Instruction:** The Wisconsin Department of Public Instruction agrees with the audit finding and recommendation.

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## Other Agencies ■

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In addition to the departments of Administration, Health Services, Military Affairs, and Public Instruction, we also audited federal programs or followed up on the status of prior audit findings at seven other state agencies. The following is a summary of the work we performed at the departments of Children and Families, Natural Resources, Transportation, Veterans Affairs, Workforce Development, University of Wisconsin System, and Wisconsin Technical College System.

### **Department of Children and Families**

The Wisconsin Department of Children and Families (DCF) administers programs such as adoption assistance, foster care, and child support enforcement. It also administers the Wisconsin Shares child care subsidy program and Wisconsin's work-based public assistance program, Wisconsin Works (W-2). In fiscal year (FY) 2018-19, DCF administered \$618.2 million in federal financial assistance.

For our FY 2018-19 audit, no grants administered by DCF were selected for audit based on risk factors established by *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). However, we followed up on DCF's progress in addressing Findings 2018-200 through 2018-203 of our FY 2017-18 audit (report 19-3), and Finding 2015-022 of our FY 2014-15 audit (report 16-5), which was included in the Summary Schedule of Prior Audit Findings in report 19-3. DCF implemented corrective actions to address our concerns related to Findings 2018-201, 2018-203, and 2015-022, and to partially address Findings 2018-200 and 2018-202. It will be important for DCF to continue to work to resolve these findings. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 75 and describes the status of each finding as of the end of our audit period as well as ongoing steps to address findings that were not fully corrected.

## **Department of Natural Resources**

The Wisconsin Department of Natural Resources (DNR) administers programs related to protecting and enhancing Wisconsin's natural resources, including its air, land, water, forests, wildlife, fish, and plants. In FY 2018-19, DNR administered \$153.7 million in federal financial assistance.

We tested DNR's internal controls and compliance with grant requirements for the Fish and Wildlife Cluster (CFDA #15.605/15.611), which is a type A program. Our audit of this program identified no issues that required reporting.

## **Department of Transportation**

The Wisconsin Department of Transportation (DOT) administers transportation programs, including those affecting highways, bridges, airports, harbors, and railroads. In FY 2018-19, DOT administered \$1.1 billion in federal financial assistance.

For our FY 2018-19 audit, no grants administered by DOT were selected for audit based on risk factors established by Uniform Guidance. However, we followed up on DOT's progress in addressing Findings 2017-500 and 2017-501 of our FY 2016-17 audit (report 18-5), which were included in the Summary Schedule of Prior Audit Findings in report 19-3. DOT implemented corrective actions to address these findings. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 75 and describes the status of each finding as of the end of our audit period.

## **Department of Veterans Affairs**

The Department of Veterans Affairs (DVA) provides benefits, programs, and services for veterans living in Wisconsin. DVA also operates three veterans homes that provide care for veterans. In FY 2018-19, DVA administered \$50.7 million in federal financial assistance.

We tested DVA's internal controls and compliance with grant requirements for the Veterans State Nursing Home Care (CFDA #64.015) program, which is a type A program. Our audit of this program identified no issues that required reporting.

## **Department of Workforce Development**

The Department of Workforce Development (DWD) 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, federal grants funded \$207.7 million of DWD's FY 2018-19 expenditures. In addition, the Wisconsin Unemployment Reserve Fund paid \$387.8 million in

regular unemployment insurance benefits and \$0.2 million in federally funded benefits.

We tested DWD's internal controls and compliance with grant requirements for Rehabilitation Services Vocational Rehabilitation Grants to States (CFDA #84.126), which is a type A program. Our audit of this program identified no issues that required reporting.

## University of Wisconsin System

The University of Wisconsin (UW) System provides postsecondary academic education for approximately 175,000 students. The System includes 13 four-year universities, 13 two-year branch campuses associated with a university, and UW System Administration. Each of the 13 universities awards bachelor's and master's degrees, and several also confer doctoral degrees. The 13 two-year branch campuses offer general education associate degrees and course credits that transfer to other degree-granting universities. UW System Administration consists of the UW System President's staff who assist the Board of Regents in establishing and monitoring systemwide policies, financial planning for the system, and maintaining fiscal control.

In FY 2018-19, UW System administered \$1.7 billion in federal financial assistance, including \$590.1 million disbursed under the Research and Development Cluster and \$983.1 million administered under the Student Financial Assistance Cluster. For our FY 2018-19 audit, no grants administered by UW System were selected for audit based on risk factors established by Uniform Guidance.

However, we followed up on UW System's progress in addressing Finding 2018-700 of our FY 2017-18 audit (report 19-3). UW System implemented corrective actions to partially address the finding. It will be important for UW System to continue to work to resolve this finding. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 75 and describes the status of each finding as of the end of our audit period as well as ongoing steps to address findings that were not fully corrected.

In addition, we followed up on the progress of UW institutions in addressing Finding 2016-008 of our FY 2015-16 audit (report 17-5), which was included in the Summary Schedule of Prior Audit Findings in report 19-3. UW institutions implemented corrective action to address the finding. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 75 and describes the status of each finding as of the end of our audit period.

We also included the Wisconsin Humanities Council in our FY 2018-19 audit of UW System and audited the Promotion of the Humanities—Federal/State Partnership (CFDA #45.129) grant. The Wisconsin Humanities Council is a nonprofit organization associated with UW System, which is responsible for the fiscal and personnel administration of the Humanities Council. We tested internal controls and compliance with grant requirements for the Promotion of the Humanities—Federal/State Partnership grant. Our audit of this grant found no issues that required reporting.

## Wisconsin Technical College System

The Wisconsin Technical College System (WTCS) creates policy and provides direction for the 16 technical college districts in the State of Wisconsin; administers state and federal aids; coordinates vocational and technical programs with other state agencies; and coordinates adult education and family literacy services with technical college districts and community-based organizations. In FY 2018-19, WTCS administered \$28.4 million in federal financial assistance.

For our FY 2018-19 audit, no grants administered by WTCS were selected for audit based on risk factors established by Uniform Guidance. However, we followed up on the progress of WTCS in addressing Finding 2018-900 of the FY 2017-18 audit (report 19-3). WTCS implemented corrective actions to address this finding. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 75 and describes the status of each finding as of the end of our audit period.

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# State of Wisconsin Schedule of Findings and Questioned Costs for the Year Ended June 30, 2019 ■

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*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 Uniform Guidance, the Wisconsin Legislative Audit Bureau is providing the following summary information related to the State of Wisconsin's single audit for fiscal year (FY) 2018-19:

#### Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
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: Unmodified for all major federal programs except for Child Nutrition Cluster (CFDA #10.553/10.555/10.556/10.559), Child and Adult Care Food Program (CFDA #10.558), and Twenty-First Century Community Learning Centers (CFDA #84.287), which were qualified.

Any audit findings disclosed that are required to be reported in accordance with s. 200.516 (a) of Uniform Guidance? 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 s. 200.518 (b) of Uniform Guidance:

Applicable CFDA Number	Major Federal Program/Cluster
10.553/10.555/10.556/10.559	Child Nutrition Cluster
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
15.605/15.611	Fish and Wildlife Cluster
64.015	Veterans State Nursing Home Care
81.042	Weatherization Assistance for Low-Income Persons
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)
93.069	Public Health Emergency Preparedness
93.268	Immunization Cooperative Agreements
93.568	Low-Income Home Energy Assistance
93.775/93.777/93.778	Medicaid Cluster
93.958	Block Grants for Community Mental Health Services
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)

## Section II

### Financial Statement Findings

This schedule includes one deficiency in internal control over financial reporting that we consider to be a material weakness and four deficiencies in internal control over financial reporting that we consider to be significant deficiencies. These deficiencies in internal control over financial reporting are required to be reported by auditing standards generally accepted in the United States of America and *Government Auditing Standards*. Findings 2018-001, 2018-006, 2018-007, 2018-008, 2018-009, and 2018-010 from the prior year (report 19-3) are no longer reportable. Repeat findings from report 19-3 are indicated with an asterisk (\*).

#### **Finding 2019-001: STAR Security Concerns\***

##### *Criteria:*

The Department of Administration (DOA) is responsible for the maintenance of the State's enterprise resource planning system, STAR, which includes the accounting, payroll, and purchasing systems for most state agencies. To provide proper internal control, information technology (IT) security policies and procedures are necessary to ensure data stored and processed in STAR are protected from accidental or intentional misuse or destruction. IT controls should be established to prevent inappropriate or inadvertent access to STAR and its related databases, and to provide staff with a consistent methodology for performing their job functions.

The National Institute of Standards and Technology's (NIST) *Special Publication 800-53r4* discusses the importance of creating policies and procedures, ensuring proper separation of duties, and maintaining a standard for access that seeks to provide a user with least privilege, which requires that only the minimum necessary rights are assigned to complete a task. The DOA STAR Program Office, which is responsible for the overall maintenance and administration of STAR, adopted the security administration policies in the State of Wisconsin *IT Security Policy Handbook*, which are based on the NIST security framework, and developed security procedures in the *STAR Security Administration Handbook*.

##### *Condition:*

We have reported concerns related to STAR security since STAR was first implemented in FY 2015-16. During our FY 2015-16, FY 2016-17, and FY 2017-18 audits of STAR, we identified weaknesses in policies, standards, and procedures related to security, as well as areas of inappropriate or excessive access to STAR. To address prior-year recommendations, DOA established policies and procedures related to security, reduced some of the excessive or inappropriate access identified, and implemented an annual user attestation process to review and adjust user access to STAR.

During our FY 2018-19 audit, we reviewed security-related controls over the STAR Finance, STAR Procurement, and STAR Human Capital Management (HCM)

applications and the related databases. We considered how security-related controls ensured proper access was granted and maintained, and we followed up on recommendations we made as part of our FY 2017-18 audit. Although we found that DOA made progress on our FY 2017-18 recommendations (Finding 2018-005), including reducing access in several areas and implementing new procedures, we continued to identify concerns that need to be addressed. For example, we found that unnecessary access continued to be reassigned for some users because of an automated process that the STAR Program Office did not sufficiently understand. Further, we found the user attestation process did not include for review all user accounts that were expected to be included. We determined that the detailed results of our review were too sensitive to communicate publicly. Therefore, we communicated the results in a confidential interim memorandum to the DOA State Controller's Office (SCO) and the STAR Program Office.

*Questioned Costs:*

None.

*Context:*

We completed testing of security administration over the STAR Finance, STAR Procurement, and STAR HCM applications and the related databases. We interviewed staff in the STAR Program Office, SCO, and the DOA Division of Personnel Management to gain an understanding of the security administration policies and procedures, and the steps taken to address recommendations from our FY 2017-18 audit. In addition, we performed queries to test access to selected accounts and roles in STAR, and we requested documentation to test other areas of security administration.

STAR functions include processing vendor payments, accounting for cash receipts, tracking and maintaining employee information, tracking employee time, and processing payroll. STAR is used by SCO and most state agencies to report financial information, monitor budgets, administer federal grants, process payroll, process transactions, and manage assets.

*Effect:*

Although it can be difficult to determine how IT concerns such as those we identified affect the financial statements and material federal compliance areas, ineffective IT controls in areas such as these may permit controls over STAR to operate improperly and may allow financial statement misstatements and noncompliance to occur and not be detected.

Weaknesses in IT security controls increase the risk that unauthorized or erroneous transactions could be processed or changes could be made to accounting, payroll, and other data in STAR. In addition, failure to provide an appropriate level of protection for systems and data increases the risk that personally identifiable information could be accidentally or maliciously exposed.

*Cause:*

DOA continues to develop its procedures and controls over the STAR environment, and does not yet have sufficient understanding about the complexities and



intricacies of security in this environment. Because some procedures were not adequately implemented throughout the audit period, risks continued to exist.

**☑ Recommendation**

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*We recommend the Wisconsin Department of Administration take corrective actions by June 30, 2020, to address the specific recommendations included in the confidential interim memorandum provided during the audit.*

**Response from the Wisconsin Department of Administration:** The Department of Administration agrees with the finding and recommendation.

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**Finding 2019-002: Implementation of IT Procedures by the Department of Administration Division of Enterprise Technology\***

*Criteria:*

Under s. 16.97, Wis. Stats., DOA is responsible for the State's IT services, including ensuring that all state data processing facilities develop proper privacy and security procedures and safeguards. As a part of DOA, the Division of Enterprise Technology (DET) operates a data center to provide a variety of services to state agencies, including managing the mainframe for all agencies; managing servers for DOA and other executive branch agencies; and maintaining DOA-related systems. In addition, DET performs programming and security functions including maintaining the infrastructure for STAR.

Because the mainframe and servers contain financial data and confidential information, it is important that DET manage and maintain a secure environment. Managing a secure environment involves developing, approving, and following appropriate policies, standards, and procedures.

As defined by DET, IT policies are formal, brief, high-level statements or plans that reflect an agency's general beliefs, goals, rules, and objectives for a specific subject area. Standards are mandatory actions or rules designed to support policies. Procedures are a documented series of steps that align with policies and standards. Well-written policies, standards, and procedures provide staff with a consistent methodology for performing their job functions.

DET uses the NIST framework as a guide to develop policies, standards, and procedures. Because of the diverse requirements of state agencies, DET's policies, standards, and procedures must comply with Wisconsin Statutes as well as requirements of other laws and standards, such as the Internal Revenue Service (IRS) laws, Criminal Justice Information Services (CJIS) standard, Health Insurance Portability and Accountability Act (HIPAA), Payment Card Industry Data Security Standard (PCI DSS), and Family Educational Rights and Privacy Act (FERPA).

DET's policies and standards are set forth in the State of Wisconsin *IT Security Policy Handbook*, which includes the related standards by reference. In addition to

establishing procedures to support conformance with its policies and standards, it is also important that DET establish settings that enforce its policies, standards, and procedures. Settings are technical configurations that enforce controls for a computer or group of computers. For instance, password settings can enforce password length, which is prescribed by DET's policies and standards. Implementation of settings enforces the controls that are in place and, therefore, helps to ensure that approved standards are being followed.

***Condition:***

We first reported concerns regarding a lack of policies, standards, and procedures over the operations of DET's data center during our FY 2014-15 audit. In that fiscal year, and each subsequent fiscal year, we made recommendations for DET to develop policies, standards, and procedures and to address specific concerns we identified in IT practices and settings (Finding 2018-003).

During our FY 2018-19 audit, we found DET had taken steps to address some of the recommendations we made during and subsequent to the FY 2014-15 audit, including the development of IT policies and standards. However, corrective actions have not been fully implemented and, therefore, weaknesses continue to exist in IT security over the operations of DET's data center. Specifically, DET did not complete all corrective actions to address our prior audit recommendations related to completing written procedures, reviewing settings and practices, and completing projects initiated in response to specific concerns we identified. In some areas, the corrective action plan and subsequent updates to that plan indicated that the corrective action would not be completed as of June 30, 2019. In addition, we continued to identify concerns related to DET's implementation of its policies and standards through its procedures and settings. For example:

- DET could not demonstrate that regular reviews were performed of access to the network, equipment, systems, and data in most areas;
- DET did not consistently document written procedures related to resolving failed back-ups or the resolution of failed back-ups that occurred;
- DET did not make security awareness training available during the last six months of FY 2018-19; and
- DET did not document and could not demonstrate approval for all exceptions to policies and standards that it actually employed in practice.

We determined that the detailed results of our review were too sensitive to communicate publicly. Therefore, we communicated the results in a separate confidential communication to the Chief Information Officer in DOA.

**Questioned Costs:**

None.

**Context:**

We reviewed the State of Wisconsin *IT Security Policy Handbook* and related standards; interviewed the DOA Chief Information Officer, the DOA Deputy Administrator of Enterprise Operations, the DOA Chief Information Security Officer, and other DOA staff; and evaluated the design or operation of certain security settings and practices.

Most state agencies use computer systems that are located on the mainframe or on servers maintained in the DET data center and that are relied on to complete critical functions, including processing checks, accounting for cash receipts, preparing financial statements, and administering federal grant programs.

**Effect:**

Procedures and settings that do not align with approved policies and standards weaken the level of security provided by DET. For example, failure to properly manage and maintain a secure environment at the DET data center could result in inappropriate access, which could result in the issuance of erroneous or fraudulent checks or inappropriate viewing of confidential data.

Further, because DET hosts and supports a significant number of executive branch agencies and systems at its data center, risks at the data center can affect the computing resources and data of state agencies. For example, if a data center or the state network is compromised, there is an increased risk that harm could come to any of the systems or data of the agencies that use the data center or network.

**Cause:**

The policies and standards now followed by DET were approved in October 2018. Although DET has taken steps to implement procedures and review practices and settings to enforce those policies and standards, DET staff indicated that implementation is ongoing and was not completed by June 30, 2019. In some areas, DET staff indicated they were unaware that its policies and standards were not met.

 **Recommendation**


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*We recommend the Wisconsin Department of Administration take steps to fully complete or update and implement the written procedures, practices, and settings of the Division of Enterprise Technology to enforce its policies and standards, and take corrective action to address the specific concerns communicated during the audit.*

**Response from the Wisconsin Department of Administration:** The Department of Administration agrees with the findings and recommendations.

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### **Finding 2019-003: Department of Administration Information Technology Oversight Responsibilities\***

*Criteria:*

Wisconsin Statutes give DOA responsibility for the State's IT services. Under s. 16.971 (2), Wis. Stats., DOA shall:

- in cooperation with executive branch agencies, establish policies, procedures, and planning processes for the administration of IT services, which executive branch agencies must follow;
- ensure the policies, procedures, and processes address the needs of agencies, other than the Board of Regents of UW System, to carry out their functions; and
- monitor adherence to these policies, procedures, and processes.

Further, s. 16.971 (2), Wis. Stats., requires DOA to provide oversight and monitoring of state agency IT operations, including the responsibility for ensuring:

- management reviews of IT organizations are conducted;
- all executive branch agencies develop and operate with clear guidelines and standards in the areas of IT systems development and employ good management practices and cost-benefit justifications; and
- all state data-processing facilities develop proper privacy and security procedures and safeguards.

In addition, s. 16.973 (3), Wis. Stats., states that DOA shall facilitate the implementation of statewide initiatives, including development and maintenance of policies and programs to protect the privacy of individuals who are the subjects of information contained in the databases of the agencies.

The Information Technology Executive Steering Committee (ITESC), which was initially established in April 2013 through Executive Order 99, and the Wisconsin Information Technology Directors Council (ITDC) work with DOA in fulfilling its responsibilities related to the State's IT services. ITESC members are high-level IT leaders from select agencies, including the largest agencies. The purpose of ITESC is to align enterprise IT deployment with statewide business goals. One of ITESC's stated goals is to create and maintain enterprise IT policies. The ITDC is an inter-agency group of IT staff that DOA created to encourage information sharing between itself and agency IT leaders at varying levels across the agencies.

DOA uses the NIST framework as a guide to develop and modify executive branch agency policies and standards. NIST is a federal organization that is responsible for establishing standards. Specifically, NIST developed *Special Publication 800-53r4* to "fulfill their statutory responsibilities under the Federal Information Security

Management Act (FISMA) to develop information security standards and guidelines, including minimum requirements for federal information systems.” This publication provides information and guidance for all areas that should be considered for maintaining a secure IT environment.

***Condition:***

We first reported concerns regarding the lack of executive branch agency IT policies and standards during the FY 2015-16 audit. During the FY 2016-17 and FY 2017-18 audits, in addition to recommendations related to the implementation of executive branch agency policies and standards, we recommended DOA take steps to identify, assess, and address risks for the State’s IT environment. These steps were to include completion of vulnerability assessments, penetration testing, and a comprehensive risk assessment (Finding 2018-004).

During the FY 2018-19 audit, we found that, in October 2018, ITSEC approved the State of Wisconsin *IT Security Policy Handbook*, which includes the related standards by reference. Executive branch agencies are expected to comply with these policies and standards. DOA communicated the new policies and standards to agencies using a private state website and discussions at the ITDC meetings. However, DOA did not take specific additional steps to encourage and monitor agency progress toward compliance. For example, DOA did not establish a timeline within which agencies were expected to become compliant with the policies and standards. DOA also did not request self-assessments from agencies regarding their progress in implementing the policies and standards. As of June 30, 2019, executive branch agencies had not fully implemented procedures that conform with the policies and standards. For example, at four agencies we reviewed, procedures had not been developed or effectively implemented to review user access on at least an annual basis to ensure user access remained appropriate in accordance with the principle of least privilege. At three of these agencies, we also found that procedures for initially establishing user access did not demonstrate adequate consideration of the user’s needs based on the principle of least privilege.

Although DOA took steps to address some of our other prior audit recommendations, we found additional work is needed. For example, DOA completed some work related to vulnerability assessments and penetration testing. However, DOA’s timeline for completing certain steps was revised, including some dates that extended beyond June 30, 2019.

***Questioned Costs:***

None.

***Context:***

State agencies use computer systems that DOA is responsible for ensuring are properly secured and are relied on to complete critical functions, including processing checks, accounting for cash receipts, preparing financial statements, and administering federal grant programs. We interviewed the DOA Chief Information Officer, the DOA Deputy Administrator of Enterprise Operations, the DOA Chief Information Security Officer, and other DOA staff to gain an understanding of the

development of executive branch agency IT policies and standards as well as the steps that have been taken to monitor and provide oversight of executive branch agency IT operations. We also interviewed certain agency IT staff and evaluated the design or operation of certain agency practices and settings, including compliance of these practices and settings with the Wisconsin *IT Security Policy Handbook* and related standards.

***Effect:***

Because there are connections among agencies in the state's network, weaknesses at one agency can affect security for other agencies. Additionally, failure to monitor agency environments and practices can also lead to vulnerabilities in the state's network, known or unknown, because there is no assurance that all systems are meeting the minimum level of security for the State's IT environment, as established in the State of Wisconsin *IT Security Policy Handbook* and related standards. Weaknesses in the security of the network can lead to inappropriate access to confidential or sensitive data, unauthorized changes to the data within the system, or a failure of the system.

***Cause:***

DOA completed some monitoring of the executive branch agencies through discussions during ITESC and ITDC meetings. However, these discussions may not provide sufficient information to enable DOA to understand progress across all executive branch agencies in conforming to the State of Wisconsin *IT Security Policy Handbook* and related standards or to identify weaknesses that exist at an agency level and that create a risk for the overall IT environment. DOA also prioritized certain vulnerability and penetration tests over others as well as over the completion of a comprehensive risk assessment. DOA indicated that, as part of the comprehensive risk assessment, it plans to assess the extent to which agencies have conformed to the policies and standards. However, a timeline for fully completing a comprehensive risk assessment has not been established.

**Recommendation**

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*We recommend the Wisconsin Department of Administration:*

- *develop and implement, by March 31, 2020, a plan for monitoring the progress of executive branch agencies in becoming compliant with the State of Wisconsin *IT Security Policy Handbook* and related standards;*
- *complete its corrective action plan to fully address recommendations from prior-year Finding 2018-004 within the timeline provided in its June 2019 communication to the Legislative Audit Bureau on the status of corrective actions taken; and*
- *develop and implement by June 30, 2020, a process to regularly identify, assess, and address risks for the State's IT environment, including vulnerability assessments, penetration testing, and comprehensive risk assessments that assess risk across the IT environment and include ongoing monitoring of agency*

*compliance with the State of Wisconsin IT Security Policy Handbook and related standards.*

**Response from the Wisconsin Department of Administration:** The Department of Administration agrees with the findings and recommendations.

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### **Finding 2019-004: Financial Reporting for the Transportation Fund**

***Criteria:***

The Department of Transportation (DOT) is responsible for administering transportation infrastructure projects throughout the State, including developing and maintaining roads and bridges. Activity related to transportation infrastructure projects is accounted for in the Transportation Fund, a governmental fund that is reported in the State's CAFR. DOT is responsible for preparing and submitting financial statements and required supplementary information to SCO for inclusion in the State's CAFR. In addition, DOT is responsible for maintaining effective internal controls to ensure the financial information submitted to SCO is fairly presented and that misstatements are prevented, or detected and corrected in a timely manner.

***Condition:***

DOT's process for preparing and reviewing financial information was not sufficient to prevent, or detect and correct in a timely manner substantive misstatements. For example, DOT staff prepared a new accrual related to intergovernmental revenue under advance contracts. However, the data used to prepare this entry were not adequately evaluated to identify the amounts eligible for accrual.

***Questioned Costs:***

None.

***Context:***

We reviewed the FY 2018-19 Transportation Fund financial statements submitted to SCO for inclusion in the State's CAFR and discussed the process used by DOT to compile the Transportation Fund financial statements. We reviewed financial information used to prepare the financial statements and examined supporting documentation.

***Effect:***

The Transportation Fund financial statements prepared by DOT were misstated. Specifically, we identified that Intergovernmental Revenue was overstated and Due From Other Governments was overstated by \$41.8 million. After we brought this concern to its attention, DOT corrected the misstatements and submitted revised information to SCO.

*Cause:*

Although DOT implemented a secondary review process related to the compilation of infrastructure information, it did not establish an adequate secondary review of financial information, particularly for new or changing areas. As a result, no secondary review was performed of the new accrual related to intergovernmental revenue.

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 **Recommendation**


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*We recommend the Wisconsin Department of Transportation review its procedures for preparing financial information and implement an adequate secondary review process to ensure:*

- *increased scrutiny of new or substantively changed areas of financial reporting;*
- *reasonableness reviews or other checks are performed to identify errors in areas that could have a substantive effect on financial reporting; and*
- *sufficient documentation of the review process.*

**Response from the Wisconsin Department of Transportation:** The Department of Transportation agrees with the finding and recommendations.

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### **Finding 2019-005: Financial Reporting Process for the Injured Patients and Families Compensation Fund\***

*Criteria:*

The Injured Patients and Families Compensation Fund (IPFCF), which is administered by the Office of the Commissioner of Insurance, insures participating physicians and other health care providers in Wisconsin against medical malpractice claims that exceed the primary insurance thresholds established by statutes. IPFCF is a proprietary fund that is reported in the State's CAFR. IPFCF is responsible for preparing and submitting accurate financial statements and related note information for inclusion in the State's CAFR to SCO. To ensure accurate financial reporting, IPFCF is also responsible for understanding generally accepted accounting principles (GAAP), as promulgated by the *Governmental Accounting Standards Board (GASB)*. In addition, IPFCF is responsible for maintaining effective internal controls to ensure the financial information submitted to SCO is fairly presented and that misstatements are prevented, or detected and corrected in a timely manner.

SCO maintains overall responsibility for preparing the State's CAFR and completes a desk review of the financial information submitted to assess the reasonableness of the information. As necessary, SCO provides to, and makes suggested changes for, the preparing agency and the agency is responsible for reviewing and, if appropriate, accepting or confirming the changes.



***Condition:***

We reported concerns related to the financial reporting process for the IPFCF during our FY 2017-18 audit (Finding 2018-002) and recommended that the fund improve its process for preparing and reviewing financial statements. During our current audit, although we found IPFCF had taken some steps to improve its process, we again identified concerns and found the IPFCF did not fully consider the financial reporting implications of changes to its activity during the year. Although the information IPFCF prepared and submitted to SCO included an appropriate total amount of restricted assets, IPFCF classified a portion of the total restricted assets in an incorrect restricted account. Specifically, we found IPFCF reported \$55.1 million as restricted cash even though IPFCF had only \$34.9 million of cash available to be restricted. During its desk review, SCO recognized that IPFCF did not have sufficient cash available to cover the total restricted assets and made a suggested change. However, the change was incorrect as it eliminated all restricted assets even though IPFCF had assets that met the requirements to be restricted.

In addition, although IPFCF changed its methodology for calculating interest credited to accounts held for the benefit of specific claimants, IPFCF did not prepare an assessment of whether this change in methodology should be classified as a change in an accounting estimate or a correction of an error. Further, it was not evident in the financial information IPFCF submitted to SCO that an assessment had been completed. After we explained the GASB requirements, IPFCF determined that the change in its methodology should be reported as a correction of an error, for which a prior-period adjustment and note disclosure were required.

***Questioned Costs:***

None.

***Context:***

We reviewed the FY 2018-19 financial information that IPFCF submitted to SCO for inclusion in the State's CAFR, discussed the process used in compiling the information with IPFCF staff, and examined supporting documentation. We also reviewed communications between IPFCF and SCO regarding the revisions made throughout the preparation and review of the information.

***Effect:***

The IPFCF financial statements prepared by IPFCF were misstated. We identified the following misstatements related to restricted assets on the Statement of Net Position:

- Cash and Cash Equivalents was overstated by \$12.2 million;
- Restricted and Limited Use Assets: Cash and Cash Equivalents was understated by \$12.2 million;
- Noncurrent Investments was overstated by \$42.9 million; and
- Restricted and Limited Use Assets: Investments was understated by \$42.9 million.

In addition, we identified that Benefit Expense as well as Total Net Position, Beginning of Year, were overstated by \$11.9 million on the Statement of Revenues, Expenses, and Changes in Fund Net Position due to the change in the interest calculation methodology. We also identified related misstatements on the Statement of Cash Flows and that IPFCF did not prepare the required note information.

After we discussed our concerns with IPFCF, it corrected the misstatements we identified and submitted revised information to SCO.

*Cause:*

IPFCF did not demonstrate adequate understanding of relevant GAAP requirements in the compilation of financial reporting information or in its application of such requirements, in part, due to significant staff turnover. Although the suggested change SCO made to eliminate restricted assets was incorrect, IPFCF did not adequately question the change. As part of its corrective action plan to address a recommendation from our FY 2017-18 audit, IPFCF contracted with an external accounting firm to provide a secondary review of its financial information. However, in its first year of providing this service, IPFCF may not have adequately educated the external accounting firm on IPFCF's operations and the CAFR financial reporting process to enable the firm to be fully effective in its review of the financial information.

**Recommendation**

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*We recommend the Wisconsin Office of the Commissioner of Insurance, Injured Patients and Families Compensation Fund, take steps to adequately understand and appropriately apply financial reporting requirements, including by:*

- *reviewing the State of Wisconsin GAAP Conversion Manual provided by the Department of Administration State Controller's Office;*
- *attending relevant training on financial reporting and government accounting standards;*
- *proactively seeking guidance and clarification from the State Controller's Office related to relevant financial reporting requirements and how to apply those requirements for the Injured Patients and Families Compensation Fund;*
- *proactively identifying and applying applicable changes in accounting standards; and*
- *further educating the Injured Patients and Families Compensation Fund's external accounting firm on the Fund's operations and the State's financial reporting process.*

**Response from the Wisconsin Office of the Commissioner of Insurance:** The Office of the Commissioner of Insurance IPFCF accepts the findings and recommendations but has reservations about its ability to be successful when seeking guidance and clarification from the State Controller’s Office. The IPFCF will do everything in its power to do so, but the IPFCF cannot guarantee that the State Controller’s Office will be open to providing the guidance and clarification requested.

## Section III

### Federal Award Findings and Questioned Costs

Uniform Guidance 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 make a management decision. The specific information that Uniform Guidance 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. Agencies’ corrective action plans for audit findings are included in the Corrective Action Plans chapter, which begins on page 183.

Repeat findings from report 19-3 are marked with an asterisk (\*).

**U.S. DEPARTMENT OF AGRICULTURE**

**Wisconsin Department of Public Instruction**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2019-400 p. 46	10.553/ 10.555/ 10.556/ 10.559	Child Nutrition Cluster	Timing of Draws of Federal Funds—Child Nutrition Cluster	\$ 0
2019-401 p. 46	10.558	Child and Adult Care Food Program	Timing of Draws of Federal Funds—Child and Adult Care Food Program	0
<b>Total U.S. Department of Agriculture</b>				<b>\$ 0</b>

**U.S. DEPARTMENT OF DEFENSE**

**Wisconsin Department of Military Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2019-810 p. 39	12.401	National Guard Military Operations and Maintenance (O&M) Projects	National Guard Military Operations and Maintenance (O&M) Projects Extensions	\$ 271,198
<b>Total U.S. Department of Defense</b>				<b>\$ 271,198</b>

## 70 ■ ■ ■ ■ SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### U.S. DEPARTMENT OF ENERGY

#### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2019-100 p. 20	81.042	Weatherization Assistance for Low-Income Persons	Internal Controls Over Reporting	\$ 0
<b>Total U.S. Department of Energy</b>				<b>\$ 0</b>

### U.S. DEPARTMENT OF EDUCATION

#### Wisconsin Department of Public Instruction

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2019-402 p. 46	84.287	Twenty-First Century Community Learning Centers	Timing of Draws of Federal Funds—Twenty-First Century Community Learning Centers*	\$ 0
<b>Total U.S. Department of Education</b>				<b>\$ 0</b>

### U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

#### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2019-100 p. 20	93.568	Low-Income Home Energy Assistance	Internal Controls Over Reporting	\$ 0

#### Wisconsin Department of Health Services

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2019-301 p. 26	93.069	Public Health Emergency Preparedness	Timing of Draws of Federal Funds—Public Health Emergency Preparedness	\$ 0
2019-304 p. 30	93.069	Public Health Emergency Preparedness	Monitoring of Subrecipients—Public Health Emergency Preparedness Program	0
2019-302 p. 26	93.268	Immunization Cooperative Agreements	Timing of Draws of Federal Funds—Immunization Cooperative Agreements	0
2019-300 p. 24	93.778	Medical Assistance Program	Computer Data Matches*	0
2019-305 p. 32	93.778	Medical Assistance Program	Security for Medical Assistance Program IT Systems	0
2019-306 p. 35	93.778	Medical Assistance Program	Medical Assistance Program Provider Overpayments*	0

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES** *(continued)*

**Wisconsin Department of Health Services** *(continued)*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2019-303 p. 26	93.958	Block Grants for Community Mental Health Services	Timing of Draws of Federal Funds—Block Grants for Community Mental Health Services	\$ 0
<b>Total U.S. Department of Health and Human Services</b>				\$ 0

**U.S. DEPARTMENT OF HOMELAND SECURITY**

**Wisconsin Department of Military Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2019-811 p. 42	97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	Internal Controls over Matching and Reporting for the Disaster Grants — Public Assistance (Presidentially Declared Disasters) Program	\$ 0
<b>Total U.S. Department of Homeland Security</b>				\$ 0

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**TOTAL KNOWN QUESTIONED COSTS FOR THE STATE OF WISCONSIN** **\$ 271,198**

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## **AUDITEE SECTION ■**

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# State of Wisconsin Summary Schedule of Prior Audit Findings ■

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**Federal Compliance Findings** | **Financial Statement Findings**  
pages 76-94 | pages 95-105



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary

**Status of Prior Year Audit Findings**

**Finding:** Timing of Draws of Federal Funds (2018-100)

**Federal Program:** Career and Technical Education—Basic Grants to States (CFDA #84.048), Substance Abuse and Mental Health Services Projects of Regional and National Significance (CFDA #93.243), Social Security-Disability Insurance (CFDA #96.001)

**Status of Audit Finding:**

Partially Completed

The State Controller’s Office immediately implemented revised Wisconsin Accounting Manual procedures that highlighted the need to reduce the timing between the receipt of Federal funds and the program disbursement as much as administratively feasible.

The State Controller’s Office is working with the STAR Team to implement an upgrade that will automatically time the creation of Federal grant billing invoices with the date the underlying program disbursement is made. Testing is ongoing, and the target date for implementation is December 2, 2019.

Person responsible for corrective action:  
Carol Herwig, Deputy State Controller  
Division of Executive Budget and Finance  
Carol2.Herwig@wisconsin.gov

**Finding:** Timing of Draws of Federal Funds (2018-101)

**Federal Program:** Twenty-First Century Community Learning Centers (CFDA #84.287), Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) (CFDA #84.367)

**Status of Audit Finding:**

Corrective Action Taken

The Department of Public Instruction made modifications to their internal processes to ensure that beginning in May 2019, their accounts payable files were interfaced as closely to the disbursement date as administrative feasible.

Person responsible for corrective action:  
Carol Herwig, Deputy State Controller  
Division of Executive Budget and Finance  
Carol2.Herwig@wisconsin.gov



201 East Washington Avenue  
 P.O. Box 8916  
 Madison, WI 53708-8916

Governor Tony Evers  
 Secretary Emilie Amundson

### Status of Prior Year Audit Findings

**Finding:** Collection of Child Care Provider Overpayments (2018-200)

**Federal Program:** Child Care and Development Fund Cluster (CFDA #93.575, 93.596)

**Status of Audit Finding:** Partially Corrected

On 6/21/2019, DCF implemented the CSAW Refer to Finance module. This system enhancement was needed in order to refer provider overpayments from the new CSAW system to STAR, so that collection actions could be taken on these debts. All verified overpayments pertaining to MyWICChildCare were batched for STAR Customer ID creation and are being batched to the STAR system for collection beginning July 2019, with the exception of any overpayments that are currently being appealed or still within the 30-day appeal window.

Overpayments entered in the old CSAW system will be pulled from the old CSAW system and entered in the new CSAW system by end of July 2019. These debts will then follow the newly implemented process and will be batched for STAR Customer ID creation and collection beginning August 2019.

Person responsible for corrective action:  
 Junior Martin, Director  
 Bureau of Program Integrity  
 Division of Early Care and Education  
[Junior.Martin@wisconsin.gov](mailto:Junior.Martin@wisconsin.gov)

Hope Koprowski, Director  
 Bureau of Finance  
 Division of Management Services  
[Hope.Koprowski@wisconsin.gov](mailto:Hope.Koprowski@wisconsin.gov)

**Finding:** Reconciliation of Child Care Payments (2018-201)

**Federal Program:** Child Care and Development Fund Cluster (CFDA #93.575, 93.596)

**Status of Audit Finding:** Corrective Action Taken

Corrective action was implemented June 2019 through a manual reconciliation process. As an improvement to the manual process, DECE is in the design stages of automating this reconciliation process with an estimated end date of May 2020.

Person responsible for corrective action:  
 David Timmerman, Director  
 Bureau of Operation Planning

Division of Early Care and Education  
[David.timmerman@wisconsin.gov](mailto:David.timmerman@wisconsin.gov)

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**Finding:** Monitoring of Child Care Providers (2018-202)

**Federal Program:** Child Care and Development Fund Cluster (CFDA #93.575, 93.596)

**Status of Audit Finding: Partially Corrected**

The Bureau continues to focus its efforts on monitoring all child care programs annually for health and safety rules. A dashboard was created in Tableau to assist the BECR Management Team monitor the Bureau's progress on achieving this goal. Full compliance is expected by December 31, 2019

Person responsible for corrective action:  
Mark Andrews, Director  
Bureau of Early Care Regulation  
Division of Early Care and Education  
[MarkE.Andrews@wisconsin.gov](mailto:MarkE.Andrews@wisconsin.gov)

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**Finding:** Federal Award Monitoring for Child Support Enforcement (2018-203)

**Federal Program:** Child Support Enforcement (CFDA #93.563)

**Status of Audit Finding: Corrective Action Taken**

Person responsible for corrective action:  
Hope Koprowski, Director  
Bureau of Finance  
Division of Management Services  
[Hope.Koprowski@wisconsin.gov](mailto:Hope.Koprowski@wisconsin.gov)

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**Finding:** Subrecipient Monitoring (2015-022)

**Federal Program:** Temporary Assistance for Needy Families (CFDA #93.558), Child Support Enforcement (CFDA #93.563), Child Care and Development Fund Cluster (CFDA #93.575, 93.596), Adoption Assistance (CFDA #93.659)

**Status of Audit Finding: Corrective Action Taken**

Person responsible for corrective action:  
Robert Nikolay, Administrator  
Division of Management Services  
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Tony Evers  
Governor



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Secretary

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**DATE:** July 31, 2019

**TO:** Sherry Haakenson, Financial Audit Director  
Legislative Audit Bureau

**FROM:** Barry Kasten, Deputy Director  
Bureau of Fiscal Services  
Department of Health Services

**SUBJECT:** Response to Interim Audit Memos:  
  
Computer Data Matches

**Finding:** Computer Data Matches (2018-300, 2017-300, 2016-001, 2015-024, 2014-025, WI-13-12, WI-12-22, WI-11-3, WI-10-5, WI-09-4, WI-08-02, WI-07-6, WI-06-6, WI-05-6, WI-04-5)

**Federal Program:** Medical Assistance Program (CFDA #93.778)

**Status of Audit Finding:** Partially Corrected

In our communication to you of Feb 6, 2019 we identified a number of strategies we have been working on regarding timely processing of SWICA discrepancies. Since that submission, DHS has continued to prioritize this work.

As we indicated then, DHS formed a cross agency initiative with the Department of Children and Families in an effort to further improve SWICA processing and ultimately increase program integrity. The specific outcomes identified for this partnership include: streamlining the SWICA process to allow for greater consistency our public programs, creating better matches in order to better ensure that the discrepancies that are being created will have an impact to the case and therefore warrant worker action (elimination of false matches), and improve training provided to income maintenance staff to ensure proper understanding of expectations on when and how to work these discrepancies.

Via this initiative as well as other mechanisms, work has continued in 2019 on the identified CARES-based and other solutions. Implementation of these is still planned for CY 2020.

As a result of this work, we expect to see further improvements in timely processing of SWICA discrepancies and increased rates of resolution of these alerts.

**Person(s) Responsible for Corrective Action:**

Rebecca McAtee, Director, Bureau of Enrollment Policy and Systems, Division of Medicaid Services,  
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**Medical Assistance Program Payments to Terminated Providers**

**Finding:** Medical Assistance Program Payments to Terminated Providers (2018-301)

**Federal Program:** Medical Assistance Program (CFDA #93.778)

**Status of Audit Finding:** Not Corrected.

DHS is continuing to work on completing the corrective actions identified in its corrective action plan. DHS anticipates completing these corrective actions by September 2019, as indicated in its corrective action plan.

**Person(s) Responsible for Corrective Action:**

Lori Thornton, Deputy Inspector General, Office of the Inspector General, Department of Health Services

Christian Moran, Section Chief, Day-to-Day Claims Operations - System Leads Section, Division of Medicaid Services, Bureau of Systems Management, Department of Health Services

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**Subrecipient Monitoring for the Supplemental Nutrition Assistance Program**

**Finding:** Subrecipient Monitoring for the Supplemental Nutrition Assistance Program (2018-302)

**Federal Program:** State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA #10.561)

**Status of Audit Finding:** Corrective Action has been taken.

The Division of Medicaid Services (DMS) for subrecipients under the SNAP program. DMS has achieved this corrective action through the use of the DHS grant agreement templates that contain federal funding tables and the completion of risk assessments.

**Person(s) Responsible for Corrective Action:**

Laurie Palchik, Director, Bureau of Strategic Sourcing, Division of Enterprise Services, Department of Health Services

Erik Hayko, Section Chief, Bureau of Operation Coordination, Division of Medicaid Services, Department of Health Services

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**Medical Assistance Program Payments for Ineligible Services to Inmates**

**Finding:** Medical Assistance Program Payments for Ineligible Services to Inmates (2018-303)

**Federal Program:** Medical Assistance Program (CFDA #93.778)

**Status of Audit Finding:** Not Corrected.

DHS is continuing to work on determining and recouping improper Medical Assistance program payments for Ineligible Services to inmates. DHS anticipates completing this corrective action by September 2019, as indicated in its corrective action plan.

In addition, DHS has begun to engage the Wisconsin Department of Corrections for an upcoming Medicaid eligibility initiative regarding inmates. Through this initiative, we plan to mitigate the risk of paying ineligible claims for inmates and improve and streamline communication for all Medicaid Assistance programs-related eligibility and information for inmates in 2020.

**Person(s) Responsible for Corrective Action:**

Michelle Prost, Section Chief, Hospital Rate Setting and Policy Section, Bureau of Rate Setting, Division of Medicaid Services, Department of Health Services

Christian Moran, Section Chief, Day-to-Day Claims Operations - System Leads Section, Bureau of Systems Management, Division of Medicaid Services, Department of Health Services

Deb Waite, Deputy Bureau Director, Bureau of Enrollment Policy and Systems, Division of Medicaid Services, Department of Health Services

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**Subrecipient Monitoring for the Substance Abuse and Mental Health Services Projects of Regional and National Significance Program**

**Finding:** Subrecipient Monitoring for the Substance Abuse and Mental Health Services Projects of Regional and National Significance Program (2018-304)

**Federal Program:** Substance Abuse and Mental Health Services Projects of Regional and National Significance (CFDA #93.243)

**Status of Audit Finding:** Corrective Action has been taken.

The Division of Care and Treatment Services (DCTS) for subrecipients under the Substance Abuse and Mental Health Services Projects of Regional and National Significance Program. DCTS has achieved this corrective action through the use of the DHS grant agreement templates that contain federal funding tables and the completion of risk assessments.

**Person(s) Responsible for Corrective Action:**

Laurie Palchik, Director, Bureau of Strategic Sourcing, Division of Enterprise Services, Department of Health Services

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**Medical Assistance Program Provider Overpayments**

**Finding:** Medical Assistance Program Provider Overpayments (2018-305)

**Federal Program:** Medical Assistance Program (CFDA #93.778)

**Status of Audit Finding:** Not Corrected

In DHS corrective action under the circuit court injunction, DHS may not issue an NIR letter or otherwise recover funds from an MA provider.

**Person(s) Responsible for Corrective Action:**

Anthony Baize, Inspector General, Office of the Inspector General, Department of Health Services

Lori Thornton, Deputy Inspector General, Office of the Inspector General, Department of Health Services

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### **Children's Health Insurance Program (CHIP) Participant Age**

**Finding:** Children's Health Insurance Program Participant Age (2017-301)

**Federal Program:** Children's Health Insurance Program (CFDA #93.767)

**Status of Audit Finding:** Corrective Action Taken

- 1) \$19,707 was returned to CMS for 410 ineligible CHIP recipients in March 2018.
- 2) The systems fix identified as part of the solution was part of a June, 2018 release to the CARES system.

#### **Person(s) Responsible for Corrective Action:**

Rebecca McAtee, Director, Bureau of Enrollment Policy and Systems, Division of Medicaid Services, Department of Health Services

Sabrina Mandel, Program and Policy Analyst, Bureau of Enrollment Policy and Systems, Division of Medicaid Services, Department of Health Services

Debbie Waite, BEPS Deputy Bureau Director, Bureau of Enrollment Policy and Systems, Division of Medicaid Services, Department of Health Services

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**Social Services Block Grant Subrecipient Monitoring**

**Finding:** Social Services Block Grant Subrecipient Monitoring (2017-302)

**Federal Program:** Social Services Block Grant (CFDA #93.667)

**Status of Audit Finding:** Corrective Action has been taken.

The subrecipients under the Social Services Block Grant program has been corrected through the continued implementation of policies and procedures to ensure compliance with all Uniform Guidance requirements, including the use of the DHS grant agreement templates that contain federal funding tables.

**Person(s) Responsible for Corrective Action:**

Laurie Palchik, Director, Bureau of Strategic Sourcing, Division of Enterprise Services,  
Department of Health Services

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Carolyn Stanford Taylor, State Superintendent

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### Status of Prior Year Audit Findings

**Finding:** Subrecipient Monitoring for Substance Abuse and Mental Health Services Projects of Regional and National Significance Program (2018-400)

**Federal Program:** Substance Abuse and Mental Health Services Projects of Regional and National Significance (CFDA #93.243)

**Status of Audit Finding:** Corrective Action Taken

Person responsible for corrective action:  
Michele McGaffin, Director of Business Services  
Division for Finance and Management  
michele.mcgaffin@dpi.wi.gov

**WisDOT Division of Business Management**  
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### **Status of Prior Year Audit Findings**

**Finding:** Subrecipient Monitoring (2017-500)

**Federal Program:** Airport Improvement Program (CFDA #20.106), Highway Planning and Construction (CFDA #20.205)

**Status of Audit Finding:** Corrective Action Taken

Person responsible for corrective action:  
 Tami Weaver, Airport Program Section Chief  
 Division of Transportation Investment Management, Bureau of Aeronautics  
[Tamera.Weaver@dot.wi.gov](mailto:Tamera.Weaver@dot.wi.gov)

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**Finding:** Airport Improvement Program Reporting (2017-501)

**Federal Program:** Airport Improvement Program (CFDA #20.106)

**Status of Audit Finding:** Corrective Action Taken

Person responsible for corrective action:  
 Tami Weaver, Airport Program Section Chief  
 Division of Transportation Investment Management, Bureau of Aeronautics  
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## University of Wisconsin-Eau Claire

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### Status of Prior Year Audit Findings

**Finding:** Time and Effort Reporting—TRIO Cluster (2016-008)

**Federal Program:** TRIO—Student Support Services (CFDA #84.042), TRIO—Upward Bound (CFDA #84.047)

**Status of Audit Finding: Corrective Action Taken**

In FY19, starting with the July payroll, we had completed our online Time & Efforts Certification and began using it. The certifications are typically sent out before the 15<sup>th</sup> of the following month and are expected back by the end of the month.

Person responsible for corrective action:  
Jackie Kriesel, Controller  
ASK Center – University Accounting  
kreisejd@uwec.edu

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Office of Information Security  
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July 31, 2019

**Finding: Information Technology Controls at the University of Wisconsin System (2018-700, 2017-003, 2016-12 and 2015-030)**

**Federal Program:** Student Financial Assistance Cluster

**Status of Audit Finding as of 6/30/2019:** Partially Corrected

This document explains the June 30, 2019 status of the University of Wisconsin (UW) System's Corrective Action Plan (CAP) for finding 2018-700: Information Technology Controls at the University of Wisconsin System within Fiscal Year 2017-18 Single Audit Report 19-3. The following outlines actions over the past year regarding this finding.

*Continue development and maintenance of a comprehensive IT security program, including developing systemwide IT security policies and procedures across the remaining critical IT areas, as recommended by National Institute of Standards and Technology publications.*

UW System is taking a multi-pronged approach to IT security and is dedicated to prioritizing information security initiatives based on risk reduction and availability of resources. A Governance, Risk and Compliance (GRC) function was recently established (June 2019) within the Office of Information Security (OIS). The objective is to develop a cyber security risk management policy and framework, including a risk register for UW System. Other comprehensive efforts include a first-ever system-wide deployment of a suite of security tools. Capabilities include malware prevention; data loss prevention (alerting and location/movement of UW System's most sensitive data); user entity behavior analytics; next-generation anti-virus; and network traffic analysis. These deployments are expected to be complete by the end of the calendar year. Additional UW System efforts include acceleration of multi-factor authentication for access to high and moderate risk data (including email for all employees) and ultimately to students in the next year, and an aggressive bi-monthly phishing campaign to increase awareness for our user community.

UW System understands the value and need for additional information security policies and procedures and is taking deliberate steps this calendar year to expand policy efforts. The initial focus was revision of existing policies to provide clarity and conform to changes in the National Institute of Standards and Technology (NIST) guidelines. Specifically, security awareness policy revisions were updated in April 2019; updates to the authentication policy and procedures are in the institutional vetting process now; data classification and protection policy and procedures revisions will go to the institutions in September; and updates to the incident response policy and the new system-wide incident response plan will be vetted in October. Additional system-wide information security policies and procedures that are scheduled for publication this calendar year

include: data privacy, asset management, and cyber security risk management.

Lastly, OIS' engagement strategy with information security partners has been extensive. The Associate Vice President of Information Security (IS) is a member of the Wisconsin (WI) Department of Administration (DoA)-led Cyber Strategic and Planning Working Group which through public/private partnerships provides strategic planning, direction and alignment of cyber resources pertaining to data breaches and cyber attacks. Additionally, analysts from OIS attend weekly meetings with the WI Statewide Intelligence Center, including members from the WI Department of Justice; DoA; Department of Military Affairs and the Federal Bureau of Investigation. Threat intelligence, information security initiatives and advisories are shared through these weekly meetings, distribution lists and incident driven emails. This partnership also provides threat intelligence workshops and a variety of cyber security training courses. All the above information and opportunities are shared with UW System institutions.

***Provide guidance and training to individual institutions regarding information technology security policies and procedures, as needed.***

The Information Security Program document provides guidance to UW System institutions and the corresponding 24-month work plan has evolved to be a living document and is continuously updated as our understanding of risk matures. Additionally, monthly meetings of the Technology and Information Security Council provide further guidance and clarity on policy and procedure implementation, methodologies and best practices. The AVP for IS also meets monthly with the Chief Information Officers as well as the Chief Business Officers to discuss IS strategy and policy, along with status and challenges of policy implementation and other on-going initiatives. Additional engagements include routine meetings with the UW System Chancellors, UW System President, and the Board of Regents.

Training, not solely dedicated to policies and procedures, is another critical component of UW System's IS Program. Professional development and enhancement of knowledge skills and abilities in the IS workforce is also a priority. Opportunities to attend the Gartner Security and Risk Management Conference and Catalyst events have been provided. Several webinars were conducted for UW System personnel and more than 65 individuals participated either in-person or virtually in a learning day at UW-La Crosse in March 2019. These events provided in-depth training on the operation of, and reporting from, the suite of security tools that are currently being deployed.

***Complete development of and implement procedures for assessing the level of protection provided for UW Systems and data***

In January 2019, UW System institutions completed a system-wide information security maturity assessment providing a tier level score (1-5) across 10 security control areas. Prior to that, risk assessments for six UW System institutions were conducted in spring 2018; the remaining seven institutions will undergo similar external (third party vendor) assessments. These are scheduled to be conducted in July and August 2019 with results reported in September. These results will be reviewed, recommendations prioritized and incorporated into the existing 24-month work plan. Additionally, penetration testing is in the planning stages and will be conducted on specific applications at four UW System institutions in Fall 2019. These efforts over the past two years

form the basis for regular assessment events at each UW System institution a minimum of once every two years.

**Person Responsible for Corrective Action:**

Katherine Mayer

Associate Vice President for Information Security [kmayer@uwsa.edu](mailto:kmayer@uwsa.edu)



**Dr. Morna K. Foy, President**

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### Status of Prior Year Audit Findings

**Finding:** Monitoring of Subrecipients- Career and Technical Education- Basic Grants to States (2018-900)

**Federal Program:** Career and Technical Education—Basic Grants to States (CFDA #84.048)

#### Status of Audit Finding: Corrective Action Taken

We revised the standard language in the grant award letters to include the Federal Awarding Agency, the CFDA number and name, and the subaward period of performance (start and end date). The award letters are sent on 7/1/XX and indicate the awards are made subject to the availability of federal funds. We also created a template for a second memo to be sent to the grantees after we receive the federal award notification from the US Dept of Education. The second memo informs the grantees of the Federal Award Identification Number, the date of the Federal Award and whether the award is for Research and Development.

We established and documented a formal Risk Assessment Tool to assess the level of monitoring required for each subrecipient. The assessment tool will be used in the review and evaluation of Triannual Reports and grant applications.

We documented our process to ensure a consistent review of triannual reports. The process requires a signature of the person performing the review and the date the review was completed. This documentation will be maintained.

Person responsible for corrective action:

James Zylstra, Executive Vice President

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**COLLEGES:** Blackhawk, Chippewa Valley, Fox Valley, Gateway, Lakeshore, Madison Area, Mid-State, Milwaukee Area, Moraine Park, Nicolet Area, Northcentral, Northeast Wisconsin, Southwest Wisconsin, Waukesha County, Western, Wisconsin Indianhead



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary

June 2019

**Finding:** Department of Administration Division of Enterprise Technology Security Concerns (2018-003, 2017-004, 2016-011)

**Federal Program:** n/a

Status of Audit Finding is partially corrected see details below:

LAB Recommendation	DOA Planned Corrective Action	Anticipated Corrective Action Date
<p>1. We recommend the Department of Administration, Division of Enterprise Technology (DET) complete written procedures for all areas</p>	<p>The Department will continue to execute its plan as follows:</p> <ul style="list-style-type: none"> <li>• Town hall sessions were held in the spring of 2018 with DET staff to reinforce the need to align procedures with policies and standards. Critical build procedures were completed by 2/28/2019 as previously identified in our plan for:                             <ul style="list-style-type: none"> <li>• Server Builds</li> <li>• Staff Onboarding</li> <li>• Network Builds</li> </ul> </li> </ul> <p>DET has also identified and prioritized the remaining operating procedures. As of today, over half of those identified procedures are completed.</p> <p>As new services are developed, it is required to document the appropriate procedures to align with Executive Branch IT Security policies and standards.</p> <p>First annual review of Policies and Standards will commence in August 2019 with annual reviews of all procedures to follow.</p>	<p>Critical procedures completed 2/28/2019</p> <p>Anticipated completion 12/2/2019</p> <p>Anticipated completion October 2019</p>
<p>2. We recommend DET review all settings and practices to ensure they</p>	<p>The process to review DET supported desktop and server configurations</p>	<p>Completed</p>

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LAB Recommendation	DOA Planned Corrective Action	Anticipated Corrective Action Date
align with policies, standards, and procedures	<p>has been completed for the monthly review of settings to ensure alignment with Executive Branch IT Security policies, standards and procedures.</p> <p>Formal process has been defined to conduct monthly reviews on network devices. Initial monthly assessments begin in July 2019.</p>	Anticipated completion date 8/30/19
3. Complete projects initiated in response to security concerns that LAB identified	DET has assessed the risk and initiated two projects to address the high-risk concerns. One project has been completed and the remaining project is in process and on track for completion.	Remaining project anticipated completion 1/14/2020
4. Develop, document, and implement a proactive process to identify, assess, and address risks	DET has established three approaches to continuously review and mitigate risks related to people, process and technology. People are being addressed through our security awareness training program. Process is being addressed through our process for documenting and reviewing procedures. Technology will be addressed by the review of patching and configuration settings. Processes are in place and will continue to be improved as the threat landscape changes.	Completed
5. Report to the Joint Legislative Audit Committee by March 29, 2019, on DET's plans and timelines to address these ongoing concerns	Will send a written report to the Joint Legislative Audit Committee prior to March 29th, 2019.	Completed

Person responsible for corrective action:  
 Bill Nash, CISO  
 Division of Enterprise Technology  
[Bill.Nash@wisconsin.gov](mailto:Bill.Nash@wisconsin.gov)

**Finding:** Executive Branch Agency Information Technology Policies and Standards (2018-004, 2017-005)

**Federal Program:** n/a

**Status of Audit Finding is partially corrected see details below:**

LAB Recommendation	DOA Planned Corrective Action	Anticipated Corrective Action Date
<p>1. Develop and implement a proactive process to identify, assess, and address risks for the parts of the state’s IT environment that DOA is statutorily responsible for, including:                      Prioritizing its plans and timelines to complete vulnerability assessments and penetration testing across all state devices and networks within the Division of Enterprise Technology data centers</p>	<p>Since vulnerability assessments and penetration testing are two separate functions, DOA will address these as separate plans and implementations as follows:</p> <p>DOA has completed implementation of a vulnerability management process for servers within the DET data centers. Initial assessment for servers is planned for April and monthly thereafter. This monthly assessment process includes:</p> <ul style="list-style-type: none"> <li>• review of the current environment</li> <li>• prioritization of identified patching or configuration vulnerabilities;</li> <li>• remediation of patching and configuration vulnerabilities needing immediate attention.</li> </ul> <p>Formal process has been defined to conduct monthly reviews on network devices. Initial monthly assessments begin in July 2019.</p> <p>*Note this does not include devices located in the DET data centers that are managed by other entities.</p> <p>Penetration Testing for a subset of DET managed devices and networks within the DET data centers was conducted by a third party in Fall of 2018. Additional penetration testing will be conducted by a third party</p>	<p>Completed</p> <p>Anticipated completion date 8/30/19</p> <p>Anticipated completion to be determined based upon third party availability</p>

LAB Recommendation	DOA Planned Corrective Action	Anticipated Corrective Action Date
	after the vulnerability remediation efforts have been addressed.	
<p>2. Complete a comprehensive risk assessment across all executive branch agencies</p>	<p>The project charter has been developed. Executive branch agency meetings will be scheduled to create plans and timeline to schedule regular risk assessments.</p> <ul style="list-style-type: none"> <li>• Implementation of vulnerability assessments of the identified systems and data including a process for review of results, prioritization of identified issues, and tracking of remediation activity.</li> <li>• Some agencies including DOA have already commenced vulnerability assessments and are working on remediation activities.</li> <li>• Implementation of penetration testing of the identified systems and data including a process for review of results, prioritization of identified issues, and tracking of remediation activity.</li> <li>• Some agencies have already commenced penetration assessments and are working on remediation activities.</li> </ul>	<p>Begin 7/31/19 with anticipated completion 12/31/2019</p> <p>Begin 12/31/2019 with anticipated completion to be determined, based on plan</p> <p>Begin post vulnerability remediation with anticipated completion to be determined, based on plan</p>
<p>3. Report to the Joint Legislative Audit Committee by March 29, 2019, on DET's plans and timelines to address these ongoing concerns</p>	<p>Will send a written report to the Joint Legislative Audit Committee prior to March 29th, 2019.</p>	<p>Completed</p>

Person responsible for corrective action:  
 Bill Nash, CISO  
 Division of Enterprise Technology  
[Bill.Nash@wisconsin.gov](mailto:Bill.Nash@wisconsin.gov)





STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary

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**Status of Prior Year Audit Findings**

**Finding:** STAR Security Concerns (2018-005, 2017-007, 2016-010)

**Federal Program:** n/a

**Status of Audit Finding:**  
Partially Completed

In June 2019, the Department of Administration (DOA) created reduced-functionality security roles to address access concerns in the General Ledger and Accounts Payable subsystems. However, the testing and implementation of these new roles was not completed by June 30, 2019. DOA expects to complete testing and implement the roles no later than August 31, 2019.

DOA did not implement the process to require State Controller's Office review of all new and changing security roles by June 30, 2019. DOA expects to implement that process by August 31, 2019.

A report for identifying and periodically reviewing SOD conflicts for HCM was not completed as of June 30, 2019. DOA expects to implement the new report by September 30, 2019.

Person responsible for corrective action:

Tim LeFave  
Executive Director, STAR Program Office  
[Tim.LeFave@wisconsin.gov](mailto:Tim.LeFave@wisconsin.gov)



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary

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**Status of Prior Year Audit Findings**

**Finding:** Financial Reporting Concerns- Other Postemployment Note Disclosures (2018-007)

**Federal Program:** n/a

**Status of Audit Finding:**

Corrective Action Taken

The Department of Administration has implemented additional procedures to identify financial activities involving newer GASB standards, and ensure that those activities receive sufficient research, discussion and management review prior to inclusion in the draft Comprehensive Annual Financial Report.

Person responsible for corrective action:

Carol Herwig, State Controller

Division of Executive Budget and Finance, State Controller's Office

Carol2.Herwig@wisconsin.gov

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**Finding:** Accounting for Crossover Refunding Bonds (2018-010)

**Federal Program:** n/a

**Status of Audit Finding:**

Corrective Action Taken

The Department of Administration has implemented additional procedures to identify financial activities involving newer GASB standards, and ensure that those activities receive sufficient research, discussion and management review prior to inclusion in the draft Comprehensive Annual Financial Report.

Person responsible for corrective action:

Carol Herwig, State Controller

Division of Executive Budget and Finance, State Controller's Office

Carol2.Herwig@wisconsin.gov



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
Robert J. Conlin  
SECRETARY

Wisconsin Department  
of Employee Trust Funds  
PO Box 7931  
Madison WI 53707-7931  
1-877-533-5020 (toll free)  
Fax 608-267-4549  
etf.wi.gov

**Date:** July 29, 2019  
**To:** Lisa Kasel  
**From:** Cindy Klimke-Armatoski  
**Subject:** **Status of Prior Year Audit Findings**

**Finding:** Wisconsin Employee Benefit System Security (2018-006)

**Federal Program:** n/a

**Status of Audit Finding:** Corrective Action Taken

Person responsible for corrective action:  
Steve Mueller, Division Administrator  
Division of Management Services  
Steve.Mueller@etf.wi.gov

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Tony Evers  
Governor

Andrea Palm  
Secretary

**State of Wisconsin**  
Department of Health Services

**DIVISION OF ENTERPRISE SERVICES**

BUREAU OF FISCAL SERVICES  
BILLING AND COLLECTIONS  
1 WEST WILSON STREET  
PO BOX 7853  
MADISON WI 53707-7853

Telephone: 608-267-7104  
TTY: 711 or 800-947-3529

DATE: July 31, 2019

TO: Sherry Haakenson, Financial Audit Director  
Legislative Audit Bureau

FROM: Barry Kasten, Deputy Director  
Bureau of Fiscal Services  
Department of Health Services

SUBJECT: Response to Interim Audit Memos:  
  
Financial Reporting at the Department of Health Services

**Finding:** Financial Reporting at the Department of Health Services (2018-001)

**Federal Program:** n/a

**Status of Audit Finding:** Corrective Action Taken

**Person(s) Responsible for Corrective Action:**

Rebecca Mogensen, Managerial Accounting Section Chief  
Division of Enterprise Services, Bureau of Fiscal Services

**Contact Information:**

[RebeccaJ.Mogensen@dhs.wisconsin.gov](mailto:RebeccaJ.Mogensen@dhs.wisconsin.gov)  
(608) 267-7846

[www.dhs.wisconsin.gov](http://www.dhs.wisconsin.gov)


**State of Wisconsin • DEPARTMENT OF REVENUE**

 2135 RIMROCK ROAD • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933  
 FAX 608-266-5718 • <http://www.revenue.wi.gov>
**Tony Evers**  
 Governor

**Peter Barca**  
 Secretary of Revenue

**Status of Prior Year Audit Findings**
**Finding:** STAR Finance Access Concerns at the Department of Revenue (2017-002)

**Federal Program:** n/a

**Status of Audit Finding:** Partially Corrected

Person responsible for corrective action:

 Name: **Julie Raes, Administrator**

 Division: **Enterprise Services**

 Email address: **julie.raes@wisconsin.gov**

*DOR will perform a reconciliation between STAR HCM and STAR Finance to determine if any terminated employees still have STAR Finance access that did not get removed by the automatic removal process. STAR Finance access will be removed for those terminated employees no later than December 31, 2017.*

**Corrective Action Taken**

*In a two-phased process, the responsibility for maintenance of STAR Finance and STAR HCM accesses will be transferred to the Department's Security Support Unit in the Division of Technology Services (DTS). This change will ensure that STAR system access is treated similar to all other system accesses in DOR.*

- *By February 23, 2018, DTS Security will have procedures in place for removing STAR Finance and STAR HCM access in a timely manner for terminated employees consistent with existing procedures for removing all other system access.*

**Corrective Action Taken**

- *By April 27, 2018, DTS Security will have procedures in place for adding & changing roles for employees in STAR Finance and STAR HCM.*

**Partially Corrected**

Procedures for adding and changing roles for employees in STAR Finance have been prepared as of July 31, 2019. On April 25, 2019, DOR implemented the process to have the Purchasing Card Administrator add, change, and remove purchasing card roles and DTS Security Support approving those security requests. DTS Security Support is scheduled to be trained on adding and changing roles in STAR Finance on August 8, 2019. In the interim, the Financial Manager has continued to add and change roles in STAR Finance.

*The Security Support Unit in the Division of Technology Services (DTS) conducts periodic review of agency system accesses to ensure former employees have had their system accesses removed. STAR HCM and STAR Finance will be added to the list of systems for this periodic review by March 31, 2018.*

**Corrective Action Taken**

In FY2019, the Financial Manager performed periodic reconciliations between STAR Finance Security and the STAR HCM Authorized Position Report to ensure former employees had their STAR Finance access removed. The Financial Manager will continue to perform these periodic reconciliations rather than the DTS Security Support.

**WisDOT Division of Business Management**  
Bureau of Financial Management  
4822 Madison Yards Way  
Madison, WI 53705

**Governor Tony Evers**  
**Secretary Craig Thompson**  
[wisconsindot.gov](http://wisconsindot.gov)  
Telephone: (608) 267-1215  
Email: [Scott2.Thornton@dot.wi.gov](mailto:Scott2.Thornton@dot.wi.gov)



### Status of Prior Year Audit Findings

**Finding:** Financial Reporting for Changes to Infrastructure Related Capital Assets at the DOT (2018-008)

**Federal Program:** n/a

**Status of Audit Finding:** Corrective Action Taken

Person responsible for corrective action:  
Bryan Thiel, Financial Management Supervisor  
Division of Business Management, Bureau of Financial Management  
[Bryan.Thiel@dot.wi.gov](mailto:Bryan.Thiel@dot.wi.gov)

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**Finding:** Determination of Infrastructure related Capital Assets by the Department of Transportation (2018-009, 2017-008)

**Federal Program:** n/a

**Status of Audit Finding:** Corrective Action Taken

Person responsible for corrective action:  
Bryan Thiel, Financial Management Supervisor  
Division of Business Management, Bureau of Financial Management  
[Bryan.Thiel@dot.wi.gov](mailto:Bryan.Thiel@dot.wi.gov)

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**Finding:** Department of Transportation Use of Project Costing Data (2017-009)

**Federal Program:** n/a

**Status of Audit Finding:** Corrective Action Taken

Person responsible for corrective action:  
Bryan Thiel, Financial Management Supervisor  
Division of Business Management, Bureau of Financial Management  
[Bryan.Thiel@dot.wi.gov](mailto:Bryan.Thiel@dot.wi.gov)

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State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

*Tony Evers, Governor*

*Mark V. Afable, Commissioner*

**Injured Patients and Families Compensation Fund**

125 South Webster Street • P.O. Box 7873

Madison, Wisconsin 53707-7873

Phone: (608) 266-6830 • Fax: (608) 226-5536

July 17, 2019

**Status of Prior Year Audit Findings**

**Finding:** Financial Reporting Process for the Injured Patients and Families Compensation Fund (2018-002)

**Federal Program:** n/a

**Status of Audit Finding:**

Partially Corrected

OCI hired a Fund accountant on February 3<sup>rd</sup>, 2019, and in conjunction with management it was decided that external assistance and review of the Fund's financials, in lieu of internal assistance, would provide the highest level of confidence in the Fund's reporting.

On July 11<sup>th</sup>, 2019 DOA advised the Fund that its request to retain Strohm Ballweg LLP through the Sole Source Waiver process was approved. Strohm Ballweg will assist and review the Funds financials and CAFR submissions for FY19 and going forward.

Person responsible for corrective action:

Brynn Bruijn-Hansen, Fund Manager

Injured Patients and Families Compensation Fund, Office of the Commissioner of Insurance

[Brynn.bruijnhansen@wisconsin.gov](mailto:Brynn.bruijnhansen@wisconsin.gov)

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**State of Wisconsin Schedule of  
Expenditures of Federal Awards for  
the Year Ended June 30, 2019 ■**

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STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
<b>U.S DEPARTMENT OF AGRICULTURE:</b>					
10.001		Agricultural Research Basic and Applied Research	DNR	5,163	0
10.001		Agricultural Research Basic and Applied Research	UW-Madison	57,584	0
		Total Federal Program 10.001		<u>62,747</u>	<u>0</u>
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DATCP	667,830	0
10.093		Voluntary Public Access and Habitat Incentive Program	DNR	193,162	0
10.117	AG28540WI001	Biofuel Infrastructure Partnership	PSC	1,184,388	1,184,388
10.170		Specialty Crop Block Grant Program - Farm Bill	DATCP	1,314,426	1,208,631
10.171		Organic Certification Cost Share Programs	DATCP	954,957	828,950
10.172		Local Food Promotion Program	UW Extension	115,464	0
10.178		Trade Mitigation Program Eligible Recipient Agency Operational Funds	DHS	53,786	53,786
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	1,013,890	0
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	27,888	0
10.210		Higher Education – Graduate Fellowships Grant Program	UW-Madison	53,158	0
10.303		Integrated Programs	UW Extension	(17,358)	0
10.310		Agriculture and Food Research Initiative (AFRI)	UW Extension	1,467,680	623,976
10.326		Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	UW-River Falls	285,428	113,974
10.328		National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	UW-Madison	848	0
10.351		Rural Business Development Grant	UW Extension	39,507	0
10.406		Farm Operating Loans	UW-River Falls	28,269	0
10.435		State Mediation Grants	DATCP	141,234	0
10.475		Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	DATCP	5,599,778	0
10.477		Meat, Poultry, and Egg Products Inspection	DATCP	17,159	0
10.500		Cooperative Extension Service	UW Extension	8,938,621	153,407
10.500		Cooperative Extension Service	UW-Madison	2,081,603	0
		Total Federal Program 10.500		<u>11,020,224</u>	<u>153,407</u>
SNAP Cluster:					
10.551		Supplemental Nutrition Assistance Program	DHS	779,723,196	0
10.561		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DHS	77,440,650	50,041,916
10.561		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	UW-Madison	12,919	0
		Total SNAP Cluster		<u>857,176,765</u>	<u>50,041,916</u>
Child Nutrition Cluster:					
10.553		School Breakfast Program	DPI	54,506,013	54,506,013
10.555		National School Lunch Program	DPI	197,472,485	197,472,485
10.556		Special Milk Program for Children	DPI	678,160	678,160
10.559		Summer Food Service Program for Children	DPI	9,583,508	9,308,925
		Total Child Nutrition Cluster		<u>262,240,166</u>	<u>261,965,583</u>
10.557		WIC Special Supplemental Nutrition Program for Women, Infants, and Children	DHS	66,356,873	22,434,603
10.558		Child and Adult Care Food Program	DPI	38,994,528	38,253,802
10.560		State Administrative Expenses for Child Nutrition	DPI	4,498,172	0
Food Distribution Cluster:					
10.565		Commodity Supplemental Food Program	DHS	1,040,068	930,438
10.568		Emergency Food Assistance Program (Administrative Costs)	DHS	1,254,386	1,190,526
10.569		Emergency Food Assistance Program (Food Commodities)	DHS	14,396,516	14,396,516
		Total Food Distribution Cluster		<u>16,690,970</u>	<u>16,517,480</u>
10.572		WIC Farmers' Market Nutrition Program (FMNP)	DHS	798,304	0
10.574		Team Nutrition Grants	DPI	289,332	2,650
10.575		Farm to School Grant Program	DPI	20,028	0
10.576		Senior Farmers Market Nutrition Program	DHS	284,966	264,266
10.578		WIC Grants To States (WGS)	DHS	79,879	0
10.579		Child Nutrition Discretionary Grants Limited Availability	DPI	344,603	327,952
10.582		Fresh Fruit and Vegetable Program	DPI	3,180,412	3,062,802
10.603		Emerging Markets Program	DATCP	34,941	0
10.614		Scientific Cooperation Exchange Program with China	UW-River Falls	11,472	0
10.664		Cooperative Forestry Assistance	DNR	1,496,235	493,528

STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
10.665		Forest Services Schools and Roads Cluster: Schools and Roads - Grants to States	DNR	1,295,495	1,295,495
		Total Forest Services Schools and Roads Cluster		1,295,495	1,295,495
10.674	14-CA-1142004	Wood Utilization Assistance	PSC	35,154	0
10.675		Urban and Community Forestry Program	DNR	228,225	65,107
10.676		Forest Legacy Program	DNR	10,237	0
10.678		Forest Stewardship Program	DNR	310,095	0
10.680		Forest Health Protection	DNR	239,228	0
10.684		International Forestry Programs	UW-Madison	39,874	0
10.697		State & Private Forestry Hazardous Fuel Reduction Program	DNR	3,068	0
10.699		Partnership Agreements	DNR	17,855	0
10.699		Partnership Agreements	UW-Madison	2,223	0
		Total Federal Program 10.699		20,078	0
10.703		Cooperative Fire Protection Agreement	DNR	1,944,532	0
10.771		Rural Cooperative Development Grants	UW-Madison	272,460	94,202
10.777		Norman E. Borlaug International Agricultural Science and Technology Fellowship	UW-Madison	9,966	0
10.902		Soil and Water Conservation	DATCP	90,294	82,085
10.902		Soil and Water Conservation	DNR	11,434	0
10.902		Soil and Water Conservation	UW Extension	1,262,184	93,561
10.902		Soil and Water Conservation	UW-Madison	64,677	0
		Total Federal Program 10.902		1,428,589	175,646
10.912		Environmental Quality Incentives Program	DATCP	53,911	0
10.912		Environmental Quality Incentives Program	UW Extension	143,002	42,976
10.912		Environmental Quality Incentives Program	UW-Madison	52,208	11,170
		Total Federal Program 10.912		249,121	54,146
10.950		Agricultural Statistics Reports	DATCP	37,680	0
N/A	10.16-CS-11091300-074	Other Federal Financial Assistance: Chequamegon-Nicolet Groundwater	UW Extension	72,067	0
N/A	10.Fund 199	Veterinary Diagnostic Laboratory	UW-Madison	273,379	0
N/A	10.R934b / 57-3655-14-0177	Remodeling & Boiler Upgrade	UW-Madison	27,582	0
		Subtotal Direct Programs		1,283,218,941	399,216,290
10.025		Subgrants: Plant and Animal Disease, Pest Control, and Animal Care (from Gypsy Moth Slow the Spread Foundation)	DATCP	860,027	0
10.168		Farmers Market Promotion Program (from Hope & Main)	UW-Madison	1,461	0
10.172		Local Food Promotion Program (from Wisconsin Food Hub Cooperative)	UW-Madison	14,648	0
10.200	SUBAWARD 8000081324-AG	Grants for Agricultural Research, Special Research Grants (from Purdue University)	UW Extension	(227)	0
10.200	088891-16772	Grants for Agricultural Research, Special Research Grants (from University of Illinois-Urbana-Champaign)	UW-Madison	236,034	0
10.200	2014-38500-22138 / 416-41-15W	Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Stevens Point	50,227	0
10.215		Sustainable Agriculture Research and Education (from University Of Minnesota)	UW Extension	2,638	0
10.215	H004991203; UMinn Cont #54633	Sustainable Agriculture Research and Education (from University Of Minnesota)	UW Extension	86,691	29,652
10.227	2017-38424-27080	1994 Institutions Research Program (from College of Menominee Nation)	UW-Madison	8,331	0
10.310		Agriculture and Food Research Initiative (AFRI) (from University of Florida)	UW Extension	6,295	0
10.310	RC108357UW	Agriculture and Food Research Initiative (AFRI) (from Michigan State University)	UW-Madison	11,376	0
10.310	9500070955 / 2018-67009-27375	Agriculture and Food Research Initiative (AFRI) (from University of Tennessee)	UW-Stevens Point	61,522	0
10.311		Beginning Farmer and Rancher Development Program (from Easter Seals of WI)	DATCP	8,147	0
10.311	2015-70017-23896	Beginning Farmer and Rancher Development Program (from Ohio State University Research Foundation)	UW-Madison	5,792	0

STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
10.311		Beginning Farmer and Rancher Development Program (from Easter Seals Wisconsin)	UW-Stevens Point	45,204	5,000
10.329	076332-16724	Crop Protection and Pest Management Competitive Grants Program (from University of Illinois-Urbana-Champaign)	UW-Madison	17,668	0
10.460	RM17RMEPP522 C027	Risk Management Education Partnerships (from Organic Seed Alliance)	UW-Madison	5,068	0
10.500	Subaward S17127	Cooperative Extension Service (from Kansas State University)	UW Extension	14,495	0
10.500	FAR0029120	Cooperative Extension Service (from North Dakota State University)	UW Extension	27,232	0
10.500	H005722908	Cooperative Extension Service (from University Of Minnesota)	UW Extension	23,601	0
10.500		Cooperative Extension Service (from University of Minnesota)	UW Extension	1,342	0
10.500	25-6324-0150-110	Cooperative Extension Service (from University of Nebraska)	UW-Madison	30,973	0
10.500	#25-6324-0150-315	Cooperative Extension Service (from University of Nebraska)	UW-River Falls	5,847	0
10.575	F2S 2017 USDA	Farm to School Grant Program (from Community Groundworks)	UW-Madison	13,750	0
10.680		Forest Health Protection (from Gypsy Moth Slow the Spread Foundation)	DATCP	20,400	0
10.912	Subaward 2017-19-07-CIG	Environmental Quality Incentives Program (from Minnesota Agricultural Water Resource Center)	UW Extension	254,739	0
N/A	10.S19071	4-H Military Partnership (from Kansas State University)	UW Extension	9,962	0
N/A	10.550, Subaward H004991238	Food Distribution (from University Of Minnesota)	UW Extension	48,966	1,282
Subtotal Subgrants				1,872,209	35,934
TOTAL U.S. DEPARTMENT OF AGRICULTURE				1,285,091,150	399,252,224
<b>U.S. DEPARTMENT OF COMMERCE:</b>					
11.303		Economic Development Technical Assistance	UW Extension	132,178	0
11.303		Economic Development Technical Assistance	UW-Stout	74,792	0
Total Federal Program 11.303				206,970	0
11.407		Interjurisdictional Fisheries Act of 1986	DNR	15,052	0
11.417		Sea Grant Support	UW Extension	68,886	0
11.417		Sea Grant Support	UW-Madison	1,954	0
11.417		Sea Grant Support	UW-Milwaukee	57,525	0
11.417		Sea Grant Support	UW-Stevens Point	92,085	0
11.417		Sea Grant Support	UW-Superior	33,900	0
Total Federal Program 11.417				254,350	0
11.419		Coastal Zone Management Administration Awards	DOA	2,843,777	1,803,841
11.419		Coastal Zone Management Administration Awards	UW-Milwaukee	12,333	0
Total Federal Program 11.419				2,856,110	1,803,841
11.420		Coastal Zone Management Estuarine Research Reserves	UW Extension	566,641	0
11.420		Coastal Zone Management Estuarine Research Reserves	UW-Superior	118,859	0
Total Federal Program 11.420				685,500	0
11.429		Marine Sanctuary Program	UW-Madison	29,844	12,501
11.429		Marine Sanctuary Program	UW-Superior	55,827	0
Total Federal Program 11.429				85,671	12,501
11.473		Office for Coastal Management	DOA	136,614	25,368
11.611		Manufacturing Extension Partnership	UW-Stout	426,879	0
11.999		Marine Debris Program	UW-Madison	2,765	2,194
Subtotal Direct Grants				4,669,911	1,843,904
Subgrants:					
11.008		NOAA Mission-Related Education Awards (from Fond Du Lac Tribal & Community College)	UW Extension	4,851	0
11.419	20170731	Coastal Zone Management Administration Awards (from The Nature Conservancy)	UW Extension	(3,674)	0
11.432	089354-16834	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Illinois-Urbana-Champaign)	UW-Madison	11,922	0
11.432	3004702271	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Madison	44,955	0
11.611		Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing & Productivity Inc)	UW-Stout	693,536	0
Subtotal Subgrants				751,590	0
TOTAL U.S. DEPARTMENT OF COMMERCE				5,421,501	1,843,904

STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
<b>U.S. DEPARTMENT OF DEFENSE:</b>					
12.113		State Memorandum of Agreement Program for the Reimbursement of Technical Services	DNR	91,524	0
12.300		Basic and Applied Scientific Research	UW-Madison	243,459	0
12.300		Basic and Applied Scientific Research	UW-Milwaukee	109,848	0
		Total Federal Program 12.300		<u>353,307</u>	<u>0</u>
12.400		Military Construction, National Guard	DMA	1,234,277	0
12.401		National Guard Military Operations and Maintenance (O&M) Projects	DMA	46,327,180	0
12.404		National Guard ChalleNGe Program	DMA	3,874,279	0
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	66,980	0
12.800		Air Force Defense Research Sciences Program	UW-Madison	380,697	44,326
12.900		Language Grant Program	UW-Madison	156,477	0
12.902		Information Security Grants	UW-Stout	163,996	0
12.903		GenCyber Grants Program	UW-Green Bay	58,727	0
12.910		Research and Technology Development	UW-Madison	192,445	0
N/A	96X5090	Other Federal Financial Assistance: Flood Control Projects	BCPL	55,047	55,047
		Subtotal Direct Grants		<u>52,954,936</u>	<u>99,373</u>
Subgrants:					
12.357		ROTC Language and Culture Training Grants (from Institute of International Education)	UW-Madison	299,171	0
12.357	Project GO 2017-2018	ROTC Language and Culture Training Grants (from Institute of International Education)	UW-Madison	42,484	0
12.420	1652215	Military Medical Research and Development (from Medical College of Wisconsin)	UW-Madison	(15,177)	0
12.420	SR00002886	Military Medical Research and Development (from Johns Hopkins University)	UW-Madison	421	0
12.431	504119-70850	Basic Scientific Research (from Northeastern University)	UW-Madison	70,266	0
12.431	60788-Z8078202	Basic Scientific Research (from University of Maryland)	UW-Madison	137,315	0
12.550		The Language Flagship Grants to Institutions of Higher Education (from Institute of International Education)	UW-Madison	137,960	0
12.550	0054-UWI-20	The Language Flagship Grants to Institutions of Higher Education (from Institute of International Education)	UW-Madison	30,047	0
12.550	0054-UWI-20-LR-280-P06	The Language Flagship Grants to Institutions of Higher Education (from Institute of International Education)	UW-Madison	76,145	0
12.550	Flagship Culture Initiative	The Language Flagship Grants to Institutions of Higher Education (from University of Maryland)	UW-Madison	14,457	0
12.550	IFLI Planning 2018	The Language Flagship Grants to Institutions of Higher Education (from Institute of International Education)	UW-Madison	173,383	96,256
12.550	Russian Flagship Renew YR03	The Language Flagship Grants to Institutions of Higher Education (from Institute of International Education)	UW-Madison	238,723	0
12.550	SAFLI 2018	The Language Flagship Grants to Institutions of Higher Education (from Institute of International Education)	UW-Madison	412,643	226,310
12.910	401373-5801	Research and Technology Development (from Colorado School of Mines)	UW-Madison	182,870	0
N/A	12.1550-20145-05	Economic Adjustment Assistance for State Governments (from East Central Wisconsin Regional Planning Commission)	UW-Oshkosh	344	0
		Subtotal Subgrants		<u>1,801,052</u>	<u>322,566</u>
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>				<u>54,755,988</u>	<u>421,939</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>					
14.228		Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	DOA	29,062,804	28,437,220
14.231		Emergency Solutions Grant Program	DOA	3,465,158	3,287,196
14.238		Shelter Plus Care	DOA	42,308	42,308
14.239		Home Investment Partnerships Program	DOA	7,906,264	7,414,596
14.241		Housing Opportunities for Persons with AIDS	DOA	522,858	502,323
		Subtotal Direct Grants		<u>40,999,392</u>	<u>39,683,643</u>

STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
14.218		Subgrants: Community Development Block Grants/Entitlement Grants (from Waukesha County)	UW Extension	95	0
		Subtotal Subgrants		95	0
		TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		40,999,487	39,683,643
<b>U.S. DEPARTMENT OF THE INTERIOR:</b>					
15.035		Forestry on Indian Lands	DNR	72,000	0
15.226		Payments in Lieu of Taxes	DNR	3,686,286	3,686,286
15.605		Fish and Wildlife Cluster: Sport Fish Restoration	DNR	11,884,653	361,772
15.611		Wildlife Restoration and Basic Hunter Education	DNR	25,307,715	647,108
		Total Fish and Wildlife Cluster		37,192,368	1,008,880
15.608		Fish and Wildlife Management Assistance	DNR	70,698	0
15.614		Coastal Wetlands Planning, Protection and Restoration	DNR	9,580	0
15.615		Cooperative Endangered Species Conservation Fund	DNR	503,084	0
15.616		Clean Vessel Act	DNR	46,739	46,739
15.622		Sportfishing and Boating Safety Act	DNR	200,000	200,000
15.623		North American Wetlands Conservation Fund	DNR	177,897	0
15.630		Coastal	DNR	1,706	0
15.634		State Wildlife Grants	DNR	1,356,379	50,398
15.657		Endangered Species Conservation – Recovery Implementation Funds	DNR	38,443	0
15.662		Great Lakes Restoration	DNR	1,512,717	300,000
15.678		Cooperative Ecosystem Studies Units	UW-Stevens Point	3,548	0
15.808		U.S. Geological Survey Research and Data Collection	UW Extension	67,024	0
15.810		National Cooperative Geologic Mapping	UW Extension	174,219	0
15.814		National Geological and Geophysical Data Preservation	UW Extension	20,391	0
15.817		National Geospatial Program: Building The National Map	DOA	558,645	558,645
15.904		Historic Preservation Fund Grants-In-Aid	WHS	1,065,925	117,664
15.916		Outdoor Recreation Acquisition, Development and Planning	DNR	869,294	785,731
15.922		Native American Graves Protection and Repatriation Act	UW-Madison	117	0
15.922		Native American Graves Protection and Repatriation Act	WHS	1,165	0
		Total Federal Program 15.922		1,282	0
15.925		National Maritime Heritage Grants	WHS	6,588	0
15.944		Natural Resource Stewardship	DNR	925,231	0
15.944		Natural Resource Stewardship	UW-La Crosse	15,000	0
		Total Federal Program 15.944		940,231	0
15.945		Cooperative Research and Training Programs – Resources of the National Park System	UW Extension	1,473	0
15.978		Upper Mississippi River Restoration Long Term Resource Monitoring	DNR	612,427	0
15.980		National Ground-Water Monitoring Network	UW Extension	41,622	0
		Subtotal Direct Grants		49,230,566	6,754,343
15.608		Subgrants: Fish and Wildlife Management Assistance (from Mississippi River Basin Panel)	UW Extension	12,245	0
15.611		Wildlife Restoration and Basic Hunter Education (from Village of Plover)	UW-Stevens Point	27,754	0
15.662	US-WI-411-1	Great Lakes Restoration (from National Fish & Wildlife Foundation)	UW-Green Bay	47,075	0
15.805	078687-15717 - 2015-06806-07	Assistance to State Water Resources Research Institutes (from University of Illinois-Urbana-Champaign)	UW-Madison	43,140	0
15.820	12-007036	National and Regional Climate Adaptation Science Centers (from University of Massachusetts-Amherst)	UW-Madison	108,425	0
N/A	15.AGMT 01/10/18	In-depth Examination of Opioid Deaths in Milwaukee County (from Milwaukee County)	UW-Milwaukee	8,525	0
		Subtotal Subgrants		247,164	0
		TOTAL U.S. DEPARTMENT OF THE INTERIOR		49,477,730	6,754,343

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FOR THE YEAR ENDED JUNE 30, 2019

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
<b>U.S. DEPARTMENT OF JUSTICE:</b>					
16.017		Sexual Assault Services Formula Program	DOJ	343,244	319,467
16.528		Enhanced Training and Services to End Violence and Abuse of Women Later in Life	DOJ	81,082	6,486
16.540		Juvenile Justice and Delinquency Prevention	DOJ	180,390	32,646
16.543		Missing Children's Assistance	DOJ	496,835	220,019
16.550		State Justice Statistics Program for Statistical Analysis Centers	DOJ	139,402	0
16.554		National Criminal History Improvement Program (NCHIP)	DOJ	1,969,672	127,038
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants	DPI	86,639	36,123
16.575		Crime Victim Assistance	DOJ	29,866,777	28,764,709
16.576		Crime Victim Compensation	DOJ	1,975,165	1,884,679
16.579		Edward Byrne Memorial Formula Grant Program	UW-Stout	1,364	0
16.582		Crime Victim Assistance/Discretionary Grants	DOJ	238,906	206,080
16.585		Drug Court Discretionary Grant Program	DOJ	11,425	0
16.588		Violence Against Women Formula Grants	DOJ	2,296,767	1,786,714
16.590		Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	DOJ	238,234	75,233
16.593		Residential Substance Abuse Treatment for State Prisoners	DOJ	243,155	226,716
16.606		State Criminal Alien Assistance Program	DOC	1,291,070	0
16.609		Project Safe Neighborhoods	DOJ	105,725	90,688
16.710		Public Safety Partnership and Community Policing Grants	DOJ	788,022	524,870
16.734		Special Data Collections and Statistical Studies	DOJ	116,551	0
16.735		PREA Program: Strategic Support for PREA Implementation	DOC	166,979	0
16.738		Edward Byrne Memorial Justice Assistance Grant Program	DOJ	2,253,427	1,407,675
16.741		DNA Backlog Reduction Program	DOJ	602,945	0
16.742		Paul Coverdell Forensic Sciences Improvement Grant Program	DOJ	313,235	52,969
16.751		Edward Byrne Memorial Competitive Grant Program	DOJ	276,341	276,341
16.754		Harold Rogers Prescription Drug Monitoring Program	DOJ	713	0
16.754		Harold Rogers Prescription Drug Monitoring Program	DSPS	226,675	0
		Total Federal Program 16.754		227,388	0
16.812		Second Chance Act Reentry Initiative	DOC	374,762	0
16.812		Second Chance Act Reentry Initiative	DOJ	390,790	378,843
		Total Federal Program 16.812		765,552	378,843
16.820		Postconviction Testing of DNA Evidence	UW-Madison	111,597	0
16.833		National Sexual Assault Kit Initiative	DOJ	1,683,067	595,252
16.838		Comprehensive Opioid Abuse Site-Based Program	DOJ	1,744	0
16.922		Equitable Sharing Program	DMA	52,567	0
16.922		Equitable Sharing Program	DOJ	14,552	1,600
		Total Federal Program 16.922		67,119	1,600
Other Federal Financial Assistance:					
N/A	2018-126	Domestic Cannabis Eradication/Suppression Program 2018	DOJ	66,208	14,682
N/A	2019-136	Domestic Cannabis Eradication/Suppression Program 2019	DOJ	67,844	21,261
N/A	ORI# WIDCI0000	Drug Enforcement Administrations - State and Local Task Force Agreement	DOJ	50,680	0
N/A	WI DOJ-FBI MOU	Organized Crime Drug Enforcement Task Force	DOJ	86,877	0
N/A	USMS MOU	US Marshals Fugitive Task Force	DOJ	5,398	0
N/A	WI DOJ-FBI MOU	Federal Bureau of Investigation - Joint Terrorism Task Force	DOJ	13,557	0
N/A	16.IPA	Interagency Personnel Agreements	UW-Madison	33,000	0
		Subtotal Direct Grants		47,263,383	37,050,091
Subgrants:					
16.320		Services for Trafficking Victims (from Legal Action of Wisconsin Inc)	UW-Milwaukee	13,328	0
16.582		Crime Victim Assistance/Discretionary Grants (from Sojourner Family Peace Center)	UW-Milwaukee	40,878	0
16.726		Juvenile Mentoring Program (from National 4-H Council)	UW Extension	41,537	0
16.745		Criminal and Juvenile Justice and Mental Health Collaboration Program (from Saint Paul Police Department)	UW-Madison	15,017	0

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CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
N/A	09.550010	Eviction Defense Project Evaluation Yr 3 and 4 (from Legal Action of Wisconsin Inc)	UW-Milwaukee	1,982	0
		Subtotal Subgrants		<u>112,742</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF JUSTICE		<u>47,376,125</u>	<u>37,050,091</u>
<b>U.S. DEPARTMENT OF LABOR:</b>					
17.002		Labor Force Statistics	DWD	1,378,911	0
17.005		Compensation and Working Conditions	UW-Madison	152,671	0
Employment Services Cluster:					
17.207		Employment Service/Wagner-Peyser Funded Activities	DWD	11,181,056	0
17.801		Disabled Veterans' Outreach Program (DVOP)	DWD	2,125,894	0
17.804		Local Veterans' Employment Representative Program	DWD	1,301,618	0
		Total Employment Services Cluster		<u>14,608,568</u>	<u>0</u>
17.225		Unemployment Insurance	DWD	454,905,892	0
17.235		Senior Community Service Employment Program	DHS	1,892,721	1,805,429
17.245		Trade Adjustment Assistance	DWD	4,255,780	0
WIOA Cluster:					
17.258		WIOA Adult Program	DWD	9,986,293	8,298,755
17.259		WIOA Youth Activities	DWD	13,214,027	10,221,850
17.278		WIOA Dislocated Worker Formula Grants	DWD	14,468,044	10,540,286
		Total WIOA Cluster		<u>37,668,364</u>	<u>29,060,891</u>
17.268		H-1B Job Training Grants	DWD	1,077,268	682,246
17.271		Work Opportunity Tax Credit Program (WOTC)	DWD	389,335	0
17.273		Temporary Labor Certification for Foreign Workers	DWD	155,348	0
17.277		WIOA National Dislocated Worker Grants / WIA National Emergency Grants	DWD	580,090	135,336
17.282		Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	WTCS	12,861	0
17.285		Apprenticeship USA Grants	DWD	1,035,291	448,691
17.502		Occupational Safety and Health Susan Harwood Training Grants	UW-Milwaukee	94,433	0
17.504		Consultation Agreements	UW-Madison	4,282,689	0
17.600		Mine Health and Safety Grants	DSPS	104,756	0
Other Federal Financial Assistance:					
N/A	Public Law 112-96	Short-Time Compensation (STC) Modernization	DWD	104,780	0
N/A	Sec 903 (42 U.S.C. 1103)	Reed Act Employment Security Building and Equipment	DWD	35,769	0
		Subtotal Direct Grants		<u>522,735,527</u>	<u>32,132,593</u>
		TOTAL U.S. DEPARTMENT OF LABOR		<u>522,735,527</u>	<u>32,132,593</u>
<b>U.S. DEPARTMENT OF STATE:</b>					
19.300		Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	UW-Madison	123,569	0
		Subtotal Direct Grants		<u>123,569</u>	<u>0</u>
Subgrants:					
19.009		Academic Exchange Programs - Undergraduate Programs (from International Research & Exchanges Board Inc)	UW-La Crosse	27,793	0
19.009		Academic Exchange Programs - Undergraduate Programs (from International Research & Exchanges Board Inc)	UW-Madison	96,523	0
19.009	MWF 2018 Admin	Academic Exchange Programs - Undergraduate Programs (from International Research & Exchanges Board Inc)	UW-Madison	20,946	0
19.009	MWF Participant Support	Academic Exchange Programs - Undergraduate Programs (from International Research & Exchanges Board Inc)	UW-Madison	67,978	0
19.022		Educational and Cultural Exchange Programs Appropriation Overseas Grants (from International Research & Exchanges Board Inc)	UW-Stout	105,251	0
19.400		Academic Exchange Programs - Graduate Students (from Institute of International Education)	UW-Madison	147,607	0
19.415		Professional and Cultural Exchange Programs - Citizen Exchanges (from American Councils for International Education)	UW-Madison	57,887	0



STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
19.415	NSLI-Y PSI NCC 2018	Professional and Cultural Exchange Programs - Citizen Exchanges (from American Councils for International Education)	UW-Madison	101,883	0
		Subtotal Subgrants		<u>625,868</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF STATE		<u>749,437</u>	<u>0</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>					
20.106		Airport Improvement Program	DOT	39,013,006	739,853
		Highway Planning and Construction Cluster:			
20.205		Highway Planning and Construction	DOT	991,831,186	9,356,520
20.205		Highway Planning and Construction Revolving Loan Balance	DOT	2,920,107	0
20.219		Recreational Trails Program	DNR	2,120,166	1,551,752
		Total Highway Planning and Construction Cluster		<u>996,871,459</u>	<u>10,908,272</u>
20.215		Highway Training and Education	DOT	208,311	0
20.215		Highway Training and Education	UW-Madison	4,067	0
		Total Federal Program 20.215		<u>212,378</u>	<u>0</u>
20.218		Motor Carrier Safety Assistance	DOT	6,190,466	13,200
20.232		Commercial Driver's License Program Implementation Grant	DOT	429,667	0
20.314		Railroad Development	DOT	232,274	0
		Federal Transit Cluster:			
20.500		Federal Transit Capital Investment Grants	DOT	86,444	0
20.526		Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	DOT	2,010,902	2,010,902
		Total Federal Transit Cluster		<u>2,097,346</u>	<u>2,010,902</u>
20.505		Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	DOT	338,506	81,259
20.509		Formula Grants for Rural Areas and Tribal Transit Program	DOT	19,840,032	13,533,066
		Transit Services Programs Cluster			
20.513		Enhanced Mobility of Seniors and Individuals with Disabilities	DOT	2,990,584	420,967
		Total Transit Services Programs Cluster		<u>2,990,584</u>	<u>420,967</u>
20.528		Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	DOT	156,140	0
		Highway Safety Cluster:			
20.600		State and Community Highway Safety	DOT	3,888,032	1,270,180
20.616		National Priority Safety Programs	DOT	4,214,776	1,881,157
		Total Highway Safety Cluster		<u>8,102,808</u>	<u>3,151,337</u>
20.614		National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	DOT	87,036	0
20.700		Pipeline Safety Program State Base Grant	PSC	671,062	0
20.703		Interagency Hazardous Materials Public Sector Training and Planning Grants	DMA	273,786	29,527
		Subtotal Direct Grant Programs		<u>1,077,506,550</u>	<u>30,888,383</u>
		TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>1,077,506,550</u>	<u>30,888,383</u>
<b>U.S. DEPARTMENT OF THE TREASURY:</b>					
21.009		Volunteer Income Tax Assistance (VITA) Matching Grant Program	UW-Whitewater	4,847	0
		Subtotal Direct Grants		<u>4,847</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF THE TREASURY		<u>4,847</u>	<u>0</u>
<b>OFFICE OF PERSONNEL MANAGEMENT:</b>					
N/A	24362018D0016	Other Federal Financial Assistance: WI Birth Certs	DHS	3,380	0
		Subtotal Direct Grants		<u>3,380</u>	<u>0</u>
		TOTAL OFFICE OF PERSONNEL MANAGEMENT		<u>3,380</u>	<u>0</u>

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CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
<b>U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:</b>					
30.002		Employment Discrimination-State and Local Fair Employment Practices Agency Contracts	DWD	668,226	0
		Subtotal Direct Grants		<u>668,226</u>	<u>0</u>
		TOTAL U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		<u>668,226</u>	<u>0</u>
<b>FEDERAL COMMUNICATIONS COMMISSION:</b>					
N/A	Under 47 U.S.C. 620	Other Federal Financial Assistance: National Deaf-Blind Equipment Distribution Program	DHS	134,039	113,560
		Subtotal Direct Grants		<u>134,039</u>	<u>113,560</u>
		TOTAL FEDERAL COMMUNICATIONS COMMISSION		<u>134,039</u>	<u>113,560</u>
<b>U.S. GENERAL SERVICES ADMINISTRATION:</b>					
39.003		Donation of Federal Surplus Personal Property	DOA	40,937	0
39.011	H101	Election Reform Payments	Elections	615,959	0
		Subtotal Direct Grants		<u>656,896</u>	<u>0</u>
		TOTAL U.S. GENERAL SERVICES ADMINISTRATION		<u>656,896</u>	<u>0</u>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>					
43.001		Science	UW Extension	(17,994)	0
43.001		Science	UW-Madison	305,799	0
		Total Federal Program 43.001		<u>287,805</u>	<u>0</u>
43.012		Space Technology	UW-Madison	51,828	0
		Subtotal Direct Grants		<u>339,633</u>	<u>0</u>
		Subgrants:			
43.001	HST-GO-14113.001-A	Science (from Space Telescope Science Institute)	UW-Madison	(2)	0
43.008	NNX15AJ12H-367641	Education (from Wisconsin Space Grant Consortium)	UW-La Crosse	2,300	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-Milwaukee	10,370	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-Platteville	5,544	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-River Falls	2,834	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-Stevens Point	442	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-Superior	1,506	0
43.008	NNX15AJ12H	Education (from Wisconsin Space Grant Consortium)	UW-Superior	690	0
43.008	Prime#	Education (from Wisconsin Space Grant Consortium)	UW-Superior	11	0
	NNX15AJ12H	Subtotal Subgrants		<u>23,695</u>	<u>0</u>
		TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		<u>363,328</u>	<u>0</u>
<b>NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES:</b>					
45.024		Promotion of the Arts Grants to Organizations and Individuals	UW-Milwaukee	110,919	0
45.024		Promotion of the Arts Grants to Organizations and Individuals	UW-Stevens Point	10,000	0
45.024		Promotion of the Arts Grants to Organizations and Individuals	UW-Whitewater	10,000	0
		Total Federal Program 45.024		<u>130,919</u>	<u>0</u>
45.025		Promotion of the Arts Partnership Agreements	Tourism	870,542	685,008
45.129		Promotion of the Humanities Federal/State Partnership	UW Colleges	(116)	0
45.129		Promotion of the Humanities Federal/State Partnership	UW-Eau Claire	5,611	0
45.129	FY19-012-17	Promotion of the Humanities Federal/State Partnership	UW-La Crosse	8,956	0
45.129		Promotion of the Humanities Federal/State Partnership	UW-Madison	12,282	0
45.129		Promotion of the Humanities Federal/State Partnership	UW-Milwaukee	6,112	0
45.129		Promotion of the Humanities Federal/State Partnership	UW-Whitewater	10,000	0
45.129		Promotion of the Humanities Federal/State Partnership	Wisconsin Humanities Council	811,909	82,764
		Total Federal Program 45.129		<u>854,754</u>	<u>82,764</u>
45.149		Promotion of the Humanities Division of Preservation and Access	UW-Madison	53,401	0
45.149		Promotion of the Humanities Division of Preservation and Access	UW-Milwaukee	5,991	0
45.149		Promotion of the Humanities Division of Preservation and Access	WHS	152,726	0
		Total Federal Program 45.149		<u>212,118</u>	<u>0</u>
45.162		Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	UW-Madison	1,504	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
45.163		Promotion of the Humanities Professional Development	UW-Eau Claire	1,332	0
45.301		Museums for America	UW-Madison	97,885	0
45.310		Grants to States	DPI	2,151,967	418,534
45.312		National Leadership Grants	UW-Madison	39,188	25,159
45.312		National Leadership Grants	UW-Milwaukee	2,109	0
		Total Federal Program 45.312		<u>41,297</u>	<u>25,159</u>
45.313		Laura Bush 21st Century Librarian Program	DPI	232	0
45.313		Laura Bush 21st Century Librarian Program	UW-Madison	100,632	0
		Total Federal Program 45.313		<u>100,864</u>	<u>0</u>
		Subtotal Direct Grants		<u>4,463,182</u>	<u>1,211,465</u>
Subgrants:					
45.025		Promotion of the Arts Partnership Agreements (from Arts Midwest)	UW-Whitewater	3,040	0
45.130		Promotion of the Humanities Challenge Grants (from Friends of UW-Madison Odyssey Project)	UW-Madison	37,792	0
45.149	MSN210265	Promotion of the Humanities Division of Preservation and Access (from University of Maryland)	UW-Madison	14,884	0
45.312		National Leadership Grants (from Marquette University)	UW-Milwaukee	22,369	0
		Subtotal Subgrants		<u>78,085</u>	<u>0</u>
		TOTAL NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES		<u>4,541,267</u>	<u>1,211,465</u>
<b>NATIONAL SCIENCE FOUNDATION:</b>					
Subgrants:					
47.070		Computer and Information Science and Engineering (from University of Notre Dame)	UW Extension	3,186	0
		Subtotal Subgrants		<u>3,186</u>	<u>0</u>
		TOTAL NATIONAL SCIENCE FOUNDATION		<u>3,186</u>	<u>0</u>
<b>U.S. SMALL BUSINESS ADMINISTRATION:</b>					
59.037		Small Business Development Centers	UW Extension	839,759	0
59.037		Small Business Development Centers	UW System	3,628	0
59.037		Small Business Development Centers	Administration	105,908	0
59.037		Small Business Development Centers	UW-Eau Claire	153,801	0
59.037		Small Business Development Centers	UW-Green Bay	86,988	0
59.037		Small Business Development Centers	UW-La Crosse	157,079	0
59.037		Small Business Development Centers	UW-Madison	153,130	0
59.037		Small Business Development Centers	UW-Milwaukee	60,989	0
59.037		Small Business Development Centers	UW-Oshkosh	97,867	0
59.037		Small Business Development Centers	UW-Parkside	49,916	0
59.037		Small Business Development Centers	UW-River Falls	94,755	0
59.037		Small Business Development Centers	UW-Stevens Point	67,572	0
59.037		Small Business Development Centers	UW-Superior	144,209	0
59.037		Small Business Development Centers	UW-Whitewater	2,015,601	0
		Total Federal Program 59.037		<u>2,015,601</u>	<u>0</u>
59.058		Federal and State Technology Partnership Program	UW Extension	139,570	0
59.061		State Trade Expansion	DATCP	53,566	0
		Subtotal Direct Grants		<u>2,208,737</u>	<u>0</u>
		TOTAL U.S. SMALL BUSINESS ADMINISTRATION		<u>2,208,737</u>	<u>0</u>
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS:</b>					
64.014		Veterans State Domiciliary Care	DVA	542,360	0
64.015		Veterans State Nursing Home Care	DVA	46,627,463	0
64.024		VA Homeless Providers Grant and Per Diem Program	DVA	1,407,339	0
64.101		Burial Expenses Allowance for Veterans	DVA	975,736	0
64.203		Veterans Cemetery Grants Program	DVA	889,841	0
Other Federal Financial Assistance:					
N/A	64.V101223B	Reimbursement Contract - State Approving Agency	DVA	266,263	0
N/A	64.IPA	Interagency Personnel Agreements	UW-Madison	1,370,223	0
N/A	64.IPA	Intergovernmental Personnel Assignment	UW-Madison	878,850	0
N/A	64.IPA	Intergovernmental Personnel Assignment	UW-Milwaukee	116,191	0
N/A	64.AAG3447	Veteran Student Services	UW-River Falls	420	0
		Subtotal Direct Federal Grants		<u>53,074,686</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS		<u>53,074,686</u>	<u>0</u>

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CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY:</b>					
66.001		Air Pollution Control Program Support	DNR	1,291,487	0
66.032		State Indoor Radon Grants	DHS	283,136	245,316
66.034		Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	DNR	815,744	0
66.040		State Clean Diesel Grant Program	DNR	275,260	255,190
66.204		Multipurpose Grants to States and Tribes	DHS	16,568	0
66.204		Multipurpose Grants to States and Tribes	DNR	6,395	0
		Total Federal Program 66.204		22,963	0
66.419		Water Pollution Control State, Interstate, and Tribal Program Support	DNR	431,833	0
66.433		State Underground Water Source Protection	DNR	12,909	0
66.436		Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	UW Extension	98,076	37,773
66.454		Water Quality Management Planning	DNR	335,667	165,313
Clean Water State Revolving Fund Cluster:					
66.458		Capitalization Grants for Clean Water State Revolving Funds	DNR	43,224,621	41,046,842
		Total Clean Water State Revolving Fund Cluster		43,224,621	41,046,842
66.460		Nonpoint Source Implementation Grants	DNR	2,061,124	777,902
66.461		Regional Wetland Program Development Grants	DNR	322,278	0
66.461		Regional Wetland Program Development Grants	UW Extension	39,000	14,775
		Total Federal Program 66.461		361,278	14,775
Drinking Water State Revolving Fund Cluster:					
66.468		Capitalization Grants for Drinking Water State Revolving Funds	DNR	19,122,876	13,830,680
		Total Drinking Water State Revolving Fund Cluster		19,122,876	13,830,680
66.469		Great Lakes Program	DHS	195,471	191,901
66.469		Great Lakes Program	DNR	6,075,640	2,293,007
66.469		Great Lakes Program	UW Extension	18,029	0
		Total Federal Program 66.469		6,289,140	2,484,908
66.472		Beach Monitoring and Notification Program Implementation Grants	DNR	212,976	0
66.514		Science To Achieve Results (STAR) Fellowship Program	UW-Madison	1,131	0
66.605		Performance Partnership Grants	DATCP	598,135	0
66.605		Performance Partnership Grants	DNR	16,143,701	35,929
		Total Federal Program 66.605		16,741,836	35,929
66.608		Environmental Information Exchange Network Grant Program and Related Assistance	DNR	54,221	0
66.707		TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	DHS	430,398	0
66.801		Hazardous Waste Management State Program Support	DNR	91,369	0
66.802		Superfund State, Political Subdivision, and Indian Tribe Site- Specific Cooperative Agreements	DNR	560,335	0
66.804		Underground Storage Tank Prevention, Detection and Compliance Program	DATCP	469,320	0
66.805		Leaking Underground Storage Tank Trust Fund Corrective Action Program	DNR	1,482,744	0
66.809		Superfund State and Indian Tribe Core Program Cooperative Agreements	DNR	11,613	0
66.817		State and Tribal Response Program Grants	DNR	962,799	0
66.818		Brownfields Assessment and Cleanup Cooperative Agreements	DNR	258,098	92,497
66.951		Environmental Education Grants	UW Extension	44,240	11,996
66.951		Environmental Education Grants	UW-Madison	35,501	5,345
		Total Federal Program 66.951		79,741	17,341
		Subtotal Direct Grants		95,982,695	59,004,466

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
Subgrants:					
66.436	Subaward H005496401	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act (from University Of Minnesota)	UW Extension	34,596	0
66.469		Great Lakes Program (from University of Minnesota)	UW-Madison	3,702	0
66.469	D005322153	Great Lakes Program (from University of Minnesota)	UW-Madison	19,007	0
N/A	KENOSHA ENV	Kenosha Environmental Settlement	DNR	1,729	0
Subtotal Subgrants				<u>59,034</u>	<u>0</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				<u>96,041,729</u>	<u>59,004,466</u>
<b>NUCLEAR REGULATORY COMMISSION:</b>					
77.008		U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	UW-Madison	100,000	0
Subtotal Direct Grants				<u>100,000</u>	<u>0</u>
TOTAL NUCLEAR REGULATORY COMMISSION				<u>100,000</u>	<u>0</u>
<b>U.S. DEPARTMENT OF ENERGY:</b>					
81.041	DE-EE0007494	State Energy Program	PSC	631,922	95,758
81.041		ARRA - State Energy Program	PSC	110,247	0
81.041		ARRA - State Energy Program Revolving Loan Fund	PSC	10,248,336	0
Total Federal Program 81.041				<u>10,990,505</u>	<u>95,758</u>
81.042		Weatherization Assistance for Low-Income Persons	DOA	9,630,923	7,914,558
81.049		Office of Science Financial Assistance Program	UW-Madison	17,490	0
81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	UW-Milwaukee	340,504	0
81.119	DE-EE0008614	State Energy Program Special Projects	PSC	9,225	0
81.121		Nuclear Energy Research, Development and Demonstration	UW-Madison	37,129	0
Subtotal Direct Grants				<u>21,025,776</u>	<u>8,010,316</u>
Subgrants:					
81.049	RC107504 UW	Office of Science Financial Assistance Program (from Michigan State University)	UW-Madison	22,979	0
81.087	087760-16811	Renewable Energy Research and Development (from University of Illinois-Urbana-Champaign)	UW-Madison	17,350	0
81.087	RC107739 UW	Renewable Energy Research and Development (from Michigan State University)	UW-Madison	167,808	0
81.087	SA-17-05	Renewable Energy Research and Development (from The Remade Institute)	UW-Milwaukee	89,651	0
N/A	81.AGMT 04/08/16	Student Support (from Krell Institute)	UW-Madison	1,820	0
N/A	81.Letter 09/13/16	Student Support (from Krell Institute)	UW-Madison	4,651	0
N/A	81.IPA 177808	Interagency Personnel Agreements (from Battelle Energy Alliance)	UW-Madison	84,125	0
Subtotal Subgrants				<u>388,384</u>	<u>0</u>
TOTAL U.S. DEPARTMENT OF ENERGY				<u>21,414,160</u>	<u>8,010,316</u>
<b>U.S DEPARTMENT OF EDUCATION:</b>					
84.002		Adult Education - Basic Grants to States	WTCS	7,084,206	6,145,986
84.010		Title I Grants to Local Educational Agencies	DPI	203,012,584	198,020,446
84.011		Migrant Education State Grant Program	DPI	556,203	278,497
84.013		Title I State Agency Program for Neglected and Delinquent Children and Youth	DPI	1,274,636	1,266,869
84.015	847K136	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-La Crosse	37,031	0
84.015		National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	UW-Madison	3,283,555	0
84.015		National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	UW-Milwaukee	407,457	0
Total Federal Program 84.015				<u>3,728,043</u>	<u>0</u>

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
84.022		Overseas Programs - Doctoral Dissertation Research Abroad	UW-Madison	7,398	0
84.027		Special Education Cluster (IDEA):	DPI	218,310,493	202,506,555
84.173		Special Education Grants to States	DPI	8,642,629	8,035,955
		Special Education Preschool Grants			
		Total Special Education Cluster (IDEA)		226,953,122	210,542,510
84.031		Higher Education Institutional Aid	UW-Stevens Point	119,454	0
TRIO Cluster:					
84.042		TRIO Student Support Services	UW Colleges	58,398	0
84.042		TRIO Student Support Services	UW-Eau Claire	618,345	0
84.042		TRIO Student Support Services	UW-La Crosse	350,880	0
84.042		TRIO Student Support Services	UW-Madison	652,928	0
84.042		TRIO Student Support Services	UW-Milwaukee	308,118	0
84.042		TRIO Student Support Services	UW-Oshkosh	22,400	0
84.042		TRIO Student Support Services	UW-Parkside	308,159	0
84.042		TRIO Student Support Services	UW-Platteville	672,512	0
84.042		TRIO Student Support Services	UW-River Falls	327,611	0
84.042		TRIO Student Support Services	UW-Stout	585,763	0
84.042		TRIO Student Support Services	UW-Superior	318,322	0
84.044		TRIO Talent Search	DPI	350,601	0
84.044		TRIO Talent Search	UW-Milwaukee	311,242	0
84.047		TRIO Upward Bound	DPI	258,108	0
84.047		TRIO Upward Bound	UW-Eau Claire	363,869	0
84.047		TRIO Upward Bound	UW-Green Bay	588,914	0
84.047		TRIO Upward Bound	UW-La Crosse	302,794	0
84.047		TRIO Upward Bound	UW-Milwaukee	939,050	0
84.047		TRIO Upward Bound	UW-River Falls	329,882	0
84.047		TRIO Upward Bound	UW-Stevens Point	493,257	0
84.047		TRIO Upward Bound	UW-Superior	247,242	0
84.047		TRIO Upward Bound	UW-Whitewater	239,562	0
84.066		TRIO Educational Opportunity Centers	UW-Milwaukee	232,417	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Eau Claire	243,563	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-La Crosse	175,034	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Madison	152,171	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Milwaukee	258,194	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Oshkosh	93	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-River Falls	219,943	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Stout	237,182	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Whitewater	259,581	0
		Total TRIO Cluster		10,426,135	0
84.048		Career and Technical Education -- Basic Grants to States	WTCS	20,923,320	18,611,230
84.116		Fund for the Improvement of Postsecondary Education	UW-La Crosse	959	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Milwaukee	318,411	0
		Total Federal Program 84.116		319,370	0
84.126		Rehabilitation Services Vocational Rehabilitation Grants to States	DWD	69,328,877	0
84.129		Rehabilitation Long-Term Training	UW-Madison	162,471	0
84.129		Rehabilitation Long-Term Training	UW-Stout	190,630	0
		Total Federal Program 84.129		353,101	0
84.161		Rehabilitation Services Client Assistance Program	DATCP	184,835	0
84.177		Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	DWD	661,912	661,248
84.181		Special Education-Grants for Infants and Families	DHS	7,391,517	6,089,508
84.184		School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	DPI	935,492	0
84.187		Supported Employment Services for Individuals with the Most Significant Disabilities	DWD	300,000	0
84.196		Education for Homeless Children and Youth	DPI	1,003,194	768,485
84.200		Graduate Assistance in Areas of National Need	UW-Milwaukee	157,994	0
84.206		Javits Gifted and Talented Students Education	DPI	343,830	0
84.263		Rehabilitation Training Experimental and Innovative Training	UW-Stout	527,375	236,879
84.282		Charter Schools	DPI	4,517,034	2,705,949
84.287		Twenty-First Century Community Learning Centers	DPI	16,805,062	15,839,400
84.299		Indian Education -- Special Programs for Indian Children	UW-Milwaukee	261,565	0
84.305		Education Research, Development and Dissemination	UW-Madison	924,371	0
84.323		Special Education - State Personnel Development	DPI	794,302	251,074
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-Madison	224,942	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-Milwaukee	207,513	0
		Total Federal Program 84.325		432,455	0
84.326	5144044	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	DPI	291,351	1,054
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	DPI	1,280,203	716,086
84.335		Child Care Access Means Parents in School	UW-Eau Claire	77,846	0
84.335		Child Care Access Means Parents in School	UW-Milwaukee	286,570	0
		Total Federal Program 84.335		364,416	0
84.358		Rural Education	DPI	376,903	367,312
84.365		English Language Acquisition State Grants	DPI	7,190,210	6,792,811
84.365		English Language Acquisition State Grants	UW-Oshkosh	(21)	0
		Total Federal Program 84.365		7,190,189	6,792,811
84.366		Mathematics and Science Partnerships	DPI	1,224,634	1,224,634
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	DPI	31,064,929	29,230,655
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW Extension	5,400	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW System Administration	15,215	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-Eau Claire	11,299	0
84.367	RF2018-03	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-La Crosse	2,301	0
84.367	RF2018-04	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-La Crosse	6,802	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-Madison	97,902	0
84.367	17-0111	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-Madison	11,884	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-Milwaukee	9,873	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-Oshkosh	2,185	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-Platteville	114,769	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-River Falls	34,811	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-Stout	114,467	0
		Total Federal Program 84.367		31,491,837	29,230,655
84.369		Grants for State Assessments and Related Activities	DPI	7,599,093	0
84.372		Statewide Longitudinal Data Systems	DPI	1,378,855	0
84.377		School Improvement Grants	DPI	3,280,675	3,280,675
84.418		Promoting Readiness of Minors in Supplemental Security Income	DWD	4,360,455	2,218,700
84.422		American History and Civics Education	UW-Parkside	139,879	0
84.423		Supporting Effective Educator Development Program	UW-Milwaukee	1,639,029	482,686
84.424		Student Support and Academic Enrichment Program	DPI	6,439,896	6,265,619
84.938		Hurricane Education Recovery	DPI	3,408,181	3,397,082
		Subtotal Direct Grants		649,792,983	515,395,395
Subgrants:					
84.004	IN4296347UW	Civil Rights Training and Advisory Services (also known as Equity Assistance Centers) (from Indiana University)	UW-Madison	7,967	0
84.015		National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from Cornell University)	UW-Madison	88,215	0
84.206	CR035930 / C027321	Javits Gifted and Talented Students Education (from Milwaukee Public Schools)	UW-Madison	39,643	0
84.264		Rehabilitation Training Technical Assistance Centers (from Southern University & A&M College)	UW-Stout	389,352	133,103
84.264	VRTAC-TC	Rehabilitation Training Technical Assistance Centers (from Southern University and A&M College)	UW-Stout	214,142	149,180

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CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
84.295		Ready-To-Learn Television (from Corporation for Public Broadcasting)	UW Extension	66,366	0
84.334	C018353	Gaining Early Awareness and Readiness for Undergraduate Programs (from Milwaukee Public Schools)	UW-Milwaukee	2,360	0
84.334	C023948	Gaining Early Awareness and Readiness for Undergraduate Programs (from Milwaukee Public Schools)	UW-Milwaukee	93,959	0
84.334	C023982/C021603/C018063/019007	Gaining Early Awareness and Readiness for Undergraduate Programs (from Milwaukee Public Schools)	UW-Milwaukee	18,773	0
84.334	C026982	Gaining Early Awareness and Readiness for Undergraduate Programs (from Milwaukee Public Schools)	UW-Milwaukee	21,175	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) (from National Writing Project)	UW-Milwaukee	3,500	0
84.367	NWP Seed Stipends	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) (from National Writing Project)	UW-Milwaukee	(45)	0
84.411		Education Innovation and Research (formerly Investing in Innovation (i3) Fund) (from Boys & Girls Clubs of Greater Milwaukee)	UW-Madison	18,347	0
84.411	11-WI05-2017I3AI	Education Innovation and Research (formerly Investing in Innovation (i3) Fund) (from National Writing Project)	UW-Madison	(425)	0
84.411	11-WI05-2018I3C3WP	Education Innovation and Research (formerly Investing in Innovation (i3) Fund) (from National Writing Project)	UW-Madison	68,161	0
84.411		Education Innovation and Research (formerly Investing in Innovation (i3) Fund) (from National Writing Project)	UW-Milwaukee	4,211	2,194
N/A	84.367D	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants) (from National Writing Project)	UW-Madison	17,998	0
N/A	84.367D	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants) (from National Writing Project)	UW-Milwaukee	(2,955)	0
N/A	84.P0150043	Distance Quichua Language Instruction Agreement (from University of New Mexico)	UW-Madison	5,000	0
				1,055,744	284,477
TOTAL U.S. DEPARTMENT OF EDUCATION				650,848,727	515,679,872
<b>SCHOLARSHIP FOUNDATIONS:</b>					
N/A	85.AGMT 06/22/18	Other Federal Assistance: Fellowships	UW-Madison	9,630	0
				9,630	0
TOTAL SCHOLARSHIP FOUNDATIONS				9,630	0
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:</b>					
89.003		National Historical Publications and Records Grants	WHS	46,007	0
				46,007	0
TOTAL NATIONAL ARCHIVES AND RECORDS				46,007	0
<b>ELECTION ASSISTANCE COMMISSION:</b>					
90.401	H251	Help America Vote Act Requirements Payments	Elections	1,364,476	0
90.404	ELEC SEC	2018 HAVA Election Security Grants	Elections	713,037	0
				2,077,513	0
TOTAL ELECTION ASSISTANCE COMMISSION				2,077,513	0
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
93.041		Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DHS	69,844	6,160
93.042		Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	DHS	271,667	268,399
93.043		Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	DHS	451,462	451,462
Aging Cluster:					
93.044		Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	DHS	6,883,856	6,545,840
93.045		Special Programs for the Aging, Title III, Part C, Nutrition Services	DHS	12,979,840	12,331,450
93.053		Nutrition Services Incentive Program	DHS	2,536,332	2,536,332
Total Aging Cluster				22,400,028	21,413,622



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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.048		Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	DHS	283,107	257,448
93.051		Alzheimer's Disease Demonstration Grants to States	DHS	279,735	268,067
93.052		National Family Caregiver Support, Title III, Part E	DHS	3,015,633	2,870,848
93.069		Public Health Emergency Preparedness	DHS	11,508,762	9,173,181
93.070		Environmental Public Health and Emergency Response	DHS	1,662,627	780,927
93.071		Medicare Enrollment Assistance Program	DHS	455,047	430,634
93.073		Birth Defects and Developmental Disabilities - Prevention and Surveillance	DHS	151,575	91,552
93.073		Birth Defects and Developmental Disabilities - Prevention and Surveillance	UW-Madison	463,861	8,858
		Total Federal Program 93.073		615,436	100,410
93.079		Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	DPI	205,580	65,549
93.084		Prevention of Disease, Disability, and Death by Infectious Diseases	UW-Madison	49,540	0
93.090		Guardianship Assistance	DCF	2,851,432	0
93.092		Affordable Care Act (ACA) Personal Responsibility Education Program	DHS	922,514	904,885
93.094		Well-Integrated Screening and Evaluation for Women Across the Nation	DHS	278,708	256,228
93.103		Food and Drug Administration Research	DATCP	1,295,175	0
93.103		Food and Drug Administration Research	UW-Stevens Point	11,127	0
		Total Federal Program 93.103		1,306,302	0
93.107		Area Health Education Centers	UW-Madison	956,786	956,683
93.110		Maternal and Child Health Federal Consolidated Programs	DHS	129,391	37,637
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	1,199,676	62,952
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Milwaukee	171,667	0
		Total Federal Program 93.110		1,500,734	100,589
93.113		Environmental Health	UW-Madison	468,619	0
93.116		Project Grants and Cooperative Agreements for Tuberculosis Control Programs	DHS	663,282	181,307
93.127		Emergency Medical Services for Children	DHS	165,045	165,045
93.130		Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	DHS	217,249	60,000
93.136		Injury Prevention and Control Research and State and Community Based Programs	DHS	4,736,331	3,211,897
93.150		Projects for Assistance in Transition from Homelessness (PATH)	DHS	829,840	828,590
93.161		Health Program for Toxic Substances and Disease Registry	DHS	516,755	402,860
93.165		Grants to States for Loan Repayment Program	UW-Madison	299,999	0
93.172		Human Genome Research	UW-Madison	697,757	0
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	1,368,263	6,378
93.186		National Research Service Award in Primary Care Medicine	UW-Madison	360,454	0
93.197		Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	DHS	344,426	129,447
93.213		Research and Training in Complementary and Integrative Health	UW-Madison	(4,993)	0
93.217		Family Planning Services	DHS	1,063,882	815,242
93.235		Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	DCF	215,321	215,144
93.235		Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	DHS	169,762	113,834
		Total Federal Program 93.235		385,083	328,978
93.236		Grants to States to Support Oral Health Workforce Activities	DHS	505,375	136,767
93.240		State Capacity Building	DHS	589,296	37,744
93.241		State Rural Hospital Flexibility Program	UW-Madison	750,197	129,074
93.242		Mental Health Research Grants	UW-Madison	1,345,382	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	DCF	290,055	245,025
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	DHS	5,480,387	4,658,271

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	DPI	2,656,575	1,614,233
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	UW-Madison	1,839,219	321,311
Total Federal Program 93.243				10,266,236	6,838,840
93.251		Universal Newborn Hearing Screening	DHS	179,599	173,236
93.262		Occupational Safety and Health Program	DHS	141,505	11,440
93.262		Occupational Safety and Health Program	UW-Stout	100,443	0
Total Federal Program 93.262				241,948	11,440
93.268		Immunization Cooperative Agreements	DHS	56,217,642	1,062,701
93.270		Viral Hepatitis Prevention and Control	DHS	167,051	0
93.283		Centers for Disease Control and Prevention Investigations and Technical Assistance	DHS	343,762	20,000
93.283		Centers for Disease Control and Prevention Investigations and Technical Assistance	UW-Madison	5,530	2,446
Total Federal Program 93.283				349,292	22,446
93.296		State Partnership Grant Program to Improve Minority Health	DHS	225,405	149,916
93.301		Small Rural Hospital Improvement Grant Program	UW-Madison	613,554	273,948
93.305		PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	DHS	1,043,310	183,536
93.310		Trans-NIH Research Support	UW-Madison	584,759	91,561
93.314		Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	DHS	145,079	16,591
93.319		Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	UW Extension	190,462	1,093
93.319		Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	UW-Madison	21,726	0
Total Federal Program 93.319				212,188	1,093
93.323		Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	DATCP	54,943	0
93.323		Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	DHS	7,109,264	3,655,276
Total Federal Program 93.323				7,164,207	3,655,276
93.324		State Health Insurance Assistance Program	DHS	897,812	860,084
93.332		Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	UW-Madison	336,426	34,895
93.336		Behavioral Risk Factor Surveillance System	DHS	369,989	346,298
93.350		National Center for Advancing Translational Sciences	UW-Madison	732,258	0
93.351		Research Infrastructure Programs	UW-Madison	420,191	0
93.351		Research Infrastructure Programs	UW-Milwaukee	310,968	21,840
Total Federal Program 93.351				731,159	21,840
93.354		Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	DHS	668,918	397,470
93.359		Nurse Education, Practice Quality and Retention Grants	UW-Milwaukee	673,594	6,157
93.361		Nursing Research	UW-Madison	4,062	0
93.367		Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	DATCP	476,893	0
93.369		ACL Independent Living State Grants	DHS	296,251	296,251
93.393		Cancer Cause and Prevention Research	UW-Madison	282,067	0
93.395		Cancer Treatment Research	UW-Madison	1,447,894	57,410
93.396		Cancer Biology Research	UW-Madison	272,101	0
93.397		Cancer Centers Support Grants	UW-Madison	170,498	0
93.398		Cancer Research Manpower	UW-Madison	1,016,447	0
93.426		Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	DHS	1,159,461	760,439
93.435		Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke-	DHS	599,545	439,667
93.436		Well-Integrated Screenings and Evaluation for Women Across the Nation (WISEWOMAN)	DHS	52,478	50,012

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.448		Food Safety and Security Monitoring Project	DATCP	625,643	0
93.448		Food Safety and Security Monitoring Project	UW-Madison	173,550	0
		Total Federal Program 93.448		<u>799,193</u>	<u>0</u>
93.449		Ruminant Feed Ban Support Project	DATCP	23,297	0
93.464		ACL Assistive Technology	DHS	504,907	446,447
93.500		Pregnancy Assistance Fund Program	DPI	1,233,223	1,074,594
93.505		Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	DCF	5,645	5,645
93.517		Affordable Care Act Aging and Disability Resource Center	DHS	24,940	0
93.521		The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	DHS	407,149	254,127
93.539		PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	DHS	493,741	437,955
93.556		Promoting Safe and Stable Families	DCF	5,213,317	4,015,159
93.556		Promoting Safe and Stable Families	UW-Milwaukee	1,110,619	0
		Total Federal Program 93.556		<u>6,323,936</u>	<u>4,015,159</u>
TANF Cluster:					
93.558		Temporary Assistance for Needy Families	DCF	241,504,882	25,829,729
93.558		Temporary Assistance for Needy Families	UW-Oshkosh	19,723	0
		Total TANF Cluster		<u>241,524,605</u>	<u>25,829,729</u>
93.563		Child Support Enforcement	DCF	59,058,962	47,299,603
93.564		Child Support Enforcement Research	DCF	131,207	65,197
93.566		Refugee and Entrant Assistance State/Replacement Designee Administered Programs	DCF	3,167,732	1,968,950
93.568		Low-Income Home Energy Assistance	DOA	109,661,302	23,689,759
93.569		Community Services Block Grant	DCF	9,014,986	8,870,883
CCDF Cluster:					
93.575		Child Care and Development Block Grant	DCF	114,739,584	19,867,768
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund	DCF	41,056,775	8,841,309
		Total CCDF Cluster		<u>155,796,359</u>	<u>28,709,077</u>
93.576		Refugee and Entrant Assistance Discretionary Grants	DCF	161,405	161,405
93.584		Refugee and Entrant Assistance Targeted Assistance Grants	DCF	22,353	22,353
93.586		State Court Improvement Program	Courts	455,054	0
93.597		Grants to States for Access and Visitation Programs	CANPB	526,949	381,544
93.597		Grants to States for Access and Visitation Programs	DCF	70,638	69,910
		Total Federal Program 93.597		<u>597,587</u>	<u>451,454</u>
93.599		Chafee Education and Training Vouchers Program (ETV)	DCF	547,285	547,285
93.600		Head Start	DPI	168,672	21,150
93.600		Head Start	UW-Oshkosh	5,974,903	0
		Total Federal Program 93.600		<u>6,143,575</u>	<u>21,150</u>
93.603		Adoption and Legal Guardianship Incentive Payments	DCF	739,324	171,231
93.610		Health Care Innovation Awards (HCIA)	DHS	20,514	0
93.630		Developmental Disabilities Basic Support and Advocacy Grants	BPDD	1,181,116	187,983
93.631		Developmental Disabilities Projects of National Significance	BPDD	104,200	44,348
93.632		University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UW-Madison	621,908	0
93.643		Children's Justice Grants to States	DOJ	261,466	87,668
93.645		Stephanie Tubbs Jones Child Welfare Services Program	DCF	4,236,724	3,993,765
93.658		Foster Care Title IV-E	DCF	72,767,089	45,485,666
93.658		Foster Care Title IV-E	UW-Milwaukee	1,429,208	0
		Total Federal Program 93.658		<u>74,196,297</u>	<u>45,485,666</u>
93.659		Adoption Assistance	DCF	48,716,592	1,561,968
93.667		Social Services Block Grant	DHS	42,819,850	42,819,850
93.669		Child Abuse and Neglect State Grants	DCF	657,366	66,782
93.671		Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	DCF	1,922,505	1,820,258

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.674		John H. Chafee Foster Care Program for Successful Transition to Adulthood	DCF	2,696,554	2,194,093
93.733		Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	DHS	164,611	11,702
93.735		State Public Health Approaches for Ensuring Quitline Capacity – Funded in part by Prevention and Public Health Funds (PPHF)	DHS	391,239	391,056
93.753		Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	DHS	110,354	32,821
93.757		State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	DHS	572,725	419,143
93.758		Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	DHS	1,487,086	653,099
93.763		Alzheimer's Disease Initiative: Specialized Supportive Services Project (ADI-SSS) thru Prevention and Public Health Funds (PPHF)	DHS	72,701	51,660
93.763		Alzheimer's Disease Initiative: Specialized Supportive Services Project (ADI-SSS) thru Prevention and Public Health Funds (PPHF)	UW-Madison	279,956	16,232
Total Federal Program 93.763				352,657	67,892
93.767		Children's Health Insurance Program	DHS	244,311,237	6,926,993
93.770		Medicare Prescription Drug Coverage	UW-Oshkosh	5,210	0
Medicaid Cluster:					
93.775		State Medicaid Fraud Control Units	DOJ	1,260,143	0
93.777		State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	DHS	11,517,562	0
93.778		Medical Assistance Program	DHS	5,478,577,992	62,605,413
93.778		ARRA - Medial Assistance Program	DHS	9,636,358	0
Total Medicaid Cluster				5,500,992,055	62,605,413
93.779		Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	DHS	108,386	0
93.788		Opioid STR	DHS	9,646,116	9,326,888
93.791		Money Follows the Person Rebalancing Demonstration	DHS	5,518,989	227,526
93.800		Organized Approaches to Increase Colorectal Cancer Screening	UW-Madison	488,806	0
93.810		Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion	DHS	754,268	79,234
93.815		Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC).	DHS	22,395	22,392
93.817		Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	DHS	229,110	214,893
93.837		Cardiovascular Diseases Research	UW-Madison	3,286,124	201,075
93.837		Cardiovascular Diseases Research	UW-Milwaukee	40	0
Total Federal Program 93.837				3,286,164	201,075
93.839		Blood Diseases and Resources Research	UW-Madison	419,632	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research	UW-Madison	1,228,634	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	717,072	0
93.855		Allergy and Infectious Diseases Research	UW-Madison	1,675,747	0
93.859		Biomedical Research and Research Training	UW-Madison	5,844,443	0
93.865		Child Health and Human Development Extramural Research	UW-Madison	1,953,380	12,294
93.866		Aging Research	UW-Madison	6,544,803	1,337,247
93.867		Vision Research	UW-Madison	158,290	0
93.870		Maternal, Infant and Early Childhood Home Visiting Grant	DCF	8,436,059	7,957,565
93.877		Autism Collaboration, Accountability, Research, Education, and Support	UW-Madison	296,564	62,036
93.879		Medical Library Assistance	UW-Madison	1,331,981	0
93.889		National Bioterrorism Hospital Preparedness Program	DHS	3,440,748	2,555,464
93.898		Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	DHS	3,159,744	1,712,973
93.913		Grants to States for Operation of State Offices of Rural Health	UW-Madison	179,514	0
93.917		HIV Care Formula Grants	DHS	15,623,043	6,205,368
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	611,766	73,580
93.940		HIV Prevention Activities Health Department Based	DHS	2,533,303	1,155,136

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.944		Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	DHS	777	0
93.945		Assistance Programs for Chronic Disease Prevention and Control	DHS	266,590	159,048
93.946		Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	DHS	161,322	151,101
93.958		Block Grants for Community Mental Health Services	DHS	8,656,239	7,476,643
93.959		Block Grants for Prevention and Treatment of Substance Abuse	DHS	28,081,242	25,939,852
93.970		Health Professions Recruitment Program for Indians	UW-Madison	161,628	0
93.977		Sexually Transmitted Diseases (STD) Prevention and Control Grants	DHS	1,420,595	1,059,908
93.982		Mental Health Disaster Assistance and Emergency Mental Health	DHS	115,789	115,789
93.991		Preventive Health and Health Services Block Grant	DHS	1,898,683	388,944
93.994		Maternal and Child Health Services Block Grant to the States	DHS	9,587,517	6,027,266
93.998		Autism and Other Developmental Disabilities, Surveillance, Research, and Prevention	UW-Madison	161,521	0
N/A	93.HHSN261	Other Federal Assistance: Surveillance, Epidemiology, and End Results Program	DHS	2,208	0
	20180001				
N/A	93.200-2012-50851	DHS Vital Statistics	DHS	438,393	0
N/A	93.200-2017-92549	Vital Statistics Coop Program	DHS	97,577	0
N/A	93.HHSF223	FDA-Tobacco Retail Inspections	DHS	1,229,643	1,086,584
	20171018				
N/A	93.HHFS223	Mammography Quality Standards Act	DHS	270,828	0
	20171009				
N/A	93.HHFS223	Mammography Quality Standards Act	DHS	389,314	0
	20121008				
N/A	93.HHSN275	Newborn Screening for Pompe Disease	UW-Madison	(12)	0
	201400010C				
N/A	93.IPA	Intergovernmental Personnel Assignment	UW-Madison	6,713	0
N/A	93.RD	R&D from National Institutes of Health	UW-Milwaukee	48,051	0
		Subtotal Direct Grants		<u>6,801,848,917</u>	<u>447,450,837</u>
Subgrants:					
93.008		Medical Reserve Corps Small Grant Program (from National Association of County and City Health Officials)	DATCP	1,166	0
93.073		Birth Defects and Developmental Disabilities - Prevention and Surveillance (from Association of University Centers on Disabilities)	UW-Madison	2,023	0
93.086	MKE County Agmt dated 8-3-16	Healthy Marriage Promotion and Responsible Fatherhood Grants (from Milwaukee County)	UW-Milwaukee	84,895	0
93.103	430-30-011	Food and Drug Administration Research (from Iowa State University)	UW-Madison	5,261	(4,795)
93.103	NIPTE-U01-UW-2018-001	Food and Drug Administration Research (from National Institute for Pharmaceutical Technology & Education)	UW-Madison	112,192	0
93.107		Area Health Education Centers (from Northern Wisconsin Area Health Education)	UW-Madison	1,500	0
93.110		Maternal and Child Health Federal Consolidated Programs (from Michigan Public Health Institute)	UW-Madison	9,140	0
93.110	UJ6MC31113-01-04	Maternal and Child Health Federal Consolidated Programs (from Children's Hospital of Wisconsin)	UW-Madison	81,492	0
93.145		HIV-Related Training and Technical Assistance (from University of Illinois-Chicago)	UW-Madison	200,401	0
93.145	2015-04958-05-03-7791	HIV-Related Training and Technical Assistance (from University of Illinois-Chicago)	UW-Madison	1,330	0
93.173	4R44DC015432-02	Research Related to Deafness and Communication Disorders (from Intelligent Hearing Systems Corp)	UW-Madison	33,945	0
93.186		National Research Service Award in Primary Care Medicine (from Medical College of Wisconsin)	UW-Milwaukee	23,752	0
93.186	AGMT 07/06/17	National Research Service Award in Primary Care Medicine (from Medical College of Wisconsin)	UW-Milwaukee	(63)	0
93.231	GLITC 02022017	Epidemiology Cooperative Agreements (from Great Lakes Inter-Tribal Council Inc)	UW-Milwaukee	19,711	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance (from University of Missouri-Kansas City)	UW-Madison	27,260	0
93.243	0079522/00058085	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from University of Missouri-Kansas City)	UW-Madison	20,889	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance (from City of Milwaukee)	UW-Milwaukee	28,331	0
93.243	BHD-PCS31-82017	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Milwaukee County)	UW-Milwaukee	57,683	0

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93.243	BHD-PSC14-102016	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Milwaukee County)	UW-Milwaukee	35,301	0
93.243	E0000015115	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from City of Milwaukee)	UW-Milwaukee	45,545	0
93.243	HD 16-122816-A	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Milwaukee County)	UW-Milwaukee	14,220	0
93.262		Occupational Safety and Health Program (from Marshfield Clinic Research Foundation)	UW-Madison	67,473	0
93.262		Occupational Safety and Health Program (from University of Michigan)	UW-Madison	19,989	0
93.262	60677	Occupational Safety and Health Program (from Marshfield Clinic Research Foundation)	UW-Madison	25,743	0
93.262	P006360701	Occupational Safety and Health Program (from University of Minnesota)	UW-Milwaukee	12,745	0
93.262	P006360702	Occupational Safety and Health Program (from University of Minnesota)	UW-Madison	14,802	0
93.350		National Center for Advancing Translational Sciences (from Medical College of Wisconsin)	UW-Milwaukee	86,974	0
93.393	0000928712/89915/854649	Cancer Cause and Prevention Research (from Fred Hutchinson Cancer Research Center)	UW-Milwaukee	17,192	0
93.470		Alzheimer's Disease Program Initiative (ADPI) (from United Community Center)	UW-Milwaukee	175	0
93.516		Public Health Training Centers Program (from University of Michigan)	UW-Madison	23,879	0
93.558		Temporary Assistance for Needy Families (from Great Lakes Inter-Tribal Council Inc)	UW-Madison	52,952	0
93.558	Agr Dtd 11-28-16	Temporary Assistance for Needy Families (from Great Lakes Inter-Tribal Council Inc)	UW-Madison	6,951	0
93.575		Child Care and Development Block Grant (from Wisconsin Early Childhood Association)	UW-La Crosse	561	0
93.575		Child Care and Development Block Grant (from Wisconsin Early Childhood Association)	UW-Whitewater	15,950	0
93.652	AGMT 11/27/17	Adoption Opportunities (from Spaulding for Children)	UW-Milwaukee	9,491	0
93.763	AGMT 12/19/17	Alzheimer's Disease Initiative: Specialized Supportive Services Project (ADI-SSS) thru Prevention and Public Health Funds (PPHF) (from Alzheimer's & Dementia Alliance of Wisconsin)	UW-Madison	38,416	0
93.778		Medical Assistance Program (from Luxvida)	UW-Madison	9	0
93.788		Opioid STR (from University of Missouri-Kansas City)	UW-Madison	159,403	0
93.788	0081644 / 00061663	Opioid STR (from University of Missouri-Kansas City)	UW-Madison	280,062	0
93.837	114117	Cardiovascular Diseases Research (from Brigham & Women's Hospital)	UW-Madison	154,036	0
93.837	17-J0039	Cardiovascular Diseases Research (from Morgridge Institute for Research)	UW-Madison	700,129	0
93.837	1R01HL128240-01A1	Cardiovascular Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	22,389	0
93.847	15-D18	Diabetes, Digestive, and Kidney Diseases Extramural Research (from George Washington University)	UW-Madison	72,281	0
93.853	010785-135735	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Cincinnati)	UW-Madison	2,158	0
93.853	BOA-232483 CREST-H	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Mayo Clinic Jacksonville)	UW-Madison	2,122	0
93.855	0045749 (130902-3)	Allergy and Infectious Diseases Research (from University of Pittsburgh)	UW-Madison	71,135	0
93.855	CTOT-11	Allergy and Infectious Diseases Research (from Brigham & Women's Hospital)	UW-Madison	400	0
93.855	1R01AI121217-01A1	Allergy and Infectious Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	51,814	0
93.859		Biomedical Research and Research Training (from Boston University)	UW-Madison	29,181	0
93.859	P0237729	Biomedical Research and Research Training (from Rensselaer Polytechnic Institute)	UW-Madison	79,160	0
93.859	UCHC7-88714897	Biomedical Research and Research Training (from University of Connecticut)	UW-Madison	275,759	0
93.865	5109950	Child Health and Human Development Extramural Research (from University of North Carolina-Chapel Hill)	UW-Madison	9,846	0
93.865	800115	Child Health and Human Development Extramural Research (from Drexel University)	UW-Madison	44,113	0
93.866	60048330 UW	Aging Research (from Northwestern University)	UW-Madison	(6,232)	0
93.867	416653-G Mod 3	Vision Research (from University of Rochester)	UW-Madison	123,492	0
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from Portage County)	UW-Stevens Point	11,439	0
N/A	93.17GZSK0031	NCI Tobacco Cessation (from ICF International Inc)	UW-Madison	558,432	0
N/A	93.3002-085	Healthcare Systems Change (from Carter Consulting Inc)	UW-Madison	71,001	0

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CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
N/A	93.AGMT 03-08-17	Lac Du Flambeau Native Connections (from Lac du Flambeau Tribe)	UW-Madison	7,847	0
N/A	93.AGMT 11/08/17	Narcan Overdose Prevention (from Lac du Flambeau Band of Lake Superior Chippewa)	UW-Madison	7,744	0
N/A	93.BHD-PSC52-092018	Milwaukee County Adult Drug Treatment Court (from Milwaukee County)	UW-Milwaukee	19,733	0
N/A	93.HD19-101518-A	Milwaukee County Housing First Project (from Milwaukee County)	UW-Milwaukee	52,726	0
N/A	93.MIL112908	Primary Care Fellowship (from Medical College of Wisconsin)	UW-Milwaukee	54,671	0
		Subtotal Subgrants		4,054,117	(4,795)
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN				6,805,903,034	447,446,042
<b>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</b>					
94.003		State Commissions	DOA	332,435	0
94.006		AmeriCorps	DOA	5,180,171	4,748,707
94.006		AmeriCorps	UW-Eau Claire	21,076	0
		Total Federal Program 94.006		5,201,247	4,748,707
94.009		Training and Technical Assistance	DOA	214,666	0
94.011		Foster Grandparent/Senior Companion Cluster: Foster Grandparent Program	DOC	124,790	0
		Total Foster Grandparent/Senior Companion Cluster		124,790	0
94.013		Volunteers in Service to America	DPI	1,493	0
		Subtotal Direct Grants		5,874,631	4,748,707
Subgrants:					
94.006		AmeriCorps (from Wisconsin National & Community Service Board)	UW-Eau Claire	166,652	0
94.006		AmeriCorps (from Wisconsin National & Community Service Board)	UW-Whitewater	14,803	0
		Subtotal Subgrants		181,455	0
TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				6,056,086	4,748,707
<b>EXECUTIVE OFFICE OF THE PRESIDENT:</b>					
95.001		High Intensity Drug Trafficking Areas Program	DOJ	242,061	41,400
95.001		High Intensity Drug Trafficking Areas Program	DOT	17,022	0
95.001		High Intensity Drug Trafficking Areas Program	UW-Milwaukee	1,456,991	0
		Subtotal Direct Grants		1,716,074	41,400
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT				1,716,074	41,400
<b>SOCIAL SECURITY ADMINISTRATION:</b>					
96.001		Disability Insurance/SSI Cluster: Social Security Disability Insurance	DHS	31,426,913	0
		Total Disability Insurance/SSI Cluster		31,426,913	0
Other Federal Financial Assistance					
N/A	96.SS00-1260059	Social Security Administration Death Records	DHS	145,677	0
N/A	96.SS00-1461084	Social Security Birth	DHS	230,413	0
N/A	SSA ss. 222(d), 1615	Social Security Administration Reimbursements	DWD	4,123,410	746,066
		Subtotal Direct Grants		4,499,500	746,066
TOTAL SOCIAL SECURITY ADMINISTRATION				35,926,413	746,066
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>					
97.012		Boating Safety Financial Assistance	DNR	3,038,338	736,000
97.023		Community Assistance Program State Support Services Element (CAP-SSSE)	DNR	254,713	0
97.029		Flood Mitigation Assistance	DMA	(176)	0
97.032		Crisis Counseling	DMA	220,779	220,779
97.036		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DMA	18,522,148	17,573,542
97.039		Hazard Mitigation Grant	DMA	926,528	769,673
97.041		National Dam Safety Program	DNR	114,344	0
97.042		Emergency Management Performance Grants	DATCP	1,166	0
97.042		Emergency Management Performance Grants	DMA	6,428,500	4,222,392
		Total Federal Program 97.042		6,429,666	4,222,392

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
97.043		State Fire Training Systems Grants	WTCS	18,574	18,574
97.044		Assistance to Firefighters Grant	WTCS	366,609	366,609
97.045		Cooperating Technical Partners	DNR	643,734	0
97.047		Pre-Disaster Mitigation	DMA	498,358	461,752
97.055		Interoperable Emergency Communications	DMA	36,724	36,724
97.056		Port Security Grant Program	DNR	6,166	0
97.067		Homeland Security Grant Program	DMA	3,216,518	1,735,346
97.067		Homeland Security Grant Program	DNR	6,900	0
		Total Federal Program 97.067		3,223,418	1,735,346
97.088		Disaster Assistance Projects	DNR	205,142	0
97.091		Homeland Security Biowatch Program	DNR	392,388	0
N/A	WI DOJ-ICE MOU	Other Federal Financial Assistance: Immigration and Customs Enforcement	DOJ	12,452	0
		Subtotal Direct Grants		34,909,905	26,141,391
97.042	B275A6	Subgrants: Emergency Management Performance Grants (from Florida Division of Emergency Management)	UW-Madison	(7)	0
		Subtotal Subgrants		(7)	0
		TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		34,909,898	26,141,391
		<b>TOTAL INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>		<b>\$ 10,800,821,358</b>	<b>\$ 1,611,170,405</b>



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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
10.001		Agricultural Research Basic and Applied Research	UW Extension	46,660	0
10.001		Agricultural Research Basic and Applied Research	UW-Green Bay	13,312	0
10.001		Agricultural Research Basic and Applied Research	UW-Madison	2,871,048	170,194
10.001		Agricultural Research Basic and Applied Research	UW-Milwaukee	139,289	0
10.001		Agricultural Research Basic and Applied Research	UW-Platteville	147,254	0
		Total Federal Program 10.001		3,217,563	170,194
10.025		Plant and Animal Disease, Pest Control, and Animal Care	UW-Madison	105,253	0
10.072		Wetlands Reserve Program	UW-Madison	65,327	0
10.155		Marketing Agreements and Orders	UW-Madison	12,792	0
10.170		Specialty Crop Block Grant Program - Farm Bill (from UW Extension)	UW-Madison	71,655	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Stevens Point	(14)	0
10.202		Cooperative Forestry Research	UW-Madison	474,025	0
10.202		Cooperative Forestry Research (from UW-Madison)	UW-Stevens Point	114,273	0
		Total Federal Program 10.202		588,298	0
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	6,630,779	0
10.207		Animal Health and Disease Research	UW-Madison	55,168	0
10.215		Sustainable Agriculture Research and Education (from UW Extension)	UW-Madison	3,809	0
10.215		Sustainable Agriculture Research and Education (from UW Extension)	UW-Milwaukee	8,276	0
10.215		Sustainable Agriculture Research and Education (from UW Extension)	UW-Platteville	1,427	0
		Total Federal Program 10.215		13,512	0
10.217		Higher Education - Institution Challenge Grants Program	UW-Madison	199,841	110,275
10.250		Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	UW-Madison	36,165	0
10.253		Consumer Data and Nutrition Research	UW-Madison	18,755	0
10.304		Homeland Security Agricultural	UW-Madison	321,622	0
10.307		Organic Agriculture Research and Extension Initiative	UW-Madison	84,941	0
10.309		Specialty Crop Research Initiative	UW-Madison	87,078	0
10.310		Agriculture and Food Research Initiative (AFRI)	UW-Madison	5,495,663	695,618
10.310		Agriculture and Food Research Initiative (AFRI) (from UW- Madison)	UW-Platteville	25,777	0
		Total Federal Program 10.310		5,521,440	695,618
10.311		Beginning Farmer and Rancher Development Program	UW-Madison	122,134	0
10.319		Farm Business Management and Benchmarking Competitive Grants Program	UW-Madison	43,949	0
10.326		Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	UW-Platteville	133,878	4,766
10.326		Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	UW-River Falls	46,229	0
10.326		Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA) (from UW-Platteville)	UW-Stevens Point	15,912	0
		Total Federal Program 10.326		196,019	4,766
10.329		Crop Protection and Pest Management Competitive Grants Program	UW-Madison	284,894	933
10.330		Alfalfa and Forage Research Program	UW-Madison	121,774	29,237
10.330		Alfalfa and Forage Research Program (from UW-Madison)	UW-River Falls	100	0
		Total Federal Program 10.330		121,874	29,237
10.336		Veterinary Services Grant Program	UW-Madison	69,897	0
10.600		Foreign Market Development Cooperator Program	UW-Madison	52,554	0
10.674		Wood Utilization Assistance	UW-Madison	16,539	0
10.674		Wood Utilization Assistance	UW-Milwaukee	47,001	0
		Total Federal Program 10.674		63,540	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
10.680		Forest Health Protection	UW-Madison	46,201	0
10.684		International Forestry Programs	UW-Madison	104,560	0
10.699		Partnership Agreements	UW-Madison	1,437,506	0
10.777		Norman E. Borlaug International Agricultural Science and Technology Fellowship	UW-Madison	23,737	0
10.902		Soil and Water Conservation	UW-Green Bay	109,113	0
10.902		Soil and Water Conservation	UW-Madison	10,540	0
10.902		Soil and Water Conservation	UW-Stevens Point	212,870	0
Total Federal Program 10.902				<u>332,523</u>	<u>0</u>
10.912		Environmental Quality Incentives Program (from UW Extension)	UW-Madison	18,095	0
10.931		Agricultural Conservation Easement Program	UW-Stevens Point	19,963	0
10.961		Scientific Cooperation and Research	UW-Madison	8,830	0
N/A	10.RD	R&D from Forest Service	UW-Madison	265,110	26,573
N/A	10.RD	R&D from Forest Service	UW-Milwaukee	11,108	0
N/A	10.RD	R&D from Forest Service	UW-Stevens Point	67,315	0
Subtotal Direct Research and Development (R&D) Grants				<u>20,319,984</u>	<u>1,037,596</u>
Research and Development (R&D) Subgrants:					
10.001	59-5090-7-001	Agricultural Research Basic and Applied Research (from Pellet Technology USA)	UW-Madison	7,905	0
10.064		Forestry Incentives Program (from University of California-Merced)	UW-Madison	16,288	0
10.170		Specialty Crop Block Grant Program - Farm Bill (from Community Groundworks)	UW-Madison	9,469	0
10.170	SCBG 15-09	Specialty Crop Block Grant Program - Farm Bill (from Midwest Food Processors Association)	UW-Madison	(2,115)	0
10.170		Specialty Crop Block Grant Program - Farm Bill (from University of Nebraska)	UW-Madison	19,827	0
10.170	SCBG 15-08	Specialty Crop Block Grant Program - Farm Bill (from Wisconsin Potato Industry Board)	UW-Madison	20,091	0
10.170	SCBG 2016 Skin Set	Specialty Crop Block Grant Program - Farm Bill (from Wisconsin Potato Industry Board)	UW-Madison	23,547	0
10.200		Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Madison	9,020	992
10.200	RC106511A	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Madison	240,624	0
10.200	416-41-15S	Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Milwaukee	66,163	0
10.212	AGMT 12/15/17	Small Business Innovation Research (from Nutrient Recovery & Upcycling LLC)	UW-Madison	5,959	0
10.212	POTENT VACCINE FORMULAS	Small Business Innovation Research (from Pan Genome Systems Inc)	UW-Madison	(8,630)	0
10.215		Sustainable Agriculture Research and Education (from Practical Farmers of Iowa)	UW-Madison	28,076	0
10.215	2016-01	Sustainable Agriculture Research and Education (from Sand County Foundation)	UW-Madison	23,318	0
10.215		Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	29,684	0
10.215	H004403702 LNC14-357	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	2,103	0
10.215	H004403703 LNC14-358	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	68,338	0
10.215	H004991220 ONC16-018	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	16,166	0
10.215	H004991242 GNC17-239	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	11,810	0
10.215	H005722907 NCR16-019	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	55,836	0
10.215	H005722916	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	27,739	0
10.215	H005722926	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	11,444	0
10.215	H005722947	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	5,254	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
10.215	H006607415	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	30,387	0
10.215	4931-030816	Sustainable Agriculture Research and Education (from University of Rhode Island)	UW-Madison	6,211	0
10.227	MSN207320	1994 Institutions Research Program (from College of Menominee Nation)	UW-Madison	8,108	0
10.227		1994 Institutions Research Program (from Lac Courte Oreilles Ojibwa Community College)	UW-Madison	835	0
10.227	LCOOCC 201501	1994 Institutions Research Program (from Lac Courte Oreilles Ojibwa Community College)	UW-Madison	6,766	0
10.290	H006796002	Agricultural Market and Economic Research (from University of Minnesota)	UW-Madison	5,581	0
10.303		Integrated Programs (from Michigan State University)	UW-Madison	11,147	1,979
10.303		Integrated Programs (from Connecticut Agricultural Experiment Stat)	UW-Milwaukee	19,170	0
10.304	RC106556H	Homeland Security Agricultural (from Michigan State University)	UW-Madison	37,424	0
10.307	416-41-86A	Organic Agriculture Research and Extension Initiative (from Iowa State University)	UW-Madison	51,090	0
10.307	RC106531A- RC106531B	Organic Agriculture Research and Extension Initiative (from Michigan State University)	UW-Madison	4,291	0
10.307		Organic Agriculture Research and Extension Initiative (from Oregon State University)	UW-Madison	10,025	0
10.307	C0479A-C	Organic Agriculture Research and Extension Initiative (from Oregon State University)	UW-Madison	63,967	0
10.307	C0519A-C	Organic Agriculture Research and Extension Initiative (from Oregon State University)	UW-Madison	140,083	0
10.307	8000064232-AG	Organic Agriculture Research and Extension Initiative (from Purdue University)	UW-Madison	41,561	0
10.309	G-01363-08	Specialty Crop Research Initiative (from Colorado State University)	UW-Madison	38,837	0
10.309	73999-10420	Specialty Crop Research Initiative (from Cornell University)	UW-Madison	191,185	0
10.309		Specialty Crop Research Initiative (from University of Florida)	UW-Madison	175,445	0
10.309		Specialty Crop Research Initiative (from University of Minnesota)	UW-Madison	67,051	0
10.309	H006335001	Specialty Crop Research Initiative (from University of Minnesota)	UW-Madison	82,241	0
10.310	G-14765-3	Agriculture and Food Research Initiative (AFRI) (from Colorado State University)	UW-Madison	1,784	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Cornell University)	UW-Madison	45,616	0
10.310	80618-10847	Agriculture and Food Research Initiative (AFRI) (from Cornell University)	UW-Madison	40,168	0
10.310	80665-10869	Agriculture and Food Research Initiative (AFRI) (from Cornell University)	UW-Madison	16,966	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Illinois State University)	UW-Madison	12,161	0
10.310	416-21-18A	Agriculture and Food Research Initiative (AFRI) (from Iowa State University)	UW-Madison	34,511	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Michigan State University)	UW-Madison	181,487	0
10.310	2017-68003-26500	Agriculture and Food Research Initiative (AFRI) (from Michigan State University)	UW-Madison	(43,470)	0
10.310	RC106768UW	Agriculture and Food Research Initiative (AFRI) (from Michigan State University)	UW-Madison	17,194	0
10.310	RC108063UW	Agriculture and Food Research Initiative (AFRI) (from Michigan State University)	UW-Madison	15,949	0
10.310	2016-2809-01	Agriculture and Food Research Initiative (AFRI) (from North Carolina State University)	UW-Madison	5,921	0
10.310	5633-UW-USDA- 6192	Agriculture and Food Research Initiative (AFRI) (from Pennsylvania State University)	UW-Madison	45,768	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Purdue University)	UW-Madison	7,766	0
10.310	8000072812-AG	Agriculture and Food Research Initiative (AFRI) (from Purdue University)	UW-Madison	35,691	0
10.310	KFS# 5636800 PO 116232	Agriculture and Food Research Initiative (AFRI) (from University of Connecticut)	UW-Madison	114,943	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
10.310	00115293	Agriculture and Food Research Initiative (AFRI) (from University of Florida)	UW-Madison	(4)	0
10.310	UFDSP00010525	Agriculture and Food Research Initiative (AFRI) (from University of Minnesota)	UW-Madison	32,236	0
10.310	H003762801	Agriculture and Food Research Initiative (AFRI) (from University of Minnesota)	UW-Madison	17,530	0
10.310	H004401003	Agriculture and Food Research Initiative (AFRI) (from University of Vermont)	UW-Madison	21,522	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Washington State University)	UW-Madison	72,322	0
10.310	CAES-2016-22765-1	Agriculture and Food Research Initiative (AFRI) (from Connecticut Agricultural Experiment Station)	UW-Milwaukee	56,123	0
10.320	3TD640	Sun Grant Program (from South Dakota State University)	UW-Madison	2,877	0
10.328		National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program (from Iowa State University)	UW-Madison	5,111	0
10.330		Alfalfa and Forage Research Program (from Michigan State University)	UW-River Falls	34,992	0
10.330		Alfalfa and Forage Research Program (from Mississippi State University)	UW-River Falls	17,872	0
10.561	AGMT 02/27/17	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (from Family Planning Health Services Inc)	UW-Madison	16,462	0
10.561		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (from Healthfirst Network)	UW-Madison	34,549	0
10.600		Foreign Market Development Cooperator Program (from United States Endowment for Forestry & Communities)	UW-Madison	6,000	0
10.600		Foreign Market Development Cooperator Program (from US Endowment for Forestry & Communities)	UW-Madison	2,516	0
10.902	AGL0GLC-01-17	Soil and Water Conservation (from Alliance for the Great Lakes)	UW-Green Bay	11,765	0
N/A	10.2014-06507-05	Web-Based Decision Aids & Education Tools (from University of Illinois-Urbana-Champaign)	UW-Madison	107,252	10,200
Subtotal Research and Development (R&D) Subgrants				2,650,901	13,171
TOTAL R&D FROM U.S. DEPARTMENT OF AGRICULTURE				22,970,885	1,050,767
<b>U.S. DEPARTMENT OF COMMERCE:</b>					
11.020		Cluster Grants	UW-Stevens Point	151,187	0
11.417		Sea Grant Support (from UW-Madison)	UW Colleges	28,208	0
11.417		Sea Grant Support (from UW-Madison)	UW-Green Bay	81,502	0
11.417		Sea Grant Support	UW-Madison	1,318,267	119,862
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	550,938	0
11.417		Sea Grant Support (from UW-Madison)	UW-Oshkosh	19,977	0
11.417		Sea Grant Support (from UW-Madison)	UW-Oshkosh	6,409	0
11.417		Sea Grant Support (from UW-Madison)	UW-Stevens Point	104,174	472
11.417		Sea Grant Support (from UW-Oshkosh)	UW-Whitewater	34,397	0
Total Federal Program 11.417				2,143,872	120,334
11.431		Climate and Atmospheric Research	UW-Madison	424,778	0
11.432		National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	UW-Madison	12,379,557	9,872
11.459		Weather and Air Quality Research	UW-Madison	261,533	35,199
11.459		Weather and Air Quality Research	UW-Milwaukee	115,464	0
Total Federal Program 11.459				376,997	35,199
11.468		Applied Meteorological Research	UW-Madison	210,029	125,081
11.468		Applied Meteorological Research	UW-Milwaukee	155,763	97,926
Total Federal Program 11.468				365,792	223,007
11.609		Measurement and Engineering Research and Standards	UW-Madison	144,488	0
Subtotal Direct Research and Development (R&D) Grants				15,986,671	388,412
11.012		Research and Development (R&D) Subgrants: Integrated Ocean Observing System (IOOS) (from Great Lakes Observing System)	UW-Milwaukee	47,354	0

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
11.012	IOOS/NBN-03	Integrated Ocean Observing System (IOOS) (from Great Lakes Observing System)	UW-Milwaukee	9,328	0
11.432	3002622332	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Madison	79,565	0
11.432		National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Madison	23,614	0
11.432		National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Milwaukee	22,751	0
11.462	Z17-27783	Hydrologic Research (from University Corporation for Atmospheric Research)	UW-Milwaukee	22,347	0
11.468	21B036-01	Applied Meteorological Research (from Texas Tech University)	UW-Madison	4,682	0
11.473		Office for Coastal Management (from Association of State Floodplain Managers)	UW-Madison	17,502	0
11.611	WMEP-UWEBI	Manufacturing Extension Partnership (from Wisconsin Manufacturing Extension Partnership Inc)	UW-Madison	(8)	0
N/A	11.MSN209413	Frequency Analysis of Projected Rainfall in the Northeastern United States (from University of Illinois-Urbana-Champaign)	UW-Madison	71,002	0
N/A	11.46210922218 / 3420201	Using Green Infrastructure as a Resiliency Approach to Future Flooding Impacts (from Georgia Department of Natural Resources)	UW-Madison	112,909	0
N/A	11.MIL112043	Cyanobacterial Harmful Algae Bloom Ecology & Cyanotoxin Production in Green Bay (from University of Michigan)	UW-Milwaukee	(8,251)	0
Subtotal Research and Development (R&D) Subgrants:				402,795	0
TOTAL R&D FROM U.S. DEPARTMENT OF COMMERCE				16,389,466	388,412
<b>U.S. DEPARTMENT OF DEFENSE:</b>					
12.300		Basic and Applied Scientific Research	UW-Madison	6,036,287	1,695,247
12.300		Basic and Applied Scientific Research	UW-Milwaukee	97,475	0
Total Federal Program 12.300				6,133,762	1,695,247
12.351		Scientific Research - Combating Weapons of Mass Destruction	UW-Madison	839,507	75,000
12.420		Military Medical Research and Development	UW-Madison	5,224,633	0
12.431		Basic Scientific Research	UW-Madison	8,086,842	2,495,427
12.431		Basic Scientific Research	UW-Milwaukee	23,833	0
Total Federal Program 12.431				8,110,675	2,495,427
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	506,494	0
12.632		Legacy Resource Management Program	UW-Madison	217,247	94,167
12.800		Air Force Defense Research Sciences Program	UW-Madison	2,075,941	263,397
12.901		Mathematical Sciences Grants	UW-Madison	(423)	0
12.910		Research and Technology Development	UW-Madison	5,476,786	2,158,475
N/A	12.RD	R&D from Army	UW-Madison	115,077	7,258
N/A	12.RD	R&D from Defense Advanced Research Projects	UW-Madison	1,308,841	823,124
N/A	12.RD	R&D from Navy	UW-Madison	372,446	0
N/A	12.HR00111910002	Localizing Strong Scatterers of Very Low Frequency Electromagnetic Waves Using Phase & Polarization Information	UW-Milwaukee	54,371	0
N/A	12.RD	R&D from Navy	UW-Superior	123,429	0
Subtotal Direct Research and Development (R&D) Grants				30,558,786	7,612,095
Research and Development (R&D) Subgrants:					
12.300	52-1098320	Basic and Applied Scientific Research (from California Institute of Technology)	UW-Madison	65,577	0
12.300	G-00976-2	Basic and Applied Scientific Research (from Colorado State University)	UW-Madison	57,049	0
12.300		Basic and Applied Scientific Research (from Intraband)	UW-Madison	40,310	0
12.300	RC108018-UW	Basic and Applied Scientific Research (from Michigan State University)	UW-Madison	318,890	0
12.300	D13-J0031	Basic and Applied Scientific Research (from Morgridge Institute for Research)	UW-Madison	177,100	0
12.300		Basic and Applied Scientific Research (from Northeastern University)	UW-Madison	44,121	0

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CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
12.300	SP0028970- PROJ0007988	Basic and Applied Scientific Research (from Northwestern University)	UW-Madison	159,978	0
12.300		Basic and Applied Scientific Research (from Princeton University)	UW-Madison	27,602	0
12.300	R18682	Basic and Applied Scientific Research (from Rice University)	UW-Madison	236,575	0
12.300	ONR029	Basic and Applied Scientific Research (from Tufts University)	UW-Madison	79,865	0
12.300		Basic and Applied Scientific Research (from University of Pittsburgh)	UW-Madison	(27,258)	0
12.300	N00014-15-1-2154	Basic and Applied Scientific Research (from Dartmouth College)	UW-Whitewater	4,400	0
12.420	ABRUPT	Military Medical Research and Development (from American Burn Association)	UW-Madison	6,503	0
12.420		Military Medical Research and Development (from Johns Hopkins University)	UW-Madison	(1,906)	0
12.420	FIXIT	Military Medical Research and Development (from Johns Hopkins University)	UW-Madison	(2,330)	0
12.420	W81XWH-15-JPC-8- CRM RP-NMSIRA	Military Medical Research and Development (from Kiio Inc)	UW-Madison	29,961	0
12.420		Military Medical Research and Development (from Medical College of Wisconsin)	UW-Madison	234,708	0
12.420		Military Medical Research and Development (from University of Michigan)	UW-Madison	17,103	0
12.420	3003179987	Military Medical Research and Development (from University of Michigan)	UW-Madison	97,803	0
12.420	0053521 (412472-1)	Military Medical Research and Development (from University of Pittsburgh)	UW-Madison	34,106	0
12.431	4916006256	Basic Scientific Research (from International Business Machines Corporation)	UW-Madison	200,907	0
12.431	S000008956	Basic Scientific Research (from Solaero Technologies Corporation)	UW-Madison	92,810	0
12.431	2015-05174-04	Basic Scientific Research (from University of Illinois-Urbana- Champaign)	UW-Madison	124,376	0
12.431		Basic Scientific Research (from University of Maryland)	UW-Madison	148,795	0
12.431		Basic Scientific Research (from University of Massachusetts- Amherst)	UW-Madison	(6,869)	0
12.431		Basic Scientific Research (from University of Memphis)	UW-Madison	175,000	0
12.431		Basic Scientific Research (from University of Rochester)	UW-Madison	43,531	0
12.431		Basic Scientific Research (from University of Southern California)	UW-Madison	10,096	0
12.550		The Language Flagship Grants to Institutions of Higher Education (from Institute of International Education)	UW-Madison	165,104	0
12.630		Basic, Applied, and Advanced Research in Science and Engineering (from National Science Teachers Association)	UW-La Crosse	16,598	0
12.630	DMDII-15-15-02	Basic, Applied, and Advanced Research in Science and Engineering (from General Electric Company)	UW-Madison	27,175	0
12.800		Air Force Defense Research Sciences Program (from Computherm)	UW-Madison	34,367	0
12.800	RC108022UW	Air Force Defense Research Sciences Program (from Michigan State University)	UW-Madison	286,313	0
12.800	19-000271	Air Force Defense Research Sciences Program (from SRI International)	UW-Madison	134,940	0
12.800	3004458865	Air Force Defense Research Sciences Program (from University of Michigan)	UW-Madison	19,792	0
12.800	A005720603	Air Force Defense Research Sciences Program (from University of Minnesota)	UW-Madison	91,073	0
12.800		Air Force Defense Research Sciences Program (from University of New Mexico)	UW-Madison	12,801	0
12.800	0026682 (407737-1)	Air Force Defense Research Sciences Program (from University of Pittsburgh)	UW-Madison	(28,461)	0
12.800	10038423-S1	Air Force Defense Research Sciences Program (from University of Utah)	UW-Madison	155,647	0
12.910	P010188180	Research and Technology Development (from Leidos Biomedical Research)	UW-Madison	95,620	0
12.910	P.O. 68751	Research and Technology Development (from Massachusetts Institute of Technology)	UW-Madison	285,586	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
12.910		Research and Technology Development (from University of Southern California)	UW-Madison	23,553	0
12.910		Research and Technology Development (from Wisconsin Engine Research Consultants)	UW-Madison	164,150	0
N/A	12.16/08/06	Fort McCoy Flora (from Colorado State University)	UW-La Crosse	4,972	0
N/A	12.PO 8140000991	Atomic Magnetometer for Biological Imaging in Earth's Native Terrain (from Northrop Grumman Corporation)	UW-Madison	168,203	0
N/A	12.GT S15-02	Calculating & Understanding Resources Bounds to Detect Space/Time Vulnerabilities (from Grammatech Inc)	UW-Madison	300,733	0
N/A	12.69095231	Clinical Trial (from University of Southern California)	UW-Madison	350	0
N/A	12.15026-503665-DS	Coupling Si/SiGe Gated Quantum Dots to Superconducting Waveguide Cavities (from HRL Laboratories)	UW-Madison	356,878	0
N/A	12.P313879	DARPA FunDesign (from Palo Alto Research Center)	UW-Madison	74,685	0
N/A	12.27-001438	DARPA-Big Mechanism (from SRI International)	UW-Madison	(9,338)	0
N/A	12.70052334	Effects of Traumatic Brain Injury & Post-Traumatic Stress Disorder on Alzheimers Disease in Veterans with Mild Cognitive Impairment Using the Alzheimer'S Disease Neuroimaging Initiative (from University of Southern California)	UW-Madison	2,122	0
N/A	12.WEI1872-06	Effects Of Traumatic Brain Injury And Post-Traumatic Stress Disorder And Alzheimers Disease On Brain Tau In Vietnam Veterans Using Adni (from University of Southern California)	UW-Madison	12,649	0
N/A	12.MSN223735	Grand Canyon: Compact Hyperspectral Infrared Sounding Interferometer (from Brandywine Photonics LLC)	UW-Madison	5,175	0
N/A	12.450522-19126	Homo SocioNeticus (from Virginia Polytechnic Institute & State University)	UW-Madison	139,582	0
N/A	12.DHP16C-004	Integrated System for Field, Clinic & Laboratory Preparation of Biological Specimens for Microscopy (from Microscopy Innovations)	UW-Madison	7,074	0
N/A	12.A10a-T007	Long-Term Reliable, High-Power Midwave-Infrared Quantum Cascade Lasers (from Intraband)	UW-Madison	107,415	0
N/A	12.D0164-01	Materials Modeling Tool for Alloy Design to Streamline the Development of High Temperature, High-Entropy Alloys for Advanced Propulsion Systems (from Directed Vapor Technologies International)	UW-Madison	15,122	0
N/A	12.AGMT 04/15/13	Monolithic Surface-Emitting Lasers (from Intraband)	UW-Madison	1,225	0
N/A	12.AGMT 11-04-15	Open-Label, Controlled, Randomized, Multicenter, Dose Escalation Study Of Stratagraft Skin Tissue as an Alternative to Autografting Full-Thickness Complex Skin Defects (from Stratatech)	UW-Madison	2,448	0
N/A	12.AGMT 06/26/18	Organosilicon Electrolytes to Enable Safe, High Energy Li-ion Batteries with Advanced Silicon Anodes (from Silatronix)	UW-Madison	99,245	0
N/A	12.A171-002-0041	Sealed High Power Density Electric Motors for Unmanned Aerial Systems (from C-Motive Technologies Inc)	UW-Madison	(25)	0
N/A	12.AGMT 08-26-16	STTR: Phase II: High-Power, Monolithic THz Sources via Difference Frequency Generation in Phase-Locked Arrays of Quantum Cascade Lasers (from Intraband)	UW-Madison	96,794	0
N/A	12.7000373072	Time-Resolved Observations of Precipitation Structure & Storm Intensity with a Constellation of Smallsats (from Massachusetts Institute of Technology)	UW-Madison	16,382	0
N/A	12.7000374781	Time-Resolved Observations of Precipitation Structure & Storm Intensity with a Constellation of Smallsats (from Massachusetts Institute of Technology)	UW-Madison	180,290	0
N/A	12.MSD005812	Ultrasensitive Multiplexed Laboratory Test for Clostridium Difficile Toxins (from Mesoscale Diagnostics)	UW-Madison	4,858	0
N/A	12.060803-361354-01	Vehicle Simulations (from Mississippi State University)	UW-Madison	252,527	0
N/A	12.0011-41143	BEAR Technology Evaluation and Integration Laboratory (from Eaton)	UW-Milwaukee	(22,010)	0
N/A	12.920.002	Broadband Low-frequency Imaging with Novel Generation (from University of Colorado-Denver)	UW-Milwaukee	46,568	0
N/A	12.S-001077	Treatment of Legacy & Emerging Fluoroalkyl Contaminants in Groundwater with Integrated Approaches (from University of California-Riverside)	UW-Milwaukee	87,514	0
N/A	12.W911NF-16-C-0116-UWSP	Long-term Reliable, High-power Midwave-Infrared Quantum Cascade Lasers-SBIR Phase II (from Intraband)	UW-Stevens Point	2,128	0
				5,826,627	0
TOTAL R&D FROM U.S. DEPARTMENT OF DEFENSE				36,385,413	7,612,095

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CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>					
14.267		Research and Development (R&D) Subgrants: Continuum of Care Program (from Institute For Community Alliances)	UW-Madison	27,967	0
		Subtotal Research and Development (R&D) Subgrants		27,967	0
		TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		27,967	0
<b>U.S. DEPARTMENT OF INTERIOR:</b>					
15.232		Wildland Fire Research and Studies	UW-Madison	255,267	20,302
15.560		SECURE Water Act – Research Agreements	UW-Madison	68,925	0
15.608		Fish and Wildlife Management Assistance	UW-Green Bay	9,305	0
15.608		Fish and Wildlife Management Assistance	UW-Stevens Point	162,529	37,000
		Total Federal Program 15.608		171,834	37,000
15.637		Migratory Bird Joint Ventures	UW-Stevens Point	33,693	1,589
15.640		Latin America and Caribbean Regional	UW-Madison	1,895	0
15.651		Central Africa Regional	UW-Madison	10,337	0
15.655		Migratory Bird Monitoring, Assessment and Conservation	UW-Oshkosh	5,845	0
15.662		Great Lakes Restoration	UW-Green Bay	26,053	0
15.662	F16AP01020	Great Lakes Restoration	UW-Stevens Point	38,505	0
		Total Federal Program 15.662		64,558	0
15.669		Cooperative Landscape Conservation	UW-Madison	2,186	1,508
15.678		Cooperative Ecosystem Studies Units	UW-Madison	93,646	22,972
15.678		Cooperative Ecosystem Studies Units	UW-Stevens Point	10,368	0
		Total Federal Program 15.678		104,014	22,972
15.805		Assistance to State Water Resources Research Institutes	UW-Madison	169,279	0
15.805		Assistance to State Water Resources Research Institutes (from UW-Madison)	UW-Milwaukee	14,005	0
15.805		Assistance to State Water Resources Research Institutes (from UW-Madison)	UW-Platteville	9,584	0
		Total Federal Program 15.805		192,868	0
15.807		Earthquake Hazards Program Assistance	UW-Madison	114,518	0
15.808		U.S. Geological Survey Research and Data Collection	UW-Madison	287,209	0
15.808		U.S. Geological Survey Research and Data Collection	UW-Platteville	7,982	0
		Total Federal Program 15.808		295,191	0
15.812		Cooperative Research Units	UW-Madison	439,820	0
15.812		Cooperative Research Units (from UW-Stevens Point)	UW-Madison	213,248	0
15.812		Cooperative Research Units (from UW-Stevens Point)	UW-Madison	36,311	0
15.812		Cooperative Research Units	UW-Stevens Point	215,725	0
		Total Federal Program 15.812		905,104	0
15.944		Natural Resource Stewardship	UW-Milwaukee	136,282	0
15.945		Cooperative Research and Training Programs – Resources of the National Park System	UW-Madison	73,048	0
15.945		Cooperative Research and Training Programs – Resources of the National Park System	UW-Milwaukee	3,879	0
		Total Federal Program 15.945		76,927	0
N/A	15.RD	R&D from Fish & Wildlife Service	UW-La Crosse	25,504	0
N/A	15.RD	R&D from Agricultural Research Service	UW-Madison	50,120	0
N/A	15.RD	R&D from Forest Service	UW-Madison	190,920	0
N/A	15.RD	R&D from US Geological Survey	UW-Madison	375,270	0
N/A	15.RD	R&D from Fish & Wildlife Service	UW-Stevens Point	23,469	9,868
		Subtotal Direct Research and Development (R&D) Grants		3,104,727	93,239
15.066		Research and Development (R&D) Subgrants: Tribal Great Lakes Restoration Initiative (from Menominee Indian Tribe of Wisconsin)	UW-Stevens Point	7,583	0



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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
15.231	16-IGA-81784 CMS 102157	Fish, Wildlife and Plant Conservation Resource Management (from Colorado Department of Natural Resources)	UW-Madison	46,541	0
15.608	2015-05647-01	Fish and Wildlife Management Assistance (from University of Illinois-Urbana-Champaign)	UW-Milwaukee	4,315	0
15.608		Fish and Wildlife Management Assistance (from Northeast Aquatic Nuisance Species Council)	UW-Whitewater	1,557	0
15.628		Multistate Conservation Grant (from North Carolina State University)	UW-Madison	2,527	0
15.658	US-WI-392-6	Natural Resource Damage Assessment and Restoration (from Ducks Unlimited)	UW-Green Bay	40,560	0
15.658	ORSP6945;07/10/17	Natural Resource Damage Assessment and Restoration (from Fox River Green Bay Natural Resource Trustee)	UW-Stevens Point	514	0
15.662	US-WI-392-2	Great Lakes Restoration (from Ducks Unlimited)	UW-Green Bay	36,889	0
15.662	56218	Great Lakes Restoration (from National Fish & Wildlife Foundation)	UW-Parkside	19,829	0
15.805	W001020999	Assistance to State Water Resources Research Institutes (from University of Iowa)	UW-Milwaukee	66,999	0
15.808	168361	U.S. Geological Survey Research and Data Collection (from University of Connecticut)	UW-Milwaukee	38,387	0
15.815		National Land Remote Sensing Education Outreach and Research (from Americaview, Inc)	UW-Madison	16,777	0
15.820		National and Regional Climate Adaptation Science Centers (from University of Massachusetts-Amherst)	UW-Madison	24,563	0
15.820	12-007036	National and Regional Climate Adaptation Science Centers (from University of Massachusetts-Amherst)	UW-Madison	(2)	0
15.820	17-009597 A 00	National and Regional Climate Adaptation Science Centers (from University of Massachusetts-Amherst)	UW-Madison	48,011	0
Subtotal Research and Development (R&D) Subgrants				355,050	0
TOTAL R&D FROM U.S. DEPARTMENT OF THE INTERIOR				3,459,777	93,239
<b>U.S. DEPARTMENT OF JUSTICE:</b>					
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants	UW-Madison	324,149	0
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants (from Ohio University)	UW-Milwaukee	4,489	0
Total Federal Program 16.560				328,638	0
Research and Development (R&D) Subgrants:					
16.585		Drug Court Discretionary Grant Program (from Ashland County)	UW-Madison	24,201	0
16.738	#8579-1-2016-JA	Edward Byrne Memorial Justice Assistance Grant Program (from City of Madison)	UW-Madison	52,007	0
16.817	2016-AJ-BX-K042	Innovations in Community-Based Crime Reduction (from Medical College of Wisconsin)	UW-Milwaukee	13,686	0
16.838		Comprehensive Opioid Abuse Site-Based Program (from Waukesha County)	UW-Milwaukee	427	0
N/A	16.MEGA4-CHSRA- 2013-000	Automated Litigation Support (from Labat-Anderson Inc)	UW-Madison	55,252	0
N/A	16.MEGA4-CHSRA- 2013-000	Industry Consultant Support Services (from PAE Labat- Anderson LLC)	UW-Madison	170,201	0
Subtotal Research and Development (R&D) Subgrants:				315,774	0
TOTAL R&D FROM U.S. DEPARTMENT OF JUSTICE				644,412	0
<b>U.S. DEPARTMENT OF STATE:</b>					
19.017		Environmental and Scientific Partnerships and Programs (from UW-Milwaukee)	UW-Stevens Point	16,924	0
19.040		Public Diplomacy Programs	UW-La Crosse	2,249	0
19.040		Public Diplomacy Programs	UW-Madison	6,400	0
Total Federal Program 19.040				8,649	0
Subtotal Direct Research and Development (R&D) Grants				25,573	0
Research and Development (R&D) Subgrants:					
19.017		Environmental and Scientific Partnerships and Programs (from Great Lakes Fishery Commission)	UW-Milwaukee	15,185	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
19.017	2018-GOE-44077	Environmental and Scientific Partnerships and Programs (from Great Lakes Fishery Commission)	UW-Milwaukee	12,021	2,554
				27,206	2,554
Subtotal Research and Development (R&D) Subgrants					
TOTAL R&D FROM U.S. DEPARTMENT OF STATE				52,779	2,554
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>					
20.109		Air Transportation Centers of Excellence	UW-Madison	6,230	0
20.200		Highway Research and Development Program	UW-Madison	218,937	0
20.215		Highway Training and Education	UW-Madison	206,958	56,882
20.215		Highway Training and Education	UW-Milwaukee	4,517	0
Total Federal Program 20.215				211,475	56,882
20.600		State and Community Highway Safety (from UW-Whitewater)	UW-Madison	12,443	0
20.819		Ballast Water Treatment Technologies	UW-Superior	1,028,937	0
N/A	20.RD	R&D from Forest Service	UW-Milwaukee	45	0
N/A	20.0072-39-26,0082-34-35	Traffic Operations & Safety (from UW-Madison)	UW-Milwaukee	(11,299)	0
N/A	20.RD (DTMA1H11002-	R&D from Maritime Administration	UW-Superior	300	0
Subtotal Direct Research and Development (R&D) Grants				1,467,068	56,882
Research and Development (R&D) Subgrants:					
20.200	SG199416100	Highway Research and Development Program (from California State University-Long Beach)	UW-Madison	33,926	0
20.200	HR 03-125	Highway Research and Development Program (from National Academy of Sciences)	UW-Madison	101,902	37,165
20.600	8928-S-009 Task Order 12	State and Community Highway Safety (from Westat)	UW-Madison	12,282	0
20.701	60040605	University Transportation Centers Program (from Ohio State University)	UW-Madison	2,362	0
N/A	20.CTEDD 18-12	Autonomous Vehicles & their Potential to Shift Transit Ridership in Urban Areas (from University of Texas-Arlington)	UW-Madison	53,241	0
N/A	20.38507	Decision-Making Guide for Traffic Signal Phasing (from Vanasse Hangen Brustlin Inc)	UW-Madison	67,706	0
N/A	20.404-77-46A	Pavement Design Criteria (from Iowa State University)	UW-Madison	3,157	0
N/A	20.CTEDD 19-07 SG	Safety Effects of Transit Signal Priority (from University of Texas-Arlington)	UW-Madison	14,546	0
N/A	20.W000966673	Safety Research Using Simulation (from University of Iowa)	UW-Madison	101,126	0
N/A	20.W000966673 / 1001828772	Safety Research Using Simulation (from University of Iowa)	UW-Madison	170,583	0
N/A	20.TPF-5(295) Contract #19069	Smart Work Zone Deployment Initiative (from Iowa Department of Transportation)	UW-Madison	15,751	0
N/A	20.CTEDD 018-13	Union Rides: Harnessing the Shared Value of Commute Travel (from University of Texas-Arlington)	UW-Madison	27,715	0
N/A	20.6-36	Laboratory Validation of Concrete Bridge NDE System (from Engineering & Software Consultants Inc)	UW-Milwaukee	2,903	0
N/A	20.GS-10F-02-42L	Great Lakes Maritime Research Institute (from ABSG Consulting)	UW-Superior	3,801	0
Subtotal Research and Development (R&D) Subgrants				611,001	37,165
TOTAL R&D FROM U.S. DEPARTMENT OF DEFENSE				2,078,069	94,047
<b>OFFICE OF PERSONNEL MANAGEMENT:</b>					
27.011		Intergovernmental Personnel Act (IPA) Mobility Program	UW-Stout	33,027	0
N/A	27.W81G677961232	Intergovernmental Personnel Act (IPA) Mobility Program	UW-Stout	5,228	0
Subtotal Direct Research and Development (R&D) Grants				38,255	0
TOTAL R&D FROM OFFICE OF PERSONNEL MANAGEMENT				38,255	0
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>					
43.001		Science	UW-Eau Claire	16,257	0
43.001		Science	UW-Madison	7,120,993	862,795
43.001		Science (from UW-Whitewater)	UW-Madison	48,176	0
43.001		Science	UW-Milwaukee	172,339	32,987
43.001		Science	UW-Whitewater	119,046	32,363
Total Federal Program 43.001				7,476,811	928,145

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
43.003		Exploration	UW-Madison	129,742	0
43.007		Space Operations	UW-Madison	349,807	0
43.008		Education	UW-Whitewater	3,070	0
43.009		Cross Agency Support	UW-Madison	417,048	0
43.012		Space Technology	UW-Madison	106,732	0
N/A	43.RD	R&D from Jet Propulsion Laboratory	UW-Madison	271,382	0
N/A	43.RD	R&D from Jet Propulsion Laboratory	UW-Whitewater	7,927	0
				8,762,519	928,145
Research and Development (R&D) Subgrants:					
43.001	1(GG009396)	Science (from Columbia University)	UW-Madison	1,518	0
43.001	HC13197	Science (from East-West Center)	UW-Madison	19,702	0
43.001	HC13703	Science (from East-West Center)	UW-Madison	7,016	0
43.001		Science (from Florida International University)	UW-Madison	48,142	0
43.001	SC 3147	Science (from Search for Extraterrestrial Intelligence)	UW-Madison	48,749	0
43.001	AR6-17006A	Science (from Smithsonian Astrophysical Observatory)	UW-Madison	25,894	0
43.001	DD7-18091X	Science (from Smithsonian Astrophysical Observatory)	UW-Madison	6,361	0
43.001	PF6-170149	Science (from Smithsonian Astrophysical Observatory)	UW-Madison	12,165	0
43.001	TM6-17010A	Science (from Smithsonian Astrophysical Observatory)	UW-Madison	20,111	0
43.001		Science (from Southeastern Universities Research Association)	UW-Madison	138,607	0
43.001	731	Science (from Space Science Institute)	UW-Madison	23,310	0
43.001		Science (from Space Telescope Science Institute)	UW-Madison	32,758	0
43.001	HST-AR-14588-001-A	Science (from Space Telescope Science Institute)	UW-Madison	49,360	0
43.001	HST-GO-14807.006-	Science (from Space Telescope Science Institute)	UW-Madison	870	0
43.001	HST-GO-13723-003-	Science (from Space Telescope Science Institute)	UW-Madison	8	0
43.001	HST-GO-14066-002-	Science (from Space Telescope Science Institute)	UW-Madison	2,541	0
43.001	HST-GO-14240-001-	Science (from Space Telescope Science Institute)	UW-Madison	(4,393)	0
43.001	HST-GO-14265-002	Science (from Space Telescope Science Institute)	UW-Madison	59,720	0
43.001	HST-GO-14268-006-	Science (from Space Telescope Science Institute)	UW-Madison	12,609	0
43.001		Science (from University Of California-Berkeley)	UW-Madison	41,480	0
43.001	1554611	Science (from University of Colorado-Boulder)	UW-Madison	116,831	0
43.001		Science (from University of Houston)	UW-Madison	4,793	0
43.001	R-16-0021	Science (from University of Houston)	UW-Madison	9,666	0
43.001	R-18-0039	Science (from University of Houston)	UW-Madison	31,744	0
43.001		Science (from University of Iowa)	UW-Madison	25,266	0
43.001	54295-Z6059206	Science (from University of Maryland)	UW-Madison	98,762	0
43.001	0000016759	Science (from University of Maryland-Baltimore)	UW-Madison	510,965	0
43.001	2016-31	Science (from University of Oklahoma)	UW-Madison	4,509	0
43.001		Science (from Wisconsin Space Grant Consortium)	UW-Superior	(2,567)	0
43.002	60061597/RF014906	Aeronautics (from Ohio State University)	UW-Madison	259,604	78,366
43.003		Exploration (from Baylor College of Medicine)	UW-Madison	159,012	0
43.003	G-00066-2	Exploration (from Colorado State University)	UW-Madison	83,269	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-La Crosse	21,383	0
43.008	NNX15AJ12H-367642	Education (from Wisconsin Space Grant Consortium)	UW-La Crosse	(2,140)	0
43.008	NNX15AJ12H-367667	Education (from Wisconsin Space Grant Consortium)	UW-La Crosse	(6,425)	0
43.008	HU-160019	Education (from Hampton University)	UW-Madison	231,490	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-Madison	9,914	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-Milwaukee	10,142	0
43.008	RIP17 8.0	Education (from Wisconsin Space Grant Consortium)	UW-Parkside	(766)	0
43.008	Subaward NASA WSGC	Education (from Carthage College)	UW-River Falls	3,332	0
43.008		Education (from Wisconsin Space Grant Consortium)	UW-Whitewater	4,521	0
43.008	WSGC-RTG-2018	Education (from Wisconsin Space Grant Consortium)	UW-Whitewater	5,698	0
N/A	43.1521707	A-Train Ice Cloud Retrievals (from California Institute of Technology)	UW-Madison	41,594	0
N/A	43.21606-16-033	CERES FM 1-5 Science & Technical Support (from Science Systems & Applications Inc)	UW-Madison	50,342	0
N/A	43.G-3969-1	CloudSat Science (from Colorado State University)	UW-Madison	189,897	0
N/A	43.80NSSC18C0138	DAGMC Integration into RSim Simulation Software (from Tech-X Corporation)	UW-Madison	57,124	0
N/A	43.JWST-ERS-01373.008-A	ERS Observations of the Jovian System (from Space Telescope Science Institute)	UW-Madison	959	0
N/A	43.HST-GO-14728.001-A	Hearts Of Darkness: Compact Obscured Nuclei In S0/A Galaxies (from Space Telescope Science Institute)	UW-Madison	7,312	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
N/A	43.HST-HF2-51400.001-A	Hubble Fellowship (from Space Telescope Science Institute)	UW-Madison	238,523	0
N/A	43.UFDSP00011818	Landscapes in Flux in Rural India (from University of Florida)	UW-Madison	60,871	0
N/A	43.HST-GO-14044.006-A	Longitude-resolved Maps of Neptune's Radio Emission (from Space Telescope Science Institute)	UW-Madison	147	0
N/A	43.HST-GO-14045.008-A	Longitude-resolved Maps of Uranus' Radio Emission (from Space Telescope Science Institute)	UW-Madison	1,018	0
N/A	43.HST-GO-14772.001-A	Observing Gas in Cosmic Web Filaments to Constrain Simulations of Cosmic Structure Formation (from Space Telescope Science Institute)	UW-Madison	148,048	0
N/A	43.MTS-UWI-09242015	Planetary Mission Program Office Venera-D Science Definition Team Support (from MTS Systems)	UW-Madison	5,081	0
N/A	43.SSAI TDN M.001A	Science & Technical Support (from Science Systems & Applications Inc)	UW-Madison	103,434	0
N/A	43.MTS-UWI-09242015	Subject Matter Expertise Services (from Manufacturing Technical Solutions Inc)	UW-Madison	46,505	0
N/A	43.HST-GO-15313.002-A	The AGN Impact on the Circumgalactic Medium of Cen A (from Space Telescope Science Institute)	UW-Madison	16,842	0
N/A	43.SC 3230	WFIRST Starshade Evaluation (from Search for Extraterrestrial Intelligence)	UW-Madison	81,387	0
N/A	43.HST-GO-14632.001-A	Lyman-alpha Imaging at ~20 pc Resolution in a Low Mass Lensed Galaxy at z=1.85 (from Space Telescope Science Institute)	UW-Milwaukee	6,496	0
N/A	43.HST-GO-1493.003-A	Stellar Populations in a Lensed Galaxy (from Space Telescope Science Institute)	UW-Milwaukee	883	0
N/A	43.80NSSC18C0106	NASA Biological & Biochemical (from Photonic Cleaning Technologies LLC)	UW-Platteville	146,571	0
Subtotal Research and Development (R&D) Subgrants				3,328,565	78,366
TOTAL R&D FROM NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				12,091,084	1,006,511
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:</b>					
45.129		Promotion of the Humanities Federal/State Partnership	UW-Whitewater	1,131	0
45.149		Promotion of the Humanities Division of Preservation and Access	UW-Madison	165,691	0
45.160		Promotion of the Humanities Fellowships and Stipends	UW-Madison	46,654	0
45.161		Promotion of the Humanities Research	UW-Madison	183,212	0
45.162		Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	UW-Superior	11,986	0
45.169		Promotion of the Humanities Office of Digital Humanities	UW-Madison	40,495	0
45.312		National Leadership Grants	UW-Madison	184,278	116,395
45.312		National Leadership Grants	UW-Milwaukee	232,158	68,195
Total Federal Program 45.312				416,436	184,590
N/A	45.PY-258633-18	The Sounds of Eau Claire "History Harvest"	UW-Eau Claire	3,527	0
Subtotal Direct Research and Development (R&D) Grants				869,132	184,590
Research and Development (R&D) Subgrants:					
45.301		Museums for America (from Childrens Museum of Pittsburgh)	UW-Madison	28,949	0
45.301	AGMT 01/12/18	Museums for America (from Milwaukee Public Museum)	UW-Milwaukee	16,909	0
45.312		National Leadership Grants (from Indiana University)	UW-Milwaukee	14,176	0
Subtotal Research and Development (R&D) Subgrants				60,034	0
TOTAL R&D FROM NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				929,166	184,590
<b>NATIONAL SCIENCE FOUNDATION:</b>					
47.041		Engineering	UW-Eau Claire	111,674	0
47.041		Engineering	UW-Madison	6,201,027	258,582
47.041		Engineering (from UW-Milwaukee)	UW-Madison	83,464	0
47.041		Engineering	UW-Milwaukee	1,255,886	99,895
47.041		Engineering	UW-Platteville	28,397	0
47.041		Engineering	UW-Stout	82,699	10,890
Total Federal Program 47.041				7,763,147	369,367

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
47.049	1809532	Mathematical and Physical Sciences	UW-Eau Claire	40,076	0
47.049		Mathematical and Physical Sciences	UW-Eau Claire	297,985	0
47.049		Mathematical and Physical Sciences	UW-La Crosse	65,694	0
47.049		Mathematical and Physical Sciences	UW-Madison	23,575,585	4,363,635
47.049		Mathematical and Physical Sciences	UW-Milwaukee	6,300,679	3,077,416
47.049		Mathematical and Physical Sciences (from UW-Madison)	UW-Milwaukee	278,258	0
47.049		Mathematical and Physical Sciences	UW-Oshkosh	529	0
47.049		Mathematical and Physical Sciences	UW-River Falls	68,142	0
47.049		Mathematical and Physical Sciences	UW-Stevens Point	132,043	0
Total Federal Program 47.049				30,758,991	7,441,051
47.050		Geosciences (from UW-Madison)	UW Extension	3,425	0
47.050		Geosciences	UW-Green Bay	16,419	0
47.050		Geosciences	UW-Madison	13,077,011	964,904
47.050		Geosciences (from UW-Milwaukee)	UW-Madison	713	0
47.050		Geosciences	UW-Milwaukee	706,510	26,673
47.050		Geosciences	UW-Oshkosh	9,339	0
47.050		Geosciences	UW-River Falls	84,610	0
47.050		Geosciences	UW-Superior	25,043	0
Total Federal Program 47.050				13,923,070	991,577
47.070		Computer and Information Science and Engineering	UW-Madison	9,533,220	236,569
47.070		Computer and Information Science and Engineering	UW-Milwaukee	191,539	0
47.070		Computer and Information Science and Engineering	UW-River Falls	12,338	0
47.070		Computer and Information Science and Engineering	UW-Stout	94,255	0
Total Federal Program 47.070				9,831,352	236,569
47.074		Biological Sciences	UW-Eau Claire	34,730	0
47.074	1457439	Biological Sciences	UW-La Crosse	27,739	0
47.074		Biological Sciences	UW-Madison	11,615,229	941,884
47.074		Biological Sciences	UW-Milwaukee	652,902	19,782
47.074		Biological Sciences (from UW-Madison)	UW-Stevens Point	(15)	0
47.074		Biological Sciences	UW-Stout	27,575	0
47.074		Biological Sciences	UW-Whitewater	5,399	0
Total Federal Program 47.074				12,363,559	961,666
47.075		Social, Behavioral, and Economic Sciences	UW-La Crosse	2,123	0
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	1,731,244	104,586
47.075		Social, Behavioral, and Economic Sciences	UW-Milwaukee	156,066	0
47.075		Social, Behavioral, and Economic Sciences	UW-Platteville	9,113	0
47.075		Social, Behavioral, and Economic Sciences	UW-Stout	93,264	0
Total Federal Program 47.075				1,991,810	104,586
47.076		Education and Human Resources (from UW-Madison)	UW Extension	31,680	0
47.076		Education and Human Resources (from UW-Madison)	UW-Eau Claire	15,501	0
47.076	HRD-1400815	Education and Human Resources (from UW-Madison)	UW-Eau Claire	6,304	0
47.076		Education and Human Resources	UW-La Crosse	42,963	0
47.076	1452782	Education and Human Resources	UW-La Crosse	10,986	0
47.076		Education and Human Resources (from UW-Madison)	UW-La Crosse	1,800	0
47.076	1400815	Education and Human Resources (from UW-Madison)	UW-La Crosse	3,600	0
47.076		Education and Human Resources	UW-Madison	8,182,632	1,701,053
47.076		Education and Human Resources	UW-Milwaukee	862,031	39,821
47.076		Education and Human Resources (from UW-Madison)	UW-Milwaukee	75,203	0
47.076		Education and Human Resources (from UW-River Falls)	UW-Milwaukee	22,071	0
47.076		Education and Human Resources	UW-Oshkosh	45,578	0
47.076		Education and Human Resources	UW-Platteville	349,703	0
47.076		Education and Human Resources	UW-River Falls	379,416	41,199
47.076		Education and Human Resources (from UW-Madison)	UW-Whitewater	31,644	0
Total Federal Program 47.076				10,061,112	1,782,073
47.078		Polar Programs (from UW-Madison)	UW-River Falls	123,791	0
47.079		Office of International Science and Engineering	UW-Eau Claire	4,884	0
47.079		Office of International Science and Engineering	UW-Milwaukee	66,075	0
Total Federal Program 47.079				70,959	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
47.080		Office of Cyberinfrastructure	UW-Madison	66,821	0
47.083		Office of Integrative Activities	UW-Madison	19,926	0
N/A	47.IPA	Interagency Personnel Agreements	UW-Madison	125,039	0
N/A	47.IPA	Intergovernmental Personnel Assignment	UW-Madison	(115)	0
N/A	47.1758606	Arch Networks	UW-Milwaukee	21,813	0
N/A	47.IPA	Interagency Personnel Agreement	UW-Milwaukee	323,199	0
				87,444,474	11,886,889
Research and Development (R&D) Subgrants:					
47.041		Engineering (from Georgia Institute of Technology)	UW-Madison	42,501	0
47.041	RJ375-G3	Engineering (from Georgia Institute of Technology)	UW-Madison	616,765	0
47.041	I9 70048 23	Engineering (from Iowa State University)	UW-Madison	103,157	0
47.041		Engineering (from Quantlogic)	UW-Madison	19,898	0
47.041	Agr Dtd 5-8-14	Engineering (from Quantlogic)	UW-Madison	10,620	0
47.041	AGMT 03/21/18	Engineering (from Synvitrobio)	UW-Madison	98,420	0
47.041	02381-UWM	Engineering (from University of Akron)	UW-Madison	34,688	0
47.041		Engineering (from University of Massachusetts)	UW-Madison	3,391	0
47.041	2016-36	Engineering (from University of Oklahoma)	UW-Madison	118,127	0
47.041	UTA17-001037	Engineering (from University of Texas-Austin)	UW-Madison	18,607	0
47.041	WU-17-127	Engineering (from Washington University)	UW-Madison	87,671	0
47.041	1MIL113548	Engineering (from AquaMetals LLC)	UW-Milwaukee	90,974	0
47.041		Engineering (from Safeli LLC)	UW-Milwaukee	3,275	0
47.041	007727-020	Engineering (from University of Cincinnati)	UW-Milwaukee	65,579	0
47.041	41262-Z9280101	Engineering (from University of Maryland)	UW-Milwaukee	616	0
47.041	17-417-UWM	Engineering (from West Virginia University)	UW-Milwaukee	183,099	0
47.049		Mathematical and Physical Sciences (from American Physical Society)	UW-Madison	9,979	0
47.049	68D-1094589	Mathematical and Physical Sciences (from California Institute of Technology)	UW-Madison	32,199	0
47.049		Mathematical and Physical Sciences (from Cornell University)	UW-Madison	52,291	0
47.049		Mathematical and Physical Sciences (from Emory University)	UW-Madison	184,318	0
47.049	T849813	Mathematical and Physical Sciences (from Emory University)	UW-Madison	21,457	0
47.049		Mathematical and Physical Sciences (from Georgia Institute of Technology)	UW-Madison	48,518	0
47.049		Mathematical and Physical Sciences (from Princeton University)	UW-Madison	1,118	0
47.049	SUB0000186	Mathematical and Physical Sciences (from Princeton University)	UW-Madison	460,879	0
47.049	45158038	Mathematical and Physical Sciences (from University of California-San Diego)	UW-Madison	118,809	0
47.049	PO#S9000465	Mathematical and Physical Sciences (from University of California-San Diego)	UW-Madison	306,385	0
47.049		Mathematical and Physical Sciences (from University of Chicago)	UW-Madison	268,192	0
47.049	25-0521-0184-023	Mathematical and Physical Sciences (from University of Nebraska)	UW-Madison	16,906	0
47.049		Mathematical and Physical Sciences (from University of Puerto Rico)	UW-Madison	20,324	0
47.049	UWSC6716 - BPO4494	Mathematical and Physical Sciences (from University of Washington)	UW-Madison	(293)	0
47.049	NSF094-01	Mathematical and Physical Sciences (from Santa Clara University)	UW-Milwaukee	10,318	0
47.049	17-419-UMW	Mathematical and Physical Sciences (from West Virginia University Research Corporation)	UW-Milwaukee	(1,562)	0
47.049	68D-1094590	Mathematical and Physical Sciences (from California Institute of Technology)	UW-Oshkosh	434	0
47.049		Mathematical and Physical Sciences (from Union College)	UW-Stevens Point	1,714	0
47.050		Geosciences (from Columbia University)	UW-Madison	19,711	0
47.050	1377 - 1377R42	Geosciences (from Dartmouth College)	UW-Madison	2,384,634	0
47.050		Geosciences (from Field Museum of Natural History)	UW-Madison	12,116	0
47.050	PO-0000043240	Geosciences (from Louisiana State University)	UW-Madison	1,236	0
47.050	5710004156	Geosciences (from Massachusetts Institute of Technology)	UW-Madison	11,527	0
47.050	S1693B-A	Geosciences (from Oregon State University)	UW-Madison	(20)	0
47.050		Geosciences (from Pennsylvania State University)	UW-Madison	882	0
47.050	61638968-118040	Geosciences (from Stanford University)	UW-Madison	2,747	0
47.050		Geosciences (from University Corporation for Atmospheric Research)	UW-Madison	740	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
47.050	Z14-12710	Geosciences (from University Corporation for Atmospheric Research)	UW-Madison	102,595	0
47.050	Z16-21929	Geosciences (from University Corporation for Atmospheric Research)	UW-Madison	818	0
47.050	479483-19126	Geosciences (from Virginia Polytechnic Institute & State University)	UW-Madison	25,670	0
47.050	21(GG009393)	Geosciences (from Columbia University)	UW-Milwaukee	4,907	0
47.050		Geosciences (from New York University)	UW-Milwaukee	79,040	0
47.070		Computer and Information Science and Engineering (from University of Notre Dame)	UW Extension	500	0
47.070	1720-206-2009949	Computer and Information Science and Engineering (from Clemson University)	UW-Madison	20,746	0
47.070	1972-206-2011526	Computer and Information Science and Engineering (from Clemson University)	UW-Madison	40,205	0
47.070		Computer and Information Science and Engineering (from Computing Research Association)	UW-Madison	12,308	0
47.070		Computer and Information Science and Engineering (from Indiana University)	UW-Madison	131,835	0
47.070	BL-4812511-UW	Computer and Information Science and Engineering (from Indiana University)	UW-Madison	215,457	0
47.070		Computer and Information Science and Engineering (from Internet2)	UW-Madison	16,052	0
47.070		Computer and Information Science and Engineering (from Maine Mathematics And Science Alliance)	UW-Madison	45,141	0
47.070		Computer and Information Science and Engineering (from Princeton University)	UW-Madison	404,857	0
47.070		Computer and Information Science and Engineering (from Raytheon Company)	UW-Madison	(2,536)	0
47.070	69069163	Computer and Information Science and Engineering (from University of California-San Diego)	UW-Madison	49,335	0
47.070	UFDSP00010407 - 00117548	Computer and Information Science and Engineering (from University of Florida)	UW-Madison	79,028	0
47.070	087856-16495	Computer and Information Science and Engineering (from University of Illinois-Urbana-Champaign)	UW-Madison	41,125	0
47.070	88468852	Computer and Information Science and Engineering (from University of Southern California)	UW-Madison	55,384	0
47.070	10034358-WISCMD	Computer and Information Science and Engineering (from University of Utah)	UW-Madison	46,607	0
47.070	10045119-WISCMD	Computer and Information Science and Engineering (from University of Utah)	UW-Madison	96,762	0
47.070	Computer Science Ed Milw Schls	Computer and Information Science and Engineering (from Marquette University)	UW-Milwaukee	29,040	0
47.070	Stipends/Part Costs Comp Sci E	Computer and Information Science and Engineering (from Marquette University)	UW-Milwaukee	6,098	0
47.074	67183-10108	Biological Sciences (from Cornell University)	UW-Madison	102,165	0
47.074		Biological Sciences (from Field Museum of Natural History)	UW-Madison	14,791	0
47.074	RC108100UW	Biological Sciences (from Michigan State University)	UW-Madison	254,135	0
47.074	S1950A-A	Biological Sciences (from Oregon State University)	UW-Madison	3,891	0
47.074	UA18-008	Biological Sciences (from University of Alabama-Tuscaloosa)	UW-Madison	4,475	0
47.074	RR272-828-S001217	Biological Sciences (from University of Georgia)	UW-Madison	34,250	0
47.074		Biological Sciences (from University of Minnesota)	UW-Madison	37,843	0
47.074	N004586501	Biological Sciences (from University of Minnesota)	UW-Madison	(2,972)	0
47.074	25-2805-0114-003	Biological Sciences (from University of Nebraska)	UW-Madison	(153)	0
47.074	1003260A	Biological Sciences (from University of Wyoming)	UW-Madison	126,626	0
47.074	132249-G003775	Biological Sciences (from Washington State University)	UW-Madison	239,740	0
47.074	6223-1	Biological Sciences (from Hauptman-Woodward Medical Research Institute)	UW-Milwaukee	38	0
47.074	6226-1	Biological Sciences (from Hauptman-Woodward Medical Research Institute)	UW-Milwaukee	40,402	0
47.074	RFO1417781	Biological Sciences (from Ohio State University)	UW-Milwaukee	11,449	0
47.074	R877471	Biological Sciences (from State University of New York-Buffalo)	UW-Milwaukee	670,232	0
47.074		Biological Sciences (from Bird Conservancy of the Rockies)	UW-Stevens Point	2,256	0
47.074	BEI: NEON Bird Surveys 18-20	Biological Sciences (from Bird Conservancy of the Rockies)	UW-Stevens Point	8,204	0
47.074		Biological Sciences (from Hampden-Sydney College)	UW-Stout	978	0
47.075	BL-4826940-WISC	Social, Behavioral, and Economic Sciences (from Indiana University)	UW-Madison	51,108	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
47.075	2003123172	Social, Behavioral, and Economic Sciences (from Johns Hopkins University)	UW-Madison	164,255	0
47.075	3048112470-18-255	Social, Behavioral, and Economic Sciences (from University of Kentucky Research Foundation)	UW-Madison	13,416	0
47.076	AGMT 07/25/17	Education and Human Resources (from American Educational Research Association)	UW-Madison	6,897	0
47.076	IGEN Sub APS 4_18	Education and Human Resources (from American Physical Society)	UW-Madison	16,902	0
47.076	4569-UWM-01	Education and Human Resources (from Boston Museum of Science)	UW-Madison	30,723	0
47.076	AGMT 08/01/17	Education and Human Resources (from Council of Graduate Schools)	UW-Madison	25,097	0
47.076		Education and Human Resources (from Drexel University)	UW-Madison	5,022	0
47.076		Education and Human Resources (from Milwaukee School of Engineering)	UW-Madison	(2,506)	0
47.076	513147	Education and Human Resources (from Teachers College at Columbia University)	UW-Madison	127,570	0
47.076	259440-UWI	Education and Human Resources (from Temple University)	UW-Madison	4,836	0
47.076	44484	Education and Human Resources (from TERC)	UW-Madison	128,937	0
47.076	SA07527269 PO 54079	Education and Human Resources (from University of Maryland)	UW-Madison	58,548	0
47.076		Education and Human Resources (from University of Rhode Island)	UW-Madison	19,262	0
47.076	UTA17-000763	Education and Human Resources (from University of Texas- Austin)	UW-Madison	5,370	0
47.076	770-040	Education and Human Resources (from Business-Higher Education Forum)	UW-Milwaukee	98,631	0
47.076		Education and Human Resources (from Carthage College)	UW-Milwaukee	14,284	0
47.076	DUE-1726249	Education and Human Resources (from The California State University-Chico Research Foundation)	UW-River Falls	73,690	0
47.080	33529596	Office of Cyberinfrastructure (from University of California-San Diego)	UW-Madison	6,303	0
47.083	115707	Integrative Activities (from University of Connecticut)	UW-Madison	88,117	0
47.083		Integrative Activities (from University of Missouri-Columbia)	UW-Madison	4,343	0
47.083	44K-1096617	Integrative Activities (from California Institute of Technology)	UW-Milwaukee	31,404	0
Subtotal Research and Development (R&D) Subgrants				9,504,480	0
TOTAL R&D FROM NATIONAL SCIENCE FOUNDATION				96,948,954	11,886,889
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY:</b>					
66.461		Regional Wetland Program Development Grants	UW-Madison	5,425	0
66.468		Capitalization Grants for Drinking Water State Revolving Funds (from UW Extension)	UW-Madison	32,702	0
66.472		Beach Monitoring and Notification Program Implementation Grants	UW-Oshkosh	9,213	0
66.509		Science To Achieve Results (STAR) Research Program	UW-Madison	751,033	90,367
66.708		Pollution Prevention Grants Program	UW-Madison	66,940	0
N/A	66.MSN208617	Training the Next Generation of Scientists to Protect Human Health & the Environment	UW-Madison	7,247	0
Subtotal Research and Development (R&D) Direct Grants				872,560	90,367
Research and Development (R&D) Subgrants:					
66.469	FDP CRC Subaward #F62951	Great Lakes Program (from Central Michigan University)	UW-Green Bay	65,811	0
66.469	Agreement Executed 8/13/15	Great Lakes Program (from Fox Wolf Watershed Alliance)	UW-Green Bay	191,438	0
66.469	Federal Award ID #00E01450	Great Lakes Program (from Green Bay Metropolitan Sewerage District)	UW-Green Bay	10,583	0
66.469		Great Lakes Program (from University of Windsor)	UW-River Falls	46,845	0
66.469		Great Lakes Program (from Great Lakes Indian Fish & Wildlife Commission)	UW-Superior	23,175	0
66.469		Great Lakes Program (from Minnesota Department of Natural Resources)	UW-Superior	15,880	0
66.469		Great Lakes Program (from University of Minnesota)	UW-Superior	28,983	0
66.469	66. GL-00E01980	Great Lakes Program (from University of Minnesota)	UW-Superior	3,070	0
66.509	H003643701	Science To Achieve Results (STAR) Research Program (from University of Minnesota)	UW-Madison	44,794	0
66.509	RC105227UWM	Science To Achieve Results (STAR) Research Program (from Michigan State University)	UW-Milwaukee	(6,888)	0



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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
66.509		Science To Achieve Results (STAR) Research Program (from University of Vermont)	UW-Milwaukee	21,666	0
66.605		Performance Partnership Grants (from Red Lake Band of Chippewa Indians)	UW-Superior	700	0
N/A	66.GL00E01450	Managed Grazing - Paired Field Monitoring (from Green Bay Metropolitan Sewerage District)	UW-Green Bay	40,329	0
N/A	66.4-312-0216377	Analysis, Economic Modeling & Clean Air Act Issues (from RTI International)	UW-Madison	59,778	0
N/A	66.GL00E01452	Mercury & Moisture Analysis (from Great Lakes Indian Fish & Wildlife Commission)	UW-Superior	72	0
N/A	66.AAG3987	Metals Testing of Various Food Sources (from Great Lakes Indian Fish & Wildlife Commission)	UW-Superior	16,033	0
Subtotal Research and Development (R&D) Subgrants				562,269	0
TOTAL R&D FROM U.S. ENVIRONMENTAL PROTECTION AGENCY				1,434,829	90,367
<b>U.S. NUCLEAR REGULATORY COMMISSION:</b>					
77.008		U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	UW-Madison	458,298	0
N/A	77.31310018P0069	Effectiveness of Surface Covers for Controlling Fluxes of Water & Radon at Disposal Facilities for Uranium Mill Tailings	UW-Madison	19,998	0
N/A	77.NRC-HQ-60-16-E-0001	Research and Technical Assistance Related to Severe Accidents in Nuclear Power Plants	UW-Madison	71,856	52,478
Subtotal Research and Development (R&D) Direct Grants				550,152	52,478
TOTAL R&D FROM U.S. NUCLEAR REGULATORY COMMISSION				550,152	52,478
<b>U.S. DEPARTMENT OF ENERGY:</b>					
81.049		Office of Science Financial Assistance Program	UW-Eau Claire	52,877	0
81.049		Office of Science Financial Assistance Program	UW-Madison	51,976,701	13,808,048
81.049		Office of Science Financial Assistance Program	UW-Milwaukee	462,938	62,866
Total Federal Program 81.049				52,492,516	13,870,914
81.086		Conservation Research and Development	UW-Madison	136,502	0
81.087		Renewable Energy Research and Development	UW-Madison	524,180	292,392
81.089		Fossil Energy Research and Development	UW-Madison	8,354	0
81.112		Stewardship Science Grant Program	UW-Madison	514,943	0
81.121		Nuclear Energy Research, Development and Demonstration	UW-Madison	4,407,834	1,145,437
81.135		Advanced Research Projects Agency - Energy	UW-Madison	1,771,661	383,191
81.135		Advanced Research Projects Agency - Energy	UW-Milwaukee	577,951	256,949
Total Federal Program 81.135				2,349,612	640,140
N/A	81.RD	R&D from Argonne National Laboratories	UW-La Crosse	7,667	0
N/A	81.RD	R&D from Berkeley National Laboratories	UW-La Crosse	2,350	0
N/A	81.RD	R&D from Brookhaven National Laboratories	UW-La Crosse	6,000	0
N/A	81.RD	R&D from Jefferson National Laboratories	UW-La Crosse	4,900	0
N/A	81.RD	R&D from Oak Ridge National Laboratories	UW-La Crosse	1,350	0
N/A	81.RD	R&D from Argonne National Laboratories	UW-Madison	91,801	0
N/A	81.RD	R&D from Argonne National Laboratory	UW-Madison	1,356,127	0
N/A	81.RD	R&D from Brookhaven National Laboratory	UW-Madison	256,538	95,728
N/A	81.RD	R&D from Chicago Operations Office	UW-Madison	614,911	0
N/A	81.RD	R&D from Fermi National Accelerator Laboratory	UW-Madison	2,392,542	0
N/A	81.RD	R&D from Lawrence Berkeley National Laboratory	UW-Madison	569,156	0
N/A	81.RD	R&D from Lawrence Livermore National Laboratory	UW-Madison	71,544	0
N/A	81.RD	R&D from Los Alamos National Laboratory	UW-Madison	16,850	0
N/A	81.RD	R&D from National Renewable Energy Laboratory	UW-Madison	110,372	0
N/A	81.RD	R&D from Oak Ridge National Laboratory	UW-Madison	204,426	0
N/A	81.RD	R&D from Pacific Northwest National Laboratory	UW-Madison	771,106	0
N/A	81.RD	R&D from Princeton Plasma Physics Laboratory	UW-Madison	25,000	0
N/A	81.RD	R&D from Sandia National Laboratories	UW-Madison	37,138	0
N/A	81.RD	R&D from Brookhaven National Laboratory	UW-Milwaukee	226,618	0
N/A	81.RD	R&D from Pacific Northwest National Laboratory	UW-Milwaukee	188,130	0
Subtotal Research and Development (R&D) Direct Grants				67,388,467	16,044,611

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
Research and Development (R&D) Subgrants:					
81.049		Office of Science Financial Assistance Program (from Cornell University)	UW-Madison	83,422	0
81.049		Office of Science Financial Assistance Program (from Duke University)	UW-Madison	16,197	0
81.049		Office of Science Financial Assistance Program (from Georgia Institute of Technology)	UW-Madison	5,531	0
81.049		Office of Science Financial Assistance Program (from Georgia Institute of Technology)	UW-Madison	26,792	0
81.049	RF184-G5	Office of Science Financial Assistance Program (from Georgia Institute of Technology)	UW-Madison	33,458	0
81.049		Office of Science Financial Assistance Program (from Kansas State University)	UW-Madison	28,175	0
81.049	F7600-01	Office of Science Financial Assistance Program (from New York University)	UW-Madison	231,302	0
81.049		Office of Science Financial Assistance Program (from Oak Ridge Institute for Science & Education)	UW-Madison	2,687	0
81.049		Office of Science Financial Assistance Program (from Ohio State University)	UW-Madison	84,526	0
81.049	13-224-330131	Office of Science Financial Assistance Program (from Old Dominion University)	UW-Madison	(94,412)	0
81.049	17-101-100387-020	Office of Science Financial Assistance Program (from Old Dominion University)	UW-Madison	(32,429)	0
81.049	9314	Office of Science Financial Assistance Program (from University Of California-Berkeley)	UW-Madison	161,259	0
81.049	UFDSP00011958	Office of Science Financial Assistance Program (from University of Florida)	UW-Madison	451,434	12,495
81.049	090634-16928	Office of Science Financial Assistance Program (from University of Illinois-Urbana-Champaign)	UW-Madison	496,834	0
81.049	3003326609	Office of Science Financial Assistance Program (from University of Michigan)	UW-Madison	150,381	0
81.049	UNR-16-02	Office of Science Financial Assistance Program (from University of Nevada-Reno)	UW-Madison	39,650	0
81.049		Office of Science Financial Assistance Program (from University of Utah)	UW-Madison	143,172	0
81.049	UWSC9312	Office of Science Financial Assistance Program (from University of Washington)	UW-Madison	96,901	0
81.049	4000158665	Office of Science Financial Assistance Program (from UT-Battelle LLC)	UW-Madison	166,532	0
81.049		Office of Science Financial Assistance Program (from Vanderbilt University)	UW-Madison	35,902	0
81.049		Office of Science Financial Assistance Program (from Safeli LLC)	UW-Milwaukee	57,212	0
81.086		Conservation Research and Development (from Delphi Automotive Systems LLC)	UW-Madison	37,616	0
81.086	SA623-1016-10296	Conservation Research and Development (from Illinois Institute of Technology)	UW-Madison	87,975	0
81.086	DE-FOA-0001919	Conservation Research and Development (from University of Florida)	UW-Madison	78,030	0
81.086		Conservation Research and Development (from University of Minnesota)	UW-Madison	66,552	0
81.087		Renewable Energy Research and Development (from Comprex LLC)	UW-Madison	10,584	0
81.087	00042619-04	Renewable Energy Research and Development (from Missouri University of Science)	UW-Madison	31,391	0
81.087		Renewable Energy Research and Development (from Powdermet)	UW-Madison	48,522	0
81.087	4105-71516	Renewable Energy Research and Development (from Purdue University)	UW-Madison	(3,964)	0
81.087	251192	Renewable Energy Research and Development (from Temple University)	UW-Madison	(5,328)	0
81.087	251192-01_UWM	Renewable Energy Research and Development (from Temple University)	UW-Madison	5,416	0
81.087		Renewable Energy Research and Development (from University of Tennessee)	UW-Madison	44,889	0
81.087		Renewable Energy Research and Development (from University of Tennessee)	UW-Madison	128,511	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
81.087		Renewable Energy Research and Development (from University of Utah)	UW-Madison	7,229	0
81.089	S711	Fossil Energy Research and Development (from Gas Technology Institute)	UW-Madison	32,967	0
81.089		Fossil Energy Research and Development (from Respec Company)	UW-Madison	45,170	0
81.113	3003222391	Defense Nuclear Nonproliferation Research (from University of Michigan)	UW-Madison	138,590	0
81.113		Defense Nuclear Nonproliferation Research (from University of Michigan)	UW-Madison	1,675	0
81.117	UTA17-000042	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance (from University of Texas-Austin)	UW-Madison	53,009	0
81.121	RH417-G1	Nuclear Energy Research, Development and Demonstration (from Georgia Institute of Technology)	UW-Madison	94,060	0
81.121		Nuclear Energy Research, Development and Demonstration (from Kansas State University)	UW-Madison	3,934	0
81.121		Nuclear Energy Research, Development and Demonstration (from Kansas State University)	UW-Madison	36,871	0
81.121	S16025	Nuclear Energy Research, Development and Demonstration (from Kansas State University)	UW-Madison	78,775	0
81.121	5710003979	Nuclear Energy Research, Development and Demonstration (from Massachusetts Institute of Technology)	UW-Madison	101,350	0
81.121	116282	Nuclear Energy Research, Development and Demonstration (from Massachusetts Institute of Technology)	UW-Madison	53,125	0
81.121	I5710003861	Nuclear Energy Research, Development and Demonstration (from Massachusetts Institute of Technology)	UW-Madison	46,233	0
81.121	RC-6 MIT Lead CFA-18-14893	Nuclear Energy Research, Development and Demonstration (from Massachusetts Institute of Technology)	UW-Madison	28,886	0
81.121	G0155A-A	Nuclear Energy Research, Development and Demonstration (from Oregon State University)	UW-Madison	83,989	0
81.121	28-M1800914	Nuclear Energy Research, Development and Demonstration (from Texas A&M University Health Science Center)	UW-Madison	166,579	0
81.121	28-S172804	Nuclear Energy Research, Development and Demonstration (from Texas A&M University Research Foundation)	UW-Madison	21,000	0
81.121		Nuclear Energy Research, Development and Demonstration (from University of Michigan)	UW-Madison	45,857	0
81.121	A15-0359-S001	Nuclear Energy Research, Development and Demonstration (from University of Tennessee)	UW-Madison	2,382	0
81.121	10041588-Uwisc	Nuclear Energy Research, Development and Demonstration (from University of Utah)	UW-Madison	67,244	0
81.121	FP00005537_SA001	Nuclear Energy Research, Development and Demonstration (from Virginia Commonwealth University)	UW-Madison	57,455	0
81.135	5665-UWM-EARPA-0821	Advanced Research Projects Agency - Energy (from Pennsylvania State University)	UW-Madison	450,801	0
81.135	DE-AR0000827	Advanced Research Projects Agency - Energy (from UHV Technologies Inc)	UW-Madison	43,275	0
81.135	079006-15753 - 2015-07783-04	Advanced Research Projects Agency - Energy (from University of Illinois-Urbana-Champaign)	UW-Madison	70,568	0
N/A	81.4000162317	Advanced Microscopy/Microanalysis Techniques Supporting Advanced Fuels Campaign (from UT-Battelle LLC)	UW-Madison	6,965	0
N/A	81.195049	BWR Passive Safety Assessment (from Battelle Energy Alliance)	UW-Madison	99,192	0
N/A	81.1000548197	Cold Spray Metallic Coatings on Zr Alloy (from Westinghouse Electric Company)	UW-Madison	329,527	0
N/A	81.4000154718	Engine Knock Investigation (from UT-Battelle LLC)	UW-Madison	9,012	0
N/A	81.R19521	Extending HPCToolkit to Measure & Analyze Code Performance (from Rice University)	UW-Madison	49,211	0
N/A	81.R19521	Extending HPCToolkit to Measure and Analyze Code Performance on Exascale Platforms (from Rice University)	UW-Madison	50,489	0
N/A	81.AGMT 06/30/00	Fusion Energy Sciences Graduate Fellowship (from Oak Ridge Institute for Science & Education)	UW-Madison	(25,000)	0
N/A	81.4000102821	Global Neutronics Analysis Support (from UT-Battelle LLC)	UW-Madison	5,731	0
N/A	81.SUBK00008624	High Fidelity Simulation of High Dose Neutron Irradiation (from University of Michigan)	UW-Madison	90,937	0
N/A	81.213026	Micro-Reactor (from Batelle Energy Alliance)	UW-Madison	207,682	0

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N/A	81.0207168	Miniature Scale Liquid Metal Oxygen Purification and Measurement System (from Battelle Energy Alliance)	UW-Madison	61,950	5,053
N/A	81.4000155124 6400014912	Modeling Corrosion and Mechanical Integrity of Zirconium Alloys Fuel Cladding During LOCA High Temperature Transients Using BISON (from UT-Battelle LLC)	UW-Madison	3,580	0
N/A	81.4000159357	Neutron Single Crystal Diffraction Study (from UT-Battelle LLC)	UW-Madison	55,952	0
N/A	81.1031-1	Self-Powered Wireless Sensor (from X-Wave Innovations Inc)	UW-Madison	12,969	0
N/A	81.196436	TREAT Experiments (from Battelle Energy Alliance)	UW-Madison	48,558	0
N/A	81.17-579-UWM	Exploring Boundary States in Dirac Materials (from West Virginia University Research Corporation)	UW-Milwaukee	27,050	0
Subtotal Research and Development (R&D) Subgrants				5,479,549	17,548
TOTAL R&D FROM U.S. DEPARTMENT OF ENERGY				72,868,016	16,062,159
<b>U.S. DEPARTMENT OF EDUCATION:</b>					
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	358,354	0
84.022		Overseas Programs - Doctoral Dissertation Research Abroad	UW-Madison	207,596	0
84.042		TRIO Student Support Services	UW Colleges	591,535	0
84.206		Javits Gifted and Talented Students Education	UW-Madison	668,253	618,698
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Oshkosh	130,361	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Superior	195,392	0
Total Federal Program 84.217				325,753	0
84.263		Innovative Rehabilitation Training (from UW-Stout)	UW-Madison	116,832	0
84.305		Education Research, Development and Dissemination	UW-Madison	1,231,501	115,539
84.324		Research in Special Education	UW-Madison	91,963	0
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-Madison	47,643	0
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-Milwaukee	148,194	0
Total Federal Program 84.325				195,837	0
84.335		Child Care Access Means Parents in School	UW-Madison	178,935	0
84.336		Teacher Quality Partnership Grants	UW-Madison	6,431	0
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	UW-Eau Claire	74,134	0
84.372		Statewide Longitudinal Data Systems (from UW-Madison)	UW-Whitewater	23,969	0
84.411		Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	UW-Madison	66,772	63,666
84.418		Promoting Readiness of Minors in Supplemental Security Income (from UW-Stout)	UW-Madison	389,647	30,466
N/A	84.144HK15	Center for Latin America	UW-Milwaukee	226	0
Subtotal Research and Development (R&D) Direct Grants				4,527,738	828,369
84.305	44024	Research and Development (R&D) Subgrants: Education Research, Development and Dissemination (from Technical Education Research Centers Inc)	UW-Madison	41,609	33,022
84.305	44474	Education Research, Development and Dissemination (from Technical Education Research Centers Inc)	UW-Madison	121,858	55,916
84.305	TUL-666-12-13	Education Research, Development and Dissemination (from Tulane University)	UW-Madison	129,351	0
84.305		Education Research, Development and Dissemination (from University of California-Davis)	UW-Madison	80,624	0
84.324	5039283	Research in Special Education (from University of North Carolina)	UW-Madison	12,012	0
84.324		Research in Special Education (from University of North Carolina-Chapel Hill)	UW-Madison	173,073	0
84.324		Research in Special Education (from University of Oregon)	UW-Madison	40,552	0
84.334	C024191	Gaining Early Awareness and Readiness for Undergraduate Programs (from Milwaukee Public Schools)	UW-Madison	83,705	0
84.365		English Language Acquisition State Grants (from Lower Kuskokwim School District)	UW-Madison	113,943	0
84.365	1800585 / 717106	English Language Acquisition State Grants (from Lower Kuskokwim School District)	UW-Madison	33,735	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
84.368	17-07-EDSG	Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments) (from Arizona Department of Education)	UW-Madison	555,128	0
84.411	AGMT 03/05/18	Education Innovation and Research (formerly Investing in Innovation (i3) Fund) (from Education Analytics Inc)	UW-Milwaukee	281,079	0
N/A	84.SUNY/Buffalo State	Improving Undergraduate Education through Community Building & Adoption of Evidence-Based Practice to Evaluate Undergraduate Research (from State University of New York-Buffalo)	UW-Eau Claire	3,278	0
N/A	84.MSN188763	Dynamic Interactive Formative Assessment Tasks & End-of-Unit Tests for Measuring Challenging Concepts & Skills of Diverse Middle School Students (from Michigan Department of Education)	UW-Madison	1,294,960	0
N/A	84.MSN190873	Vocational Rehabilitation Technical Assistance Center for Targeted Communities (from Southern University)	UW-Madison	581,982	36,312
Subtotal Research and Development (R&D) Subgrants				<u>3,546,889</u>	<u>125,250</u>
TOTAL R&D FROM U.S. DEPARTMENT OF EDUCATION				<u>8,074,627</u>	<u>953,619</u>
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:</b>					
89.003		National Historical Publications and Records Grants	UW-Madison	161,415	0
Subtotal Research and Development (R&D) Direct Grants				<u>161,415</u>	<u>0</u>
TOTAL R&D FROM NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				<u>161,415</u>	<u>0</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
93.077		Family Smoking Prevention and Tobacco Control Act Regulatory Research	UW-Madison	1,255,911	277,784
93.077		Family Smoking Prevention and Tobacco Control Act Regulatory Research	UW-Milwaukee	116,380	21,837
Total Federal Program 93.077				<u>1,372,291</u>	<u>299,621</u>
93.084		Prevention of Disease, Disability, and Death by Infectious Diseases	UW-Madison	2,778,604	1,172,456
93.103		Food and Drug Administration Research	UW-Madison	30,256	0
93.103		Food and Drug Administration Research (from UW Extension)	UW-Madison	21,352	0
Total Federal Program 93.103				<u>51,608</u>	<u>0</u>
93.113		Environmental Health	UW-Madison	2,896,438	202,732
93.113		Environmental Health	UW-Milwaukee	647,283	387,245
Total Federal Program 93.113				<u>3,543,721</u>	<u>589,977</u>
93.121		Oral Diseases and Disorders Research	UW-Madison	2,834,789	112,173
93.136		Injury Prevention and Control Research and State and Community Based Programs	UW-Madison	455,549	0
93.172		Human Genome Research	UW-Madison	539,009	(729)
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	8,916,530	162,443
93.178		Nursing Workforce Diversity	UW-Madison	299,912	4,600
93.213		Research and Training in Complementary and Integrative Health	UW-Madison	680,535	0
93.215		Hansen's Disease National Ambulatory Care Program	UW-Madison	(1,202)	0
93.226		Research on Healthcare Costs, Quality and Outcomes	UW-Madison	3,978,411	105,518
93.233		National Center on Sleep Disorders Research	UW-Madison	591,515	0
93.239		Policy Research and Evaluation Grants	UW-Madison	2,101,145	503,796
93.242		Mental Health Research Grants	UW-Eau Claire	117,262	12,473
93.242		Mental Health Research Grants	UW-Madison	11,445,804	1,264,940
93.242		Mental Health Research Grants	UW-Milwaukee	1,733,407	80,245
Total Federal Program 93.242				<u>13,296,473</u>	<u>1,357,658</u>
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	UW-Eau Claire	24,478	0
93.262		Occupational Safety and Health Program	UW-Madison	329,170	113,559
93.262		Occupational Safety and Health Program	UW-Milwaukee	158,783	91,425
Total Federal Program 93.262				<u>487,953</u>	<u>204,984</u>

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
93.273		Alcohol Research Programs	UW-Madison	1,615,583	155,033
93.273		Alcohol Research Programs	UW-Milwaukee	22,566	0
		Total Federal Program 93.273		1,638,149	155,033
93.279		Drug Abuse and Addiction Research Programs	UW-Madison	4,632,644	753,473
93.279		Drug Abuse and Addiction Research Programs	UW-Milwaukee	898,511	0
		Total Federal Program 93.279		5,531,155	753,473
93.283		Centers for Disease Control and Prevention Investigations and Technical Assistance	UW-Madison	959,360	3,346
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health	UW-Madison	4,164,889	5,812
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health	UW-Milwaukee	129,613	11,613
		Total Federal Program 93.286		4,294,502	17,425
93.307		Minority Health and Health Disparities Research	UW-Madison	739,593	0
93.307		Minority Health and Health Disparities Research	UW-Milwaukee	37,693	10,916
		Total Federal Program 93.307		777,286	10,916
93.310		Trans-NIH Research Support	UW-Madison	17,432,867	10,047,378
93.350		National Center for Advancing Translational Sciences	UW-Madison	7,697,902	608,270
93.351		Research Infrastructure Programs	UW-Madison	16,949,968	222,197
93.353		21st Century Cures Act - Beau Biden Cancer Moonshot	UW-Madison	1,795,694	325,716
93.361		Nursing Research	UW-Madison	3,501	0
93.361		Nursing Research	UW-Milwaukee	341,362	52,827
		Total Federal Program 93.361		344,863	52,827
93.393		Cancer Cause and Prevention Research	UW-Madison	7,247,974	139,486
93.393		Cancer Cause and Prevention Research	UW-Milwaukee	615,893	211,383
		Total Federal Program 93.393		7,863,867	350,869
93.394		Cancer Detection and Diagnosis Research	UW-Madison	1,474,502	287,797
93.395		Cancer Treatment Research	UW-Madison	3,131,262	330,043
93.396		Cancer Biology Research	UW-Madison	4,310,691	233,321
93.396		Cancer Biology Research	UW-Superior	97,148	0
		Total Federal Program 93.396		4,407,839	233,321
93.397		Cancer Centers Support Grants	UW-Madison	4,189,613	0
93.398		Cancer Research Manpower	UW-Madison	633,610	0
93.433		ACL National Institute on Disability, Independent Living, and Rehabilitation Research	UW-Madison	208,524	14,756
93.433		ACL National Institute on Disability, Independent Living, and Rehabilitation Research	UW-Milwaukee	159,106	32,789
		Total Federal Program 93.433		367,630	47,545
93.575		Child Care and Development Block Grant	UW-Madison	22,090	0
93.800		Organized Approaches to Increase Colorectal Cancer Screening	UW-Madison	787	0
93.837		Cardiovascular Diseases Research	UW-Madison	9,990,342	484,503
93.838		Lung Diseases Research	UW-Madison	2,853,096	516,905
93.838		Lung Diseases Research	UW-Milwaukee	16,386	(10,650)
		Total Federal Program 93.838		2,869,482	506,255
93.839		Blood Diseases and Resources Research	UW-Madison	403,588	9,674
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	2,642,853	180,273
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research	UW-Madison	10,807,507	1,451,383
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	15,780,015	1,043,325
93.855		Allergy and Infectious Diseases Research	UW-Madison	40,554,145	13,201,553
93.855		Allergy and Infectious Diseases Research	UW-Milwaukee	377,893	90,782
		Total Federal Program 93.855		40,932,038	13,292,335

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
93.856		Microbiology and Infectious Diseases Research	UW-Madison	60,711	0
93.859		Biomedical Research and Research Training	UW-Eau Claire	50,980	0
93.859		Biomedical Research and Research Training	UW-Madison	33,181,991	1,368,550
93.859		Biomedical Research and Research Training	UW-Milwaukee	293,081	0
93.859		Biomedical Research and Research Training	UW-Parkside	88,448	0
		Total Federal Program 93.859		33,614,500	1,368,550
93.865		Child Health and Human Development Extramural Research	UW-Green Bay	37,187	0
93.865		Child Health and Human Development Extramural Research	UW-Madison	11,541,527	1,866,595
		Total Federal Program 93.865		11,578,714	1,866,595
93.866		Aging Research	UW-Madison	15,761,890	2,784,977
93.866	1K24AG054560-01	Aging Research	UW-Madison	165,347	0
93.866	1R01AG052030-01	Aging Research	UW-Madison	205,964	87,327
93.866	1R03AG052390-01	Aging Research	UW-Madison	(10,412)	0
93.866	1R21AG051814-	Aging Research	UW-Madison	101,335	0
93.866	1R21AG051858-01	Aging Research	UW-Madison	29,911	8,372
93.866	1R21AG052404-01	Aging Research	UW-Madison	13,842	0
93.866	1R21AG053738-01	Aging Research	UW-Madison	114,652	26,564
93.866	1R21AG055377-01	Aging Research	UW-Madison	189,963	7,200
93.866	1R21AG055876-01	Aging Research	UW-Madison	159,719	81,929
93.866	1R56AG052513-01	Aging Research	UW-Madison	69,810	0
93.866	1R56AG052698-01	Aging Research	UW-Madison	(54,834)	0
93.866	1RF1AG053937-01	Aging Research	UW-Madison	609,239	0
93.866	4R01AG027161-09	Aging Research	UW-Madison	(1,577)	0
93.866	f7R01AG048218-04	Aging Research	UW-Madison	196,690	0
93.866	P50 AG033514	Aging Research	UW-Madison	(3,351)	0
93.866	R01AG021155	Aging Research	UW-Madison	1,309,790	0
93.866		Aging Research	UW-Milwaukee	141,084	0
		Total Federal Program 93.866		18,999,062	2,996,369
93.867		Vision Research	UW-Madison	5,828,158	185,501
93.867	1R21EY026222-01A1	Vision Research	UW-Madison	207,430	0
93.867	4R24EY022883-05	Vision Research	UW-Madison	(682)	0
93.867	4U10EY014656-10	Vision Research	UW-Madison	(3,782)	0
93.867	4U10EY023521-03	Vision Research	UW-Madison	(5,786)	0
93.867	U10EY006594	Vision Research	UW-Madison	78	78
93.867		Vision Research	UW-Oshkosh	17	0
		Total Federal Program 93.867		6,025,433	185,579
N/A	93.RD	R&D from National Institutes of Health	UW-Madison	5,800,467	614,546
		Subtotal Research and Development (R&D) Direct Grants		280,968,979	41,958,040
Research and Development (R&D) Subgrants:					
93.068		Chronic Diseases: Research, Control, and Prevention (from National Opinion Research Center)	UW-Madison	15,734	0
93.068	5996.UW.01	Chronic Diseases: Research, Control, and Prevention (from National Opinion Research Center)	UW-Madison	10,857	0
93.077	6644-00-S003	Family Smoking Prevention and Tobacco Control Act Regulatory Research (from Westat)	UW-Madison	12,131	0
93.085	31867-Z0657001	Research on Research Integrity (from University of Maryland)	UW-Milwaukee	38,519	0
93.103		Food and Drug Administration Research (from University of Maryland)	UW-Madison	55,033	0
93.110	AGMT 09/28/17	Maternal and Child Health Federal Consolidated Programs (from Association of University Centers on Disabilities)	UW-Madison	6,187	0
93.110		Maternal and Child Health Federal Consolidated Programs (from University of Colorado-Denver)	UW-Madison	86,906	0
93.113		Environmental Health (from Nanoaffix Science LLC)	UW-Milwaukee	29,271	0
93.121		Oral Diseases and Disorders Research (from Marquette University)	UW-Milwaukee	13,981	0
93.173		Research Related to Deafness and Communication Disorders (from University of California-San Francisco)	UW-Madison	41,829	0

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93.173	42127	Research Related to Deafness and Communication Disorders (from University of Delaware)	UW-Madison	106,050	0
93.173	1001647740	Research Related to Deafness and Communication Disorders (from University of Iowa)	UW-Madison	17,785	0
93.173	W000786755	Research Related to Deafness and Communication Disorders (from University of Iowa)	UW-Madison	54,370	0
93.173		Research Related to Deafness and Communication Disorders (from University of Missouri-Columbia)	UW-Madison	10,689	0
93.173		Research Related to Deafness and Communication Disorders (from University of Texas-Dallas)	UW-Madison	81,473	0
93.173		Research Related to Deafness and Communication Disorders (from Ascending Hearing Technologies, Llc)	UW-Milwaukee	29	0
93.173		Research Related to Deafness and Communication Disorders (from National Institute for Health Care Management)	UW-Whitewater	324,994	10,090
93.213		Research and Training in Complementary and Integrative Health (from Intact Genomics)	UW-Madison	134,589	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Cincinnati Children's Hospital Medical Center)	UW-Madison	20,814	0
93.226	2002809958	Research on Healthcare Costs, Quality and Outcomes (from Johns Hopkins University)	UW-Madison	179,403	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Michigan State University)	UW-Madison	59,776	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Oregon State University)	UW-Madison	27,669	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Rand Corporation)	UW-Madison	23,322	0
93.226	9920180023	Research on Healthcare Costs, Quality and Outcomes (from Rand Corporation)	UW-Madison	4,680	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from University of Georgia)	UW-Madison	129,379	0
93.226	3003467807	Research on Healthcare Costs, Quality and Outcomes (from University of Michigan)	UW-Madison	66,822	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from University of Missouri-Columbia)	UW-Madison	2,172	0
93.226	C00062010-2	Research on Healthcare Costs, Quality and Outcomes (from University of Missouri-Columbia)	UW-Madison	11,403	0
93.226	0049031 (126094-1)	Research on Healthcare Costs, Quality and Outcomes (from University of Pittsburgh)	UW-Madison	33,303	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Yale University)	UW-Madison	12,998	0
93.226	GR101543	Research on Healthcare Costs, Quality and Outcomes (from Yale University)	UW-Madison	9,551	0
93.233	200979-413	National Center on Sleep Disorders Research (from Utah State University)	UW-Madison	173,511	0
93.242	MUSC15-026	Mental Health Research Grants (from Medical University of South Carolina)	UW-Madison	17,980	0
93.242		Mental Health Research Grants (from New York University)	UW-Madison	598	0
93.242	130291	Mental Health Research Grants (from Research Foundation for Mental Hygiene)	UW-Madison	93,815	0
93.242		Mental Health Research Grants (from Temple University)	UW-Madison	3,865	0
93.242	SPC-000533/667300/665350	Mental Health Research Grants (from University of Miami)	UW-Madison	2,555	0
93.242	3004539945	Mental Health Research Grants (from University of Michigan)	UW-Madison	6,715	0
93.242		Mental Health Research Grants (from University of Washington)	UW-Madison	5,852	0
93.242	UWSC8564 (BP08570)	Mental Health Research Grants (from University of Washington)	UW-Madison	880	0
93.242		Mental Health Research Grants (from Vanderbilt University Medical Center)	UW-Madison	45,780	0
93.242		Mental Health Research Grants (from Vanderbilt University)	UW-Madison	3,050	0
93.242	VUMC61876	Mental Health Research Grants (from Vanderbilt University)	UW-Madison	19,923	0
93.242		Mental Health Research Grants (from Medical College of Wisconsin)	UW-Milwaukee	26,497	0
93.242		Mental Health Research Grants (from University of Michigan)	UW-Milwaukee	128,473	0
93.243	16691	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Lac du Flambeau Tribe)	UW-Madison	12,572	0



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93.243	C18-23 / PO 28559	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Northwest Portland Area Indian Health Board)	UW-Madison	8,215	0
93.262		Occupational Safety and Health Program (from University of Illinois-Chicago)	UW-Madison	12,141	0
93.273		Alcohol Research Programs (from The Mind Research Network)	UW-Madison	172,582	0
93.273	5106565	Alcohol Research Programs (from University of North Carolina Chapel Hill)	UW-Madison	(1,884)	0
93.273	565207	Alcohol Research Programs (from University of Pennsylvania)	UW-Madison	183,206	0
93.273		Alcohol Research Programs (from University of Pittsburgh)	UW-Madison	10,656	0
93.279	2002776720	Drug Abuse and Addiction Research Programs (from Johns Hopkins University)	UW-Madison	32,114	0
93.279		Drug Abuse and Addiction Research Programs (from Miriam Hospital)	UW-Madison	7,307	0
93.279	61501356-128280	Drug Abuse and Addiction Research Programs (from Stanford University)	UW-Madison	122,735	0
93.279	VUMC 54588	Drug Abuse and Addiction Research Programs (from Vanderbilt University)	UW-Madison	18,687	0
93.279	WU-15-115	Drug Abuse and Addiction Research Programs (from Washington University)	UW-Madison	17,828	0
93.279		Drug Abuse and Addiction Research Programs (from University of California-San Diego)	UW-Milwaukee	3,984	0
93.279	66109250518	Drug Abuse and Addiction Research Programs (from University of Mississippi Medical Center)	UW-Milwaukee	111,998	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health (from Calimetrix)	UW-Madison	101,055	0
93.286	16431	Discovery and Applied Research for Technological Innovations to Improve Human Health (from University of Illinois-Chicago)	UW-Madison	23,428	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health (from University of Illinois-Urbana-Champaign)	UW-Madison	29,537	0
93.286	4R42EB019265-02	Discovery and Applied Research for Technological Innovations to Improve Human Health (from Virtual Phantom Inc)	UW-Madison	39,449	0
93.286	901508-UWM	Discovery and Applied Research for Technological Innovations to Improve Human Health (from Ann & Robert H Lurie Children's Hospital)	UW-Milwaukee	5	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health (from TF Instruments)	UW-Milwaukee	8,780	0
93.307		Minority Health and Health Disparities Research (from Emory University)	UW-Madison	16,089	0
93.310	05101963-2/ 5101964-2	Trans-NIH Research Support (from Boston College)	UW-Madison	636,724	159,336
93.310	YR 5 Admin Core	Trans-NIH Research Support (from Boston College)	UW-Madison	113,497	0
93.310		Trans-NIH Research Support (from Marshfield Clinic Research Foundation)	UW-Madison	3,224,361	0
93.310	27755	Trans-NIH Research Support (from Marshfield Clinic Research Foundation)	UW-Madison	18,978	0
93.310	85488901	Trans-NIH Research Support (from University of California-San Diego)	UW-Madison	16,112	0
93.310	VUMC65046	Trans-NIH Research Support (from Vanderbilt University Medical Center)	UW-Madison	(3)	0
93.350		National Center for Advancing Translational Sciences (from Axosim Inc)	UW-Madison	8,840	0
93.350		National Center for Advancing Translational Sciences (from Axosim Inc)	UW-Madison	92,330	0
93.350		National Center for Advancing Translational Sciences (from Harvard University)	UW-Madison	233,315	0
93.350	16-J0010	National Center for Advancing Translational Sciences (from Morgridge Institute for Research)	UW-Madison	2,749	0
93.350	PA-15-052	National Center for Advancing Translational Sciences (from Salus Discovery LLC)	UW-Madison	147,578	0
93.350	100107-00007	National Center for Advancing Translational Sciences (from Tufts University)	UW-Madison	(2,195)	0
93.350		National Center for Advancing Translational Sciences (from University of Pittsburgh)	UW-Madison	33,274	0

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93.350	0055353 (129324-13)	National Center for Advancing Translational Sciences (from University of Pittsburgh)	UW-Madison	(14,206)	0
93.350		National Center for Advancing Translational Sciences (from Vanderbilt University)	UW-Madison	335,510	16,975
93.350		National Center for Advancing Translational Sciences (from Medical College of Wisconsin)	UW-Milwaukee	87,457	0
93.350	AGMT 01/07/16	National Center for Advancing Translational Sciences (from Medical College of Wisconsin)	UW-Milwaukee	89,680	0
93.351		Research Infrastructure Programs (from Duke University)	UW-Madison	126,566	18,948
93.351	430-28-05A	Research Infrastructure Programs (from Iowa State)	UW-Madison	27,783	0
93.351	16/17-04583-006	Research Infrastructure Programs (from Texas Biomedical Research Institute)	UW-Madison	(283)	0
93.351	16-17-04583-006	Research Infrastructure Programs (from Texas Biomedical Research Institute)	UW-Madison	153,033	0
93.353		21st Century Cures Act - Beau Biden Cancer Moonshot (from Children's Hospital of Philadelphia)	UW-Madison	320,984	0
93.353		21st Century Cures Act - Beau Biden Cancer Moonshot (from University of Michigan)	UW-Madison	21,980	0
93.393		Cancer Cause and Prevention Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	230,602	17,432
93.393		Cancer Cause and Prevention Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	65,376	0
93.393	0000918871	Cancer Cause and Prevention Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	53,787	39,774
93.393	0000918872	Cancer Cause and Prevention Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	129,972	0
93.393		Cancer Cause and Prevention Research (from Georgetown University)	UW-Madison	42,473	0
93.393		Cancer Cause and Prevention Research (from Georgetown University)	UW-Madison	80,142	0
93.393	411213 / 411623_GR411139-UW	Cancer Cause and Prevention Research (from Georgetown University)	UW-Madison	40,383	0
93.393	1P01CA196539-01	Cancer Cause and Prevention Research (from Rockefeller University)	UW-Madison	315,169	0
93.393		Cancer Cause and Prevention Research (from Tufts University)	UW-Madison	4,320	0
93.393	3200001662-18-235	Cancer Cause and Prevention Research (from University of Kentucky)	UW-Madison	19,104	0
93.393		Cancer Cause and Prevention Research (from Fred Hutchinson Cancer Research Center)	UW-Milwaukee	14,260	0
93.394		Cancer Detection and Diagnosis Research (from Capio Biosciences)	UW-Madison	22,681	0
93.394		Cancer Detection and Diagnosis Research (from City of Hope National Medical Center)	UW-Madison	67,240	0
93.394		Cancer Detection and Diagnosis Research (from Mayo Clinic)	UW-Madison	72,421	0
93.394	UNI-211750	Cancer Detection and Diagnosis Research (from Mayo Clinic)	UW-Madison	(4,209)	0
93.394	17-J0021	Cancer Detection and Diagnosis Research (from Morgridge Institute for Research)	UW-Madison	43,070	0
93.394	17-J0036	Cancer Detection and Diagnosis Research (from Morgridge Institute for Research)	UW-Madison	68,956	0
93.394	18-J0011	Cancer Detection and Diagnosis Research (from Morgridge Institute for Research)	UW-Madison	125,331	0
93.394	SP0028253-PROJ0007362	Cancer Detection and Diagnosis Research (from Northwestern University)	UW-Madison	5,252	0
93.394		Cancer Detection and Diagnosis Research (from University of Iowa)	UW-Madison	21,993	0
93.394		Cancer Detection and Diagnosis Research (from Medical College of Wisconsin)	UW-Milwaukee	15,565	0
93.395		Cancer Treatment Research (from Brigham & Women's Hospital)	UW-Madison	48	0
93.395	ACOSOG	Cancer Treatment Research (from Brigham & Women's Hospital)	UW-Madison	3,873	0
93.395	1R44CA217365-01	Cancer Treatment Research (from Celdara Medical LLC)	UW-Madison	84,609	0
93.395		Cancer Treatment Research (from Children's Hospital of Philadelphia)	UW-Madison	18,784	0
93.395	FP00015221_SUB324_01	Cancer Treatment Research (from Children's Hospital of Philadelphia)	UW-Madison	506	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
93.395	FP00015221_SUN99_01	Cancer Treatment Research (from Children's Hospital of Philadelphia)	UW-Madison	10,986	0
93.395	51011-2000137-669301	Cancer Treatment Research (from City of Hope National Medical Center)	UW-Madison	(71)	0
93.395	EAI141	Cancer Treatment Research (from ECOG-ACRIN Cancer Research Group)	UW-Madison	53,069	0
93.395	EAI141 Yr 3	Cancer Treatment Research (from ECOG-ACRIN Cancer Research Group)	UW-Madison	9,983	0
93.395		Cancer Treatment Research (from Insert MRI)	UW-Madison	124	0
93.395	MSLT-II	Cancer Treatment Research (from John Wayne Cancer Institute)	UW-Madison	2,457	0
93.395		Cancer Treatment Research (from NRG Oncology Foundation Inc)	UW-Madison	37,784	0
93.395	0427	Cancer Treatment Research (from Rutgers University)	UW-Madison	312,109	0
93.395	3200000510-16-210	Cancer Treatment Research (from University of Kentucky)	UW-Madison	16,213	0
93.395	25111-03-319;	Cancer Treatment Research (from Wistar Institute)	UW-Madison	12,111	0
93.396		Cancer Biology Research (from Albert Einstein College of Medicine)	UW-Madison	15,581	0
93.396	60676.2004688.669301	Cancer Biology Research (from Beckman Research Institute)	UW-Madison	42,262	0
93.396	CN005141101	Cancer Biology Research (from University of Minnesota)	UW-Madison	36,462	0
93.396		Cancer Biology Research (from Vanderbilt University)	UW-Madison	68,374	0
93.396	UNIV58254	Cancer Biology Research (from Vanderbilt University)	UW-Madison	213,129	0
93.398	MSN218381	Cancer Research Manpower (from City of Hope National Medical Center)	UW-Madison	5,463	0
93.424	30-18-8821	NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations (from Association of University Centers on Disabilities)	UW-Madison	37,101	0
93.433	FP00002280_SA001	ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from Virginia Commonwealth University)	UW-Madison	183,605	17,355
93.433	PT109629-SC105207	ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from Virginia Commonwealth University)	UW-Madison	41,107	0
93.516	2014-06897-05-00-DT	Public Health Training Centers Program (from University of Illinois-Chicago)	UW-Madison	50,711	0
93.621		Affordable Care Act Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents (from University of Missouri-Columbia)	UW-Milwaukee	28,008	0
93.652		Adoption Opportunities (from Spaulding for Children)	UW-Milwaukee	337,275	61,610
93.652	90CO1122	Adoption Opportunities (from Spaulding for Children)	UW-Milwaukee	168,692	98,838
93.823	W000822300	Ebola Support: Transmission and Prevention Control, Public Health Preparedness, Vaccine Development (from University of Iowa)	UW-Madison	24,026	0
93.837		Cardiovascular Diseases Research (from Brigham & Women's Hospital)	UW-Madison	111,280	0
93.837	114117	Cardiovascular Diseases Research (from Brigham & Women's Hospital)	UW-Madison	(5,261)	0
93.837	CIRT	Cardiovascular Diseases Research (from Brigham & Women's Hospital)	UW-Madison	(2,726)	0
93.837	R01HL133407	Cardiovascular Diseases Research (from Cedars-Sinai Medical Center)	UW-Madison	47,959	0
93.837	2035837	Cardiovascular Diseases Research (from Duke University)	UW-Madison	10,436	0
93.837		Cardiovascular Diseases Research (from Medical College of Wisconsin)	UW-Madison	86,263	0
93.837		Cardiovascular Diseases Research (from Morgridge Institute for Research)	UW-Madison	27,923	0
93.837	17-J0039	Cardiovascular Diseases Research (from Morgridge Institute for Research)	UW-Madison	(42,618)	0
93.837	Tricuspid 0255-3108-4605	Cardiovascular Diseases Research (from Mount Sinai School of Medicine)	UW-Madison	5,750	0
93.837		Cardiovascular Diseases Research (from New York University)	UW-Madison	99,046	0
93.837	60038771	Cardiovascular Diseases Research (from Northwestern University)	UW-Madison	68,481	0
93.837		Cardiovascular Diseases Research (from Northwestern University)	UW-Madison	9,994	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
93.837	60045563	Cardiovascular Diseases Research (from Northwestern University)	UW-Madison	15,233	0
93.837		Cardiovascular Diseases Research (from Ohio State University)	UW-Madison	49,254	0
93.837	60061690	Cardiovascular Diseases Research (from Ohio State University)	UW-Madison	140,205	0
93.837	UWIHL098115	Cardiovascular Diseases Research (from Pennsylvania State University)	UW-Madison	1,583	0
93.837	UWIHL098115-7	Cardiovascular Diseases Research (from Pennsylvania State University)	UW-Madison	3,033	0
93.837	6-312-0214047-	Cardiovascular Diseases Research (from RTI International)	UW-Madison	6,588	0
93.837	-----	Cardiovascular Diseases Research (from University of Alabama-Birmingham)	UW-Madison	87,791	0
93.837	000503570-024 CHAP	Cardiovascular Diseases Research (from University of Alabama-Birmingham)	UW-Madison	48,346	0
93.837	000503570-024 CHAP	Cardiovascular Diseases Research (from University of Alabama-Birmingham)	UW-Madison	44,258	29,360
93.837	000511740-002	Cardiovascular Diseases Research (from University of Alabama-Birmingham)	UW-Madison	(57)	0
93.837	000512395-001	Cardiovascular Diseases Research (from University of Alabama-Birmingham)	UW-Madison	(55,063)	2,462
93.837	PCTC Year 3	Cardiovascular Diseases Research (from University of Alabama-Birmingham)	UW-Madison	335,328	16,877
93.837	7361sc	Cardiovascular Diseases Research (from University of California-San Francisco)	UW-Madison	(2)	0
93.837	9656sc	Cardiovascular Diseases Research (from University of California-San Francisco)	UW-Madison	15,581	0
93.837	on 07-077736sc	Cardiovascular Diseases Research (from University of California-San Francisco)	UW-Madison	4,391	0
93.837	UFDSP00011155	Cardiovascular Diseases Research (from University of Pennsylvania)	UW-Madison	15,587	0
93.837		Cardiovascular Diseases Research (from University of Pennsylvania)	UW-Madison	8,262	0
93.837		Cardiovascular Diseases Research (from University of Texas-Austin)	UW-Madison	46,986	0
93.837	VUMC58614	Cardiovascular Diseases Research (from Vanderbilt University Medical Center)	UW-Madison	(6,325)	0
93.837		Cardiovascular Diseases Research (from Wake Forest University)	UW-Madison	14,134	0
93.837	116828	Cardiovascular Diseases Research (from Wake Forest University)	UW-Madison	107,004	0
93.837	WSU18001	Cardiovascular Diseases Research (from Wayne State University)	UW-Madison	36,587	0
93.837		Cardiovascular Diseases Research (from Fred Hutchinson Cancer Research Center)	UW-Milwaukee	241,944	223,426
93.837	903383	Cardiovascular Diseases Research (from Fred Hutchinson Cancer Research Center)	UW-Milwaukee	72,837	0
93.837		Cardiovascular Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	19,634	0
93.837	1R01HL128240-01A1	Cardiovascular Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	30	0
93.837	R01HL122662	Cardiovascular Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	39,554	0
93.838	2034642	Lung Diseases Research (from Duke University)	UW-Madison	139,735	0
93.838		Lung Diseases Research (from Emory University)	UW-Madison	36,464	0
93.838	IN-4679858-WIS	Lung Diseases Research (from Indiana University)	UW-Madison	95,921	0
93.838	500563-78050	Lung Diseases Research (from Northeastern University)	UW-Madison	57,485	0
93.838	UWIHL109086	Lung Diseases Research (from Pennsylvania State University)	UW-Madison	(1,683)	0
93.838	334173	Lung Diseases Research (from University of Arizona)	UW-Madison	90,259	0
93.838	NON334173	Lung Diseases Research (from University of Arizona)	UW-Madison	202,020	0
93.838	ORBEX - Biorepository Y4	Lung Diseases Research (from University of Arizona)	UW-Madison	6,953	0
93.838	ORBEX Core Y4	Lung Diseases Research (from University of Arizona)	UW-Madison	36,570	0
93.838		Lung Diseases Research (from University of California-San Francisco)	UW-Madison	140,467	0
93.838		Lung Diseases Research (from University of North Carolina)	UW-Madison	476,902	0
93.838		Lung Diseases Research (from University of Oregon)	UW-Madison	17,318	0
93.838	0043989 (126344-3)	Lung Diseases Research (from University of Pittsburgh)	UW-Madison	3,951	0

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93.838		Lung Diseases Research (from Pantherics Inc)	UW-Milwaukee	6,404	0
93.839		Blood Diseases and Resources Research (from Emory University)	UW-Madison	79,275	0
93.839	17-13-138/R01HL118557	Blood Diseases and Resources Research (from Louisiana State University)	UW-Madison	4,050	0
93.839		Blood Diseases and Resources Research (from National Marrow Donor Program)	UW-Madison	622	0
93.839		Blood Diseases and Resources Research (from Stanford University)	UW-Madison	8,236	0
93.839	2-5-A6215	Blood Diseases and Resources Research (from University of Colorado-Denver)	UW-Milwaukee	70,516	0
93.839	UWSC9763	Blood Diseases and Resources Research (from University of Washington)	UW-Milwaukee	46,497	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Brigham & Women's Hospital)	UW-Madison	764	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Children's Hospital of Philadelphia)	UW-Madison	15,360	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Design Concepts)	UW-Madison	52,697	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Medical College of Wisconsin)	UW-Madison	142,692	0
93.846	1U19AR069519-01	Arthritis, Musculoskeletal and Skin Diseases Research (from Medical College of Wisconsin)	UW-Madison	58,918	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Oregon Health & Science University)	UW-Madison	81,703	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from University of Illinois-Chicago)	UW-Madison	8,250	0
93.846	086129-16332	Arthritis, Musculoskeletal and Skin Diseases Research (from University of Illinois-Urbana-Champaign)	UW-Madison	24,988	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Augusta University)	UW-Madison	7,410	0
93.847	32307-10	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Augusta University)	UW-Madison	44,162	24,831
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Children's Mercy Hospitals & Clinics)	UW-Madison	17,624	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	53,747	0
93.847	0000916785	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	9,085	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from George Washington University)	UW-Madison	179,886	0
93.847	15-D18	Diabetes, Digestive, and Kidney Diseases Extramural Research (from George Washington University)	UW-Madison	(559)	0
93.847	S-DPP1819-JD09	Diabetes, Digestive, and Kidney Diseases Extramural Research (from George Washington University)	UW-Madison	458,439	0
93.847	16-J0059	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Morgridge Institute for Research)	UW-Madison	84,100	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Nationwide Children's Hospital)	UW-Madison	11,429	0
93.847	952614 / 952616 / 7000043-0518	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Nationwide Children's Hospital)	UW-Madison	2,017	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Alabama-Birmingham)	UW-Madison	1,500	0
93.847	FP054734	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Chicago)	UW-Madison	54,291	0
93.847	3003797655 (3003206500)	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Michigan)	UW-Madison	97,727	0
93.847	3004835242	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Michigan)	UW-Madison	9,139	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Minnesota)	UW-Madison	77,261	0
93.847	P006540205	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Minnesota)	UW-Madison	1	0
93.847	5108795	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of North Carolina-Chapel Hill)	UW-Madison	31,838	0
93.847	0048553 (127065-2)	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Pittsburgh)	UW-Madison	63,232	0

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93.847	113519	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Wake Forest University Health Sciences)	UW-Madison	17,118	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Washington University)	UW-Madison	97,954	0
93.847	MSN203472	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Washington University)	UW-Madison	33,607	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Yale University)	UW-Madison	84,629	0
93.847	GR101410 (CON-80001009)	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Yale University)	UW-Madison	(1,052)	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Medical College of Wisconsin)	UW-Milwaukee	18,100	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Children's Research Institute)	UW-Madison	9,341	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Cincinnati Children's Hospital Medical Center)	UW-Madison	1,055	0
93.853	2003044877 - 2002169654	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Johns Hopkins University)	UW-Madison	2,504	0
93.853	BOA-187276-224063 CREST-2	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Mayo Clinic Jacksonville)	UW-Madison	14,851	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Mayo Clinic)	UW-Madison	15,119	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Medical College of Wisconsin)	UW-Madison	414,436	0
93.853	5U01NS093650-03	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Medical College of Wisconsin)	UW-Madison	(43,347)	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Stanford University)	UW-Madison	18,845	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Cincinnati)	UW-Madison	43	0
93.853	010085-124025 DEFUSE3	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Cincinnati)	UW-Madison	3,953	0
93.853	569891	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Pennsylvania)	UW-Madison	166,527	0
93.853	0012191A	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Texas Health Science Center)	UW-Madison	7,805	0
93.853	WU-18-253/PO#2935188E	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Washington University)	UW-Madison	147,598	0
93.855		Allergy and Infectious Diseases Research (from Benaroya Research Institute at Virginia Mason University)	UW-Madison	(4,357)	0
93.855	FY14ITN013	Allergy and Infectious Diseases Research (from Benaroya Research Institute at Virginia Mason University)	UW-Madison	6,747	0
93.855		Allergy and Infectious Diseases Research (from Children's Hospital of Boston)	UW-Madison	17,390	0
93.855	CASK - Core Y3	Allergy and Infectious Diseases Research (from Children's Hospital of Boston)	UW-Madison	116,843	0
93.855	RSTFD0000689287	Allergy and Infectious Diseases Research (from Children's Hospital of Boston)	UW-Madison	14,350	0
93.855	1897-209-2011694	Allergy and Infectious Diseases Research (from Clemson University)	UW-Madison	52,538	0
93.855	1(GG010483-01)	Allergy and Infectious Diseases Research (from Columbia University)	UW-Madison	139,987	0
93.855		Allergy and Infectious Diseases Research (from Emory University)	UW-Madison	211,329	0
93.855		Allergy and Infectious Diseases Research (from Fascure Therapeutics LLC)	UW-Madison	26,138	0
93.855		Allergy and Infectious Diseases Research (from Federal University of Minas Gerais)	UW-Madison	22,173	0
93.855		Allergy and Infectious Diseases Research (from Indiana University)	UW-Madison	3,543	0
93.855	430-23-24A	Allergy and Infectious Diseases Research (from Iowa State University)	UW-Madison	87,211	0
93.855	430-23-40A	Allergy and Infectious Diseases Research (from Iowa State University)	UW-Madison	7,099	0
93.855	225488	Allergy and Infectious Diseases Research (from Massachusetts General Hospital)	UW-Madison	38,070	0

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93.855		Allergy and Infectious Diseases Research (from Medical College of Wisconsin)	UW-Madison	128,815	0
93.855	1584690	Allergy and Infectious Diseases Research (from Medical College of Wisconsin)	UW-Madison	1	0
93.855	FP7498	Allergy and Infectious Diseases Research (from Medical College of Wisconsin)	UW-Madison	226,331	0
93.855	1F99NS105211-01	Allergy and Infectious Diseases Research (from Mount Sinai School of Medicine)	UW-Madison	42,614	0
93.855	CTOT-19 YR03	Allergy and Infectious Diseases Research (from Mount Sinai School of Medicine)	UW-Madison	213,342	0
93.855	16-A0-00-007002-01	Allergy and Infectious Diseases Research (from New York University)	UW-Madison	85,391	0
93.855		Allergy and Infectious Diseases Research (from Northwestern University)	UW-Madison	6,702	0
93.855	60036149 UW	Allergy and Infectious Diseases Research (from Northwestern University)	UW-Madison	3,172	0
93.855	60046514 UWM	Allergy and Infectious Diseases Research (from Northwestern University)	UW-Madison	(696)	0
93.855		Allergy and Infectious Diseases Research (from Rhode Island Hospital)	UW-Madison	62,958	38,240
93.855	PA-17-302	Allergy and Infectious Diseases Research (from Salus Discovery LLC)	UW-Madison	44,978	0
93.855		Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	157,489	0
93.855	5-27088	Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	(14,705)	0
93.855	5-53305	Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	495	0
93.855	5-53487	Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	261,719	0
93.855	5-53542	Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	142,421	0
93.855		Allergy and Infectious Diseases Research (from Texas A&M University Health Science Center)	UW-Madison	36,686	0
93.855		Allergy and Infectious Diseases Research (from University of Alabama-Birmingham)	UW-Madison	1,414	0
93.855	341211	Allergy and Infectious Diseases Research (from University of Arizona)	UW-Madison	512	0
93.855		Allergy and Infectious Diseases Research (from University of California-San Francisco)	UW-Madison	1,090	0
93.855	A17-0084-S001-P0606927	Allergy and Infectious Diseases Research (from University of California-Santa Cruz)	UW-Madison	139,171	0
93.855	009245-004	Allergy and Infectious Diseases Research (from University of Cincinnati)	UW-Madison	2,052	0
93.855		Allergy and Infectious Diseases Research (from University of Florida)	UW-Madison	10,777	0
93.855		Allergy and Infectious Diseases Research (from University of Illinois-Urbana-Champaign)	UW-Madison	88,032	0
93.855	ULRF 15-0382-03	Allergy and Infectious Diseases Research (from University of Louisville)	UW-Madison	144,672	0
93.855	41795-03	Allergy and Infectious Diseases Research (from University of Manitoba)	UW-Madison	(101,415)	0
93.855		Allergy and Infectious Diseases Research (from University of Miami)	UW-Madison	10,180	0
93.855	661252-667428	Allergy and Infectious Diseases Research (from University of Miami)	UW-Madison	85,745	0
93.855	662397-668653	Allergy and Infectious Diseases Research (from University of Miami)	UW-Madison	262,937	0
93.855	M176458	Allergy and Infectious Diseases Research (from University of Miami)	UW-Madison	(1)	0
93.855		Allergy and Infectious Diseases Research (from University of Minnesota)	UW-Madison	435,404	0
93.855		Allergy and Infectious Diseases Research (from University of Minnesota)	UW-Madison	20,823	0
93.855		Allergy and Infectious Diseases Research (from University of North Carolina-Chapel Hill)	UW-Madison	154,727	0
93.855		Allergy and Infectious Diseases Research (from University of Pittsburgh)	UW-Madison	17,433	0

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93.855	0045107 (125846-1)	Allergy and Infectious Diseases Research (from University of Pittsburgh)	UW-Madison	144,073	0
93.855	0045749 (129417-3)	Allergy and Infectious Diseases Research (from University of Pittsburgh)	UW-Madison	11,879	0
93.855		Allergy and Infectious Diseases Research (from University of Tennessee-Memphis)	UW-Madison	20,765	0
93.855	0012873A	Allergy and Infectious Diseases Research (from University of Texas Health Science Center)	UW-Madison	15,226	0
93.855		Allergy and Infectious Diseases Research (from University of Texas Medical Branch)	UW-Madison	331,192	0
93.855		Allergy and Infectious Diseases Research (from University of Texas-Dallas)	UW-Madison	29,098	0
93.855		Allergy and Infectious Diseases Research (from University of Texas-Dallas)	UW-Madison	24,086	0
93.855		Allergy and Infectious Diseases Research (from University of Washington)	UW-Madison	10,389	0
93.855	10084	Allergy and Infectious Diseases Research (from University of Washington)	UW-Madison	(1)	0
93.855		Allergy and Infectious Diseases Research (from Vanderbilt University Medical Center)	UW-Madison	9,838	0
93.855		Allergy and Infectious Diseases Research (from Vanderbilt University Medical Center)	UW-Madison	36,476	0
93.855	131217_G003730	Allergy and Infectious Diseases Research (from Washington State University)	UW-Madison	74,651	0
93.855	WU-16-162	Allergy and Infectious Diseases Research (from Washington University)	UW-Madison	9,245	0
93.855	WU-16-316	Allergy and Infectious Diseases Research (from Washington University)	UW-Madison	87,409	0
93.855	WU-16-325	Allergy and Infectious Diseases Research (from Washington University)	UW-Madison	18,490	0
93.855	WSU17111	Allergy and Infectious Diseases Research (from Wayne State University)	UW-Madison	55,828	0
93.855	MCW Agmt dated 8-19-16	Allergy and Infectious Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	(1,633)	0
93.855		Allergy and Infectious Diseases Research (from University of Maryland-Baltimore)	UW-Oshkosh	40	0
93.856	G-12331-1	Microbiology and Infectious Diseases Research (from Colorado State University)	UW-Madison	23,155	0
93.856	088352-16583	Microbiology and Infectious Diseases Research (from University of Illinois-Urbana-Champaign)	UW-Madison	(5,448)	0
93.859		Biomedical Research and Research Training (from Cincinnati Children's Hospital Medical Center)	UW-Madison	22,693	0
93.859		Biomedical Research and Research Training (from Duke University)	UW-Madison	15,851	0
93.859	2036690	Biomedical Research and Research Training (from Duke University)	UW-Madison	2,785	0
93.859	205080-206324	Biomedical Research and Research Training (from Jackson Laboratory)	UW-Madison	149,499	0
93.859		Biomedical Research and Research Training (from Lucigen)	UW-Madison	(585)	0
93.859	17-J0025	Biomedical Research and Research Training (from Morgridge Institute for Research)	UW-Madison	14,897	0
93.859	PA-15-269	Biomedical Research and Research Training (from Salus Discovery LLC)	UW-Madison	106,933	0
93.859	M1801387	Biomedical Research and Research Training (from Texas Agricultural & Mechanical University)	UW-Madison	55,018	0
93.859		Biomedical Research and Research Training (from University of California-Davis)	UW-Madison	200,170	0
93.859	10554sc	Biomedical Research and Research Training (from University of California-San Francisco)	UW-Madison	26,812	0
93.859		Biomedical Research and Research Training (from University of Connecticut)	UW-Madison	75,573	0
93.859		Biomedical Research and Research Training (from University of Georgia)	UW-Madison	43,075	0
93.859	RR182-449-S000866	Biomedical Research and Research Training (from University of Georgia)	UW-Madison	7,777	0
93.859	W000804166	Biomedical Research and Research Training (from University of Iowa)	UW-Madison	(2,755)	0



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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
93.859		Biomedical Research and Research Training (from University of Michigan)	UW-Madison	135,681	0
93.859	H005879601	Biomedical Research and Research Training (from University of Minnesota)	UW-Madison	46,177	0
93.859	2017-23	Biomedical Research and Research Training (from University of Oklahoma)	UW-Madison	14,572	0
93.859		Biomedical Research and Research Training (from University of Tennessee-Memphis)	UW-Madison	25,461	0
93.859	3001123274	Biomedical Research and Research Training (from University of Texas-Anderson Cancer Center)	UW-Madison	18,683	0
93.859	1(GG010226-01)	Biomedical Research and Research Training (from Columbia University)	UW-Milwaukee	57,834	0
93.859		Biomedical Research and Research Training (from Concordia University)	UW-Milwaukee	2,588	0
93.859		Biomedical Research and Research Training (from Concordia University)	UW-Milwaukee	6,597	0
93.859		Biomedical Research and Research Training (from National Institute for Health Care Management)	UW-Oshkosh	24,974	0
93.865	82229-10832	Child Health and Human Development Extramural Research (from Cornell University)	UW-Madison	44,718	0
93.865		Child Health and Human Development Extramural Research (from Duke University)	UW-Madison	11,291	0
93.865	203-6548	Child Health and Human Development Extramural Research (from Duke University)	UW-Madison	15,147	0
93.865	0000913275	Child Health and Human Development Extramural Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	30,692	0
93.865		Child Health and Human Development Extramural Research (from Marquette University)	UW-Madison	21,748	0
93.865	225999	Child Health and Human Development Extramural Research (from Massachusetts General Hospital)	UW-Madison	161,152	0
93.865	225999 & 231679	Child Health and Human Development Extramural Research (from Massachusetts General Hospital)	UW-Madison	12,246	0
93.865	230910	Child Health and Human Development Extramural Research (from Massachusetts General Hospital)	UW-Madison	133,800	0
93.865	60043282 UWS / 60032958 UWS	Child Health and Human Development Extramural Research (from Northwestern University)	UW-Madison	81,602	0
93.865	2017-3506	Child Health and Human Development Extramural Research (from University of California-Irvine)	UW-Madison	68,107	0
93.865	15967	Child Health and Human Development Extramural Research (from University of Illinois-Chicago)	UW-Madison	31,625	0
93.865	FY2016-122	Child Health and Human Development Extramural Research (from University of Kansas)	UW-Madison	10,018	0
93.865	3004193800	Child Health and Human Development Extramural Research (from University of Michigan)	UW-Madison	65,993	0
93.865		Child Health and Human Development Extramural Research (from University of Minnesota)	UW-Madison	8,199	0
93.865	A005220901	Child Health and Human Development Extramural Research (from University of Minnesota)	UW-Madison	52,376	0
93.865	N006344801	Child Health and Human Development Extramural Research (from University of Minnesota)	UW-Madison	369,398	0
93.865		Child Health and Human Development Extramural Research (from University of Missouri-Columbia)	UW-Madison	65,748	0
93.865	GB10015 154833	Child Health and Human Development Extramural Research (from University of Virginia)	UW-Madison	308,861	0
93.865	104536-G003491	Child Health and Human Development Extramural Research (from Washington State University)	UW-Madison	33,053	0
93.865		Child Health and Human Development Extramural Research (from Washington University)	UW-Madison	25,434	0
93.865	WU-18-34	Child Health and Human Development Extramural Research (from Washington University)	UW-Madison	24,900	0
93.865		Child Health and Human Development Extramural Research (from University of Massachusetts-Amherst)	UW-Milwaukee	62,081	0
93.866		Aging Research (from Johns Hopkins University)	UW-Madison	130,022	0
93.866	2002832640	Aging Research (from Johns Hopkins University)	UW-Madison	(1,156)	0
93.866		Aging Research (from Mayo Clinic)	UW-Madison	157,509	23,462
93.866		Aging Research (from Medical College of Wisconsin)	UW-Madison	448,423	0
93.866	1UF1AG051216-	Aging Research (from Medical College of Wisconsin)	UW-Madison	537,628	0
93.866		Aging Research (from Mount Sinai School of Medicine)	UW-Madison	17,373	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
93.866	0255-1891-4609	Aging Research (from Mount Sinai School of Medicine)	UW-Madison	(3,188)	0
93.866		Aging Research (from Northwestern University)	UW-Madison	139,659	0
93.866	60040682 UW	Aging Research (from Northwestern University)	UW-Madison	(194)	0
93.866	2015-3222	Aging Research (from University of California-Irvine)	UW-Madison	10,184	0
93.866	2017-3399	Aging Research (from University of California-Irvine)	UW-Madison	65,721	0
93.866	72752638 ADC-041-EX EXERT	Aging Research (from University of California-San Diego)	UW-Madison	56,471	0
93.866	W000838892	Aging Research (from University of Iowa)	UW-Madison	32,102	0
93.866	1100627 - PO#SR00002900	Aging Research (from University of Maryland)	UW-Madison	38,213	0
93.866	3003914929	Aging Research (from University of Michigan)	UW-Madison	6,920	0
93.866	3004159774	Aging Research (from University of Michigan)	UW-Madison	17,122	0
93.866		Aging Research (from University of Minnesota)	UW-Madison	51,710	0
93.866	H004986803	Aging Research (from University of Minnesota)	UW-Madison	46,161	0
93.866	045446-87G5	Aging Research (from University of New Mexico)	UW-Madison	118,020	0
93.866		Aging Research (from University of Pittsburgh)	UW-Madison	141,923	0
93.866	0047610 (129189-8)	Aging Research (from University of Pittsburgh)	UW-Madison	105,707	0
93.866	0055526 (130063-2)	Aging Research (from University of Pittsburgh)	UW-Madison	8,287	0
93.866	75696758	Aging Research (from University of Southern California)	UW-Madison	31,621	0
93.866	796349980 ADNI 3	Aging Research (from University of Southern California)	UW-Madison	114,434	0
93.866	88594367	Aging Research (from University of Southern California)	UW-Madison	2,387	0
93.866		Aging Research (from University of Washington)	UW-Madison	29,607	0
93.866	762210 /	Aging Research (from University of Washington)	UW-Madison	29,530	0
93.866	WU-17-164	Aging Research (from Washington University)	UW-Madison	85,859	0
93.866		Aging Research (from Baylor College of Medicine)	UW-Milwaukee	97,398	0
93.866	9R44AG052199-02A1-UWM	Aging Research (from Metria Innovation Inc)	UW-Milwaukee	235	0
93.866	UTA17-000229	Aging Research (from University of Texas at Austin)	UW-Milwaukee	(18,040)	0
93.866		Aging Research (from University of Illinois-Chicago)	UW-Stout	6,323	0
93.867	AGMT 04/11/18	Vision Research (from Amebagone Inc)	UW-Madison	220,292	0
93.867	7000000145	Vision Research (from Baylor College of Medicine)	UW-Madison	214,459	0
93.867		Vision Research (from Children's Hospital of Philadelphia)	UW-Madison	87,816	0
93.867	R44EY026864	Vision Research (from Eyenuk Inc)	UW-Madison	(783)	0
93.867	AGR DTD 08-12-042-10-1	Vision Research (from Jaeb Center for Health Research)	UW-Madison	330	0
93.867	ATS20	Vision Research (from Jaeb Center for Health Research)	UW-Madison	864	0
93.867		Vision Research (from Johns Hopkins University)	UW-Madison	157,020	0
93.867	2003092663	Vision Research (from Johns Hopkins University)	UW-Madison	17,193	0
93.867	30536-01	Vision Research (from Massachusetts Eye & Ear Infirmary)	UW-Madison	40,739	0
93.867		Vision Research (from Mount Sinai School of Medicine)	UW-Madison	1,724	0
93.867	ZEDS 106171	Vision Research (from New York University)	UW-Madison	3,487	0
93.867	SP0036228-PROJ0009809	Vision Research (from Northwestern University)	UW-Madison	258,095	6,278
93.867		Vision Research (from Ohio State University)	UW-Madison	8,879	0
93.867		Vision Research (from Pamdeca LLC)	UW-Madison	94,848	0
93.867		Vision Research (from Pennsylvania State University)	UW-Madison	14,389	0
93.867		Vision Research (from Stanford University)	UW-Madison	26,556	0
93.867	61637953-131084	Vision Research (from Stanford University)	UW-Madison	(10,775)	0
93.867	1001551531	Vision Research (from University of Iowa)	UW-Madison	224,393	0
93.867		Vision Research (from University of Rochester)	UW-Madison	7,437	0
93.867	416653-G	Vision Research (from University of Rochester)	UW-Madison	49	0
93.867	127939 G003796	Vision Research (from Washington State University)	UW-Madison	54,377	0
93.867	Lumithera Agmt dated 3-21-16	Vision Research (from Lumithera Inc)	UW-Milwaukee	50,428	0
93.867		Vision Research (from Medical College of Wisconsin)	UW-Oshkosh	46,441	0
93.879	W001029726	Medical Library Assistance (from University of Iowa)	UW-Madison	(21)	0
93.926		Healthy Start Initiative (from Great Lakes Inter-Tribal Council Inc)	UW-Madison	24,887	0
93.926	AGMT 02/10/15	Healthy Start Initiative (from Great Lakes Inter-Tribal Council Inc)	UW-Madison	18,954	0
93.951	667752	Demonstration Grants to States with Respect to Alzheimer's Disease (from University of Miami)	UW-Madison	251,398	0
93.969		PPHF Geriatric Education Centers (from Marquette University)	UW-Madison	4,903	0
93.969	15-285-004-2	PPHF Geriatric Education Centers (from Marquette University)	UW-Madison	204,512	0

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<i>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</i>					
93.989		International Research and Research Training (from Addis Ababa University)	UW-Madison	14,115	0
93.989	1D43TW010143-03	International Research and Research Training (from Addis Ababa University)	UW-Madison	4,560	0
93.989	152495-5078377-0102	International Research and Research Training (from Harvard University)	UW-Madison	386,349	0
93.989		International Research and Research Training (from University of Southern California)	UW-Madison	9,498	0
93.989		International Research and Research Training (from University of Southern California)	UW-Madison	21,624	0
93.989	95609518	International Research and Research Training (from University of Southern California)	UW-Madison	4,507	0
93.989		International Research and Research Training (from University of Virginia)	UW-Madison	6,505	0
N/A	93.ABTC0901	An Open Label, Phase 2 Study Evaluating the Safety and Efficacy of IMC-3G3 or IMC-1121B in Patients with Recurrent Glioblastoma Multiforme (from Johns Hopkins University)	UW-Madison	397	0
N/A	93.Protocol T Extension	A Comparative Effectiveness Study of Intravitreal Aflibercept, Bevacizumab and Ranibizumab for Diabetic Macular Edema (from Jaeb Center for Health Research)	UW-Madison	4,909	0
N/A	93.MSN186787	Advanced Vaccination & Immunity Management Strategies to Protect from Influenza Virus Infection (from University of Cambridge)	UW-Madison	553,023	0
N/A	93.10039141-03	Assessment of Patient-Stratified Transmission Risks & Development of Innovative Barrier Precaution Strategies (from University of Utah)	UW-Madison	4,805	0
N/A	93.X17188M	Biomedical Research Agreement (from Leidos Biomedical Research)	UW-Madison	92,259	0
N/A	93.FP00015898_SU B208_01	Cancer Trials Support Unit (from Children's Hospital of Philadelphia)	UW-Madison	6,069	0
N/A	93.HHSN272201400 008C	Centers of Excellence for Influenza Research & Surveillance (from Mount Sinai School of Medicine)	UW-Madison	68,040	0
N/A	93.HHSN272201400 008C	Centers of Excellence for Influenza Research and Surveillance (from Mount Sinai School of Medicine)	UW-Madison	291,358	0
N/A	93.BMT CTN 1301	Clinical Study Protocol Rider (from National Marrow Donor Program)	UW-Madison	77,770	0
N/A	93.BEST-CLI	Clinical Trial Agreement (from New England Research Institutes)	UW-Madison	27,681	0
N/A	93.FY17ITN013	Clinical Trial for Anti-TSLP (from Benaroya Research Institute at Virginia Mason University)	UW-Madison	10,148	0
N/A	93.AGMT 03/01/14	Clinical Trials (from ECOG-ACRIN Cancer Research Group)	UW-Madison	533	0
N/A	93.AGMT 11-17-14	Clinical Trials (from ECOG-ACRIN Cancer Research Group)	UW-Madison	128,754	0
N/A	93.AREDS2 012	Clinical Trials (from Emmes Corporation)	UW-Madison	37,525	0
N/A	93.POINT	Clinical Trials (from Emmes Corporation)	UW-Madison	(188)	0
N/A	93.47912	Comparative Surveillance of Generic Drugs by Machine Learning (from Marshfield Clinic Research Foundation)	UW-Madison	14,992	0
N/A	93.2017-01	COSMOS Eye Study (from Brigham & Women's Hospital)	UW-Madison	1,367	0
N/A	93.FY19ITN013	CTA for CATNIP (from Benaroya Research Institute at Virginia Mason)	UW-Madison	20,685	0
N/A	93.ULRF 18-0016A-E-01	Development of a Mouse Model for Preclinical Screening of Investigational Drugs against Pseudomonas aeruginosa (from University of Louisville)	UW-Madison	1,110	0
N/A	93.IDEAS Study	Imaging Dementia - Evidence for Amyloid Scanning (from American College of Radiology)	UW-Madison	1,332	0
N/A	93.00001031	Improving Antibiotic Use through Implementation & Evaluation of Core Elements of Antibiotic Stewardship in Nursing Homes or Long-Term Acute Hospitals (from Brown University)	UW-Madison	13,740	0
N/A	93.AGMT 9/22/16	Influenza Vaccine to Effectively Stop Cardio Thoracic Events and Decompensated Heart Fail (from Boston VA Research Institute)	UW-Madison	28,249	0
N/A	93.G-0253 DMHSAS-14	Juvenile Justice AODA Program (from Kenosha County)	UW-Madison	11,493	0
N/A	93.G-0253 DMHSAS-14	Juvenile Justice AODA Program (from Portage County)	UW-Madison	5,539	0
N/A	93.6006782	Mitigating Zoonotic Transmission of Salmonella Heidelberg in the Dairy Calf Production Chain (from Ohio State University)	UW-Madison	3,891	0
N/A	93.HHSN272201400 008C	NIAID Centers of Excellence for Influenza Research & Surveillance (from Mount Sinai School of Medicine)	UW-Madison	61,883	0

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N/A	93.HHSN272201400008C	NIAID Centers of Excellence for Influenza Research and Surveillance (from Mount Sinai School of Medicine)	UW-Madison	1,169,019	0
N/A	93.COTC028	P97 Inhibitor (from Leidos Biomedical Research)	UW-Madison	9,108	0
N/A	93.BMT CTN 1401	Phase II Multicenter Trial of Single Autologous Hematopoietic Cell Transplant (from National Marrow Donor Program)	UW-Madison	61,948	0
N/A	93.AGMT 12/15/15	Protocol W Intravitreal Anti-VEGF Treatment for Prevention of Vision Threatening Diabetic Retinopathy in Eyes at High Risk (from Jaeb Center for Health Research)	UW-Madison	1,449	0
N/A	93.STRATA2016	Stratagraft Skin Tissue as an Alternative to Autografts in Promoting Autologous Skin Tissue Regeneration (from Stratatech)	UW-Madison	32,062	0
N/A	93.52081L	Substance Abuse Treatment to HIV Care (from RTI International)	UW-Madison	52,588	0
N/A	93.ACOSOG	Surgeons Oncology Group Case Study Services (from Brigham & Women's Hospital)	UW-Madison	385	0
N/A	93.MSN220638	Transcriptional Regulation of KCNH2 (from University of Kentucky)	UW-Madison	10,159	0
N/A	93.17FED1708489	VA Infection Control Practice Based Research Network (from Iowa City VA Healthcare System)	UW-Madison	30,974	0
N/A	93.82721111	ABCD-USA Consortium (from University of California-San Diego)	UW-Milwaukee	37,420	0
N/A	93.14-312-0214780-65086L	Postadoption and Guardianship (from Research Triangle Institute)	UW-Milwaukee	(24,814)	0
N/A	93.Task C-02	Production and Distribution of Filarial Research Reagents (from Georgia State University)	UW-Oshkosh	22,525	0
N/A	93.Task C-02	Production and Distribution of Filarial Research Reagents (from University of Georgia)	UW-Oshkosh	93,959	0
N/A	93.N2722017000351	UGA-NIH Subtask C02 (from University of Georgia)	UW-Oshkosh	(250)	0
Subtotal Research and Development (R&D) Subgrants				32,759,509	805,294
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				313,728,488	42,763,334
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</b>					
94.013		Volunteers in Service to America	UW-Parkside	6,206	0
94.026		National Service and Civic Engagement Research Competition	UW-Whitewater	66,213	0
Subtotal Research and Development (R&D) Direct Grants				72,419	0
Research and Development (R&D) Subgrants:					
94.006		AmeriCorps (from Wisconsin National & Community Service Board)	UW-Whitewater	38,646	0
Subtotal Research and Development (R&D) Subgrants				38,646	0
TOTAL R&D FROM CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				111,065	0
<b>SOCIAL SECURITY ADMINISTRATION:</b>					
96.007	862K400	Social Security Research and Demonstration (from UW-Madison)	UW-La Crosse	20,289	0
96.007		Social Security Research and Demonstration	UW-Madison	632,735	130,389
Subtotal Research and Development (R&D) Direct Grants				653,024	130,389
TOTAL R&D FROM SOCIAL SECURITY ADMINISTRATION				653,024	130,389
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>					
97.077		Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	UW-Madison	234,177	0
Subtotal Research and Development (R&D) Direct Grants				234,177	0
Research and Development (R&D) Subgrants:					
97.065		Homeland Security Advanced Research Projects Agency (from Morgridge Institute for Research)	UW-Madison	260,011	0
Subtotal Research and Development (R&D) Subgrants				260,011	0
TOTAL R&D FROM U.S. DEPARTMENT OF HOMELAND SECURITY				494,188	0

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<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:</b>					
		Research and Development (R&D) Subgrants:			
N/A	98.09-002945-101	Grafted Vegetables for Sustainable Agriculture (from University of California-Davis)	UW-Madison	13,236	7,979
				<hr/>	<hr/>
TOTAL R&D FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				13,236	7,979
				<hr/>	<hr/>
<b>TOTAL RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER</b>				<b>\$ 590,105,267</b>	<b>\$ 82,379,429</b>
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<i>STUDENT FINANCIAL ASSISTANCE (SFA) CLUSTER</i>					
<b>DEPARTMENT OF EDUCATION:</b>					
84.007		Federal Supplemental Educational Opportunity Grants	UW Colleges	625,836	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Eau Claire	754,258	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Green Bay	488,105	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-La Crosse	387,709	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Madison	2,670,007	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Milwaukee	1,772,442	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Oshkosh	579,885	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Parkside	423,043	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Platteville	404,310	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-River Falls	379,269	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stevens Point	862,086	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stout	495,827	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Superior	181,035	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Whitewater	637,215	0
Total Federal Program 84.007				10,661,027	0
84.033		Federal Work-Study Program	UW Colleges	246,837	0
84.033		Federal Work-Study Program	UW-Eau Claire	1,030,093	0
84.033		Federal Work-Study Program	UW-Green Bay	290,548	0
84.033		Federal Work-Study Program	UW-La Crosse	384,367	0
84.033		Federal Work-Study Program	UW-Madison	2,861,390	0
84.033		Federal Work-Study Program	UW-Milwaukee	834,615	0
84.033		Federal Work-Study Program	UW-Oshkosh	422,150	0
84.033		Federal Work-Study Program	UW-Parkside	157,567	0
84.033		Federal Work-Study Program	UW-Platteville	426,711	0
84.033		Federal Work-Study Program	UW-River Falls	392,238	0
84.033		Federal Work-Study Program	UW-Stevens Point	701,990	0
84.033		Federal Work-Study Program	UW-Stout	635,237	0
84.033		Federal Work-Study Program	UW-Superior	265,163	0
84.033		Federal Work-Study Program	UW-Whitewater	404,047	0
Total Federal Program 84.033				9,052,953	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Eau Claire	12,564,710	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Green Bay	4,048,679	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-La Crosse	4,828,973	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Madison	24,137,286	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Milwaukee	48,548,717	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Oshkosh	4,809,882	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Parkside	1,880,076	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Platteville	6,575,445	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-River Falls	5,256,396	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Stevens Point	14,645,052	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Stout	10,875,597	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Superior	1,203,364	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions	UW-Whitewater	8,450,678	0
Total Federal Program 84.038				147,824,855	0
84.063		Federal Pell Grant Program	UW Colleges	8,122,089	0
84.063		Federal Pell Grant Program	UW-Eau Claire	3,758,212	0
84.063		Federal Pell Grant Program	UW-Green Bay	8,486,645	0
84.063		Federal Pell Grant Program	UW-La Crosse	20,917,406	0
84.063		Federal Pell Grant Program	UW-Madison	12,423,744	0
84.063		Federal Pell Grant Program	UW-Milwaukee	10,669,370	0
84.063		Federal Pell Grant Program	UW-Oshkosh	30,632,679	0
84.063		Federal Pell Grant Program	UW-Parkside	11,274,464	0
84.063		Federal Pell Grant Program	UW-Platteville	7,764,360	0
84.063		Federal Pell Grant Program	UW-River Falls	7,388,206	0
84.063		Federal Pell Grant Program	UW-Stevens Point	6,681,404	0
84.063		Federal Pell Grant Program	UW-Stout	9,986,199	0
84.063		Federal Pell Grant Program	UW-Superior	10,762,291	0
84.063		Federal Pell Grant Program	UW-Whitewater	8,729,446	0
Total Federal Program 84.063				157,596,515	0

STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

CFDA NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>STUDENT FINANCIAL ASSISTANCE (SFA) CLUSTER</i>					
84.268		Federal Direct Student Loans	UW Colleges	10,761,105	0
84.268		Federal Direct Student Loans	UW-Eau Claire	36,375,286	0
84.268		Federal Direct Student Loans	UW-Green Bay	23,290,855	0
84.268		Federal Direct Student Loans	UW-La Crosse	43,451,504	0
84.268		Federal Direct Student Loans	UW-Madison	163,783,537	0
84.268		Federal Direct Student Loans	UW-Milwaukee	117,145,336	0
84.268		Federal Direct Student Loans	UW-Oshkosh	43,508,536	0
84.268		Federal Direct Student Loans	UW-Parkside	16,621,719	0
84.268		Federal Direct Student Loans	UW-Platteville	28,724,301	0
84.268		Federal Direct Student Loans	UW-River Falls	24,011,558	0
84.268		Federal Direct Student Loans	UW-Stevens Point	31,802,675	0
84.268		Federal Direct Student Loans	UW-Stout	34,546,773	0
84.268		Federal Direct Student Loans	UW-Superior	12,526,111	0
84.268		Federal Direct Student Loans	UW-Whitewater	52,725,957	0
Total Federal Program 84.268				639,275,253	0
84.379		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UW-Green Bay	1,868	0
84.379		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UW-Madison	37,408	0
84.379		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UW-Stout	3,752	0
Total Federal Program 84.379				43,028	0
N/A	84.SFA	Administrative Cost Allowance	UW Colleges	2,630	0
N/A	84.SFA	Administrative Cost Allowance	UW-Eau Claire	135,045	0
N/A	84.SFA	Administrative Cost Allowance	UW-Green Bay	63,420	0
N/A	84.SFA	Administrative Cost Allowance	UW-Milwaukee	15,494	0
N/A	84.SFA	Administrative Cost Allowance	UW-Parkside	35,831	0
N/A	84.SFA	Administrative Cost Allowance	UW-Platteville	71,710	0
N/A	84.SFA	Administrative Cost Allowance	UW-River Falls	99,434	0
N/A	84.SFA	Administrative Cost Allowance	UW-Stevens Point	198,649	0
N/A	84.SFA	Administrative Cost Allowance	UW-Stout	128,978	0
N/A	84.SFA	Administrative Cost Allowance	UW-Superior	34,818	0
N/A	84.SFA	Administrative Cost Allowance	UW-Whitewater	2,710	0
Total Administrative Cost Allowance				788,719	0
TOTAL SFA FROM U.S. DEPARTMENT OF EDUCATION				965,242,350	0
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
93.264		Nurse Faculty Loan Program (NFLP)	UW-Madison	329,850	0
93.264		Nurse Faculty Loan Program (NFLP)	UW-Milwaukee	2,255,843	0
Total Federal Program 93.264				2,585,693	0
93.342		Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	UW-Madison	6,632,913	0
93.364		Nursing Student Loans	UW-Madison	1,624,756	0
93.364		Nursing Student Loans	UW-Milwaukee	3,141,897	0
93.364		Nursing Student Loans	UW-Oshkosh	3,895,786	0
Total Federal Program 93.364				8,662,439	0
TOTAL SFA FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				17,881,045	0
<b>TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER (SFA)</b>				983,123,395	0
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 12,374,050,020</b>	<b>\$ 1,693,549,834</b>





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# Notes to the State of Wisconsin

## Schedule of Expenditures of Federal Awards ■

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### 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 funded by the federal government for the fiscal year ended June 30, 2019. For purposes of the schedule, federal programs have been classified as follows: 1) Individual 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 by the Catalog of Federal Domestic Assistance (CFDA) number when available in the grant agreements or determinable based on a grant's source and purpose. For grants that did not clearly state a CFDA number, the schedule includes the grant, or a total for several grants, with a CFDA number of N/A for not available. An "other identifying number," when available, is required to be shown if the CFDA number is not available.

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 accounting and inventory records of Wisconsin state agencies, including the University of Wisconsin (UW) System, 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 for a period of time after June 30 to permit the recording of expenditures applicable to the fiscal year ended June 30, in accordance with Wisconsin Statutes.

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

*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the Schedule of Expenditures of Federal Awards to include the amount provided to subrecipients under each federal program. The amount provided to subrecipients under each federal program was determined by the state agencies, including UW System.

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 federal government and does not include expenditures recorded by the "subrecipient agency." However, for subgrants between UW institutions, the schedule includes expenditures reported by UW institutions that received the subgranted funds and does not include expenditures reported by the subgranting UW institutions.

**C. State Agencies Included**

The following state agencies were included in the scope of the federal compliance portion of the audit. State agencies that administered a major federal program audited during the FY 2018-19 single audit are indicated in **bold**.

1. Board for People with Developmental Disabilities (BPDD)
2. Board of Commissioners of Public Lands (BCPL)
3. Child Abuse and Neglect Prevention Board (CANPB)
4. **Department of Administration (DOA)**

5. Department of Agriculture, Trade, and Consumer Protection (DATCP)
6. Department of Children and Families (DCF)
7. Department of Corrections (DOC)
- 8. Department of Health Services (DHS)**
9. Department of Justice (DOJ)
- 10. Department of Military Affairs (DMA)**
- 11. Department of Natural Resources (DNR)**
- 12. Department of Public Instruction (DPI)**
13. Department of Safety and Professional Services (DSPS)
14. Department of Tourism (Tourism)
15. Department of Transportation (DOT)
- 16. Department of Veterans Affairs (DVA)**
- 17. Department of Workforce Development (DWD)**
18. Elections Commission (Elections)
19. Public Service Commission (PSC)
20. University of Wisconsin System
21. Wisconsin Court System (Courts)
22. Wisconsin Historical Society (WHS)
23. Wisconsin Technical College System (WTCS)

The Wisconsin Humanities Council is a nonprofit organization associated with UW System. Through a contract with the Wisconsin Humanities Council, UW System 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.

Federal awards administered by the Wisconsin Housing and Economic Development Authority, the Wisconsin Economic Development Corporation, and the University of Wisconsin Hospitals and Clinics Authority were not included in the scope of this audit. These entities had single audits performed by other auditors.

**2. USE OF DE MINIMUS COST RATE**

No state agency has elected to use the 10 percent de minimis cost rate for indirect costs.

**3. FEDERAL SANCTIONS AND DISALLOWANCES**

There are actual or potential federal sanctions and disallowances for the Title IV-B (CFDA #93.556) and IV-E (CFDA #93.658) programs, the Medical Assistance (MA) Program (CFDA #93.778), and the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CDBG) (CFDA #14.228) program.

**A. Penalty for Titles IV-B and IV-E**

In April 2010, the U.S. Department of Health and Human Services' Administration for Children and Families (ACF) conducted a Child and Family Service Review (CFSR) of, among other things, the State's child welfare program. ACF found that DCF was not meeting federal requirements in several areas. In response to the CFSR findings, DCF developed, and ACF approved, a Program Improvement Plan (PIP) with measurement data goals. DCF had until March 31, 2014, to achieve all measurement data goals. In August 2015, ACF informed DCF of a \$1,869,784 penalty for failure to meet all of the measurement data goals required by the approved PIP. In September 2015, DCF repaid to the federal government \$1,505,057 of Title IV-B funds and \$364,727 of Title IV-E funds. However, based on subsequent examination of the penalty assessment documentation, DCF believes that the penalty should have been \$1,757,925, which includes \$1,399,441 of Title IV-B funds and \$358,484 of Title IV-E funds. DCF reclaimed \$6,243 of Title IV-E funds on the March 2016 claim. DCF is still awaiting the \$105,616 refund of Title IV-B funds from ACF.

**B. Sanction for the Health Check/Other Services—MA Program**

In September 2013, DHS received the final report from the U.S. Department of Health and Human Services' Office of Inspector General (OIG) recommending a disallowance related to Health Check/Other Services, a program for which DHS claims Medicaid reimbursement for treatment costs for prior-authorized eligible children in Wisconsin residential care centers. The report indicated that DHS used a cost allocation methodology that did not comply with federal requirements. The OIG recommended that DHS return \$22,868,628 to the federal government for the time period from October 1, 2004, through September 30, 2006. DHS did not agree with the recommendation and sent a response to the Centers for Medicare and Medicaid Services (CMS) dated October 9, 2013. DHS continues to have discussions with CMS on this issue. DHS provided additional information to CMS on September 26, 2014, and again on July 31, 2019.

**C. Reporting and Refunding the Federal Share of Medicaid-Related Settlements and a Judgment**

On August 14, 2018, DHS received a draft report from the U.S. Department of Health and Human Services' OIG recommending a disallowance related to the Medicaid Program. The OIG review covered the period from October 2008 through September 2016. The OIG concluded that DHS did not report and refund the full federal share of Medicaid related settlements and judgments in the amount of \$27.6 million. DHS agrees in part with the proposed findings and recommendations but does not concur with the amount recommended to be refunded and asserts that the amount to be refunded is \$6.1 million. DHS sent a formal response to the U.S. Department of Health and Human Services' OIG on September 14, 2018. DHS

continues to have discussion with CMS on this issue. DHS provided additional information to CMS on May 21, 2019.

**D. Disallowances for Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii**

The U.S. Department of Housing and Urban Development (HUD) provided funding to the State through the CDBG program. Through FY 2010-11, the former Department of Commerce was the state agency responsible for subgranting HUD funds to units of local government. In FY 2011-12, DOA assumed responsibility for administering CDBG funds thereafter. In FY 2015-16, HUD issued a finding of noncompliance related to the State's closeout system and directed the State to undertake a review of old, open activities. DOA took corrective action to close out activities as possible, reporting the status of its efforts to HUD on a periodic basis. In late FY 2017-18, HUD performed an on-site review of those activities and, in FY 2018-19, advised that it would require DOA to reimburse the State's local account with nonfederal funds in the amount of \$7.3 million and continue to collect \$2.2 million that is being repaid by the units of local government. After additional discussions with HUD, in December 2019 the State requested that HUD approve a \$7.3 million voluntary grant reduction over a two-year period to satisfy the reimbursement requirement from HUD.

**E. Provider Overpayments—MA Program**

The FY 2017-18 single audit report cited DHS for failure to comply with federal regulations and return to the federal government its share of MA Program provider overpayment amounts it has identified and communicated to providers. The CMS letter, dated September 17, 2019, requested DHS return these funds. DHS does not agree with the finding, which addresses repayment of federal funds for overpayments identified by the MA program, as it relates to the overpayment's date of discovery when not resulting from fraud. In addition, the circuit court issued an injunction in September 2016. The injunction was reaffirmed in March 2017 and it prohibits DHS from recovering payments for noncompliance with MA program requirements other than those set forth in statute. In July 2019, the circuit court ruled in favor of DHS, but the plaintiffs petitioned the Supreme Court for review of the case in December 2019.

**F. Federal Participation for 1915(i) Services**

In October 2019, DHS received notification from the U.S. Department of Health and Human Services requesting that DHS refund \$9,591,714 related to the Medicaid program. The U.S. Department of Health and Human Services concluded that Wisconsin's cost settlements related to the 1915(i) Community Recovery Services-Home and Community Based Services-Psychosocial Rehabilitation Program for the period January 15, 2010, to December 31, 2014, were not supported by a

CMS-approved cost reporting methodology as required by Wisconsin’s state plan amendment transmittal number #09-017.

**4. 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 as of June 30, 2019, are shown in the following table for each program distributing food commodities.

**Food Commodity Assistance**

CFDA Number	Federal Program	Distributed	Inventory Balance June 30, 2019
10.555	National School Lunch Program	\$25,296,523	\$161
10.559	Summer Food Service Program for Children	86,336	0
10.569	Emergency Food Assistance Program (Food Commodities)	11,712,855	0
<b>Total</b>		<b>\$37,095,714</b>	<b>\$161</b>

**5. WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN REBATES**

During FY 2018-19, DHS received \$23,014,878 in cash rebates from infant formula manufacturers from the sale of formula to WIC participants (CFDA #10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR s. 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 DHS to extend program benefits to 33,072 more people than could have been served during FY 2018-19 in the absence of the rebate contracts.

**6. IMMUNIZATION COOPERATIVE AGREEMENTS**

The value of vaccines distributed on behalf of the Wisconsin Immunization Program during FY 2018-19 was \$51,535,119. This amount is included as expenditures in the Immunization Cooperative Agreements (CFDA #93.268) program in the Schedule of Expenditures of Federal Awards.

**7. COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII**

The Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA #14.228) program provides funds to local units of government to complete infrastructure and facility projects or to grant or loan funds to businesses to assist with job creation and retention, or to homeowners or landlords to assist with housing rehabilitation and homebuyer assistance. Loan repayments received by units of local government in excess of certain limits must be returned to the State. Included in the Schedule of Expenditures of Federal Awards as expenditures of the program is a total of \$1,202,656 that was supported by funds returned to the State.

**8. UNEMPLOYMENT INSURANCE**

FY 2018-19 expenditures in the Schedule of Expenditures of Federal Awards for Unemployment Insurance (CFDA #17.225) include \$387,762,803 in benefits funded by the Wisconsin Unemployment Reserve Fund; \$151,563 in federally funded benefits; and \$66,991,526 in federally funded administrative costs.

**9. HIGHWAY PLANNING AND CONSTRUCTION**

Expenditures in the Schedule of Expenditures of Federal Awards for Highway Planning and Construction (CFDA #20.205) include \$1.6 million in project charges that have been incurred in excess of the federally approved project budget amount. DOT will seek federal approval for increases to project budgets, and federal reimbursements are expected in the next fiscal year.

**10. LOAN FUNDS FROM THE FEDERAL HIGHWAY ADMINISTRATION**

DOT 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, 2019, totaled \$2,920,107 and are included in the federal expenditures reported in the Schedule of Expenditures of Federal Awards.

**11. DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY**

DOA is responsible for administration of the Donation of Federal Surplus Personal Property (CFDA #39.003) program. DOA receives and distributes the federal surplus property. Reported federal expenditures of \$40,937 in the Schedule of Expenditures of Federal Awards for this program represents the fair value of property distributed by DOA during FY 2018-19. During FY 2018-19, property with a fair value of \$40,937 was received by DOA and, as of June 30, 2019, property with a fair value of \$0 was on hand. The fair value of the property is calculated at 22.47 percent of the property's original acquisition cost based on guidance provided by the U.S. General Services Administration.

**12. 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 DNR and DOA. Included in the Environmental Improvement Fund is the Clean Water Fund Program, funded primarily by the federal government under the Capitalization Grants for Clean Water State Revolving Funds (CFDA #66.458) program, 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 Program and the Safe Drinking Water 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. DNR and DOA provided this information to the U.S. Environmental Protection Agency in the following documents and formats:

- the Environmental Improvement Fund's audited financial statements, prepared by DOA in accordance with accounting principles generally accepted in the United States, including supplementary information specific to the Clean Water Fund Program;
- the Clean Water Fund Program and Safe Drinking Water Loan Program intended use plans, prepared by DNR;
- the Clean Water Fund Program and Safe Drinking Water Loan Program annual reports, prepared by DNR;



- Annual National Information Management System online submittals by DNR for the Clean Water Fund Program and Safe Drinking Water Loan Program;
- monthly Federal Funding Accountability and Transparency Act (FFATA) reporting by DNR; and
- quarterly data entry into the Clean Water Benefits Reporting Database and the Drinking Water Project Benefits Reporting Database by DNR.

Copies of these documents are available from:  
 Wisconsin Department of Natural Resources  
 Bureau of Community Financial Assistance  
 P.O. Box 7921  
 Madison, Wisconsin 53707

**13. STATE ENERGY PROGRAM REVOLVING LOAN FUND**

The portion of the State Energy Program (CFDA #81.041) funded by the American Recovery and Reinvestment Act (ARRA) established a revolving loan fund to provide loans to business organizations. Because the federal government is at risk for these loans until they are repaid, Uniform Guidance requires the value of federal awards expended to include these outstanding loan balances. The following table shows the loan activity and balances related to FY 2018-19.

**State Energy Program Revolving Loan Fund**

CFDA Number	Federal Program	Loan Balance June 30, 2018 <sup>1</sup>	Loans Disbursed	Loan Repayments	Loan Write-Offs Recovered	Loan Balance June 30, 2019
81.041	State Energy Program Revolving Loan Fund	\$11,494,811	\$0	\$1,246,475	\$0	\$10,248,336

<sup>1</sup> This amount does not agree with the June 30, 2018 loan balance of \$11,899,218 reported in the FY 2017-18 single audit report (report 19-3). During FY 2018-19, the Public Service Commission went through a reconciliation process and this amount was adjusted by \$404,407 to reflect the actual balance as of June 30, 2018.

#### 14. FEE-FOR-SERVICE PROGRAMS AND FIXED-PRICE CONTRACTS

State agencies 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. These amounts may be more than, equal to, or less than the contract funds received from the federal grantor agency or other subgrantor organizations.

#### 15. STUDENT LOANS COLLECTED BY THE UNIVERSITY OF WISCONSIN SYSTEM

*Federal Perkins Loan Program—Federal Capital Contributions (CFDA #84.038)*

The amount in the Schedule of Expenditures of Federal Awards includes the outstanding balance of loans receivable as of June 30, 2019, as well as immaterial amounts of administrative costs incurred during the fiscal year.

*Nurse Faculty Loan Program (NFLP) (CFDA #93.264)*

The amount in the Schedule of Expenditures of Federal Awards includes the outstanding balance of loans receivable as of June 30, 2019.

*Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (CFDA #93.342)*

The amount in the Schedule of Expenditures of Federal Awards includes the outstanding balance of loans receivable as of June 30, 2019, as well as immaterial amounts of administrative costs incurred during the fiscal year.

*Nursing Student Loans (CFDA #93.364)*

The amount in the Schedule of Expenditures of Federal Awards includes the outstanding balance of loans receivable as of June 30, 2019, as well as immaterial amounts of administrative costs incurred during the fiscal year.

#### 16. OTHER STUDENT LOAN PROGRAMS

UW System participates in Federal Direct Student Loans (CFDA #84.268), a program that makes interest-subsidized or unsubsidized Stafford loans available to students, or PLUS loans available to graduate or professional students or to parents of dependent students. Federal Direct Student Loans are reported in the Student Financial Assistance Cluster. Loan funds are provided by the U.S. Department of Education, and UW institutions are responsible for disbursing the loans. The Federal Direct Student Loans amounts disbursed to students during FY 2018-19 are reported 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. Therefore, the outstanding loan balance is not included in the Schedule of Expenditures of Federal Awards.

**17. STUDENT FINANCIAL ASSISTANCE CLUSTER  
ADMINISTRATIVE COST ALLOWANCE**

Included in the Schedule of Expenditures of Federal Awards 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 is not always determined by each UW institution for each program. These amounts are reported as either “Administrative Cost Allowance” or included with the individual program in the Schedule of Expenditures of Federal Awards.

**18. 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, including UW System, and excluded from the Schedule of Expenditures of Federal Awards. However, the Schedule of Expenditures of Federal Awards includes an unknown amount of expenditures funded by program income sources and not funded directly by federal grants.

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## **Corrective Action Plans ■**

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## STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary  
Brian Pahnke, Administrator

### Corrective Action Plan

#### **Finding 2019-001:** STAR Security Concerns

#### **Planned Corrective Action:**

No later than December 30, 2019, the Department of Administration will appropriately reduce user access to the General Ledger module by implementing secondary roles and update password settings related to the STAR Finance and HCM databases.

No later than March 31, 2020, the Department of Administration will review and update its annual user attestation procedure to ensure a comprehensive review of access to STAR is performed for the next review, adjust access as necessary as a result of the review, and maintain documentation of all access reviews.

No later than June 30, 2020, the Department of Administration will develop and implement written procedures to review access automatically assigned and verify appropriateness of the access.

The Department of Administration has already completed corrective actions for some of the specific recommendations in the confidential interim memoranda and will complete the corrective actions for all other recommendations no later than June 30, 2020.

**Anticipated Completion Date:** June 30, 2020

#### **Persons responsible for corrective action:**

Tim LeFave, STAR Program Office Director  
Department of Administration  
TimothyD.LeFave@wisconsin.gov

Steve Slawny, Management Information Chief  
Department of Administration  
Steve.Slawny1@wisconsin.gov



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary  
David Cagigal, Division Administrator

December 2019

**Finding 2019-002: Implementation of IT Procedures by the Department of Administration Division of Enterprise Technology**

**Planned Corrective Action:**

LAB Recommendation	DOA Planned Corrective Action	Anticipated Completion Date
<p>1. We recommend the Department of Administration take steps to fully complete or update and implement the written procedures, practices, and settings of the Division of Enterprise Technology (DET) to enforce its policies and standards,</p> <p>and take corrective action to address the specific concerns communicated during the audit.</p>	<p>DET will follow the priority process identified for the remaining procedures, practices and settings. DET will review the status and completion rate by the end of January.</p> <p>Processes for settings have been defined and initiated for DET managed desktops, servers, and network devices</p> <p>DET will identify projects to address the detailed concerns. Project intake forms will be submitted for the identified projects following the DET project prioritization process.</p> <p>Initiation and scheduling of the individual projects will be based upon priority and availability of required resources.</p>	<p>January 31, 2020</p> <p>Complete</p> <p>February 28, 2020</p> <p>Timeline will be determined during the prioritization process</p>

Person responsible for corrective action:  
Bill Nash, CISO  
Division of Enterprise Technology  
[Bill.Nash@wisconsin.gov](mailto:Bill.Nash@wisconsin.gov)



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary  
David Cagigal, Division Administrator

December 2019

**Finding 2019-003: Department of Administration Information Technology Oversight Responsibilities**

**Planned Corrective Action:**

LAB Recommendation	DOA Planned Corrective Action	Anticipated Completion Date
<p>1. Develop and implement, by March 31, 2020, a plan for monitoring the progress of the executive branch agencies in becoming compliant with the State of Wisconsin IT Security Policy Handbook and related standards;</p>	<p>DET will develop and implement a plan and dashboard for use by the executive branch agencies to track compliance with the State of Wisconsin IT Security Policy Handbook and related standards.</p>	<p>March 31, 2020</p>
<p>2. Complete its corrective action plan to fully address recommendations from prior-year findings 2018-004 within the timeline provided in its June 2019 communication to the Bureau on the status of corrective actions taken; and</p>	<p>A formal process has been defined to conduct monthly reviews on network devices. Initial assessments began in July 2019. Monthly assessments starting in December 2019.</p> <p>*Note this does not include devices located in the DET data centers that are managed by other entities.</p> <p>Penetration Testing for a subset of DET managed devices and networks within the DET data centers was conducted by a third party in Fall of 2018. Additional penetration testing will be conducted by a third party after the vulnerability remediation efforts have been addressed.</p> <p>The project to create the Enterprise Risk Assessment plan is in progress. Executive branch agencies are working with DET to develop plans and timeline for risk assessments. Deliverable -Risk Assessment Plan and Timeline</p> <ul style="list-style-type: none"> <li>• Implementation of vulnerability assessments of the identified systems and data including a process for review of</li> </ul>	<p>Completed</p> <p>Anticipated completion to be determined based upon third party availability</p> <p>Due by 1/31/2020</p> <p>Begin 1/31/2020 with anticipated completion to be determined, based on plan</p>



LAB Recommendation	DOA Planned Corrective Action	Anticipated Completion Date
	<p>results, prioritization of identified issues, and tracking of remediation activity.</p> <ul style="list-style-type: none"> <li>• Some agencies including DOA have already commenced vulnerability assessments and are working on remediation activities.</li> <li>• Implementation of penetration testing of the identified systems and data including a process for review of results, prioritization of identified issues, and tracking of remediation activity.</li> <li>• Some agencies have already commenced penetration assessments and are working on remediation activities.</li> </ul>	Begin post vulnerability remediation with anticipated completion to be determined, based on plan
<p>3. Develop and implement by June 30, 2020, a process to regularly identify, assess, and address risks for the State's IT environment, including vulnerability assessments, penetration testing, and comprehensive risk assessments that assess risk across the IT environment and include ongoing monitoring of agency compliance with the State of Wisconsin IT Security Policy Handbook and related standards.</p>	<p>DET will develop and implement, in conjunction with the Executive Branch Agencies, a long term process to regularly review</p> <ul style="list-style-type: none"> <li>• Penetration testing</li> <li>• Monitoring</li> <li>• Vulnerability Management</li> <li>• Risk Assessments</li> </ul>	June 30, 2020

Person responsible for corrective action:  
 Bill Nash, CISO  
 Division of Enterprise Technology  
[Bill.Nash@wisconsin.gov](mailto:Bill.Nash@wisconsin.gov)

**WisDOT Division of Business Management**  
Scott B. Thornton  
Bureau of Financial Management  
4822 Madison Yards Way  
Madison, WI 53705

**Governor Tony Evers**  
**Secretary Craig Thompson**  
[wisconsin.gov](http://wisconsin.gov)  
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Email: [scott2.thornton@dot.wi.gov](mailto:scott2.thornton@dot.wi.gov)



### Corrective Action Plan

**Finding 2019-004:** Financial Reporting for the Transportation Fund

**Planned Corrective Action:** The Wisconsin Department of Transportation agrees with the finding. The department will develop and distribute a policy to the Management Accounting Section regarding a secondary review of financial information, in particular, to anything that is new or has changed from prior fiscal years. In addition, the department will develop additional procedures related to the accrual of federal revenues.

**Anticipated Completion Date:** December 31, 2019

Person responsible for corrective action:  
Scott B. Thornton, Controller  
Bureau of Financial Management  
[Scott2.thornton@dot.wi.gov](mailto:Scott2.thornton@dot.wi.gov)



# State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tony Evers, Governor  
Mark V. Afable, Commissioner

Wisconsin.gov

December 2, 2019

## Injured Patients and Families Compensation Fund

125 South Webster Street • P.O. Box 7873  
Madison, Wisconsin 53707-7873  
Phone: (608) 266-6830 • Fax: (608) 226-5536  
ociipfcf@wisconsin.gov  
oci.wi.gov

### Corrective Action Plan

#### Finding 2019-005: Financial Reporting Process for the Injured Patients and Families Compensation Fund

##### Planned Corrective Action:

LAB has proposed that IPFCF take the following steps to “adequately understand and appropriately apply financial reporting requirements” by:

1. Reviewing the State of Wisconsin GAAP Conversion manual.
2. Attend relevant training on financial reporting and government accounting standards.
3. Proactively seeking guidance and clarification from the SCO related to relevant financial reporting requirements and how to apply those for the IPFCF.
4. Proactively identify and apply applicable changes in accounting standards.
5. Further educating the IPFCF’s external accounting firm on the IPFCF’s operations and the States financial reporting process.

The Fund has taken/will take the following steps:

**Item #1:** Both the IPFCF internal and external staff have a copy of the GAAP conversion manual and will be reviewing it cooperatively prior to the FY’20 CAFR filing.

**Item #2:** The IPFCF internal accountant has joined the Government Finance Officers Association (gfoa.org) and will be attending relevant training sessions. The Fund also discussed with management at SCO if there was any CAFR training available. The Fund was told that although there is no training available currently, they are anticipating offering some form of training in 2020 which the Fund and, if allowed, the external accountant will attend.

**Item #4:** The Fund will be utilizing the vast resources of the GFOA, along with any information provided by SCO, to stay up to date on relevant changes. This information will be shared with our external accountants.

**Item #5:** The Fund has already set up the following with its external accountants:

- Master Spreadsheet with location of all source documents
- Quarterly CAFR spreadsheet and Stand-Alone Financial Spreadsheet
- Quarterly meetings to review quarterly trial balances of both the CAFR and Stand-Alone Financials
- Attendance at the Finance/Audit & Actuarial Committees of the Board of Governors of the IPFCF

Fund Management has reservations regarding Item #3 as the relationship between SCO and the Fund is not collaborative in nature and historically looking to SCO for assistance and guidance has not been successful.

Fund management expressed their concerns to the management of SCO during the current CAFR year, recognizing that inherently there will always be philosophical differences between SCO and the Fund as

they represent two fundamentally different entities, but acknowledging that the Fund does participate in the CAFR and needs to work with SCO, as does the SCO with the Fund. Management will reach out to SCO management in January to attempt to find common ground between the two entities and follow-up on the proposed CAFR training.

*Anticipated Completion Date:* September 30th, 2020  
Brynn Bruijn-Hansen, IPFCF Manager  
Brynn.bruijnhansen@wi.gov



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary  
Susan Brown, Division Administrator

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**Corrective Action Plan**

**Finding 2019-100:** Internal Controls Over Reporting

**Planned Corrective Action:**

The Department of Administration (DOA) will develop and implement procedures to regularly review HE Plus queries to ensure the accuracy of data used in the preparation of federally required reports.

**Anticipated Completion Date:**

Development of procedures is anticipated to be completed by June 30, 2020, with implementation of procedures for each federally required report anticipated to be completed by its first report due date following June 30, 2020.

**Person responsible for corrective action:**

Sue Brown, Administrator  
Division of Energy, Housing and Community Resources  
[Susan.Brown@wisconsin.gov](mailto:Susan.Brown@wisconsin.gov)



State of Wisconsin  
**Department of Health Services**

Tony Evers, Governor  
 Andrea Palm, Secretary

DATE: February 13, 2020

TO: Sherry Haakenson, Financial Audit Director  
 Legislative Audit Bureau

FROM: Barry Kasten, Deputy Director  
 Bureau of Fiscal Services  
 Department of Health Services

SUBJECT: Response to Interim Audit Memos - Computer Data Matches

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Case File Documentation –Medical Assistance Program and Computer Data Matches. This is the Department's response.

**Recommendation (2019-300) Computer Data Matches**

We recommend the Wisconsin Department of Health Services:

- We recommend the Wisconsin Department of Health Services implement the measures that it identified to assist caseworkers in resolving data match discrepancies in a timely matter, which include adding CARES system enhancements and increased automation for discrepancies generated from SWICA data matches as well as providing training to caseworkers.

**Wisconsin Department of Health Services Response:**

The Wisconsin Department of Health Services agrees with the audit finding and recommendation.

In DHS' July 2019 response, we described a number of strategies being pursued to address timely processing of SWICA discrepancies. One of these strategies is an information systems project which includes a number of system enhancements and data exchange improvements. The project is scheduled to implement in early summer of 2020. One component of that project may be delayed to fall 2020 due to work being done to update a data exchange agreement with DWD.

The system changes and other identified strategies should result in further improvements in timely processing of SWICA discrepancies and increased rates of resolution of these alerts, with the following anticipated outcomes:

- Streamlining the SWICA process to allow for greater consistency
- Improving the timeliness of data exchange information received

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- Creating better matches in order to better ensure that the discrepancies that are being created will have an impact to the case and therefore warrant worker action (elimination of false matches)
- Improving training provided to income maintenance staff to ensure proper understanding of expectations on when and how to work these discrepancies.

Anticipated Completion Date: Implementation of system initiatives planned for summer and fall of CY 2020.

Person responsible for corrective action:

Rebecca McAtee, Director, Bureau of Enrollment Policy and Systems, Division of Medicaid Services,  
Department of Health Services  
Rebecca.McAtee@dhs.wisconsin.gov  
608-266-8628

Debbie Waite, BEPS Deputy Bureau Director, Bureau of Enrollment Policy and Systems, Division of  
Medicaid Services, Department of Health Services  
Deborah.Waite@dhs.wisconsin.gov  
608-261-9421



State of Wisconsin  
Department of Health Services

Tony Evers, Governor  
Andrea Palm, Secretary

DATE: February 24, 2020

TO: Sherry Haakenson, Financial Audit Director  
Legislative Audit Bureau

FROM: Barry Kasten, Deputy Director  
Bureau of Fiscal Services  
Department of Health Services

SUBJECT: Corrective Action Plan to Interim Audit Memos – Timing of Draws of Federal Funds

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Timing of Draws of Federal Funds. This is the Department's response.

**Recommendation (2019-301) Timing of Draws of Federal Funds-Public Health Emergency Preparedness**

**Recommendation (2019-302) Timing of Draws of Federal Funds-Immunization Cooperative Agreements**

**Recommendation (2019-303) Timing of Draws of Federal Funds-Block Grants for Community Mental Health Services**

We recommend the Wisconsin Department of Health Services:

- We recommend the Wisconsin Department of Health Services work with the Wisconsin Department of Administration to ensure compliance with federal cash management requirements, including by reducing the time between the draw of federal funds and the scheduled disbursement of funds for federal programs it administers by as much as administratively feasible.

**Wisconsin Department of Health Services Corrective Action Plan:**

In December 2019, DOA implemented a system update to STAR that does not send accounts payable transactions to the federal grant draw report until the supplier has been paid. DHS did not instruct staff to hold transactions in an attempt to line up payments as close to the payment date as possible prior to December 2019 over concerns that it could lead to lost invoices, missed payments, or other problems that could stem from manual processes.

In addition, research shared by LAB during the prior audit indicated that this issue affected no aids payments and fewer than 5% of administrative payments at DHS for grants LAB reviewed during fiscal

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year 2017-18. The lack of materiality to our operations was another factor in DHS not implementing manual steps to intervene in the payment process.

**Anticipated Corrective Action Completion Date:** December 2019

**Person(s) Responsible for Corrective Action:**

Barry Kasten, Deputy Director  
 Bureau of Fiscal Services  
 Division of Enterprise Services  
 Barry.Kasten@dhs.wisconsin.gov

**Finding 2019-301: Timing of Draws of Federal Funds-Public Health Emergency Preparedness**

*Public Health Emergency Preparedness (CFDA #93.069)*

<u>Award Number</u>	<u>Award Years</u>
1NU90TP921893-01-00	2017-18
6NU90TP921893-01-01	2017-18
6NU90TP921893-01-02	2017-18
6NU90TP921893-01-03	2017-18
6NU90TP921893-01-04	2017-19
6NU90TP921893-01-05	2017-19
6NU90TP921893-01-06	2017-19
6NU90TP921893-01-08	2017-20

Questioned Costs: None

**Finding 2019-302: Timing of Draws of Federal Funds-Immunization Cooperative Agreements**

*Immunization Cooperative Agreements (CFDA #93.268)*

<u>Award Number</u>	<u>Award Years</u>
5NH23IP000760-05-00	1/1/2013-6/30/2018
6NH23IP000760-05-02	1/1/2013-6/30/2019
6NH23IP000788-05-03	9/30/2013-6/30/2019
5NH23IP000860-03-00	9/30/2014-9/29/2017
6NH23IP000860-03-04	9/30/2014-6/30/2019

Questioned Costs: None

**Finding 2019-303: Timing of Draws of Federal Funds-Block Grants for Community Mental Health Services**

*Block Grants for Community Mental Health Services (CFDA #93.958)*

<u>Award Number</u>	<u>Award Years</u>
B09SM010057-17	10/1/2016-9/30/2018
B09SM010057-18	10/1/2017-9/30/2019
B09SM010057-19	10/1/2018-9/30/2020

Questioned Costs: None

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State of Wisconsin  
Department of Health Services

Tony Evers, Governor  
Andrea Palm, Secretary

DATE: March 2nd, 2020

TO: Sherry Haakenson, Financial Audit Director  
Legislative Audit Bureau

FROM: Barry Kasten, Deputy Director  
Bureau of Fiscal Services  
Department of Health Services

SUBJECT: Corrective Action Plan to Interim Audit Memos – Monitoring of Subrecipients

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Monitoring of Subrecipients. This is the Department's response.

**☑ Recommendation (2019-304) Monitoring of Subrecipients–Public Health Emergency Preparedness Program**

*We recommend the Wisconsin Department of Health Services develop and implement policies and procedures and maintain documentation to ensure compliance with Uniform Guidance subrecipient monitoring requirements, including:*

- a. *Ensuring that all required award information is communicated in all subrecipient agreements;*
- b. *Developing written subrecipient monitoring procedures to identify what monitoring steps are necessary when risks greater than low are identified from the risk assessment process;*
- c. *Implementing a tracking method to ensure that all subrecipient risk assessments are completed; and*
- d. *Maintaining documentation of all subrecipient monitoring activities conducted.*

**Wisconsin Department of Health Services Corrective Action Plan:**

- a. The Wisconsin Department of Health Services has implemented a centralized contracting procedure as of SFY19 to ensure compliance with the Uniform Guidance requirements regarding consistent communication of all required award information. The Division Public Health – Office of Preparedness and Emergency Health Care (DPH-OPEHC) intends to fully participate in contract centralization, and has already done so with its SFY19 contracts. DPH-OPEHC understands the requirements to ensure compliance with Uniform Guidance award information requirements, including the use of Department templates that include required Uniform Guidance language.

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- b. DPH-OPEHC recognizes the need to be prepared to address risks greater than low among potential subrecipients. In SFY19, the Office developed a draft subrecipient monitoring plan intended to address all aspects of subrecipient monitoring. The Office will update that plan to incorporate information from the DHS Bureau of Procurement and Contracting as presented in their Operating Standard OS-503.0.0 and their Policy and Procedure document PP-503.0.0, both of which address subrecipient monitoring with the intention of complying with Uniform Guidance. The DHS-OPEHC subrecipient monitoring plan will be updated to specifically include actions to take based on a subrecipient’s assessed risk. These actions will be written in consultation with the Bureau of Procurement and Contracting’s subject matter experts.
- c. The Wisconsin Department of Health Services has implemented a centralized contracting procedure as of SFY19 to ensure compliance with the Uniform Guidance requirements regarding completion of subrecipient risk assessments. The Division Public Health – Office of Preparedness and Emergency Health Care (DPH-OPEHC) intends to fully participate in contract centralization, and has already done so with its SFY19 contracts. Additionally, fiscal and administrative staff within DPH-OPEHC will develop an internal tracking document to ensure that completion of the risk assessments is being tracked at the program level as well as through the centralized contract process.
- d. DPH-OPEHC recognizes the need to better document subrecipient monitoring activities to ensure compliance with grant requirements. In SFY19, the Office developed a draft subrecipient monitoring plan intended to address all aspects of subrecipient monitoring. The Office will update that plan to clearly enumerate the steps involved in subrecipient monitoring and the related documentation process with the intention of complying with Uniform Guidance. Additionally, fiscal and administrative staff within DPH-OPEHC will develop an internal tracking document which will be completed annually to ensure that subrecipient monitoring activities are being completed and thoroughly documented.

**Anticipated Corrective Action Completion Date:**

- a. 02/28/2020
- b. 06/30/2020
- c. 04/01/2020
- d. 05/31/2020

**Person(s) Responsible for Corrective Action:**

David Rozell, Health Emergency Preparedness Section Chief  
 Division of Public Health, Health Emergency Preparedness Section  
 David.Rozell@dhs.wisconsin.gov

**Finding 2019-304: Monitoring of Subrecipients**

*Public Health Emergency Preparedness (CFDA #93.069)*

<u>Award Number</u>	<u>Award Years</u>
1NU90TP921893-01-00	7/1/2017-6/30/2018
6NU90TP921893-01-01	7/1/2017-6/30/2018
6NU90TP921893-01-02	7/1/2017-6/30/2018
6NU90TP921893-01-03	7/1/2017-6/30/2018

6NU90TP921893-01-04	7/1/2017-6/30/2019
6NU90TP921893-01-05	7/1/2017-6/30/2019
6NU90TP921893-01-06	7/1/2017-6/30/2019
6NU90TP921893-01-08	7/1/2017-6/30/2020

*Questioned Costs:*      None

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State of Wisconsin  
Department of Health Services

Tony Evers, Governor  
Andrea Palm, Secretary

DATE: March 6th, 2020

TO: Sherry Haakenson, Financial Audit Director  
Legislative Audit Bureau

FROM: Barry Kasten, Deputy Director  
Bureau of Fiscal Services  
Department of Health Services

SUBJECT: Corrective Action Plan to Interim Audit Memos – Security for Medical Assistance  
Program IT Systems

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Security for Medical Assistance. This is the Department's response.

**☑ Recommendation (2019-305) Security for Medical Assistance Program IT Systems**

We recommend the Wisconsin Department of Health Services ensure that it adequately safeguards information technology systems used in administering the Medical Assistance Program, including by:

- a. Developing and implementing information technology policies and procedures that comply with federal regulations and state policies and procedures;
- b. Establishing specific timelines for remediation of security weaknesses identified; and
- c. Monitoring that corrective actions to remediate security weaknesses are taken in a timely manner.

**Wisconsin Department of Health Services Corrective Action Plan:**

Department of Health Services (DHS) has worked with DXC since the release of the February 2018 security assessment report to resolve security weaknesses and implement compensating controls. While there were no service level agreement (SLA) violations, DHS communicated concerns to DXC when remediation timelines were extended. These discussions along with enhanced security requirements in the new Medicaid Management Information System (MMIS) contract with DXC led to improved remediation project tracking and completion.

There is no indication the extension of timelines for resolving weaknesses identified in the security risk assessment led to inappropriate access that resulted in the issuance of erroneous or fraudulent payments, ineligible program participants, or inappropriate viewing of confidential data. Of the 14 security

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weaknesses assessed as high and 13 assessed as medium that were referenced in the condition narrative, 7 weaknesses assessed as high and 6 weaknesses assessed as medium were remediated as of March 1, 2020.

DHS will continue working with DXC to close the remaining weakness assessed as high and medium. These efforts include implementing a continuous monitoring framework based upon NIST guidelines and standards. As part of these processes, DHS will review the proposed remediation project plans, closure artifacts, proposed compensating controls, and track their progress on a monthly basis to ensure the deliverables and milestones are met. SLAs related to IT security in the MMIS contract with DXC will be enforced.

**Anticipated Corrective Action Completion Date:**

Implement continuous monitoring framework and complete Plans of Action and Milestones (POAM) for remaining weaknesses assessed as high and medium identified in February 2018 security assessment by May 30, 2020.

**Person(s) Responsible for Corrective Action:**

Nick Havens, Bureau of Systems Management Director  
 Division of Medicaid Services  
 nicholas.havens@wisconsin.gov

**Finding 2019-305: Security for Medical Assistance Program IT Systems**

*Medical Assistance Program (CFDA #93.778)*

<u>Award Number</u>	<u>Award Years</u>
1805WI5MAP	2018
1905WI5MAP	2019

*Questioned Costs:*      None

\*\*\*\*



State of Wisconsin  
 Department of Health Services

Tony Evers, Governor  
 Andrea Palm, Secretary

DATE: March 10th, 2020

TO: Sherry Haakenson, Financial Audit Director  
 Legislative Audit Bureau

FROM: Barry Kasten, Deputy Director  
 Bureau of Fiscal Services  
 Department of Health Services

SUBJECT: Corrective Action Plan to Interim Audit Memos – Medical Assistance Program Provider Overpayments

Department staff has reviewed the Legislative Audit Bureau’s (LAB) interim audit memo for Medical Assistance Program Provider Overpayments. This is the Department’s response.

**Recommendation (2019-306) Medical Assistance Program Provider Overpayments**

*We again recommend the Wisconsin Department of Health Services comply with the federal regulations and return to the federal government its share of Medical Assistance Program provider overpayment amounts it has identified and communicated to providers.*

**Wisconsin Department of Health Services Corrective Action Plan:**

DHS continues to object to LAB’s finding that OIG “identified” overpayments to Medicaid providers. Medicaid overpayments are not identified until a provider has exhausted all appeal rights. From March 2017 until August 2019, DHS was enjoined by the Waukesha Circuit Court from proceeding to the identification stage of an audit, except in very limited circumstances.

Audits at the preliminary stage do not “identify” overpayments. Often, preliminary overpayment amounts are reduced after providers submit rebuttal documentation.

Since September 2019, DHS has requested a meeting or conference call with the Centers for Medicare and Medicaid Services (CMS) to discuss LAB Finding 2018-305. In January 2020, CMS agreed to have a conference call with DHS-OIG staff and attorneys from the DHS Office of Legal Counsel. That call was scheduled for February 7, 2020 at 1:00 pm. Approximately one hour before the call, CMS canceled the conference call and indicated they would reschedule. To date, the call has not been rescheduled.

DHS’s position remains the same. Overpayments could not have been identified during the injunction period, because overpayments are never identified until a provider has been given notice of the opportunity for a fair hearing.

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Depending on the outcome of conversations with CMS, DHS is reserving the right to file an appeal with the Departmental Appeals Board at the U.S. Department of Health and Human Services.

On July 31, 2019, the Wisconsin Court of Appeals overturned the circuit court decision and removed the injunction from DHS. Since that time, DHS-OIG has collaborated with OLC to begin finalizing the audits that were stalled during the injunction period. Once providers have been given notice of the opportunity for a fair hearing, the department will report the overpayment and reimburse the appropriate federal share.

**Anticipated Corrective Action Completion Date:** N/A

**Person(s) Responsible for Corrective Action:**

Anthony Baize, Inspector General  
Office of the Inspector General, Department of Health Services  
[anthony.baize@dhs.wisconsin.gov](mailto:anthony.baize@dhs.wisconsin.gov)

**Finding 2019-306: Medical Assistance Program Provider Overpayments**

*Medical Assistance Program (CFDA #93.778)*

<u>Award Number</u>	<u>Award Years</u>
1805WI5MAP	2018
1905WI5MAP	2019

*Questioned Costs:* None

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Carolyn Stanford Taylor, State Superintendent

### Corrective Action Plan

**Finding 2019-400:** Timing of Draws of Federal Funds—Child Nutrition Cluster

**Finding 2019-401:** Timing of Draws of Federal Funds—Child and Adult Care Food Program

**Finding 2019-402:** Timing of Draws of Federal Funds—Twenty-First Century Community Learning Centers

**Planned Corrective Action:**

The State Controller's Office notified the Department of Public Instruction (DPI) of the Department of Administration's (DOA) findings 2018-100 and 2018-101 relating to the timing of draws of federal funds on March 7, 2019. The State Controller's Office in DOA is responsible for drawing the majority of DPI's federal funds. DPI was asked to minimize the number of days between the date that a voucher payment is approved and the payment date, as much as administratively feasible. DPI took steps to reduce the days between the payment interface into STAR and payment date. Starting with the May 6, 2019 aid run, the days between approval and payment were reduced to 7 days or less. It is DPI's understanding that there were additional days before funds were received from the federal government due to overnight batching.

Additionally, on December 2, 2019, the Department of Administration implemented functionality in STAR that changed the initiation of the draw from the transaction approval date to the payment date.

**Anticipated Completion Date:** May 6, 2019

Person responsible for corrective action:

Michele McGaffin  
 Director of Business Services  
 Division for Finance and Management  
 michele.mcgaffin@dpi.wi.gov

## STATE OF WISCONSIN



DEPARTMENT OF MILITARY AFFAIRS  
OFFICE OF THE ADJUTANT GENERAL  
STATE BUDGET & FINANCE OFFICE  
POST OFFICE BOX 14587  
MADISON, WI 53708-0587

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March 9, 2020

Kendra Eppler, Financial Audit Director  
Legislative Audit Bureau  
22 East Mifflin St., Suite 500  
Madison, Wisconsin 53703

RE: Corrective Action Plan – National Guard Military Operations and Maintenance Projects Extensions (Finding 2019-810)

This memo is the Department of Military Affairs' corrective action plan for the finding and recommendations made by the Legislative Audit Bureau (LAB) in the interim memo dated February 27, 2020, regarding the National Guard Operations and Maintenance Extensions (Finding 2019-810).

LAB Recommendation

*We recommend the Wisconsin Department of Military Affairs develop and implement procedures to ensure extension requests are submitted as required.*

The Department of Military Affairs (DMA) plans to take the following corrective actions:

- In a two-phased approach:
  - DMA will develop an extension request template by March 30, 2020 and submit it to the United States Property and Fiscal Office for approval to ensure it complies with cooperative agreement extension requirements.
  - DMA State Budget and Finance Office will remove delegation from federal program managers and submit extension requests to the United States Property and Fiscal Office using the approved template by July 1, 2020 to ensure that the State has all extension requests in place for transactions that occur after the federal fiscal year has closed.
- DMA will identify any open cooperative agreements that should, but do not have, extension requests on file and submit those to the United States Property and Fiscal Office by July 1, 2020.

The person responsible for the corrective action is Anna Oehler, DMA Budget Director, who can be contacted via email at [anna.oehler@wisconsin.gov](mailto:anna.oehler@wisconsin.gov) or by phone at (608) 242-3155.

STATE OF WISCONSIN



DEPARTMENT OF MILITARY AFFAIRS  
OFFICE OF THE ADJUTANT GENERAL  
STATE BUDGET & FINANCE OFFICE  
POST OFFICE BOX 14587  
MADISON, WI 53708-0587

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March 9, 2020

Kendra Eppler, Financial Audit Director  
Legislative Audit Bureau  
22 East Mifflin St., Suite 500  
Madison, Wisconsin 53703

RE: Corrective Action Plan – Internal Controls over Matching and Reporting for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program (Finding 2019-811)

This memo is the Department of Military Affairs' corrective action plan for the finding and recommendations made by the Legislative Audit Bureau (LAB) in the interim memo dated March 3, 2020, regarding the Disaster Grants internal controls (Finding 2019-811).

LAB Recommendation

*We recommend the Wisconsin Department of Military Affairs modify the query that obtains expenditure data from the State's accounting system so that the query consistently provides accurate data, and develop and implement written procedures to ensure the query is consistently executed using appropriate criteria.*

The Department of Military Affairs (DMA) plans to take the following corrective actions:

- DMA will review the query by April 30, 2020 and review all available options to reduce the risk of misreporting expenditures.
- Based on the options available, DMA will modify the query by July 1, 2020.
- DMA will develop a policy and procedure by July 1, 2020 on the usage of the query to ensure appropriate and consistent criteria is entered. The new policy and procedure will be provided to all current employees that run the query and be used to train new employees who would run the query.

The person responsible for the corrective action is Anna Oehler, Budget Director, who can be contacted via email at [anna.oehler@wisconsin.gov](mailto:anna.oehler@wisconsin.gov) or by phone at (608) 242-3155.

# STATE OF WISCONSIN

## General Purpose External Financial Statements



For the fiscal year ended June 30, 2019

**Tony Evers, Governor**

Department of Administration  
Joel Brennan, Secretary  
Carol Herwig, Deputy State Controller

Prepared by the State Controller's Office

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**General Purpose External Financial Statements  
For the Fiscal Year Ended June 30, 2019**

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# STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary  
Brian Pahnke, Administrator

December 20, 2019

The Honorable Tony Evers  
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, 2019. 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, the State's proportionate share of the net pension liability, the State's pension contribution, 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.

Sincerely,

Joel Brennan  
Secretary

Carol Herwig, CPA  
Deputy State Controller







## Independent Auditor's Report on the Financial Statements and Other Reporting Required by *Government Auditing Standards*

Honorable Members of the Legislature

The Honorable Tony Evers, Governor

### Report on the Financial Statements

We have audited the accompanying financial statements and the related notes 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, which collectively make up the State's basic financial statements, as of and for the year ended June 30, 2019, as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management of the State of Wisconsin is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements for the University of Wisconsin (UW) System Fund or the Environmental Improvement Fund, both of which are major funds and represent 68 percent of the assets and 75 percent of the liabilities of the business-type activities. We also did not audit the College Savings Program Trust Fund, which represents 4 percent of the assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds, are based solely on the reports of the other auditors. In addition, we did not audit the financial statements of the discretely presented component units. Our opinion on the aggregate discretely presented component units is based solely upon audit reports, prepared by other auditors and furnished to us, for the Wisconsin Housing and Economic Development Authority, the UW Hospitals and Clinics Authority, and the UW 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*, which is issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements for the following were audited by other auditors in accordance with these standards:

the UW System Fund, the Environmental Improvement Fund, the College Savings Program Trust Fund, and the Wisconsin Housing and Economic Development Authority. The financial statements of the UW Hospitals and Clinics Authority and the UW Foundation were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, but not in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on these financial statements.

### **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 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, 2019, and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphases of Matter**

As discussed in Note 5B, the financial statements include investments that do not have readily ascertainable market prices and are valued based on a variety of third-party pricing methods. However, because of the inherent uncertainty of valuation, those estimated values may differ from the values that would have been used had a ready market for the investments existed.

As discussed in Note 5B to the financial statements, as of June 30, 2019, the State Investment Fund held \$1.6 billion in a repurchase agreement with the Wisconsin Retirement System. The State Investment Fund and the Wisconsin Retirement System are both administered by the State of Wisconsin Investment Board.

Certain account balances cannot be measured precisely but must be estimated, particularly actuarially accrued liabilities and infrastructure assets reported in the financial statements and notes. Notes 14, 17, 18, and 20 include a discussion of estimates used by funds that accrue liabilities based upon actuarial information, including assumptions used in their calculation, and other sources. Note 1E includes information related to the estimated historical cost of infrastructure assets constructed prior to July 1, 2000. Because estimates are based upon information available when the financial statements are prepared, actual values may differ from the estimated amounts. These differences cannot be quantified.

Our opinions are not modified with respect to these matters.

### **Other Matters**

*Required Supplementary Information*—Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, and the following items in the required supplementary information section, as listed in the table of contents—Postemployment Benefits—State Health Insurance Program, Postemployment Benefits—State Life Insurance Program, State’s Proportionate Share of Net Pension Liability or Net Pension (Asset), State’s Pension Contributions, Infrastructure Assets Reported Using the Modified Approach, Budgetary Comparison Schedule—General Fund, Budgetary Comparison Schedule—Transportation Fund, and Notes to Required Supplementary Information—Budgetary Information—be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be essential for placing the basic financial statements in an appropriate operational, economic, or historical context. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures to the required supplementary information that included inquiries of management about the methods of preparing the information. We further compared the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report, which was dated December 20, 2019, and published as report 19-30, on our consideration of the State of Wisconsin’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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the State’s 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 used when considering the State’s internal control over financial reporting and compliance.

LEGISLATIVE AUDIT BUREAU



Joe Chrisman  
State Auditor

December 20, 2019



## 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, 2019. 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

#### Government-wide (Tables 2 and 3 on Pages 10 and 11)

- *Net Position.* The assets plus deferred outflows of resources of the State of Wisconsin exceeded its liabilities plus deferred inflows of resources at the close of Fiscal Year 2019 by \$26.7 billion (reported as "net position"). Of this amount, \$(6.9) billion was reported as "unrestricted net position". A positive balance in unrestricted net position would represent the amount available to be used to meet a government's ongoing obligations to citizens and creditors.
- *Changes in Net Position.* The State's total net position increased by \$1.9 billion in Fiscal Year 2019. Net position of governmental activities increased by \$1.6 billion or 11.3 percent, while net position of the business-type activities showed an increase of \$369.6 million or 3.4 percent.
- *Excess of Revenues over (under) Expenses -- Governmental Activities.* During Fiscal Year 2019, the State's total revenues for governmental activities of \$31.8 billion were \$2.6 billion more than total expenses (excluding transfers) for governmental activities of \$29.2 billion. Of these expenses, \$12.8 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled \$19.0 billion.

#### Fund

- *Governmental Funds -- Fund Balances.* As of the close of Fiscal Year 2019, the State's governmental funds reported combined ending fund balances of \$2.0 billion, an increase of \$696.4 million in comparison with the prior year. Of this total amount, \$(1.9) billion represents the unassigned fund balances.
- *General Fund -- Fund Balance.* At the end of the current fiscal year, total fund balance was \$(773.5) million, a change of \$481.1 million from a deficit of \$(1.3) billion reported in the prior year. The unassigned fund deficit for the General Fund was \$(1.7) billion, or 6.7 percent of total General Fund expenditures.

Additional information regarding individual funds begins on Page 15.

#### Long-term Debt

- The State's total long-term debt obligations (bonds and notes payable) decreased by \$450.1 million during the current fiscal year which represents the net difference between new issuances, payments and refundings of outstanding debt. Decreases in debt resulted primarily from repayments of existing bonds debt in excess of new issuances. During the year repayments of long-term general obligation debt exceeded new issuances by \$450.2 million. Revenue bonds outstanding increased by \$41.6 million. Annual appropriation bonds outstanding decreased by \$41.6 million. Additional detail regarding these activities begins on Page 20.

### 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.

<b>Table 1</b>				
<b>Major Features of State of Wisconsin's Government-wide and Fund Financial Statements</b>				
	<b>GOVERNMENT-WIDE STATEMENTS</b>	<b>FUND STATEMENTS</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	<p>Entire State government (except fiduciary funds) and the State’s component units, reported as follows:</p> <ul style="list-style-type: none"> <li>• <i>Governmental Activities</i> – 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.</li> <li>• <i>Business-Type Activities</i> – Those operations for which a fee is charged to external users for goods and services are reported in this category.</li> <li>• <i>Discretely Presented Component Units</i> – 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.</li> </ul>	<p>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.</p> <p>Examples of the State’s governmental funds (including the State’s three major governmental funds), as reported within their respective fund types, follow:</p> <ul style="list-style-type: none"> <li>• <i>General Fund</i> (major fund)</li> <li>• <i>Special Revenue:</i> <ul style="list-style-type: none"> <li>-- Transportation (major fund)</li> </ul> </li> <li>• <i>Debt Service:</i> <ul style="list-style-type: none"> <li>-- Bond Security and Redemption</li> </ul> </li> <li>• <i>Capital Projects:</i> <ul style="list-style-type: none"> <li>-- Capital Improvement (major fund)</li> </ul> </li> <li>• <i>Permanent:</i> <ul style="list-style-type: none"> <li>-- Common School</li> </ul> </li> </ul>	<p>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.</p> <p>Examples of the State’s proprietary funds, including the State’s four major enterprise funds, follow:</p> <ul style="list-style-type: none"> <li>• <i>Enterprise:</i> <ul style="list-style-type: none"> <li>-- Injured Patients and Families Compensation (major fund)</li> <li>-- Environmental Improvement (major fund)</li> <li>-- University of Wisconsin System (major fund)</li> <li>-- Unemployment Reserve (major fund)</li> <li>-- Lottery</li> </ul> </li> <li>• <i>Internal services:</i> <ul style="list-style-type: none"> <li>-- Technology Services</li> <li>-- Facilities Operations and Maintenance</li> </ul> </li> </ul>	<p>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.</p> <p>Examples of the State’s fiduciary funds, as reported within their respective fund types, follow:</p> <ul style="list-style-type: none"> <li>• <i>Pension and Other Employee Benefit Trust Funds:</i> <ul style="list-style-type: none"> <li>-- Wisconsin Retirement System</li> </ul> </li> <li>• <i>Investment Trust:</i> <ul style="list-style-type: none"> <li>-- Local Government Pooled Investment</li> </ul> </li> <li>• <i>Private Purpose Trust:</i> <ul style="list-style-type: none"> <li>-- College Savings Program Trust</li> </ul> </li> <li>• <i>Agency:</i> <ul style="list-style-type: none"> <li>-- Support Collection Trust</li> </ul> </li> </ul>
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of net position – Presents all of the government’s assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as "net position". Over time, increases or decreases in the state’s net position is an indicator of whether its financial health is improving or weakening, respectively.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul> <p>Because the State cannot use these assets to finance its operations, fiduciary funds are not included in the government-wide financial statements discussed in the left column.</p>

(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
<b>Accounting basis and measurement focus</b>	<p>Accrual accounting and economic resource focus</p> <p>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.</p>	<p>Modified accrual accounting and current financial resource focus</p> <p>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.</p>	<p>Accrual accounting and economic resources focus</p>	<p>Accrual accounting and economic resources focus</p>
<b>Type of asset, deferred outflows of resources, liability, deferred inflows of resources information</b>	<p>All assets and liabilities, both financial and capital, and short-term and long-term. Deferred inflows/outflows of resources reported only in limited instances as required by GASB standards.</p>	<p>Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included</p>	<p>All assets and liabilities, both financial and capital, and short-term and long-term</p>	<p>All assets and liabilities, both short-term and long-term</p>
<b>Type of inflow-outflow information</b>	<p>All revenues and expenses during the year, regardless of when cash is received or paid</p>	<ul style="list-style-type: none"> <li>• Revenues for which cash is received during or soon after the end of the year</li> <li>• Expenditures when goods or services have been received and payment is due during the year or soon thereafter</li> </ul>	<p>All revenues and expenses during the year, regardless of when cash is received or paid</p>	<p>All revenues and expenses during the year, regardless of when cash is received or paid</p>

**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:

- Postemployment Benefits - State Health Insurance Program and State Life Insurance Program,
- State's Proportionate Share of the Net Pension Liability or Net Pension Asset,
- State's Pension Contributions,
- Infrastructure Assets Reported Using the Modified Approach, and
- Budgetary Comparison Schedule of the General and the Transportation funds (includes 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 position and changes in net position.

### Net Position

As presented in Table 2, total assets of the State on June 30, 2019 were \$49.3 billion and deferred outflows of resources were \$3.2 billion, while total liabilities were \$24.0 billion and deferred inflows of resources were \$1.7 billion, resulting in combined net position (governmental and business-type activities) of \$26.7 billion. The largest component of the State's total net position consists of \$24.1 billion invested 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 \$9.5 billion of net position was restricted by external sources or the State Constitution or Statutes and was not available to finance the day-to-day operations of the State.

The unrestricted net position, which, if positive, could be used at the State's discretion, showed a negative balance of \$(6.9) 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 position 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, other postemployment benefits and future benefits and loss liabilities – listed in Note 10 to the financial statements) on the statement of net position. In addition to the effect of reporting long-term liabilities when incurred, the General Fund's total deficit fund balance of \$(773.5) million at year-end, as discussed on Page 15, also contributed to the deficit unrestricted net position reported in the statement of net position.

During Fiscal Year 2019, the State issued \$342.3 million of general obligation bonds, primarily for the acquisition or improvement of land, water, property, highways, buildings, and equipment. At June 30, 2019 general obligation bonds and long term general obligation notes outstanding totaled \$7.7 billion, outstanding annual appropriation bonds were \$3.0 billion, and outstanding revenue bonds, which are not considered general obligation debt of the State, totaled \$2.7 billion.

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2019-2018
	2019	2018*	2019	2018*	2019	2018*	
Current and Other Assets	\$ 8,816.9	\$ 8,153.6	\$ 10,102.2	\$ 10,134.4	\$ 18,919.1	\$ 18,287.9	3.5 %
Capital Assets	24,915.2	24,404.1	5,505.2	5,371.0	30,420.4	29,775.1	2.2
Total Assets	<u>33,732.1</u>	<u>32,557.7</u>	<u>15,607.5</u>	<u>15,505.4</u>	<u>49,339.5</u>	<u>48,063.1</u>	2.7
Deferred Outflows of Resources	1,610.8	1,050.1	1,546.7	877.7	3,157.5	1,927.9	63.8
Long-term Liabilities	12,657.8	12,768.3	4,059.2	3,726.1	16,717.0	16,494.4	1.3
Other Liabilities	6,489.6	6,192.4	842.6	762.2	7,332.2	6,954.5	5.4
Total Liabilities	<u>19,147.4</u>	<u>18,960.7</u>	<u>4,901.8</u>	<u>4,488.2</u>	<u>24,049.2</u>	<u>23,448.9</u>	2.6
Deferred Inflows of Resources	804.1	814.1	933.3	945.4	1,737.4	1,759.5	(1.3)
<b>Net Position:</b>							
Net investment In							
Capital Assets	20,305.7	19,685.4	3,820.7	3,709.6	24,126.4	23,395.0	3.1
Restricted	2,597.8	2,787.8	6,940.4	6,887.5	9,538.2	9,675.3	(1.4)
Unrestricted (deficit)	(7,512.2)	(8,640.2)	558.0	352.4	(6,954.2)	(8,287.8)	16.1
Total Net Position	<u>\$ 15,391.3</u>	<u>\$ 13,833.1</u>	<u>\$ 11,319.1</u>	<u>\$ 10,949.5</u>	<u>\$ 26,710.4</u>	<u>\$ 24,782.5</u>	7.8

\* Amounts for the prior fiscal year include restatements of prior year's balances.



## Changes in Net Position

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 position changed during the fiscal year. The State earned program revenues of \$20.5 billion and general revenues of \$19.0 billion for total revenues of \$39.5 billion during Fiscal Year 2019. Expenses for the State during Fiscal Year 2019 were \$37.6 billion. As a result of the excess of revenues over expenses, the total net position of the State increased \$1.9 billion, net of contributions and transfers.

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change 2019-2018
	2019	2018*	2019	2018*	2019	2018*	
<b>Program Revenues:</b>							
Charges for Services	\$ 2,401.6	\$ 2,400.5	\$ 6,748.8	\$ 6,690.0	\$ 9,150.4	\$ 9,090.5	0.7 %
Operating Grants and Contributions	9,395.6	9,087.5	829.4	812.5	10,225.1	9,900.0	3.3
Capital Grants and Contributions	988.0	760.6	110.9	45.2	1,098.9	805.8	36.4
<b>General Revenues:</b>							
Income Taxes	10,161.1	9,450.7	-	-	10,161.1	9,450.7	7.5
Sales and Excise Taxes	6,365.4	6,046.5	-	-	6,365.4	6,046.5	5.3
Public Utility Taxes	371.8	361.7	-	-	371.8	361.7	2.8
Motor Fuel Taxes	1,129.8	1,121.8	-	-	1,129.8	1,121.8	0.7
Other Taxes	425.1	404.7	-	-	425.1	404.7	5.1
Other General Revenues	567.1	444.6	20.4	22.1	587.5	466.8	25.9
<b>Total Revenues</b>	<b>31,805.6</b>	<b>30,078.5</b>	<b>7,709.6</b>	<b>7,569.8</b>	<b>39,515.1</b>	<b>37,648.3</b>	<b>5.0</b>
<b>Program Expenses:</b>							
Commerce	322.8	266.2	-	-	322.8	266.2	21.2
Education	7,750.0	7,439.9	-	-	7,750.0	7,439.9	4.2
Transportation	2,365.7	2,379.9	-	-	2,365.7	2,379.9	(0.6)
Environmental Resources	501.8	574.8	-	-	501.8	574.8	(12.7)
Human Relations and Resources	14,413.2	13,597.9	-	-	14,413.2	13,597.9	6.0
General Executive	634.4	626.6	-	-	634.4	626.6	1.2
Judicial	148.7	143.1	-	-	148.7	143.1	3.9
Legislative	76.1	69.3	-	-	76.1	69.3	9.8
Tax Relief and Other General Expenditures	1,571.5	1,612.8	-	-	1,571.5	1,612.8	(2.6)
Intergovernmental - Shared Revenue	1,033.8	972.1	-	-	1,033.8	972.1	6.3
Interest on Long-term Debt	432.7	440.1	-	-	432.7	440.1	(1.7)
Injured Patients and Families Compensation	-	-	(67.3)	23.7	(67.3)	23.7	383.7
Environmental Improvement	-	-	42.9	43.1	42.9	43.1	(0.6)
University of Wisconsin System	-	-	5,408.5	4,973.2	5,408.5	4,973.2	8.8
Unemployment Reserve	-	-	390.2	411.7	390.2	411.7	(5.2)
Lottery	-	-	739.4	661.3	739.4	661.3	11.8
Health Insurance	-	-	1,300.8	1,287.4	1,300.8	1,287.4	1.0
Care and Treatment Facilities	-	-	423.1	391.7	423.1	391.7	8.0
Other Business-type	-	-	116.8	135.2	116.8	135.2	(13.6)
<b>Total Expenses</b>	<b>29,250.6</b>	<b>28,122.8</b>	<b>8,354.4</b>	<b>7,927.3</b>	<b>37,605.0</b>	<b>36,050.1</b>	<b>4.3</b>
Excess (deficiency) before Contributions, Special Items and Transfers	2,554.9	1,955.7	(644.8)	(357.5)	1,910.1	1,598.2	
Contributions to Term and Permanent Endowments	-	-	5.9	1.1	5.9	1.1	
Contributions to Permanent Fund Principal Transfers	11.9	12.3	-	-	11.9	12.3	
	(1,008.6)	(1,010.6)	1,008.6	1,010.6	-	-	
<b>Increase (decrease) in Net Position</b>	<b>1,558.2</b>	<b>957.4</b>	<b>369.6</b>	<b>654.3</b>	<b>1,927.9</b>	<b>1,611.7</b>	
<b>Net Position - Beginning (Restated)</b>	<b>13,833.1</b>	<b>12,875.7</b>	<b>10,949.5</b>	<b>10,295.2</b>	<b>24,782.5</b>	<b>23,170.9</b>	
<b>Net Position - Ending</b>	<b>\$ 15,391.3</b>	<b>\$ 13,833.1</b>	<b>\$ 11,319.1</b>	<b>\$ 10,949.5</b>	<b>\$ 26,710.4</b>	<b>\$ 24,782.5</b>	<b>7.8</b>

\* Amounts for the prior fiscal year include restatements of prior year's balances.

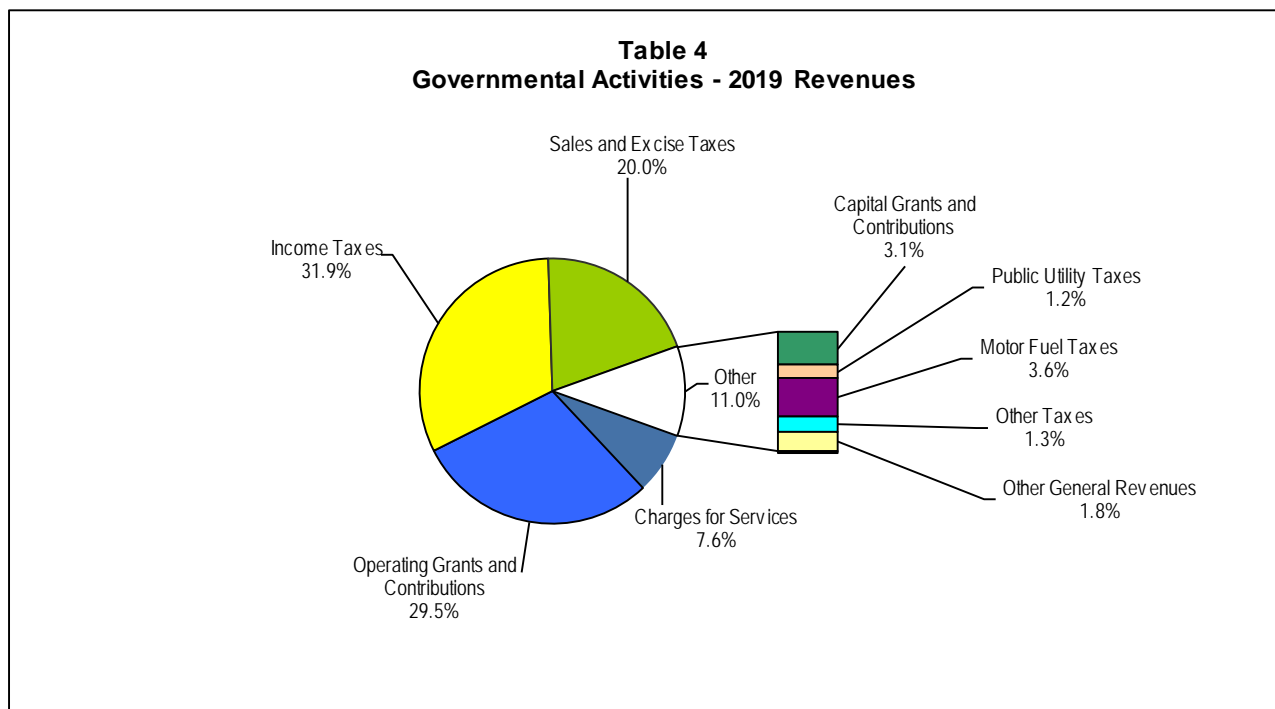
### Governmental Activities

The net position of governmental activities increased \$1.6 billion in Fiscal Year 2019. Revenues for the governmental activities (including contributions to permanent fund principal) totaled \$31.8 billion, while expenses and net transfers totaled \$30.3 billion in Fiscal Year 2019.

General and program revenues of governmental activities increased \$1.7 billion during this fiscal year. Tax revenues increased \$1.1 billion primarily due to enhanced income and sales and excise taxes of \$710.5 million and \$318.9 million, respectively, while other taxes increased \$20.4 million from the prior year. Operating grants increased by \$308.1 million, while capital grants also increased by \$227.4 million. In addition, other general revenues and charges for goods and services increased \$122.4 million and \$1.1 million, respectively.

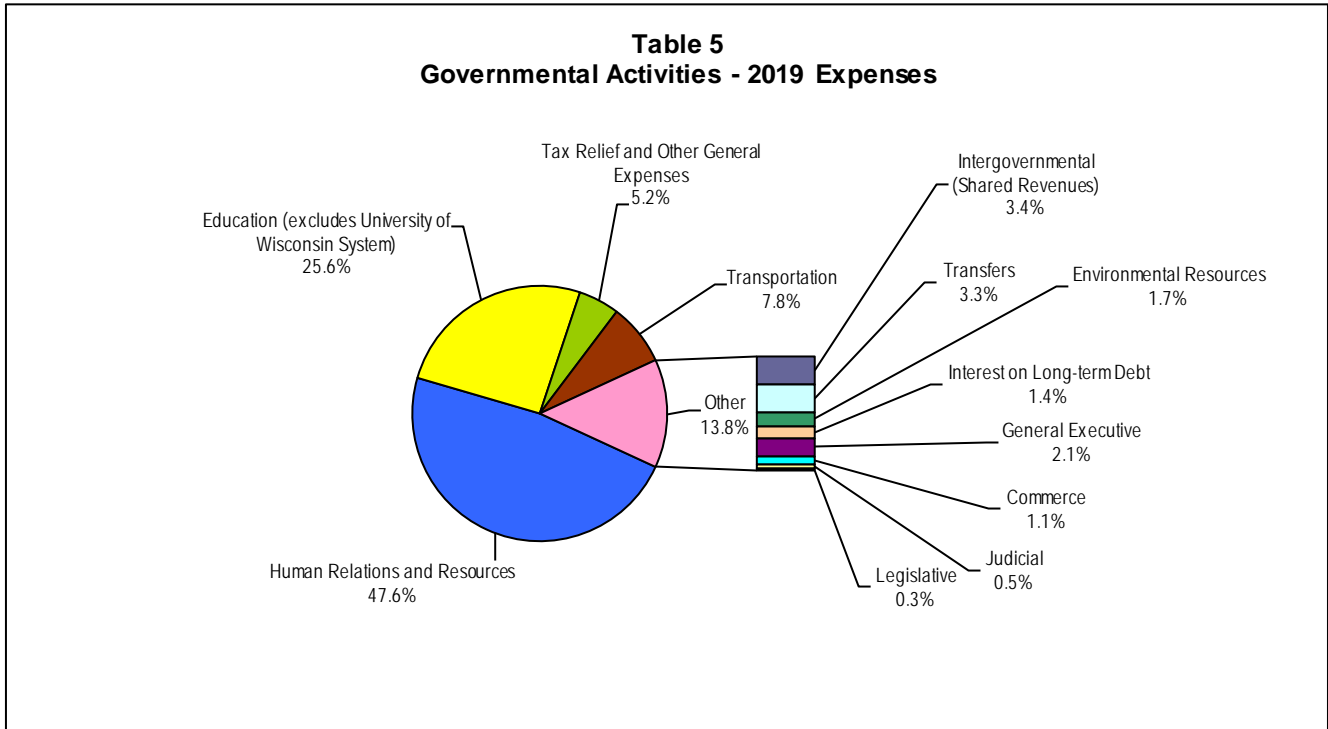
The State’s governmental activities program expenses increased \$1.1 billion to \$29.3 billion during Fiscal Year 2019. Human relations and resources expenses increased by \$815.4 million (6.0 percent) to a total of \$14.4 billion. Education expenses increased by \$310.1 million (4.2 percent) to \$7.7 billion due in part to an increase in per pupil aid. A new state aid for personal property tax exemption caused Intergovernmental expenses to increase \$61.7 million (6.3 percent) to \$1.0 billion. Commerce and general executive expenses increased \$56.5 million and \$7.8 million, respectively. Conversely, environmental resource, transportation, tax relief and other general expenses decreased \$73.0 million, \$14.2 million, \$41.4 million, respectively. Interest on long-term debt also decreased \$7.4 million.

As shown in Table 4, below, approximately 58.0 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 29.5 percent of total revenues. Capital grants and contributions provided 3.1 percent, charges for services contributed 7.6 percent, while various other revenues provided 1.8 percent of the remaining governmental activity revenue sources.



As shown in Table 5, below, expenses for human relations and resources programs make up the largest portion – 47.6 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 25.6 percent of total expenses. Tax relief and other general expenses and the intergovernmental-shared revenue program represent 8.6 percent of the total, while transportation expenses represent 7.8 percent. Net transfers to business-type activities, which include a general purpose revenue subsidy to the University of Wisconsin System, make up 3.3 percent of the total expenses and transfers. Remaining functional expenses totaled 5.6 percent while interest on long-term debt totaled 1.4 percent.



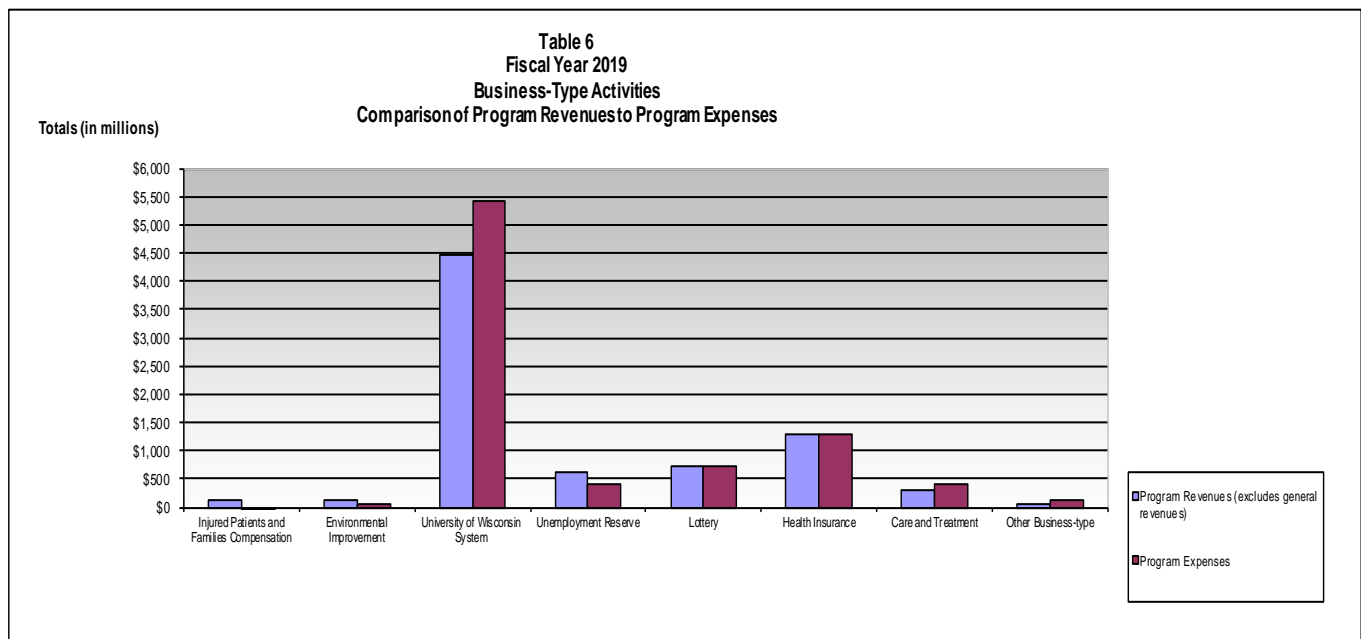
### Business-Type Activities

Net position of the State’s business-type activities increased \$369.6 million in Fiscal Year 2019.

Revenues of business-type activities totaled \$7.7 billion for Fiscal Year 2019, an increase of \$139.8 million from the prior year. Program revenues consisted of \$6.7 billion of charges for services, \$829.4 million of operating grants and contributions, and \$110.9 million of capital grants and contributions. General revenues, contributions to endowments and permanent fund principal and net transfers totaled \$20.4 million, \$5.9 million, and \$1.0 billion, respectively.

The total expenses for business-type activities were \$8.4 billion, an increase of \$427.1 million from the prior fiscal year. The largest increase in program expenses, \$435.3 million, related to increased expenses for the University of Wisconsin. Expenses for Lottery, Health Insurance and Care and Treatment Facilities also increased \$78.1 million, \$13.4 million and \$31.4 million, respectively. Offsetting those increases were decreases in Injured Patients and Family Compensation, Unemployment Reserve and other business type program expenses of \$91.0 million, \$21.5 million and \$18.4 million, respectively.

Table 6, below, compares the program revenues and program expenses of the various State business-type activities. This table does not include the transfer in (subsidy) from the General Fund to the University of Wisconsin System or other business-type activities.



## FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

### Governmental Funds

At the end of Fiscal Year 2019, the State's governmental funds reported a combined fund balance of \$2.0 billion. Funds with significant changes in fund balance are discussed below:

#### General Fund

The General Fund is the chief operating fund of the State. At June 30, 2019, the State's General Fund reported a total fund deficit of \$(773.5) million. The net change in fund balance during Fiscal Year 2019 was \$480.1 million, in contrast to \$372.4 million in Fiscal Year 2018. Major revenue, expenditure and other sources/uses contributing to the change in fund balance are as follows:

#### Revenues

Revenues of the General Fund totaled \$27.9 billion in Fiscal Year 2019, an increase of \$1.5 billion (5.5 percent) from the prior year. Factors contributing to this change included the following:

- Revenues from taxes increased \$1.1 billion. The increases relate to income and sales taxes, which increased \$703.5 million and \$319.6 million, respectively, from Fiscal Year 2018. Sales tax revenue increases were driven by increased consumer expenditures for taxable goods, while the increase in income taxes was the result of growth in personal income.
- Intergovernmental revenues (i.e., federal assistance) increased \$363.0 million to \$9.0 billion in Fiscal Year 2019. Human relations and resources programs (e.g., Medicaid) reported increased revenues of \$350.6 million. Because costs are split between federal and State sources, revenues associated with Medicaid related programs increase as costs increase.

#### Expenditures

2017 Wisconsin Act 59 established spending authority for the State of Wisconsin for Fiscal Year 2019. Expenditures of the General Fund totaled \$25.5 billion in Fiscal Year 2019, an increase of \$1.2 billion from Fiscal Year 2018. Factors contributing to the change include the following:

- Human relations and resources expenditures increased by \$734.5 million to \$14.1 billion, primarily the result of increased medical assistance costs. These costs comprise 55.5 percent of General Fund expenditures.
- Education expenditures increased \$306.3 million to \$7.7 billion, due in part to an increase in per pupil aid in Fiscal Year 2019. These costs comprise 30.1 percent of General Fund expenditures.
- Tax relief and other general expenditures decreased \$35.4 million to a total of \$1.6 billion. This decrease was the result of the one-time Child Sales Tax Rebate only offered in Fiscal Year 2018, offset by slight increases in the school levy and first dollar credits.
- Intergovernmental expenditures increased by \$59.8 million to \$979.8 million, due in part to a new personal property tax exemption in 2019.
- Commerce expenditures increased by \$71.3 million to a total of \$232.7 million primarily the result of expenditures starting in Fiscal Year 2019 for the Wisconsin Healthcare Stability Plan created in 2017 Wisconsin Act 138.

#### Other Financing Sources and Uses

Other financing sources/uses totaled a net \$(1.9) billion in Fiscal Year 2019, a \$177.1 million increase from Fiscal Year 2018. The components of this included the following:

- Transfers out of the General Fund totaled \$2.0 billion, an increase of \$180.9 million from the prior year.

- The GPR supplement comprises a large portion of the transfers out and is provided to various enterprise funds. The supplement totaled \$977.3 million, an increase of \$67.9 million from the prior year. The University of Wisconsin System, which receives the majority of the GPR supplement, had \$884.2 million in GPR expenses in Fiscal Year 2019, an increase of \$45.4 million.
- Transfers out for debt service payments to the Bond Security and Redemption Fund totaled \$534.6 million in Fiscal Year 2019 compared to \$466.9 million in Fiscal Year 2018.
- Transfers out to nonmajor enterprise funds, the Capital Improvement Fund and Transportation Fund were \$137.3 million, \$67.9 million and \$45.2 million, respectively.
- Transfers in to the General Fund increased \$3.5 million (from \$57.6 million in Fiscal Year 2018 to \$61.1 million in Fiscal Year 2019). The University of Wisconsin System transferred \$24.4 million, while non-major governmental funds and non-major enterprise funds transferred \$18.3 million and \$14.1 million, respectively.

Note 9D provides additional information on transfers in and out of the General Fund.

As of June 30, 2019, the General Fund reported an unassigned fund balance deficit of \$(1.7) billion, a reduction of the deficit of \$130.3 million from the prior year. A deficit unassigned fund balance represents the excess of the liabilities of the General Fund over its assets and nonspendable, restricted, and committed fund balance accounts.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were significant and included a \$4.7 billion increase in appropriations. Contributing to the variance is the fact that several of the State's programs and various transfers (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
Food Stamps, Electronic Benefit Transfer*	\$ 1,200.0
Federal Aid Medical Assistance	686.4
UW System, General Program Operations (part of Statutory General Fund)	379.3
Budget Stabilization Transfer (statutorily separate fund)*	321.7
UW System, Gifts and Nonfederal Grants and Contracts	114.1

Actual charges to appropriations (expenditures) were \$3.8 billion below the final budgeted estimates. Large positive expenditure variances were reported in the Medical Assistance Federal Aid (\$796.1 million) and the Food Stamps Benefits (\$420.3 million) appropriations.

During the past fiscal year, the budgetary-based fund balance increased \$551.6 million for the statutory General Fund, in part, because of increased general purpose revenues for taxes. Net transfers from other funds totaled \$(309.4) million in Fiscal Year 2019 compared to \$47.4 million in the prior fiscal year.

## Transportation Fund

In Fiscal Year 2019, the Transportation Fund's fund balance increased \$38.6 million (5.9 percent) from \$655.9 million to \$694.5 million. The state constitutionally restricts use of state resources deposited into the Fund for transportation purposes. As such, \$671.9 million or 96.8 percent of fund balance is reported as restricted for Fiscal Year 2019. Remaining fund balance is reported as nonspendable and correlates to prepaid and inventory assets.

Primary revenue sources of the fund include motor fuel taxes, intergovernmental, and license and permit revenue sources, as well as interfund transfers in. Additional federal funding in Fiscal Year 2019 caused revenues of the fund to increase \$160.2 million (6.0 percent) to a total of \$2.8 billion. Use of external sources of funding for projects, rather than state resources such as taxes and licenses, contributes to revenue fluctuations between years.

A decrease in transportation functional expenditures of \$8.3 million, offset by an increase in capital outlay expenditures of \$202.4 million, resulted in total expenditures increasing by \$194.0 million to \$2.7 billion. The change in the types of expenditures reported in the fund was the result of a higher proportion of capitalizable projects versus maintenance and preservation projects. In addition to the expenditures reported in the Transportation Fund, long term debt-funded transportation expenditures of \$108.2 million and \$107.0 million were reported in the Capital Improvement Fund and Transportation Revenue Bonds Fund, respectively. In the current year, transportation-related expenditures decreased \$55.5 million in the Capital Improvement Fund, while increasing \$34.8 million in the Transportation Revenue Bonds Fund.

Transfers in increased slightly from \$73.7 million to \$75.5 million in Fiscal Year 2019. An on-going transfer equal to 0.25 percent of general fund taxes as published in the general fund condition statement is made annually with that amount being \$41.6 million in Fiscal Year 2019. In addition, \$30.3 million was transferred from the Petroleum Inspection special revenue fund. Transfers out increased \$12.1 million to \$185.7 million. Transfers out to the Bond Security and Redemption Fund for debt service were \$150.0 million, while transfers out to the Conservation Fund were \$21.2 million in Fiscal Year 2019.

## Capital Improvement Fund

Fund balance of the Capital Improvement Fund increased by \$42.0 million from \$(232.1) million to \$(190.1) million. Assets of the Fund, which are comprised of cash and receivables, decreased \$23.6 million to \$97.0 million. Short-term notes payable and amounts owed to the Transportation Fund for reimbursement of transportation-related projects comprise most Fund liabilities. Liabilities totaled \$287.1 million, a decrease of \$77.9 million from the prior year.

Two issues of long-term debt totaling \$185.6 million were made during the year, a decrease of \$138.8 million from the prior fiscal year. During the year, debt and premium proceeds funded \$97.9 million of capital outlay expenditures, a decrease of \$49.5 million and the result of less transportation-related projects funded by the Capital Improvement Fund. Capital outlay expenditures reflect capital assets, such as buildings and highways, which were either in progress or completed during the fiscal year and will be used on a long-term basis. Debt proceeds also funded \$95.6 million of maintenance and repair expenditures on state owned assets that are reported as functional expenditures. Transportation related functional costs were \$50.8 million, a decrease of \$6.2 million, and comprised 53.1 percent of functional expenditures. Environmental resource related expenditures were \$19.3 million and 20.1 percent of functional expenditures.

Transfers In to the Capital Improvement Fund for debt service payments on outstanding notes payable decreased \$17.8 million to \$77.7 million. Transfers Out of the Capital Improvement Fund, which are also funded from debt proceeds, decreased \$127.0 million to \$43.2 million, because more debt was issued and subsequently distributed to proprietary funds.

## Proprietary Funds

Proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Significant changes to balances of major proprietary funds from Fiscal Year 2018 to Fiscal Year 2019 include the following:

### Environmental Improvement

Fund net position of the Environmental Improvement Fund increased \$72.5 million to \$2.1 billion. Total assets of the Fund increased by \$85.9 million, while total liabilities increased by \$12.7 million. Assets increased to \$2.3 billion as the result of a

cash increase of \$120.8 million, while loans to local governments were reduced \$27.9 million. Conversely, liabilities increased to \$283.8 million due to a \$12.8 million increase in revenue bonds payable.

Operating income of the Fund decreased by \$0.8 million to \$29.3 million in Fiscal Year 2019. Operating revenue of \$46.8 million, which consists primarily of investment and interest income, remained steady in Fiscal Year 2019. Operating expenses decreased \$1.0 million in Fiscal Year 2019, the result of a \$0.5 million reduction in interest expense and a \$0.5 million reduction in salaries and benefits.

### **Injured Patients and Families Compensation**

Net position of the Injured Patients and Families Compensation Fund increased by \$193.5 million, from \$997.6 million to \$1.2 billion at June 30, 2019. Total assets of the Fund, which increased \$130.8 million to \$1.5 billion, are primarily comprised of investments.

Operating revenue of the Fund consisted of assessment income which decreased \$0.3 million (3.0 percent) to \$11.1 million. Reduced revenue was the result from changes in the number of participating providers. Non-operating revenue consists solely of investment and interest income of \$115.1 million in Fiscal Year 2019.

The Fund reported a net negative benefit expense of \$69.3 million for Fiscal Year 2019. In comparison, benefits expense from the prior year were \$34.3 million. A negative benefit expense is the result of an actuarial reduction to prior years' estimated claim liabilities. As a result of this actuarial estimate, the total liability for future benefit and loss liabilities decreased \$98.7 million to \$279.8 million. Fiscal Year 2019 benefit payments totaled \$29.2 million, compared to \$12.9 million the prior year.

### **Unemployment Reserve**

Net position of the Unemployment Reserve Fund increased by \$239.4 million during Fiscal Year 2019 from \$1.8 billion at June 30, 2018 to \$2.0 billion at June 30, 2019. Benefit expenses decreased from \$407.3 million in Fiscal Year 2018 to \$387.0 million in Fiscal Year 2019, a decrease of \$20.3 million (5.0 percent). The decrease in benefits is the result of the average unemployment rate falling from 3.1 percent during Fiscal Year 2018 to 2.9 percent during Fiscal Year 2019.

Total operating revenues decreased by \$40.2 million from \$628.9 million in Fiscal Year 2018 to \$588.7 million in Fiscal Year 2019. Employer contributions decreased from \$597.1 million in Fiscal Year 2018 to \$561.5 million in Fiscal Year 2019, a decrease of \$35.6 million (6.0 percent). The average tax rate on taxable wages decreased from 1.75% during Calendar Year 2018 to an estimated 1.58% in Calendar Year 2019.

### **University of Wisconsin System**

Fund net position decreased \$65.3 million to \$5.4 billion. Assets, which consist primarily of capital assets and cash, decreased \$164.9 million to \$8.2 billion. Liabilities, which consists primarily of bonds payable, increased by \$503.4 million to \$3.4 billion. The Fund reported a net pension liability of \$474.4 million in Fiscal Year 2019 compared to a restricted net pension asset of \$399.1 million in the prior year. Deferred outflows of resources increased \$589.9 million to \$1.3 billion, while deferred inflows of resources decreased \$13.1 million to \$836.6 million. The changes in deferred outflows and inflows were primarily related to changes in pension related amounts.

Operating revenues increased \$89.2 million or 2.5 percent to \$3.7 billion. Student tuition, and federal grants and contracts of \$1.4 billion and \$772.0 million, respectively, comprise 59.3 percent of operating revenues. Increases of \$123.0 million, \$52.3 million and \$23.8 million were reported for tuition and fees, sales and services of educational activities and federal grants and contracts, respectively. Conversely, revenues decreased by \$55.9 million (11.9 percent) and \$29.4 million (11.8 percent), for other income and local and private grants and contracts, respectively. Sales and services to UW Hospital Authority along with sales and services of auxiliary enterprises revenues also declined by \$12.7 million (18.3 percent) and \$11.8 million (2.7 percent), respectively. Operating expenses increased \$413.5 million or 8.4 percent. Personal services, supplies and services and other expenses increased by \$356.5 million, \$60.1 million and \$8.8 million, respectively. These were offset by a \$15.4 million decrease for scholarship and fellowships. Loss on disposal of capital assets increased \$17.3 million while other revenue declined \$15.1 million. Offsetting those changes were increases in nonoperating investment and interest income and gifts and donations of \$41.3 million and \$25.6 million, respectively.

Transfers in to the University of Wisconsin System totaled \$960.6 million in Fiscal Year 2019. The general purpose revenue supplement received from the State's General Fund was \$884.2 million an increase of \$45.4 million. The Capital Improvement



Fund also transferred \$30.0 million of bond and note proceeds to the University of Wisconsin System a decrease of \$112.3 million from the prior year. Bond proceeds transferred in are a function of on-going capital projects funded with those bonds. Capital contributions also increased \$63.2 million from the prior year.

## GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the close of Fiscal Year 2019, the State reported \$30.4 billion invested in capital assets, net of accumulated depreciation of \$8.1 billion. This represents an increase of \$652.4 million, or 2.2 percent, from Fiscal Year 2018. Depreciation charges totaled \$167.4 million and \$344.2 million for governmental and business-type activities, respectively, in Fiscal Year 2019. 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.

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	<b>2019</b>	<b>2018*</b>	<b>2019</b>	<b>2018*</b>	<b>2019</b>	<b>2018*</b>
Land and Land Improvements	\$ 2,960	\$ 2,926	\$ 173	\$ 172	\$ 3,133	\$ 3,097
Buildings and Improvements	1,577	1,596	4,075	4,216	5,651	5,812
Library Holdings	59	59	152	155	211	214
Machinery and Equipment	347	371	321	311	667	682
Infrastructure	17,578	16,955	-	-	17,578	16,955
Construction and Software in Progress	2,395	2,491	784	515	3,179	3,007
<b>Totals</b>	<b>\$ 24,915</b>	<b>\$ 24,398</b>	<b>\$ 5,505</b>	<b>\$ 5,370</b>	<b>\$ 30,420</b>	<b>\$ 29,768</b>

\*Amounts for the prior fiscal year have been restated

The major capital asset additions completed or acquired during Fiscal Year 2019 included the:

- US 10 / State Highway 441 \$382.0 million
- UW Madison Parking Lot 75 \$26.6 million
- UW Eau Claire Garfield Corridor Improvement \$11.1 million
- CCI Segregation Unit Expansion \$10.4 million

In addition to these completed projects, construction and software in progress as of June 30, 2019 for governmental and business-type activities totaled \$2.4 billion and \$784.5 million, respectively. A list of those projects is provided in Note 7. The State's continuing or proposed major capital projects for Fiscal Year 2019 and future years include:

- I-94 North South Freeway Project (Completion in 2020) \$1.6 billion
- Zoo Interchange (Completion in 2023) \$1.5 billion
- I39/90: USH 12 to Illinois (Completion 2021) \$1.2 billion
- I43 Silver Spring to STH60 (Completion 2025) \$580.2 million
- St. Croix Bridge Crossing (Completion in 2020) \$305.0 million
- USH18/151 Verona Road (Completion in 2020) \$268.2 million
- USH 53 La Crosse Corridor (Completion TBD) \$160.2 million
- STH 23 / State Highway 67 / US 41 (Completion in 2022) \$157.6 million
- STH 15 / STH 76 New London (Completion in 2024) \$141.5 million
- STH 50 / I94 43<sup>rd</sup> Avenue (Completion 2023) \$120.9 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, 2019 was \$7.7 billion, as shown in Table 8. During Fiscal Year 2019, \$288.5 million of general obligation bonds and \$53.8 million of General Obligation Demand Notes 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, \$145.6 million were to be used for University of Wisconsin System academic and self-amortizing facilities, \$98.9 million for transportation projects, \$17.6 million for environmental programs, and \$25.7 million for correctional and mental health facilities. The remaining proceeds from new bonds issued were used for various other projects.

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 of June 30, 2019, \$3.0 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, 2019, as shown in Table 8. These bonds included \$2.4 billion of Transportation Revenue Bonds, \$27.2 million of Petroleum Inspection Revenue Bonds, and \$277.8 million of Environmental Improvement Revenue Bonds.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
General obligations:						
Bonds and long-term notes	\$6,025.8	\$6,478.1	\$1,687.5	\$1,685.4	\$7,713.3	\$8,163.5
Annual appropriation bonds	3,002.4	3,044.0	--	--	3,002.4	3,044.0
Revenue bonds	2,415.7	2,386.8	277.8	265.0	2,693.4	2,651.8
<b>Totals</b>	<b>\$11,443.9</b>	<b>\$11,908.9</b>	<b>\$1,965.2</b>	<b>\$1,950.4</b>	<b>\$13,409.1</b>	<b>\$13,859.2</b>

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, 2019, State of Wisconsin general obligation fixed rate bonds had a rating of AA+ from Fitch Ratings, AA+ from Kroll Bond Rating Agency, Aa1 from Moody’s Investors Services, and AA from Standard and Poor’s Rating Services. General obligation variable rate notes had a rating of F1+ from Fitch Investors Services, L.P, P-1 from Moody’s, and A-1+ from Standard and Poor’s Corporation.

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. Infrastructure assets exclude right-of-way costs. The State has elected to report its infrastructure assets (11,200 centerline miles of roads and 5,200 bridges with a combined value of \$17.6 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 the Federal Highway Administration's composite index for federal-aid highway construction, to the estimated average construction date. All infrastructure assets constructed on or after July 1, 2000 have been recorded at historical cost.

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, 2019, 92.4 percent of the roads and 97.4 percent of bridges were in good or fair condition, consistent with State policies. This compares to 92.6 percent of the roads and 97.0 percent of bridges as of June 30, 2018.

For the fiscal year ended June 30, 2019, actual maintenance and preservation costs for the State's road network were \$612.0 million, or \$235.9 million less than the estimated amount. On the same date, actual maintenance and preservation costs for the State's bridge network were \$65.8 million, or \$2.7 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 estimate amounts difficult since expenditures for the current year may have been budgeted and committed to a project in prior years.

## ECONOMIC FACTORS

During calendar year 2018, the Wisconsin economy continued its expansion.

Wisconsin employment continued to grow throughout 2018 at a moderate pace. According to the federal Bureau of Labor Statistics, total nonfarm employment in Wisconsin increased 1.2 percent in 2016, 0.7 percent in 2017 and 0.8 percent during 2018. This performance lagged national employment trends. Nationally, employment grew 1.8 percent in 2016, 1.6 percent in 2017 and 1.7 percent in 2018. Wisconsin employment growth is somewhat constrained due to a lower unemployment rate and a slower overall population growth than the nation as a whole.

More recently, Wisconsin's growth in employment has slowed along with national employment growth. Between September 2018 and September 2019, Wisconsin employment has increased 0.2 percent. Nationally, employment is up 1.5 percent over the same period, slower than at the beginning of the year when growth was 2.0 percent. Wisconsin's seasonally adjusted unemployment rate in September 2019 was 3.2 percent, below the 3.5 percent national unemployment rate for the same month.

Reflecting the continuing expansion, Wisconsin's state nominal gross domestic product increased 4.8 percent in 2018, tracking national growth of 5.4 percent. Wisconsin's 2018 growth followed growth rates of 2.4 percent and 3.0 percent in 2016 and 2017, respectively. These figures compare with the 50-state total gross domestic product increases of 2.7 percent in 2016 and 4.3 percent in 2017.

Steady growth in output has spurred gains in personal income. Wisconsin personal income grew 2.1 percent, 4.0 percent and 5.1 percent in 2016, 2017 and 2018, respectively. Nationally, personal income grew 2.6 percent, 4.7 percent and 5.6 percent in the same years. On a per capita basis, Wisconsin's income performance is similar to the nation's. Per capita income in Wisconsin increased by 1.9 percent, 3.7 percent and 4.7 percent in 2016, 2017 and 2018, respectively. This compares to growth of 1.8 percent, 4.0 percent and 4.9 percent in the same years nationally. Relative to the national average, Wisconsin per capita income has remained in approximately the same range for the past three years at 95.3 percent, 95.0 percent and 94.8 percent of the national average in 2016, 2017 and 2018, respectively.

Wisconsin's statewide total property value increased again in 2019 for the sixth straight year following five years of declines from 2009 through 2013. The increase in values has been broad-based, reflecting improvements in all major sectors. In 2019, total property values increased 5.7 percent, with residential property value growing at 6.1 percent. In addition, commercial real estate values grew 5.2 percent and manufacturing values grew 5.4 percent. Manufacturing values have now increased for eight consecutive years.

## **CONTACTING THE STATE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Wisconsin's citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to: State of Wisconsin, State Controller's Office, 101 E. Wilson Street, 5th Floor, Madison, WI 53707 or by email to: [DOAWebMaster@wi.gov](mailto:DOAWebMaster@wi.gov).

Some state agencies, such as the State of Wisconsin Investment Board, Department of Employee Trust Funds and the University of Wisconsin, issue stand-alone audited financial statements. 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.

\* \* \* \*



**Statement of Net Position  
June 30, 2019**

(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,956,988	\$ 5,228,368	\$ 8,185,356	\$ 977,708
Investments	532,903	1,985,782	2,518,685	2,593,838
Securities Lending Collateral	-	109,338	109,338	-
Cash and Investments with Other Component Units	-	-	-	210,472
Receivables (net of allowance)	4,349,821	2,704,000	7,053,821	1,882,326
Internal Balances	111,401	(111,401)	-	-
Inventories	43,162	35,997	79,160	43,280
Prepaid Items	18,010	20,650	38,660	39,943
Capital Leases Receivable - Component Units	-	119	119	-
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	110,974	14,049	125,023	14,353
Investments	677,083	108,375	785,458	4,157,754
Other Restricted Assets	3,331	-	3,331	-
Other Assets	13,197	6,931	20,128	169,107
Capital Assets:				
Depreciable	1,813,578	4,557,167	6,370,745	1,095,032
Nondepreciable:				
Infrastructure	17,578,099	-	17,578,099	-
Other	5,523,506	948,074	6,471,579	164,357
Total Assets	33,732,052	15,607,450	49,339,502	11,348,169
<b>Deferred Outflows of Resources</b>				
Accumulated Decrease in the Fair Value of				
Hedging Derivatives	142,981	-	142,981	30,184
Debt Refunding	231,793	47,014	278,807	7,943
Advances by the State	20,138	60,341	80,479	-
Deferred Pension Outflows	1,177,940	1,384,507	2,562,448	351,561
Deferred Other Post Employment Benefits Outflows	37,940	43,791	81,731	18,555
Asset Retirement Obligation	-	11,085	11,085	-
Other Deferred Outflows	-	-	-	2,712
Total Deferred Outflows of Resources	1,610,793	1,546,738	3,157,531	410,955

**Statement of Net Position  
June 30, 2019**

(Continued)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
<b>Liabilities</b>				
Accounts Payable and Other Accrued Liabilities	\$ 1,537,089	\$ 296,658	\$ 1,833,747	\$ 559,112
Securities Lending Collateral Liabilities	-	109,338	109,338	-
Due to Other Governments	2,505,513	160,780	2,666,292	129,500
Tax Refunds Payable	1,500,134	-	1,500,134	-
Tax and Other Deposits	73,504	32,366	105,870	102,180
Amounts Held in Trust by Component Unit for Other Component Units	-	-	-	200,854
Amounts Held in Trust by Component Unit for Others	-	-	-	87,033
Unearned Revenue	340,977	196,922	537,899	922
Interest Payable	102,651	12,731	115,382	14,229
Short-term Notes Payable	286,772	33,798	320,570	-
Other Liabilities	142,981	-	142,981	34,593
Long-term Liabilities:				
Current Portion	969,815	316,230	1,286,045	108,834
Noncurrent Portion	11,687,999	3,742,979	15,430,978	2,886,321
Total Liabilities	19,147,434	4,901,801	24,049,236	4,123,578
<b>Deferred Inflows of Resources</b>				
Debt Refunding	9,734	368	10,102	-
Deferred Pension Inflows	633,014	730,056	1,363,070	195,534
Deferred Other Post Employment Benefits Inflows	161,399	202,561	363,960	44,038
Other Deferred Inflows	-	275	275	-
Total Deferred Inflows of Resources	804,146	933,260	1,737,406	239,572
<b>Net Position</b>				
Net Investment in Capital Assets	20,305,658	3,820,717	24,126,375	638,750
Restricted for:				
Human Relations and Resources	114,794	-	114,794	-
Conservation Related	163,060	-	163,060	-
General Executive	120,581	-	120,581	-
Transportation	671,945	-	671,945	-
Debt Service	51,689	-	51,689	-
Capital Projects	135,481	-	135,481	-
Unemployment Compensation	-	2,023,266	2,023,266	-
Environmental Improvement	-	2,033,733	2,033,733	-
Permanent Trusts:				
Expendable	30,666	350,634	381,300	18,458
Nonexpendable	1,180,629	197,906	1,378,535	10,864
Future Benefits	-	1,611,440	1,611,440	44,246
Other Purposes	128,981	723,390	852,371	4,653,507
Unrestricted	(7,512,220)	558,041	(6,954,179)	2,030,148
Total Net Position	\$ 15,391,264	\$ 11,319,127	\$ 26,710,391	\$ 7,395,973

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

**Statement of Activities  
For the Fiscal Year Ended June 30, 2019**

(In Thousands)

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
<b>Primary Government:</b>				
Governmental Activities:				
Commerce	\$ 322,793	\$ 274,282	\$ 51,200	\$ -
Education	7,749,998	14,486	989,623	-
Transportation	2,365,713	785,966	67,326	975,868
Environmental Resources	501,822	235,461	97,064	331
Human Relations and Resources	14,413,228	696,709	7,960,456	11,812
General Executive	634,362	288,341	158,451	-
Judicial	148,683	50,545	665	-
Legislative	76,102	2,283	3	-
Tax Relief and Other General Expenses	1,571,454	8	70,852	-
Intergovernmental - Shared Revenue	1,033,820	53,540	-	-
Interest on Debt	432,662	-	-	-
Total Governmental Activities	29,250,637	2,401,620	9,395,640	988,011
Business-type Activities:				
Injured Patients and Families Compensation	(67,296)	11,117	115,141	-
Environmental Improvement	42,879	46,770	61,539	-
University of Wisconsin System	5,408,491	3,699,981	642,053	108,296
Unemployment Reserve	390,204	587,078	42,597	-
Lottery	739,395	714,402	2,400	-
Health Insurance	1,300,787	1,306,456	(8,958)	-
Care and Treatment Facilities	423,141	304,141	436	1,648
Other Business-type	116,766	78,884	(25,780)	936
Total Business-type Activities	8,354,368	6,748,829	829,427	110,880
Total Primary Government	\$ 37,605,005	\$ 9,150,449	\$ 10,225,067	\$ 1,098,891
<b>Component Units:</b>				
Housing and Economic Development Authority	\$ 280,650	\$ 92,663	\$ 189,638	\$ -
Health Care Liability Insurance Plan	2,121	2,122	1,056	-
University Hospitals and Clinics Authority	3,292,516	3,396,128	-	-
University of Wisconsin Foundation	319,657	153,978	341,625	-
Wisconsin Economic Development Corp	55,215	178	43,592	-
Total Component Units	\$ 3,950,159	\$ 3,645,069	\$ 575,911	\$ -

General Revenues:  
 Dedicated for General Purposes:  
     Income Taxes  
     Sales and Excise Taxes  
     Public Utility Taxes  
     Other Taxes  
 Motor Fuel/Other Taxes Dedicated for Transportation  
 Other Dedicated Taxes  
 Interest and Investment Earnings  
 Miscellaneous  
 Contributions to Term and Permanent Endowments  
 Contributions to Permanent Fund Principal  
 Special Item - Transfer back to State  
 Transfers  
  
 Total General Revenues, Contributions, and Transfers  
 Change in Net Position  
 Net Position - Beginning  
 Net Position - Ending

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



**Net (Expense) Revenue and  
Changes in Net Position**

Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ 2,688		\$ 2,688	
(6,745,889)		(6,745,889)	
(536,553)		(536,553)	
(168,966)		(168,966)	
(5,744,251)		(5,744,251)	
(187,570)		(187,570)	
(97,473)		(97,473)	
(73,816)		(73,816)	
(1,500,594)		(1,500,594)	
(980,280)		(980,280)	
(432,662)		(432,662)	
<u>(16,465,367)</u>		<u>(16,465,367)</u>	
	\$ 193,553	193,553	
	65,430	65,430	
	(958,161)	(958,161)	
	239,471	239,471	
	(22,593)	(22,593)	
	(3,289)	(3,289)	
	(116,917)	(116,917)	
	(62,725)	(62,725)	
-	(665,231)	(665,231)	
<u>(16,465,367)</u>	<u>(665,231)</u>	<u>(17,130,598)</u>	
			\$ 1,651
			1,057
			103,612
			175,947
			(11,445)
			<u>270,821</u>
10,161,148	-	10,161,148	-
6,365,405	-	6,365,405	-
371,802	-	371,802	-
318,791	-	318,791	-
1,129,780	-	1,129,780	-
106,328	-	106,328	-
73,731	20,424	94,155	165,175
493,324	-	493,324	48,696
-	5,857	5,857	4,293
11,861	-	11,861	-
-	-	-	(25,000)
(1,008,590)	1,008,590	-	-
<u>18,023,581</u>	<u>1,034,872</u>	<u>19,058,453</u>	<u>193,164</u>
<u>1,558,214</u>	<u>369,640</u>	<u>1,927,855</u>	<u>463,985</u>
<u>13,833,050</u>	<u>10,949,486</u>	<u>24,782,536</u>	<u>6,931,988</u>
<u>\$ 15,391,264</u>	<u>\$ 11,319,127</u>	<u>\$ 26,710,391</u>	<u>\$ 7,395,973</u>

**Balance Sheet - Governmental Funds**  
**June 30, 2019**

(In Thousands)

	General	Transportation	Capital Improvement	Nonmajor Governmental	Total Governmental
<b>Assets and Deferred Outflows of Resources</b>					
Assets:					
Cash and Cash Equivalents	\$ 1,597,602	\$ 531,598	\$ 58,549	\$ 704,329	\$ 2,892,079
Investments	619	-	-	532,284	532,903
Receivables (net of allowance):					
Taxes	1,570,828	101,474	-	-	1,672,302
Loans to Local Governments	-	-	-	451,404	451,404
Other Loans Receivable	3,659	17,671	-	-	21,331
Other Receivables	709,906	44,398	-	74,641	828,946
Due from Other Funds	161,709	81,640	38,422	28,866	310,637
Due from Component Units	9,328	-	-	-	9,328
Interfund Receivables	74,258	-	-	-	74,258
Due from Other Governments	1,044,249	216,877	-	25,266	1,286,392
Inventories	13,985	21,500	-	2,756	38,241
Prepaid Items	3,378	1,036	-	9,522	13,936
Restricted and Limited Use Assets:					
Cash and Cash Equivalents	-	-	-	110,974	110,974
Investments	-	-	-	673,296	673,296
Other Restricted Assets	-	-	-	3,331	3,331
Other Assets	12,756	-	-	440	13,197
<b>Total Assets</b>	<b>5,202,278</b>	<b>1,016,195</b>	<b>96,971</b>	<b>2,617,110</b>	<b>8,932,553</b>
Deferred Outflows of Resources:					
Advances by the State	19,996	142	-	-	20,138
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 5,222,274</b>	<b>\$ 1,016,337</b>	<b>\$ 96,971</b>	<b>\$ 2,617,110</b>	<b>\$ 8,952,692</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
Liabilities:					
Accounts Payable and Other					
Accrued Liabilities	\$ 1,306,684	\$ 170,380	\$ 4,301	\$ 28,296	\$ 1,509,662
Due to Other Funds	86,582	35,650	4,682	41,960	168,874
Due to Component Units	228	-	-	-	228
Interfund Payables	-	-	-	2,688	2,688
Due to Other Governments	2,395,660	105,654	770	3,429	2,505,513
Tax Refunds Payable	1,498,635	1,398	-	100	1,500,134
Tax and Other Deposits	56,100	344	-	17,059	73,504
Unearned Revenue	324,462	8,163	-	8,351	340,977
Interest Payable	-	-	-	45,885	45,885
Advances from Other Funds	-	-	-	6,494	6,494
Short-term Notes Payable	-	-	277,296	-	277,296
Revenue Bonds and Notes Payable	-	-	-	141,750	141,750
<b>Total Liabilities</b>	<b>5,668,352</b>	<b>321,590</b>	<b>287,050</b>	<b>296,011</b>	<b>6,573,003</b>
Deferred Inflows of Resources:					
Unavailable Revenue	327,377	266	-	7,704	335,347
Fund Balances:					
Nonspendable	17,350	22,536	-	1,191,720	1,231,606
Restricted	279,489	671,945	-	883,776	1,835,210
Committed	649,104	-	-	244,129	893,233
Unassigned	(1,719,399)	-	(190,078)	(6,230)	(1,915,707)
<b>Total Fund Balances</b>	<b>(773,455)</b>	<b>694,481</b>	<b>(190,078)</b>	<b>2,313,395</b>	<b>2,044,342</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,222,274</b>	<b>\$ 1,016,337</b>	<b>\$ 96,971</b>	<b>\$ 2,617,110</b>	<b>\$ 8,952,692</b>

(Continued)

**Balance Sheet - Governmental Funds**  
**June 30, 2019**

(Continued)

**Total  
Governmental**

**Reconciliation to the Statement of Net Position:**

**Total Fund Balances - Governmental Funds** (from previous page) \$ 2,044,342

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Infrastructure	17,578,099	
Other Capital Assets	8,607,461	
Accumulated Depreciation	<u>(1,782,689)</u>	
		24,402,872

Other long-term assets and deferred outflows and inflows of resources that are not available to pay for current period expenditures and, therefore, are not recognized in the funds. 638,142

Deferred outflows of resources used to accumulate decreases in fair values of hedging derivatives that are not reported in the governmental funds. 142,981

Derivative instruments (interest rate swaps) that also are not reported in the governmental funds. (142,981) 0

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 not recognized in the funds. 335,347

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 Position. 16,566

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 Position.

Revenue Bonds Payable	(2,273,906)	
Appropriation Bonds Payable	(3,002,384)	
General Obligation Bonds and Notes Payable	(5,666,268)	
Accrued Interest on Bonds	(56,766)	
Capital Leases	(62,068)	
Compensated Absences	(151,380)	
Pollution Remediation	(4,677)	
Claims and Judgments	(592)	
Net Pension Liability	(448,588)	
Other Postemployment Benefits Liability	<u>(379,376)</u>	
		<u>(12,046,005)</u>

**Net Position of Governmental Activities as reported on the Statement of Net Position** (See page 25) \$ 15,391,264

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, 2019

(In Thousands)

	General	Transportation	Capital Improvement	Nonmajor Governmental	Total Governmental
<b>Revenues:</b>					
Taxes					
Income	\$ 10,148,458	\$ -	\$ -	\$ -	\$ 10,148,458
Sales and Excise	6,359,408	-	-	-	6,359,408
Public Utility	371,802	-	-	-	371,802
Other General Purpose	318,829	-	-	-	318,829
Motor Fuel	-	1,129,893	-	-	1,129,893
Other Dedicated	-	-	-	106,328	106,328
Intergovernmental	9,046,728	1,040,318	-	88,353	10,175,398
Licenses and Permits	794,824	546,473	-	645,540	1,986,836
Charges for Goods and Services	330,649	18,757	-	20,906	370,312
Investment and Interest Income	29,649	8,960	2,844	94,255	135,709
Fines and Forfeitures	46,481	758	-	17,735	64,975
Gifts and Donations	4,222	4	-	18,700	22,926
Miscellaneous:					
Tobacco Settlement	116,854	-	-	-	116,854
Other	298,897	65,956	54	11,084	375,990
<b>Total Revenues</b>	<b>27,866,801</b>	<b>2,811,119</b>	<b>2,898</b>	<b>1,002,902</b>	<b>31,683,721</b>
<b>Expenditures:</b>					
Current Operating:					
Commerce	232,658	-	4,558	78,341	315,557
Education	7,657,376	-	1,194	46,807	7,705,377
Transportation	13,266	2,202,282	50,788	1,369	2,267,705
Environmental Resources	108,527	-	19,251	334,597	462,376
Human Relations and Resources	14,141,171	-	10,038	35,203	14,186,412
General Executive	524,207	-	365	105,888	630,460
Judicial	138,604	-	-	167	138,771
Legislative	72,075	-	-	-	72,075
Tax Relief and Other General	1,560,212	-	9,399	2,033	1,571,644
Intergovernmental - Shared Revenue	979,840	-	-	53,980	1,033,820
Capital Outlay	48,077	465,257	97,856	136,704	747,894
Debt Service:					
Principal	-	-	-	675,459	675,459
Interest	-	-	6,175	510,519	516,694
Other Expenditures	-	-	-	2,457	2,457
<b>Total Expenditures</b>	<b>25,476,013</b>	<b>2,667,539</b>	<b>199,625</b>	<b>1,983,525</b>	<b>30,326,701</b>
Excess of Revenues Over (Under) Expenditures	2,390,788	143,581	(196,726)	(980,623)	1,357,020
<b>Other Financing Sources (Uses):</b>					
Long-term Debt Issued	-	-	185,556	123,900	309,456
Long-term Debt Issued - Refunding Bonds	-	-	-	392,000	392,000
Payments for Refunded Bonds	-	-	-	(446,225)	(446,225)
Discount on Bonds	-	-	(72)	-	(72)
Premium on Bonds	-	-	18,738	70,711	89,449
Transfers In	61,081	75,501	77,664	1,146,568	1,360,815
Transfers Out	(1,972,783)	(185,693)	(43,174)	(170,621)	(2,372,270)
Capital Lease Acquisitions	2,115	957	-	-	3,072
<b>Total Other Financing Sources (Uses)</b>	<b>(1,909,587)</b>	<b>(109,234)</b>	<b>238,712</b>	<b>1,116,333</b>	<b>(663,776)</b>
Net Change in Fund Balances	481,201	34,346	41,986	135,710	693,244
Fund Balances, Beginning of Year	(1,253,527)	655,881	(232,064)	2,177,653	1,347,944
Increase (Decrease) in Inventories	(1,130)	4,254	-	31	3,155
<b>Fund Balances, End of Year</b>	<b>\$ (773,455)</b>	<b>\$ 694,481</b>	<b>\$ (190,078)</b>	<b>\$ 2,313,395</b>	<b>\$ 2,044,342</b>

(Continued)

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2019

(Continued)

		<b>Total Governmental</b>
<b>Reconciliation to the Statement of Activities:</b>		
<b>Net Change in Fund Balances</b> (from previous page)	\$	693,244
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.		3,155
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 acquisition value with a corresponding amount of revenue recognized. In the current period, these amounts are:		
Capital Outlay/Functional Expenditures	738,854	
Depreciation Expense	(123,022)	
Grants and Contributions (Donated Assets)	34,811	650,643
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 position differs from the change in fund balance by the cost of the capital assets sold/disposed.		(69,687)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		22,627
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. 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 Position.		
Bonds Issued	(701,456)	
Payments for Refunded Bonds	446,225	
Repayment of Bond Principal	675,459	
Bond Premium	(89,449)	
Bonds Discount	72	
Prepaid Bond Insurance Costs (Amortization)	(16)	330,835
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	108,756	
Decrease (increase) in Capital Leases	5,557	
Decrease (increase) in Compensated Absences	631	
Decrease (increase) in Pollution Remediation Liabilities	1,048	
Decrease (increase) in Claims and Judgments	(113)	
Change in net pension assets, net pension liabilities, and pension-related deferred outflows and inflows of resources	(173,656)	
Decrease (increase) in Postemployment Benefit Liabilities	(14,825)	(72,602)
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.		1
<b>Changes in Net Position of Governmental Activities as reported on the Statement of Activities</b> (See page 27)	<b>\$</b>	<b>1,558,214</b>

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

**Statement of Net Position  
Proprietary Funds  
June 30, 2019**

(In Thousands)

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Injured Patients and Families Compensation</b>	<b>Environmental Improvement</b>	<b>University of Wisconsin System</b>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 22,741	\$ 391,820	\$ 1,863,665
Investments	2,901	-	-
Securities Lending Collateral	-	-	109,338
Loans to Local Governments (net of allowance)	-	189,824	-
Other Loans Receivable (net of allowance)	-	-	27,301
Other Receivables (net of allowance)	57,200	270	157,410
Due from Other Funds	-	61	17,657
Due from Component Units	-	-	7,507
Due from Other Governments	-	9,246	66,980
Inventories	-	-	28,504
Prepaid Items	-	17	19,586
Capital Leases Receivable - Component Units	-	-	55
Restricted and Limited Use Assets:			
Investments	-	-	65,410
Other Assets	-	-	-
<b>Total Current Assets</b>	<b>82,842</b>	<b>591,237</b>	<b>2,363,411</b>
<b>Noncurrent Assets:</b>			
Investments	1,384,462	-	466,761
Loans to Local Governments (net of allowance)	-	1,739,141	-
Other Loans Receivable (net of allowance)	-	-	145,969
Other Receivables	-	-	-
Prepaid Items	-	66	-
Advances to Other Funds	-	6,494	-
Capital Leases Receivable - Component Units	-	-	64
Restricted and Limited Use Assets:			
Cash and Cash Equivalents	12,157	-	-
Investments	42,936	-	-
Other Assets	-	-	-
Depreciable Capital Assets (net of accum. depreciation)	-	-	4,365,796
Nondepreciable Capital Assets	-	-	892,605
<b>Total Noncurrent Assets</b>	<b>1,439,556</b>	<b>1,745,701</b>	<b>5,871,195</b>
<b>Total Assets</b>	<b>1,522,397</b>	<b>2,336,938</b>	<b>8,234,606</b>
<b>Deferred Outflows of Resources</b>			
Debt Refunding	-	1,382	44,960
Advances by the State	-	-	-
Deferred Pension Outflows	284	229	1,245,735
Deferred Other Post Employment Benefits Outflows	11	6	38,593
Asset Retirement Obligation	-	-	11,085
<b>Total Deferred Outflows of Resources</b>	<b>297</b>	<b>1,617</b>	<b>1,340,374</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,522,694</b>	<b>\$ 2,338,555</b>	<b>\$ 9,574,980</b>

<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>	
<b>Unemployment Reserve</b>	<b>Nonmajor Enterprise</b>	<b>Totals</b>			
\$ 1,874,782	\$ 1,075,361	\$ 5,228,368	\$	64,909	
-	3,879	6,779		-	
-	-	109,338		-	
-	255	190,079		-	
-	69	27,370		-	
148,365	82,687	445,931		3,656	
236	26,731	44,685		13,235	
-	-	7,507		673	
1,709	7,672	85,608		877	
-	7,494	35,997		4,922	
-	981	20,584		6	
-	-	55		-	
-	29	65,439		3,788	
-	287	287		-	
<u>2,025,092</u>	<u>1,205,445</u>	<u>6,268,027</u>		<u>92,066</u>	
-	127,780	1,979,003		-	
-	1,921	1,741,062		-	
-	3,103	149,071		-	
31,899	-	31,899		-	
-	-	66		494	
-	-	6,494		-	
-	-	64		-	
1,892	-	14,049		-	
-	-	42,936		-	
-	6,644	6,644		-	
-	191,371	4,557,167		489,092	
-	55,469	948,074		23,220	
<u>33,791</u>	<u>386,287</u>	<u>9,476,530</u>		<u>512,806</u>	
<u>2,058,884</u>	<u>1,591,732</u>	<u>15,744,557</u>		<u>604,871</u>	
-	672	47,014		3,141	
-	60,341	60,341		-	
-	138,258	1,384,507		22,794	
-	5,180	43,790		820	
-	-	11,085		-	
-	204,451	1,546,738		26,755	
<u>\$ 2,058,884</u>	<u>\$ 1,796,183</u>	<u>\$ 17,291,295</u>	<u>\$</u>	<u>631,626</u>	

*State of Wisconsin*  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

(Continued)

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Injured Patients and Families Compensation</b>	<b>Environmental Improvement</b>	<b>University of Wisconsin System</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable and Other Accrued Liabilities	\$ 50,853	\$ 160	\$ 49,192
Securities Lending Collateral Liabilities	-	-	109,338
Due to Other Funds	3	3,837	122,141
Due to Component Units	-	-	-
Interfund Payables	-	-	-
Due to Other Governments	-	344	3,472
Tax and Other Deposits	-	-	5,229
Unearned Revenue	510	-	176,330
Interest Payable	-	1,025	11,227
Short-term Notes Payable	-	-	33,112
Current Portion of Long-term Liabilities:			
Future Benefits and Loss Liabilities	54,384	-	-
Capital Leases	-	-	1,344
Compensated Absences	10	146	70,759
General Obligation Bonds and Notes Payable	-	-	98,305
Revenue Bonds and Notes Payable	-	18,125	-
Total Current Liabilities	105,761	23,637	680,448
Noncurrent Liabilities:			
Accounts Payable and Other Accrued Liabilities	-	-	-
Due to Other Governments	-	-	138,737
Noncurrent Portion of Long-term Liabilities:			
Future Benefits and Loss Liabilities	225,368	-	-
Capital Leases	-	-	28,023
Compensated Absences	30	371	73,416
Net Pension Liability	106	96	474,419
Other Postemployment Benefits	119	53	417,695
Asset Retirement Obligation	-	-	12,009
General Obligation Bonds and Notes Payable	-	-	1,554,003
Revenue Bonds and Notes Payable	-	259,663	-
Total Noncurrent Liabilities	225,623	260,184	2,698,301
Total Liabilities	331,384	283,821	3,378,749
<b>Deferred Inflows of Resources</b>			
Debt Refunding	-	-	333
Deferred Pension Inflows	150	108	655,175
Deferred Other Post Employment Benefits Inflows	45	21	180,769
Other Deferred Inflows	-	-	275
Total Deferred Inflows of Resources	196	130	836,552
<b>Net Position:</b>			
Net Investment in Capital Assets	-	-	3,614,416
Restricted for Unemployment Compensation	-	-	-
Restricted for Environmental Improvement	-	2,033,733	-
Restricted for Expendable Trusts	-	-	350,634
Restricted for Nonexpendable Trusts	-	-	197,906
Restricted for Future Benefits	1,191,114	-	-
Restricted for Other Purposes	-	-	615,750
Unrestricted	-	20,872	580,972
Total Net Position	1,191,114	2,054,605	5,359,678
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,522,694	\$ 2,338,555	\$ 9,574,980

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



<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>	
<b>Unemployment Reserve</b>	<b>Nonmajor Enterprise</b>	<b>Totals</b>			
\$ 15,675	\$ 109,630	\$ 225,509	\$		\$ 12,262
-	-	109,338			-
1,988	41,137	169,107			6,387
-	232	232			-
-	30,446	30,446			41,123
8,730	272	12,818			-
-	27,137	32,366			-
-	20,082	196,922			-
-	480	12,731			2,476
-	686	33,798			9,476
-	62,902	117,286			52,130
-	450	1,794			7,239
-	5,627	76,543			2,062
-	4,177	102,482			22,309
-	-	18,125			-
<u>26,393</u>	<u>303,259</u>	<u>1,139,497</u>			<u>155,463</u>
-	10,043	10,043			-
9,225	-	147,962			-
-	548,789	774,157			69,025
-	4,868	32,891			15,459
-	7,993	81,810			5,067
-	53,911	528,532			8,382
-	51,074	468,941			7,905
-	-	12,009			-
-	30,972	1,584,975			337,248
-	-	259,663			-
<u>9,225</u>	<u>707,650</u>	<u>3,900,984</u>			<u>443,086</u>
<u>35,618</u>	<u>1,010,909</u>	<u>5,040,481</u>			<u>598,550</u>
-	35	368			194
-	74,623	730,056			11,800
-	21,723	202,560			2,944
-	-	275			-
<u>-</u>	<u>96,383</u>	<u>933,260</u>			<u>14,938</u>
-	206,301	3,820,717			123,524
2,023,266	-	2,023,266			-
-	-	2,033,733			-
-	-	350,634			-
-	-	197,906			-
-	420,326	1,611,440			-
-	107,640	723,390			-
-	(45,375)	556,468			(105,386)
<u>2,023,266</u>	<u>688,891</u>	<u>11,317,554</u>			<u>18,138</u>
<u>\$ 2,058,884</u>	<u>\$ 1,796,183</u>	<u>\$ 17,291,295</u>	<u>\$</u>		<u>\$ 631,626</u>
Total Net Position Reported Above		\$ 11,317,554			
Adjustment to Reflect the Consolidation of Internal Service Activities Related to Enterprise Funds		1,573			
Net Position of Business-type Activities		<u>\$ 11,319,127</u>			

**Statement of Revenues, Expenses, and Changes in  
Fund Net Position - Proprietary Funds  
For the Fiscal Year Ended June 30, 2019**

(In Thousands)

	Business-type Activities - Enterprise Funds			
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
<b>Operating Revenues:</b>				
Charges for Goods and Services	\$ 11,117	\$ -	\$ -	-
Participant and Employer Contributions	-	-	-	561,494
Tuition and Fees	-	-	1,402,278	-
Federal Grants and Contracts	-	-	772,030	-
Local and Private Grants and Contracts	-	-	219,309	-
Sales and Services of Educational Activities	-	-	371,841	-
Sales and Services of Auxiliary Enterprises	-	-	433,576	-
Sales and Services to UW Hospital Authority	-	-	56,979	-
Investment and Interest Income	-	46,562	-	-
Miscellaneous:				
Federal Aid for Unemployment Insurance Program	-	-	-	1,592
Reimbursing Financing Revenue	-	-	-	24,458
Other	-	208	411,971	1,126
<b>Total Operating Revenues</b>	<b>11,117</b>	<b>46,770</b>	<b>3,667,984</b>	<b>588,670</b>
<b>Operating Expenses:</b>				
Personal Services	523	5,113	3,546,672	-
Supplies and Services	607	3,257	1,297,704	-
Lottery Prize Awards	-	-	-	-
Scholarships and Fellowships	-	-	142,249	-
Depreciation	898	-	327,325	-
Benefit Expense	(69,323)	-	-	386,995
Interest Expense	-	9,052	-	-
Other Expenses	-	-	21,184	3,209
<b>Total Operating Expenses</b>	<b>(67,296)</b>	<b>17,422</b>	<b>5,335,134</b>	<b>390,204</b>
<b>Operating Income (Loss)</b>	<b>78,412</b>	<b>29,349</b>	<b>(1,667,149)</b>	<b>198,466</b>
<b>Nonoperating Revenues (Expenses):</b>				
Operating Grants	-	61,539	160,032	-
Investment and Interest Income	115,141	7,991	86,360	41,004
Gain (Loss) on Disposal of Capital Assets	-	-	(19,343)	-
Interest Expense	-	-	(54,097)	-
Gifts and Donations	-	-	395,661	-
Miscellaneous Revenues	-	-	31,997	-
Other Expenses:				
Property Tax Credits	-	-	-	-
Grants Disbursed	-	(25,458)	-	-
Federal Settlement	-	-	-	-
Other	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>115,141</b>	<b>44,072</b>	<b>600,610</b>	<b>41,004</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>193,553</b>	<b>73,421</b>	<b>(1,066,540)</b>	<b>239,471</b>
Capital Contributions	-	-	108,296	-
Additions to Endowments	-	-	5,857	-
Transfers In	-	7,081	960,561	-
Transfers Out	(11)	(8,007)	(73,502)	(114)
<b>Net Income before Special Item</b>	<b>193,542</b>	<b>72,495</b>	<b>(65,327)</b>	<b>239,357</b>
Special Item:				
Transfer Beginning Compensated Absences Balance	-	-	-	-
<b>Change in Net Position</b>	<b>193,542</b>	<b>72,495</b>	<b>(65,327)</b>	<b>239,357</b>
<b>Total Net Position, Beginning of Year</b>	<b>997,572</b>	<b>1,982,110</b>	<b>5,425,006</b>	<b>1,783,909</b>
<b>Total Net Position, End of Year</b>	<b>\$ 1,191,114</b>	<b>\$ 2,054,605</b>	<b>\$ 5,359,678</b>	<b>\$ 2,023,266</b>

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

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Nonmajor Enterprise</b>	<b>Totals</b>	<b>Governmental Activities - Internal Service Funds</b>	
\$	1,048,100	\$ 1,059,216	\$	328,040
	1,345,052	1,906,546		-
	-	1,402,278		-
	-	772,030		-
	-	219,309		-
	-	371,841		-
	-	433,576		-
	-	56,979		-
	383	46,946		-
	-	1,592		-
	-	24,458		-
	4,235	417,540		4,363
	<u>2,397,770</u>	<u>6,712,311</u>		<u>332,403</u>
	333,909	3,886,217		85,159
	230,675	1,532,243		152,029
	431,946	431,946		-
	-	142,249		-
	16,025	344,247		44,220
	1,331,203	1,648,875		44,544
	834	9,886		-
	14,157	38,550		8
	<u>2,358,749</u>	<u>8,034,212</u>		<u>325,960</u>
	<u>39,021</u>	<u>(1,321,901)</u>		<u>6,443</u>
	1,554	223,125		176
	(21,567)	228,930		201
	(141)	(19,484)		10,470
	(1,472)	(55,570)		(15,727)
	518	396,179		-
	6,139	38,136		844
	(218,005)	(218,005)		-
	-	(25,458)		-
	-	-		(1,202)
	(1,760)	(1,760)		(1,738)
	<u>(234,735)</u>	<u>566,092</u>		<u>(6,977)</u>
	(195,714)	(755,809)		(534)
	2,584	110,880		-
	-	5,857		-
	158,241	1,125,882		10,003
	(35,658)	(117,292)		(6,657)
	<u>(70,547)</u>	<u>369,519</u>		<u>2,812</u>
				(2,690)
	<u>(70,547)</u>	<u>369,519</u>		<u>122</u>
	<u>759,439</u>	<u>10,948,035</u>		<u>18,017</u>
\$	<u>688,891</u>	\$ <u>11,317,554</u>	\$	<u>18,138</u>
Change in Net Position Reported Above	\$	369,519		
Activities Related to Enterprise Funds		121		
Change in Net Position of Business-Type Activities	\$	<u>369,640</u>		

**Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended June 30, 2019**

(In Thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Injured Patients and Families Compensation</b>	<b>Environmental Improvement</b>	<b>University of Wisconsin System</b>	<b>Unemployment Reserve</b>
<b>Cash Flows from Operating Activities:</b>				
Cash Receipts from Customers	\$ 10,004	\$ -	\$ -	571,684
Cash Payments to Suppliers for Goods and Services	(685)	(3,231)	(1,321,326)	-
Cash Payments to Employees for Services	(555)	(6,552)	(3,359,674)	-
Tuition and Fees	-	-	1,401,492	-
Grants and Contracts	-	-	999,649	-
Cash Payments for Lottery Prizes	-	-	-	-
Cash Payments for Loans Originated	-	(160,761)	(10,484)	-
Collection of Loans	-	188,695	35,018	-
Interest Income	-	46,848	-	-
Cash Payments for Benefits	(29,086)	-	-	(404,263)
Sales and Services of Educational Activities	-	-	364,458	-
Sales and Services of Auxiliary Enterprises	-	-	439,581	-
Sales and Services to UW Hospital Authority	-	-	57,379	-
Scholarships and Fellowships	-	-	(142,249)	-
Other Operating Revenues	-	208	394,138	45,721
Other Operating Expenses	-	-	-	(3,272)
Other Sources of Cash	-	-	-	-
Other Uses of Cash	-	-	-	-
Net Cash Provided (Used) by Operating Activities	(20,323)	65,207	(1,142,020)	209,870
<b>Cash Flows from Noncapital Financing Activities:</b>				
Operating Grants Receipts	-	62,519	160,032	-
Grants Disbursed	-	(25,458)	-	-
Proceeds from Issuance of Debt	-	104,086	-	-
Repayment of Bonds and Notes	-	(84,080)	-	-
Interest Payments	-	(15,194)	-	-
Property Tax Credit Payments	-	-	-	-
Noncapital Gifts and Grants	-	-	421,330	-
Interfund Loans Received	-	-	-	-
Interfund Loans Repaid	-	-	-	-
Transfers In	-	13,914	1,192,932	-
Transfers Out	(11)	(8,007)	(72,533)	(123)
Student Direct Lending Receipts	-	-	642,822	-
Student Direct Lending Disbursements	-	-	(639,275)	-
Other Cash Inflows from Noncapital Financing Activities	-	-	33,336	-
Other Cash Outflows from Noncapital Financing Activities	-	(141)	(33,336)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(11)	47,638	1,705,308	(123)
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds from Issuance of Debt	-	-	128,157	-
Capital Contributions	-	-	54,910	-
Repayment of Bonds and Notes	-	-	(247,850)	-
Interest Payments	-	-	(143,527)	-
Transfers In	-	-	-	-
Capital Lease Obligations	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Payments for Purchase of Capital Assets	-	-	(446,706)	-
Other Cash Inflows from Capital Financing Activities	-	-	57,697	-
Other Cash Outflows from Capital Financing Activities	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(597,318)	-
<b>Cash Flows from Investing Activities:</b>				
Proceeds from Sale and Maturities of Investment Securities	286,565	-	44,011	-
Purchase of Investment Securities	(320,376)	-	(125,222)	-
Investment and Interest Receipts	36,402	7,914	44,272	41,004
Net Cash Provided (Used) by Investing Activities	2,592	7,914	(36,939)	41,004
Net Increase (Decrease) in Cash and Cash Equivalents	(17,741)	120,760	(70,970)	250,752
Cash and Cash Equivalents, Beginning of Year	52,639	271,060	1,934,634	1,625,922
Cash and Cash Equivalents, End of Year	\$ 34,898	\$ 391,820	\$ 1,863,665	\$ 1,876,674

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Nonmajor Enterprise</b>	<b>Totals</b>	<b>Governmental Activities - Internal Service Funds</b>
\$	2,376,790	\$ 2,958,477	\$ 330,945
	(185,901)	(1,511,143)	(149,384)
	(312,822)	(3,679,603)	(79,756)
	-	1,401,492	-
	-	999,649	-
	(428,517)	(428,517)	-
	(500)	(171,745)	-
	4,094	227,808	-
	627	47,475	-
	(1,384,835)	(1,818,183)	(33,726)
	-	364,458	-
	-	439,581	-
	-	57,379	-
	-	(142,249)	-
	2,357	442,424	4,356
	(50,717)	(53,989)	-
	69,413	69,413	401
	(56)	(56)	(2,651)
	89,934	(797,331)	70,184
	486	223,036	-
	(2,658)	(28,116)	-
	-	104,086	-
	(28,713)	(112,793)	-
	(1,071)	(16,265)	(5)
	(234,821)	(234,821)	-
	-	421,330	-
	5,002	5,002	-
	80	80	(6,223)
	152,817	1,359,664	9,411
	(33,326)	(114,000)	(6,572)
	-	642,822	-
	-	(639,275)	-
	583	33,919	7
	(211)	(33,688)	(2,690)
	(141,832)	1,610,980	(6,071)
	1,458	129,616	8,790
	2,584	57,494	-
	(4,554)	(252,405)	(19,492)
	(1,493)	(145,020)	(20,001)
	4,510	4,510	-
	(2,390)	(2,390)	(6,126)
	-	-	674
	(21,600)	(468,306)	(11,678)
	3,631	61,328	376
	(473)	(473)	(104)
	(18,328)	(615,646)	(47,563)
	9,319	339,895	-
	(5,529)	(451,127)	(3,837)
	(29,111)	100,481	74
	(25,321)	(10,750)	(3,762)
	(95,547)	187,253	12,788
	1,170,908	5,055,164	52,121
\$	1,075,361	\$ 5,242,417	\$ 64,909

(Continued)

**Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended June 30, 2019**

(Continued)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Injured Patients and Families Compensation</b>	<b>Environmental Improvement</b>	<b>University of Wisconsin System</b>	<b>Unemployment Reserve</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations:</b>				
Operating Income (Loss)	\$ 78,412	\$ 29,349	\$ (1,667,149)	\$ 198,466
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	898	-	327,325	-
Provision for Uncollectible Accounts	-	-	-	(6,158)
Operating Expense (Interest Expense) Classified as Noncapital Financing Activity	-	8,844	-	-
Miscellaneous Nonoperating Income (Expense)	-	-	-	-
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:				
Decrease (Increase) in Receivables	-	28,219	(3,943)	18,273
Decrease (Increase) in Due from Other Funds	-	(1,699)	1,970	12
Decrease (Increase) in Due from Component Units	-	-	(7,507)	-
Decrease (Increase) in Due from Other Governments	-	-	42,569	24
Decrease (Increase) in Inventories	1	-	1,903	-
Decrease (Increase) in Prepaid Items	-	17	(5,367)	-
Decrease (Increase) in Net Pension Assets	100	76	399,080	-
Decrease (Increase) in Other Assets	50	-	-	-
Decrease (Increase) in Deferred Outflows of Resources	(121)	(107)	(584,770)	-
Increase (Decrease) in Accounts Payable and Other Accrued Liabilities	(247)	67	(65,578)	1,379
Increase (Decrease) in Due to Other Funds	(68)	172	57,155	(69)
Increase (Decrease) in Due to Other Governments	-	317	(117)	(2,056)
Increase (Decrease) in Tax and Other Deposits	-	-	-	-
Increase (Decrease) in Unearned Revenue	(737)	-	3,962	-
Increase (Decrease) in Interest Payable	-	-	-	-
Increase (Decrease) in Compensated Absences	(6)	(119)	4,612	-
Increase (Decrease) in Net Pension Liability	106	75	474,419	-
Increase (Decrease) in Postemployment Benefits	(33)	-	(107,545)	-
Increase (Decrease) in Future Benefits and Loss Liability	(98,667)	-	-	-
Increase (Decrease) in Deferred Inflows of Resources	(10)	(4)	(13,040)	-
<b>Total Adjustments</b>	<b>(98,735)</b>	<b>35,858</b>	<b>525,130</b>	<b>11,404</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (20,323)</b>	<b>\$ 65,207</b>	<b>\$ (1,142,020)</b>	<b>\$ 209,870</b>
<b>Noncash Investing, Capital and Financing Activities:</b>				
Assets Acquired through Capital Leases	\$ -	\$ -	\$ 712	\$ -
Contributions/Transfers In (Out) of Noncash Assets and Liabilities from/to Other Funds	-	-	-	-
Lottery Prize Annuity Investment Liability	-	-	-	-
Net Change in Unrealized Gains and Losses	27,290	-	25,526	-
Other	-	-	4,600	-

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

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Nonmajor Enterprise</b>	<b>Totals</b>	<b>Governmental Activities - Internal Service Funds</b>
\$	39,021	\$ (1,321,901)	\$ 6,443
	16,025	344,247	44,220
	191	(5,967)	-
	1,605	10,449	-
	8,436	8,436	(2,298)
	22,828	65,377	(155)
	(12,189)	(11,905)	3,532
	-	(7,507)	(88)
	515	43,108	(353)
	194	2,099	98
	(419)	(5,770)	(2)
	44,976	444,231	7,329
	(596)	(546)	-
	(63,049)	(648,046)	(10,582)
	(1,343)	(65,722)	2,054
	1,686	58,876	449
	255	(1,601)	-
	685	685	-
	744	3,969	-
	57	57	-
	576	5,064	2,840
	53,911	528,511	8,382
	(15,971)	(123,549)	(2,011)
	(9,199)	(107,866)	10,818
	994	(12,060)	(491)
	50,913	524,570	63,741
\$	89,934	\$ (797,331)	\$ 70,184

\$	2,414	\$ 3,127	\$ 2,944
	759	759	-
	953	953	-
	(184)	52,632	-
	66	4,666	-

**Statement of Fiduciary Net Position  
June 30, 2019**

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust	Agency
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,922,597	\$ 4,155,247	\$ 102,751	\$ 45,643
Securities Lending Collateral	466,630	-	-	-
Prepaid Items	24,173	-	192	34
Receivables (net of allowance):				
Prior Service Contributions Receivable	13,832	-	-	-
Benefits Overpayment Receivable	2,408	-	-	-
Due from Other Funds	38,101	-	20,299	5,152
Due from Component Units	6,122	-	-	-
Due from Other Governments	115,106	-	8,498	807
Interest and Dividends Receivable	306,977	-	-	-
Investment Sales Receivable	3,567,892	-	-	-
Other Receivables	8,514	-	22,244	1,989
Total Receivables	4,058,953	-	51,041	7,948
Investments:				
Fixed Income	31,739,324	-	-	-
Stocks	54,849,647	-	-	-
Options	(8,148)	-	-	-
Financial Futures Contracts and Swaps	135,109	-	-	-
Limited Partnerships	13,590,506	-	-	-
Preferred Securities	210,046	-	-	-
Convertible Securities	326	-	-	-
Real Estate	1,372,027	-	-	-
Investments of Private Purpose Trust Funds	-	-	5,435,163	-
Investments of Agency Funds	-	-	-	49
Multi-asset Investments	5,759,422	-	-	-
Investment Contract	588,882	-	-	-
Foreign Currency Contracts	(21,294)	-	-	-
To Be Announced Securities	686,251	-	-	-
Total Investments	108,902,099	-	5,435,163	49
Capital Assets	6,411	-	-	-
Other Assets	-	-	-	342,656
Total Assets	116,380,862	4,155,247	5,589,147	\$ 396,330
<b>Deferred Outflows of Resources</b>	-	-	76	
<b>Liabilities</b>				
Accounts Payable and Other Accrued Liabilities	66,383	-	7,681	\$ 24,044
Reverse Repurchase Agreements	8,834,034	-	-	-
Securities Lending Collateral Liability	466,630	-	-	-
Annuities Payable	392,890	-	-	-
Due to Other Funds	78,742	130	21,023	3,313
Tax and Other Deposits	-	-	-	368,974
Future Benefits and Loss Liabilities	-	-	2,636	-
Short Sales of Securities	3,002,001	-	-	-
Investment Payable	3,800,310	-	-	-
Unearned Revenue	30	-	18,003	-
Compensated Absences Payable	2,551,567	-	-	-
Net Pension Liability	-	-	36	-
Other Postemployment Benefits	-	-	3,074	-
Total Liabilities	19,192,586	130	52,453	\$ 396,330
<b>Deferred Inflows of Resources</b>	-	-	48	
<b>Net Position</b>				
Held in Trust for Pension Benefits, Pool Participants and Other Purposes	\$ 97,188,277	\$ 4,155,116	\$ 5,536,723	

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



**Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2019**

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust
<b>Additions</b>			
Contributions:			
Employer Contributions	\$ 1,088,493	\$ -	\$ -
Employee Contributions	1,012,750	-	-
Total Contributions	<u>2,101,242</u>	<u>-</u>	<u>-</u>
Deposits	-	9,992,892	545,195
Premiums	-	-	232,458
Federal Subsidy	-	-	22,545
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(5,754,807)	-	-
Interest	630,210	-	-
Dividends	1,380,471	-	-
Securities Lending Income	41,909	-	-
Other	216,036	-	-
Investment Income of Investment, Private Purpose, and Other Employee Benefit Trust Funds	(75,277)	80,451	349,036
Less:			
Investment Expense	(691,202)	(740)	(7,774)
Securities Lending Rebates and Fees	(10,860)	-	-
Investment Income Distributed to Other Funds	137,733	-	-
Net Investment Income	<u>(4,125,788)</u>	<u>79,711</u>	<u>341,261</u>
Interest on Prior Service Receivable	774	-	-
Miscellaneous Income	520	-	5,547
Total Additions	<u>(2,023,251)</u>	<u>10,072,602</u>	<u>1,147,007</u>
<b>Deductions</b>			
Retirement Benefits and Refunds:			
Retirement, Disability, and Beneficiary Separations	5,516,189	-	-
	40,235	-	-
Total Retirement Benefits and Refunds	<u>5,556,423</u>	<u>-</u>	<u>-</u>
Distributions	38,025	9,636,749	481,406
Other Benefit Expense	186,835	-	251,218
Administrative Expense	35,515	115	13,932
Miscellaneous Expense	25,449	-	-
Transfers Out	-	-	4
Total Deductions	<u>5,842,248</u>	<u>9,636,865</u>	<u>746,559</u>
Net Increase (Decrease)	(7,865,500)	435,738	400,448
Net Position - Beginning of Year	105,053,776	3,719,379	5,136,275
Net Position - End of Year	<u>\$ 97,188,277</u>	<u>\$ 4,155,116</u>	<u>\$ 5,536,723</u>

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

Notes To The Financial Statements

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## 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*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, an amendment of GASB Statements No. 14 and No. 34. 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. GASB Statement No. 61 modifies certain requirements for inclusion in the financial reporting entity, especially in regard to the fiscal dependency criterion where a financial benefit or burden relationship is now required. It also amends the "blending" criteria for component units and clarifies the reporting of equity interests in legally separate organizations.

Based upon the application of the criteria contained in GASB Statement No. 14, as amended by GASB Statement No. 39, the

Wisconsin Public Broadcasting Foundation, Inc. is reported as a blended component unit; and the Wisconsin Housing and Economic Development Authority, the Wisconsin Health Care Liability Insurance Plan, the University of Wisconsin Hospital and Clinics Authority, the Wisconsin Economic Development Corporation and the University of Wisconsin Foundation, 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 53713  
<http://www.ecb.org>

Wisconsin Housing and Economic Development Authority  
201 West Washington Avenue, Suite 700  
Madison, WI 53703  
<http://www.wheda.com>

Wisconsin Health Care Liability Insurance Plan  
Office of the Commissioner of Insurance  
125 South Webster Street  
Madison, WI 53703  
<http://oci.wi.gov>

University of Wisconsin Hospital and Clinics Authority  
301 South Westfield Road  
Madison, WI 53717  
<http://www.uwhealth.org>

Wisconsin Economic Development Corporation  
201 West Washington Avenue  
Madison, Wisconsin 53703  
<http://inwisconsin.com>

University of Wisconsin Foundation  
1848 University Avenue  
Madison, WI 53726-4090  
<https://www.supportuw.org>

**Blended Component Unit**

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, non-stock, 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.

**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 Hospital and Clinics Authority, the Wisconsin Economic Development Corporation and the University of Wisconsin Foundation 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 Hospital and Clinics Authority* – The University of Wisconsin Hospital and Clinics Authority (Hospital) is a not-for-profit academic medical center. The Hospital operates an acute-care hospital with 566 beds, numerous specialty clinics, and six intensive care units with a total of 83 beds, and it provides comprehensive health care to patients, education programs, research and community service. 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. 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.

*Wisconsin Economic Development Corporation* – The Wisconsin Economic Development Corporation (WEDC) is a legally separate body corporate and politic. The WEDC's primary purpose is economic development activities in the State. The State appoints a majority of the WEDC's Board, has the ability to impose its will on the WEDC, and a financial benefit/burden relationship exists. The WEDC reports on a fiscal year ended June 30.

*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 mostly to the University of Wisconsin-Madison (UW-Madison) as well as several other units of the University of Wisconsin System in support of its programs. These include scientific, literary, athletic and educational program purposes. The University of Wisconsin System is reported as an enterprise fund

of the State. 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 UW-Madison by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the UW-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 June 30.

### 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 operated the Bradley Center until its demolition. The Corporation wrapped up its business affairs in April 2019 and transferred remaining assets of \$4.29 million to the State of Wisconsin.

*Fox River Navigational System Authority* – created under Chapter 237 as a public body corporate and politic to oversee the Fox River navigational system after the federal government (the U.S. Army Corps of Engineers) transferred the system to the State.

### C. Government-wide and Fund Financial Statements

The *government-wide* financial statements consist of the statement of net position 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 position 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 position 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 statements. 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 position 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, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. 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.

Most of the funds included in the State's Comprehensive Annual Financial Report are presented on a fiscal year ended June 30. However, because funds of the Department of Employee Trust Funds (DETF) are administered on a calendar year basis, they are presented on a fiscal year ended December 31. This may result in GASB standards being implemented in different fiscal years for the DETF GAAP funds. Funds reported as of December 31 include: Wisconsin Retirement System, Accumulated Sick Leave, Duty Disability, Reimbursed Employee Expense, Local Retiree Life Insurance, Retiree Life Insurance, Milwaukee Retirement System, Retiree Health Insurance, Local Retiree Health Insurance, Income Continuation Insurance, Health Insurance, and Life Insurance.

As a result of the differences in timing, transactions between funds with different fiscal year ends may result in inconsistencies in amounts reported as due to/due from other funds or as interfund transfers. Similar differences may occur in amounts reported as due to/from component units.

The University of Wisconsin Foundation and Wisconsin Health Care Liability Insurance Plan are reported as component units. The Foundation financial statements are prepared using accounting standards promulgated by the Financial Accounting

Standards Board as they apply to not-for-profit corporations. The Plan financial statements are prepared using prescribed statutory accounting practices included in the National Association of Insurance Commissioner's Accounting Practices and Procedures Manual. Statutory accounting practices vary somewhat from United States GAAP but are expected to be immaterial.

*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.
- *Capital Improvement Fund* - a capital projects fund, accounts for the proceeds received from general obligation bonds and notes, and associated interest earnings. Resources of the fund are used for the acquisition or construction of major capital facilities and for repair and maintenance projects.

#### **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 charged to 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Examples include the Conservation Fund and the Petroleum Inspection Fund.
- *Debt Service Funds* – account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Financial resources that are being accumulated for future principal and interest are also reported in debt service funds.
- *Capital Projects Funds* – account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds or that will be held in trust for individuals, private organizations, or other governments).
- *Permanent Funds* – account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs – that is, for the benefit of the State or its citizenry.

**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* – used to account for resources that are required to be held in trust for members and beneficiaries for public employee retirement or other benefit plans e.g. Wisconsin Retirement System.
- *Investment Trust Funds* – account for assets invested on a commingled basis by the State on behalf of other governmental entities e.g. local government pooled investments.
- *Private-purpose Trust Funds* – account for all other trust arrangements which benefit individuals, private organizations, or other governments e.g. the state-sponsored college savings program.
- *Agency Funds* – account for those assets for which the State acts solely in a custodial capacity e.g. the collection and disbursement of court-ordered child 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.

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.

**GASB Standards Implemented During the Fiscal Year**

Effective for fiscal year 2019, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*. This statement establishes standards of accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

The State also implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement requires additional information related to debt be disclosed in notes to the financial statements.

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances**

**1. Cash and Cash Equivalents**

Cash balances of most funds are deposited with the Department of Administration (DOA) 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. 72, *Fair Value Measurement and Application*. Cash balances not controlled by DOA 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, 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**

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).

Investments of the primary government are reported at fair value consistent with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. 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.

In some instances, securities are reported 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 Fund and University of Wisconsin System
University	University of Wisconsin System

**3. Mortgage and Other Loans**

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**

2017 Wis. Act 59 (the Budget Act) ended the forestry mill tax, the only property tax that had been levied by the State. The proceeds of the tax had been paid to the Conservation Fund. The tax ended effective with the January 1, 2017 property tax assessments (property taxes levied in 2017 for payment in 2018).

**5. Interfund Assets/Liabilities**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The balance sheet or statement of net position for proprietary and fiduciary funds 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".

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".

Amounts reported in the funds as interfund assets/liabilities are eliminated in the governmental and business-type columns of the Statement of Net Position, 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 reported as nonspendable 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, library holdings, 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 software purchased by the University of Wisconsin System) and a useful life of more than one year. In addition, internally generated intangible assets are capitalized only if costs are equal to or are greater than \$1.0 million.

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 acquisition 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 which was determined by calculating the current cost of a similar asset and deflating that cost using the

Federal Highway Administration's composite index for federal aid highway construction to the estimated average construction date. All infrastructure assets constructed after July 1, 2000 have been recorded at historical cost. 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 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 in the proprietary fund statements. There is no depreciation recorded for land, construction in process, and infrastructure. In addition, depreciation is not recorded for certain other capital assets including the State Capitol, Executive Residence and associated furnishings, and the Historical Society library collection. Generally, estimated useful lives are as follows:

Buildings and improvements	6 - 40 years
Equipment, machinery and furnishings	3 - 15 years
Library Holdings	15 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**

Assets that are required to be held and/or used as specified in Wisconsin statutes, bond indentures, bond resolutions, trustee agreements, board resolutions, and donor specifications have been reported as Restricted and Limited Use 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.

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 \$444.0 million representing one-half of the total appropriated amount is reported at June 30, 2019 as Due to Other Governments.

### State Property Tax Credit Program

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, 2019.

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, 2019.

The aggregated State Property Tax Credit Program liability of \$809.6 million is reported in the General Fund as Due to Other Governments. Of that amount, \$698.5 million relates to the school levy tax credit and \$111.1 million relates to the first dollar tax credit.

The lottery property 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 2019 property tax bills, the State made this payment in March 2019. 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 2019, while the remaining portion represents advanced payments. The resulting deferred outflow of resources reported within the Lottery Fund totals \$60.3 million at June 30, 2019.

### 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, 2019, the State was liable to various local governments and other taxing jurisdictions for unpaid exempt computer aid payments of \$67.2 million.

### State Aid for Exempt Personal Property

2017 Wis. Act 59 (the Budget Act) exempted machinery, tools, and patterns, not including such items considered manufacturing property under current law, from the property tax effective with property assessed as of January 1, 2018 (the 2018(19) property tax levy). The Act also created a state aid program administered by DOR to make payments to each local taxing jurisdiction, including tax increment districts, that imposed property taxes on those items that were not manufacturing property in 2017(18). Upon certification by DOR, payments will be made to local taxing jurisdictions on or before the first Monday in May. Under the Act, the first aid payment of \$75.4 million was made in May 2019.

## 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 net of the applicable bond premium or discount. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize flows for bond premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums and discounts are reported as other financing sources and other financing uses, respectively. Issuance costs are reported as other debt service expenditures for governmental fund types, and non-operating expenses for proprietary fund types.

On the government-wide financial statements, bond premiums and discounts 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 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.

#### 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 a certain portion of 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. 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, 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 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, such as when grant moneys are received prior to the incurrence of qualifying expenditures. In subsequent periods, when 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, 2019, 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.

#### 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. Deferred Outflows of Resources and Deferred Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The events associated with the outflows and inflows of resources have already occurred. Under GASB standards, however, the recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable. GASB standards identify circumstances under which deferred outflows of resources and deferred inflows of resources must be reported. The reporting of deferred inflows and outflows are only allowable under those circumstances.

As applicable, the State reports deferred outflows of resources or deferred inflows of resources in the Statement of Net Position for governmental activities and business-type activities and for proprietary and fiduciary fund types as follows:

A decrease or increase in the fair value of derivative instruments classified as effective hedges is presented as a deferred outflow or deferred inflow of resources, respectively, with an off-setting liability or asset, as applicable.

Gains on refunded debt (i.e. the reacquisition price is less than the net carrying amount of the old debt) are reported as deferred inflows, while losses on refunded debt (i.e. the reacquisition price is greater than the net carrying amount of the old debt) are reported as deferred outflows. Both are amortized to interest expense over the remaining life of the old bonds or the life of the new bonds, whichever is shorter.

Differences between expected and actual experience with regard to economic and demographic factors in the measurement of the pension and OPEB liabilities for the State's proportionate share are reported as deferred inflows or deferred outflows of resources. They are amortized using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all active and inactive employees provided with pensions or OPEBs through the applicable plans.

Changes of assumptions about future economic or demographic factors, or of other inputs in the measurement of the pension or OPEB liabilities for the State's proportionate share, are reported as deferred inflows or deferred outflows of resources. They are amortized using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all active and inactive employees provided with pensions or OPEBs through the applicable plans.

Differences between projected and actual earnings on the State's proportionate share of pension or OPEB plan investments, if any,

are reported as deferred inflows or deferred outflows of resources and amortized using a systematic and rational method over a closed five-year period.

Changes in the State's proportionate share of the pension or OPEB liabilities since the prior measurement date, and differences between actual and proportionate share of contributions are reported as deferred inflows or deferred outflows of resources. They are amortized using a systematic and rational method over a closed period equal to the average expected remaining service lives of all active and inactive employees provided with pensions or OPEBs through the applicable plans.

Contributions to the pension or OPEB plans from the State subsequent to the measurement date of the pension or OPEB liabilities and before the end of the State's fiscal year end are reported as deferred outflows of resources.

State resources transmitted to an entity before time requirements are met, but after all other eligibility requirements have been met, are reported as a deferred outflow of resources.

Federal or other entities' resources transmitted to the State before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred inflows of resources.

When asset retirement obligations (ARO) are recognized, a corresponding deferred outflow of resources is also recognized and reduced in a systematic and rational manner over the estimated useful life of the capital asset.

Further, governmental fund types may report deferred inflows of resources for unavailable revenue, such as derived nonexchange revenue transactions (e.g. sales tax, income tax, assessments on earnings and consumption, etc.). These inflows are not deferred in the government-wide financial statements; rather, they are recognized as revenue.

**15. Fund Balance Classification and Restricted Net Position****Fund Balance Classification**

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the state is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported as restricted when constraints placed on the use of the resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or, imposed by law through constitutional provisions or enabling legislation.

Amounts that may be used only for specific purposes, pursuant to constraints imposed by passage of a bill by both houses of the legislature that is signed into law by the governor, are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless a bill passes both houses of the legislature and is signed by the governor to remove or change the specified use. Passage of a bill by both houses of the legislature and signing of the bill by the governor is the highest level action that results in committed fund balance.

Amounts that are constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed, are classified as assigned fund balances. Intent is expressed by state officials to whom the state has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes. Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

When both restricted and unrestricted resources are available for use it is the State's policy to use restricted resources first, and then unrestricted as they are needed. The state has not established a policy for use of unrestricted fund balance. Under the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, if a government does not establish a policy for its use of unrestricted fund balance amounts, committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

**Restricted Net Position**

Restricted Net Position, presented in the government-wide and proprietary funds statement of net position are reported when constraints placed on 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 position may be used at the State's discretion but may 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 Position**

During the year ended June 30, 2019, 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 activities section of the Statement of Net Position (in thousands). The differences result primarily from the long-term economic focus of the Statement of Net Position 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 Position
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 2,892,079	\$ -	\$ 64,909	\$ -	\$ 2,956,988
Investments	532,903	-	-	-	532,903
Receivables (net of allowance):					
Taxes	1,672,302	-	-	(1,672,302)	-
Loans to Local Governments	451,404	-	-	(451,404)	-
Other Loans Receivable	21,331	-	-	(21,331)	-
Other Receivables	828,946	2,859	5,206	3,512,811	4,349,821
Due from Other Funds	310,637	-	13,235	(323,872)	-
Due from Component Units	9,328	-	-	(9,328)	-
Interfund Receivables	74,258	-	-	(74,258)	-
Due from Other Governments	1,286,392	-	-	(1,286,392)	-
Internal Balances	-	-	(1,573)	112,974	111,401
Inventories	38,241	-	4,922	-	43,162
Prepaid Items	13,936	3,574	501	-	18,010
Restricted Assets:					
Cash and Cash Equivalents	110,974	-	-	-	110,974
Investments	673,296	-	3,788	-	677,083
Other Restricted Assets	3,331	-	-	-	3,331
Other Assets	13,197	-	-	-	13,197
Depreciable Capital Assets	-	1,324,486	489,092	-	1,813,578
Infrastructure	-	17,578,099	-	-	17,578,099
Other Non-depreciable Capital Assets	-	5,500,286	23,220	-	5,523,506
<b>Total Assets</b>	<b>8,932,553</b>	<b>24,409,304</b>	<b>603,298</b>	<b>(213,104)</b>	<b>33,732,052</b>
<b>Deferred Outflows of Resources</b>	<b>20,138</b>	<b>1,563,899</b>	<b>26,755</b>	<b>-</b>	<b>1,610,793</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 8,952,692</b>	<b>\$ 25,973,203</b>	<b>\$ 630,054</b>	<b>\$ (213,104)</b>	<b>\$ 35,342,845</b>
<b>Liabilities:</b>					
Accounts Payable and Other					
Accrued Liabilities	1,509,662	-	14,738	12,690	1,537,089
Due to Other Funds	168,874	-	47,510	(216,384)	-
Due to Component Units	228	-	-	(228)	-
Interfund Payables	2,688	-	-	(2,688)	-
Due to Other Governments	2,505,513	-	-	-	2,505,513
Tax Refunds Payable	1,500,134	-	-	-	1,500,134
Tax and Other Deposits	73,504	-	-	-	73,504
Unearned Revenue	340,977	-	-	-	340,977
Interest Payable	45,885	56,766	-	-	102,651
Advances from Other Funds	6,494	-	-	(6,494)	-
Short-term Notes Payable	277,296	-	9,476	-	286,772
Other Liabilities	-	142,981	-	-	142,981
Long-term Liabilities:					
Current Portion	141,750	744,325	83,740	-	969,815
Noncurrent Portion	-	11,244,913	443,086	-	11,687,999
<b>Total Liabilities</b>	<b>6,573,003</b>	<b>12,188,986</b>	<b>598,550</b>	<b>(213,104)</b>	<b>19,147,434</b>
<b>Deferred Inflows of Resources</b>	<b>335,347</b>	<b>453,861</b>	<b>14,938</b>	<b>-</b>	<b>804,146</b>
<b>Fund Balances/Net Position</b>	<b>2,044,342</b>	<b>13,330,356</b>	<b>16,566</b>	<b>-</b>	<b>15,391,264</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances/Net Position</b>	<b>\$ 8,952,692</b>	<b>\$ 25,973,203</b>	<b>\$ 630,054</b>	<b>\$ (213,104)</b>	<b>\$ 35,342,845</b>

- (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 Position 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 Position.
- (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 Position 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, 2019, 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, and Changes in Fund Balance – Governmental Funds.

	Total Governmental Funds	Long-term Revenues and Expenses (1)	Capital-Related Items (2)
<b>Revenues:</b>			
Taxes			
Income Taxes	\$ 10,148,458	\$ 12,690	-
Sales & Excise Taxes	6,359,408	5,997	-
Public Utility Taxes	371,802	-	-
Other Taxes	318,829	(39)	-
Motor Fuel (Transportation) Taxes	1,129,893	(113)	-
Other Dedicated Taxes	106,328	-	-
Intergovernmental	10,175,398	-	-
Operating Grants	-	34,480	-
Capital Grants	-	-	331
Licenses and Permits	1,986,836	-	-
Charges for Goods and Services	370,312	4,092	-
Investment and Interest Income	135,709	-	-
Fines and Forfeitures/Contributions to Permanent Fund	64,975	-	-
Gifts and Donations	22,926	-	-
Miscellaneous:			
Tobacco Settlement	116,854	-	-
Other	375,990	-	-
<b>Total Revenues</b>	<b>31,683,721</b>	<b>57,107</b>	<b>331</b>
<b>Expenditures/Expenses:</b>			
Current Operating:			
Commerce	315,557	6,686	627
Education	7,705,377	5,344	4,733
Transportation	2,267,705	23,392	81,200
Environmental Resources	462,376	16,367	17,049
Human Relations and Resources	14,186,412	108,089	72,972
General Executive	630,460	7,035	14,730
Judicial	138,771	7,708	2,203
Legislative	72,075	4,129	-
Tax Relief and Other General Expenditures	1,571,644	-	-
Intergovernmental - Shared Revenue	1,033,820	-	-
Capital Outlay	747,894	-	(739,659)
Debt Service:			
Principal	675,459	-	-
Interest and Other Charges	519,151	3,162	-
<b>Total Expenditures/Expenses</b>	<b>30,326,701</b>	<b>181,912</b>	<b>(646,144)</b>
Excess of Revenues Over (Under) Expenditures/Expenses	1,357,020	(124,805)	546,475
<b>Other Financing Sources (Uses):</b>			
Net Transfers	(1,011,456)	-	-
Long-term Debt Issued	701,456	-	-
Premium/Discount on Bonds	89,378	-	-
Payments for Refunded Bonds	(446,225)	-	-
Capital Lease Acquisitions	3,072	(3,072)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(663,776)</b>	<b>(3,072)</b>	<b>-</b>
<b>Net Change in Fund Balance/Net Position</b>	<b>693,244</b>	<b>(127,877)</b>	<b>546,475</b>
Change in Inventories	3,155		
<b>Net Change for the Year</b>	<b>\$ 696,398</b>		

- (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
\$ -	\$ -	\$ -	\$ -	10,161,148
-	-	-	-	6,365,405
-	-	-	-	371,802
-	-	-	-	318,791
-	-	-	-	1,129,780
-	-	-	-	106,328
-	-	-	(10,175,398)	-
-	-	(887,531)	10,248,691	9,395,640
-	-	975,868	11,812	988,011
-	-	-	(1,986,836)	-
(6,153)	-	(6,582)	2,039,950	2,401,620
201	-	-	(62,179)	73,731
-	-	-	(53,114)	11,861
-	-	-	(22,926)	-
-	-	-	493,324	493,324
-	-	-	(116,854)	-
-	-	-	(375,990)	-
(5,952)	-	81,755	480	31,817,442
(118)	-	-	42	322,793
(2,153)	-	36,649	47	7,749,998
(2,345)	16	-	(4,255)	2,365,713
(816)	(1,048)	-	7,894	501,822
(7,138)	113	51,688	1,092	14,413,228
(8,352)	-	(6,582)	(2,929)	634,362
-	-	-	(0)	148,683
(102)	-	-	-	76,102
-	-	-	(190)	1,571,454
-	-	-	-	1,033,820
-	-	-	(8,235)	0
-	(675,459)	-	-	-
15,727	(108,756)	-	3,378	432,662
(5,297)	(785,135)	81,755	(3,155)	29,250,637
(655)	785,135	-	3,635	2,566,805
3,346	-	-	(480)	(1,008,590)
-	(701,456)	-	-	-
-	(89,378)	-	-	-
-	446,225	-	-	-
-	-	-	-	-
3,346	(344,608)	-	(480)	(1,008,590)
\$ 2,691	\$ 440,527	\$ 0	\$ 3,155	\$ 1,558,214
			(3,155)	-
			\$ 0	\$ 1,558,214

- (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 NET POSITION, RESTRICTED NET POSITION, BUDGET STABILIZATION ARRANGEMENT, MINIMUM FUND BALANCE POLICY, AND FUND BALANCE OF GOVERNMENTAL FUNDS**

**A. Deficit Fund Balance/Fund Net Position**

In addition to the General and Capital Improvement Funds, funds reporting a deficit fund balance or net position at June 30, 2019 are (in thousands):

Special Revenue:	
Dry Cleaner Environmental Response	\$ 6,229
Enterprise:	
Northern Developmental Disabilities Center	14,621
Central Developmental Disabilities Center	6,968
Southern Developmental Disabilities Center	287
Internal Service:	
Technology Services	5,088
Risk Management	108,567
Pension and Other Employee Benefit Trust:	
Accumulated Sick Leave	139,623

**B. Restricted Net Position**

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 for 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 position restricted by enabling legislation was as follows on June 30, 2019 (in thousands):

Governmental Activities:	
Net Position Restricted by Enabling Legislation	\$ 63,632
Business-type Activities:	
Net Position Restricted by Enabling Legislation	393,169

**C. Budget Stabilization Arrangement**

Wisconsin Statutes 25.60 establishes a stabilization arrangement for monies to be set aside for use if General Fund revenues are less than projected and expenditures exceed budgeted amounts. Wisconsin Statutes 16.518 provides for the automatic transfer of 50.0 percent of the excess of General Fund tax revenues over tax estimates to be deposited into a stabilization appropriation. However, the transfer may not be made if the stabilization balance is at least equal to 5.0 percent of estimated General Fund expenditures for the fiscal year. Further, the transfer may not reduce the General Fund balance below the required statutory balance. In addition to the transfer described, under Wisconsin Statutes 16.72(4) net proceeds from the sale of supplies, materials and equipment are also to be deposited into the stabilization appropriation except as otherwise provided by law.

Wisconsin Statutes 16.50(7) provides that if the secretary of the Department of Administration determines that previously authorized expenditures under the biennial budget act will exceed revenues in the current or forthcoming fiscal year by more than one-half of one percent of the estimated general purpose revenue appropriations for that fiscal year, he or she shall immediately notify the governor, the presiding officers of each house of the legislature and the joint committee on finance. Following such notification, the governor shall submit a bill containing recommendations for correcting the imbalance between projected revenues and authorized expenditures, including a recommendation as to whether moneys should be transferred from the budget stabilization appropriation to the General Fund.

The balance of the budget stabilization arrangement as of June 30, 2019 was \$649.1 million.

**D. Minimum Fund Balance**

Wisconsin Statutes 20.003(4) establishes a minimum General Fund balance. Under the statutes, no bill directly or indirectly affecting general purpose revenues as defined in Wisconsin Statutes 20.001(2)(a) may be enacted by the legislature if the bill would cause the estimated General Fund balance on June 30 of any fiscal year to be an amount equal to or less than the amount specified for that fiscal year. The minimum required balance for the fiscal year ending June 30, 2019 was \$75.0 million.

**E. Fund Balance for Governmental Funds**

Governmental funds reported the following categories of fund balance as of June 30, 2019 (in thousands):

	General	Transportation	Capital Improvement	Nonmajor Governmental	Total Governmental
<b>Nonspendable for:</b>					
Inventory, Prepaid and Long-term Receivables	17,350	22,536	-	12,278	52,164
Legal or Contractual Purposes (Permanent Fund Principal)	-	-	-	1,179,442	1,179,442
<b>Restricted for:</b>					
Commerce	32,376	-	-	-	32,376
Education	7,705	-	-	62,763	70,468
Transportation	-	671,945	-	-	671,945
Environmental Resources	3,533	-	-	163,060	166,593
Human Relations and Resources	114,794	-	-	40,914	155,709
General Executive	120,581	-	-	9,424	130,005
Judicial	89	-	-	-	89
Tax Relief and Other General Expenditures	409	-	-	-	409
Intergovernmental - Shared Revenue	-	-	-	3,619	3,619
Debt Service	-	-	-	468,515	468,515
Capital Projects	-	-	-	135,481	135,481
<b>Committed to:</b>					
Commerce	-	-	-	67,609	67,609
Education	-	-	-	484	484
Environmental Resources	-	-	-	93,684	93,684
Human Relations and Resources	-	-	-	27,465	27,465
General Executive	-	-	-	25,988	25,988
Judicial	-	-	-	162	162
Tax Relief and Other General Expenditures	649,104	-	-	-	649,104
Capital Projects	-	-	-	28,736	28,736
<b>Unassigned</b>	(1,719,399)	-	(190,078)	(6,230)	(1,915,707)
<b>Total Fund Balance</b>	(773,455)	694,481	(190,078)	2,313,395	2,044,342

**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 also carry out investment activities separate from the Board.

The State of Wisconsin Investment Board also issues separate financial reports for the investments they manage, including the State Investment Fund, and the Wisconsin Retirement System. Copies of the separately issued financial reports may be obtained at [www.swib.state.wi.us](http://www.swib.state.wi.us) or by writing to:

State of Wisconsin Investment Board  
P.O. Box 7842  
Madison, WI 53707-7842

**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, 2019, \$404.6 million of the primary government's bank balance of \$426.8 million was exposed to custodial credit risk as follows (in millions):

Uninsured and uncollateralized	\$ 404.6
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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, 2019 are immaterial. The primary government does not have a formal policy specifically related to foreign currency risk.

The State's Unemployment Reserve Fund had \$1.9 billion 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.

Certificates of Deposit are carried at cost as they are considered nonparticipating interest-earning investment contracts. Because they are valued at cost, they are not included in the fair value hierarchy established by GASB Statement 72, Fair Value Measurement and Application.

**2. Wisconsin Retirement System (WRS)**

As of December 31, 2018, WRS cash deposits totaled \$483.9 million. Of the total deposits, \$91.7 million was collateralized by the securities borrowed. Depository insurance covered another \$2.0 million of the total. The remaining deposits, totaling \$390.2 million, were uninsured and uncollateralized. These uninsured deposits represented balances held in foreign currencies in the WRS custodian's nominee name, cash posted as collateral for derivatives transactions, and cash collateral posted in excess of the market value of securities borrowed by the WRS for short sales. In addition to cash deposits, the WRS also held \$84.0 million in certificates of deposit, all of which were covered by depository insurance as of December 31, 2018.

**3. State Investment Fund**

As of June 30, 2019, the SIF held Certificates of Deposit (CDs) with a value of \$39.2 million invested pursuant to the Wisconsin Certificate of Deposit Program, all of which is insured through FDIC insurance. Investment guidelines provide that to be accepted into this program, banks must accept deposits in Wisconsin and meet credit-screening criteria designed to assure the safety of the deposits. In addition, the SIF held time deposits with financial institutions with a fair value of \$25 million, all of which were uncollateralized and uninsured.

## 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, Wisconsin Retirement System and the State Investment Fund. The primary government portfolios include funds separately managed by the State of Wisconsin Investment Board consisting of the following:
  - State Life Insurance Fund (SLF)
  - Injured Patients and Families Compensation Fund (IPFCF)
  - Historical Society Fund
- The 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 B2 of this note disclosure.

#### **Primary Government** (excluding the UWS, WRS, and SIF)

For the primary government, except for the Separately Managed 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 (SWIB or the Board) has control of the investment and collection of principal, interest, and dividends of all monies invested of the State Life Insurance Fund (SLF), the Injured Patients and Families Compensation Fund (IPFCF), and the Historical Society Trust Fund, which are collectively known as the "Separately Managed Funds".

Permitted classes of investments of the SLF and the IPFCF include bonds of government units or of corporations, loans secured by mortgages, preferred or common stocks, real property and other investments not specifically prohibited by statute.

Funds available for the Historical Society Trust Fund are managed with an investment objective of maintaining a diversified portfolio of high quality publicly issued equities and fixed income obligations providing long-term growth in capital and income generation.

#### **University of Wisconsin System (UWS)**

The UWS Board of Regents authorize and govern the UWS investment policies and guidelines. Beginning in FY 2018, the UWS Board of Regents has delegated investment management authority to SWIB and is responsible for monitoring its delegation of this investment management authority. SWIB determines and sets UWS asset allocation targets which are reviewed quarterly.

In addition, UWS continues to have an allocation to private markets through a "legacy" portfolio that will self-liquidate over time as investments are sold and cash proceeds are received.

Effective April 1, 2019, a new investment fund was established for a limited and select number of participating Trust Funds accounts. This fund was established by the Board of Regents to continue to provide an educational investment management opportunity for the UW-Madison School of Business's Applied Security Analysis Program. The "RegentFund" is an intermediate-term fixed income portfolio, governed by and subject to a Board-approved Memorandum of Understanding, which includes detailed investment guidelines.

The UWS also issues separate financial reports. Copies of these separately issued financial reports may be obtained at [www.wisconsin.edu](http://www.wisconsin.edu) or by writing to:

Office of Financial Administration  
780 Regent Street, Suite 255  
Madison, WI 53715

**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 Investment Trust and the Variable Retirement Investment Trust.

The investments of the Core Retirement Investment Trust consist of a diversified portfolio of securities. Wis. Stat. Sec. 25.182 authorizes the Board to manage the Core Retirement Investment Trust 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 Investment Trust are authorized under Wis. Stat. Sec. 25.15 and 25.17. Wis. Stat. Sec. 25.17(5) states assets of the Variable Retirement Investment Trust 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 Investment Trust 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.

**Valuation**

Investments of the State are reported at Fair Value as defined by GASB Statement Number 72 – Fair Value Measurement and Application and are categorized based on the investment valuation hierarchy established by GASB. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 Inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The fair value of investments are obtained or estimated using information provided by custodial banks and brokerages. A variety of independent pricing sources are used to price assets based on type, class or issue, including published quotations from

active markets, pricing models and other methods deemed acceptable by industry standards.

**Primary Government (excluding the UWS, WRS, and SIF)**

The following tables present fair value measurements as of June 30, 2019, in millions.

**Primary Government (excluding the Separately Managed Funds)**

	Fair Value	Fair Value Measurement Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level:				
U.S. Government & Agency Securities	\$ 450.0	\$ 266.4	\$ 183.6	\$ -
State & Municipal Bonds & Notes	207.0		207.0	
Closed-End Funds	2.7	2.7		
Exchange Traded Funds	64.5	64.5		
Equity Securities	15.4	15.4		
Limited Partnership	8.0			8.0
<b>Total By Fair Value Level</b>	<b>\$ 747.5</b>	<b>\$ 349.0</b>	<b>\$ 390.5</b>	<b>\$ 8.0</b>

Investments Valued at Net Asset Value (NAV):

Mutual Funds	\$ 5,254.4
Money Market Funds	429.3

Investments Valued at Cost:

Guaranteed Investment Contracts	\$ 199.7
Private Placement	26.7
U.S. Government & Agency Securities	426.0
<b>Total</b>	<b>\$ 7,083.6</b>

The following tables present fair value measurements as of June 30, 2019 for the Separately Managed Funds, in millions.

Separately Managed Funds	Fair Value	
	Total	Measurement Using
		Level 1      Level 2
<b>IPFCF</b>		
Investments by Fair Value Level:		
U.S. Government and Agency Securities	\$ 643.5	-- \$ 643.5
Corporate Bonds	476.1	476.1
Municipal Bonds	22.7	22.7
Foreign Governments	41.6	41.6
<b>Total by Fair Value Level</b>	<b>\$ 1,183.9</b>	<b>-- \$ 1,183.9</b>

Investments Valued at Net Asset Value (NAV):

Equity Index Funds	\$ 246.4
Short-Term Investment Fund	11.9
<b>Total IPFCF</b>	<b>\$ 1,442.2</b>

**Historical Society**

Investments Reported at Net Asset Value (NAV):

Equity Index Fund	\$ 13.7
Fixed Income Fund	4.0
<b>Total Historical Society</b>	<b>\$ 17.7</b>

**SLF**

Investments by Fair Value Level:

U.S. Government and Agency Securities	\$ 50.2	-- \$ 50.2
Corporate Bonds	66.3	66.3
<b>Total SLF</b>	<b>\$ 116.5</b>	<b>-- \$ 116.5</b>

Securities categorized as Level 1 are valued using prices quoted in active markets for those securities.

Debt securities categorized as Level 2 are valued by third party pricing services using a matrix-pricing technique that values securities based on their relationship to quoted market prices for securities with similar interest rates, maturities and credit ratings.

Securities categorized as Level 3 include certain Limited Partnership interests in the amount of \$8.0 million held by the Common School fund. These limited partnerships invest in small non-public companies. The Common School fund has committed to invest up to \$21.0 million in limited partnerships as of June 30, 2019.

The Injured Patients and Families Compensation fund holds Investments in the amount of \$11.9 million in the Short-Term Investment Fund, a short-term investment pool. Investments of

the Short-Term Investment Fund are reported at net asset value (NAV).

Fair values of investments in equity and fixed income co-mingled index funds, mutual funds and money market funds are based on the investments' published NAV per share (or its equivalent) provided by the investee. These investments are considered Level 1 in the GASB fair value hierarchy.

*Investments Valued at Cost or Amortized Cost* — Certain investments are valued at cost or amortized cost. Investments valued at cost are not included in the GASB fair value hierarchy.

Of the \$426.0 million of U.S. Government and Agency Securities reported at amortized cost, \$242.3 million of this amount are State & Local Government Series Certificates (SLGs). SLGs are special purpose securities issued to government entities to assist in compliance with certain Internal Revenue Service regulations. These were purchased as a component of a crossover bond refunding transactions which occurred in fiscal year 2018. There is no secondary market for SLGs. Another \$183.5 million represents securities issued by the Federal Agricultural Mortgage Corporation (Farmer Mac), a government-sponsored enterprise (GSE). These Farmer Mac securities were also purchased in conjunction with a fiscal year 2018 crossover bond refunding transaction. These investments are held in escrow and their maturity dates correspond to certain cash flow dates for the crossover refunding transaction. Additional information about the crossover refunding transactions is presented in Note 11. The remaining \$0.2 million represents US Government Savings Bonds.

The College Savings Fund has a \$199.7 million investment in a Guaranteed Investment Contract, a non-participating interest earning contract which is valued at cost.

The Common School Fund holds investments issued by the Wisconsin Housing and Economic Development Authority (WHEDA) in the amount of \$26.7 million which are secured by revenues from certain WHEDA loans, and which are valued at cost. The investments were issued in a private placement transaction and are not marketable on a secondary market.

**University of Wisconsin System (UWS)**

The following schedule presents fair value measurements at June 30, 2019 (fair values in millions):

UWS	Fair Value Measurement Using		
	Fair Value	Level 1 Inputs	Level 2 Inputs
Investments by Fair Value Level:			
Investments Reported as Cash & Cash Equivalents	\$ 0.4	\$ 0.4	\$ -
Fixed Income Securities	7.0	1.0	6.0
<b>Total Investments by Fair Value Level</b>	<b>\$ 7.4</b>	<b>\$ 1.4</b>	<b>\$ 6.0</b>

## Investments Valued at Net Asset Value (NAV):

Equity Index Funds	\$ 218.0
Fixed Income Index Funds	157.3
Real Estate Index Fund	11.7
Private Equity Limited Partnerships	72.4

## Investments Valued at Amortized Cost:

U.S. Government Agency Securities	\$ 65.4
<b>Total Investments</b>	<b>\$ 532.2</b>

The UWS measures the fair value of investments in certain entities that do not have a quoted market price at the calculated net asset value (NAV) per share or its equivalent. As these investments are not readily marketable the estimated value is subject to uncertainty, and therefore, may differ from the value that would have been used had a ready market for the investments existed.

The equity index funds include a global equity index fund (84%) with an investment strategy designed to track the return of equity securities traded both inside and outside of the United States. An additional 5% of this category includes an emerging markets index fund with an investment strategy designed to track the return of equity securities in emerging markets. The remaining 11% is included in an international currency hedged equity index fund with an investment strategy designed to track the return of the markets in certain countries for equity securities outside of the United States while mitigating exposure to fluctuations between the value of the currencies in the fund and the U.S. dollar. The international and emerging markets index funds have daily

liquidity with 2 days' notice. The international hedged index fund has monthly liquidity with 2 days' notice.

The fixed income index funds category includes a corporate and government bond index fund (50%) with an investment strategy of approximating as closely as practicable the return of an industry standard US Government/Credit Bond Index. The remaining 50% includes a U.S. TIPS index fund with an investment strategy of closely approximating the return of all outstanding U.S. TIPS with a maturity of one year or greater. These fixed income index funds have daily liquidity with 2 days' notice.

The real estate index fund includes an investment strategy designed to track the return of publicly traded real estate equity securities. The real estate index fund has daily liquidity with 2 days' notice.

Investments in the amount of \$65.4 million of U.S. Government Agency Securities are valued at amortized cost. Typically, due to their short-term nature, amortized cost approximates fair value for these investments. Investments held at cost are not reported within the fair value hierarchy.

*Private Equity Limited Partnership Funds* - As part of the investment management transfer to SWIB, Terrace Investment Holdings II SMF, LLC was created to centrally hold and manage the University's investments in private markets Limited Partnership Funds. This investment is illiquid and is generally not resold or redeemed. Distributions from the fund will be received over the life of the investment as the underlying investments are liquidated. The investment strategy of the limited partnership focuses globally on corporate finance, venture capital, and forestry/agricultural investments. The fund-of-funds limited partnership is estimated to have an average remaining life of approximately 5 years at June 30, 2019. The estimated remaining life of the underlying investments are between 0-10 years at June 30, 2019.

The UWS has an unfunded commitment in the amount of \$16.9 million to private markets Limited Partnership Funds. No further new commitments to these or other private markets funds are anticipated. The existing positions in the private markets Limited Partnership Funds will eventually self-liquidate, as underlying private investments are sold off and distributions are made to investors.



**Wisconsin Retirement System (WRS)**

The following schedules presents fair value measurements at December 31, 2018 (fair values in millions):

WRS	Fair Value	Fair Value Measurement Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level:				
Cash Equivalents				
Certificates of Deposit	\$ 69.0	\$ -	\$ 41.7	\$ 27.3
Commercial Paper	159.0	-	-	159.0
Foreign Government/Agency	711.4	-	-	711.4
Total Cash Equivalents	939.4		41.7	897.7
Equities				
Domestic	30,883.2	30,805.1		78.2
International	17,664.7	17,660.7		3.9
Total Equities	48,547.9	48,465.8		82.1
Fixed Income				
Asset Backed Securities	211.1	-	207.1	4.0
Corporates & Private Placements	5,045.6	-	4,907.7	137.9
Foreign Government / Agency Bonds	2,369.7	-	2,369.7	-
Municipal Bonds	105.0	-	105.0	-
U.S. Government Agencies	209.4	-	209.4	-
U.S. Treasury Inflation Protected Securities	14,565.3	-	14,565.3	-
U.S. Treasury Securities	3,352.5	12.2	3,340.3	-
Total Fixed Income	25,858.7	12.2	25,704.6	141.9
Real Estate	1,372.0			1,372.0
Preferred Securities				
Domestic	86.4	-	44.5	41.8
International	123.7	123.5	-	0.2
Total Preferred Securities	210.0	123.5	44.5	42.0
Convertibles	0.3			0.3
Derivatives				
Foreign Exchange Contracts	(21.3)	-	(21.3)	
Futures	156.9	156.9	-	
Options	(8.1)	(8.1)	(0.1)	
Swaps	(21.8)	-	(21.8)	
To Be Announced Securities	686.3	-	686.3	
Total Derivatives	791.9	148.8	643.1	
Equity Short Sales	(3,002.0)	(3,002.0)		
<b>Total</b>	<b>\$ 74,718.4</b>	<b>\$ 45,748.3</b>	<b>\$ 26,434.0</b>	<b>\$ 2,536.1</b>

WRS	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (8)
Investments Measured at NAV:				
Cash (1)	\$ 627.2	\$ -	Daily	Same Day
Fixed Income (2)	6,219.4	261.9	Daily, Monthly, Quarterly, N/A	2-90 days, N/A
Private Equity Limited Partnerships (3)	8,168.0	5,721.8	N/A	N/A
Equities (4)	6,301.7	-	Daily, Monthly	2-30 days
Real Estate Limited Partnerships (5)	5,422.5	1,601.9	Quarterly, Annually, N/A	N/A, Other, 30-90 days
Hedge Funds (6)	5,759.4	68.1	Various (see Hedge Funds)	Various (see Hedge Funds)
Total (7)	<u>\$ 32,498.3</u>	<u>\$ 7,653.7</u>		

(1) This category consists of short term cash funds with the investment objective of safety of principal and liquidity while earning a competitive money market rate of return. The short-term cash funds have daily liquidity with same day notice.

(2) Corporate and government bond index funds make up a significant portion of this category (76%) and have the investment objective of approximating as closely as practicable the return of a given segment of the markets for publicly traded investments. The corporate and government index funds have daily liquidity with 2 days' notice. An additional 18% of this category represents long-only fixed income managers, which can invest across the credit quality spectrum, in varying geographies, and can include derivatives, high yield and structured securities. These long-only managers require a redemption notice period between one and two weeks and have daily or monthly liquidity. The remaining 6% of this category includes LLCs which invest in private real estate debt. The majority of these LLC investments distribute earnings over the life of the investment and have an average remaining life of less than 5 years. The private real estate debt LLC's that do not distribute earnings over the life of the fund permit quarterly redemptions with 90 days' notice.

(3) Private Equity Limited Partnerships include direct, co-investments with existing WRS general partners, direct secondary investments and fund of funds. These investments are illiquid and are generally not resold or redeemed. Distributions from each fund will be received as the underlying investments are liquidated.

(4) This category includes long-only equity managers (70%) with various fundamental, quantitative and other approaches spanning various styles, geographies and market cap weights. The majority of these long-only manager investments can be redeemed monthly, with between 10- and 30-days' notice. One long-only manager investment can be redeemed daily with 30 days' notice. An additional 30% of this category represents emerging markets equity index funds with an investment strategy designed to track the return of the given segment of the emerging equity markets. These investments can be redeemed daily with 2 days' notice. This category includes investments that are in the

process of being fully redeemed, with final distribution expected in 2019.

(5) This category includes funds that invest directly in real estate and real estate related assets. Approximately 70% of these investments are generally not resold or redeemed. Distributions from each fund will be received as the underlying investments are liquidated. The remaining 30% of this category consists of open-ended funds that invest directly in real estate and real estate related assets. The majority of these investments can be redeemed quarterly with between 30- and 90-days' notice. One fund can be redeemed annually with notice provided in the first quarter of the calendar year.

(6) Hedge Fund investments are private investment funds that seek to produce absolute returns using a broad range of strategies. In certain instances, Hedge Fund investments are structured as limited partnerships, whereby participants receive distributions over the life of the fund. Estimated remaining life for the majority funds structured as limited partnerships is estimated to be between 5-10 years. One fund has an estimated remaining life of greater than 10 years.

(7) The WRS had additional unfunded commitments of approximately \$15.8 million, relating to assets not valued using NAV.

(8) Redemption terms described for NAV investments reflect contractual agreements and assume withdrawals are made without adverse market impact and under normal market conditions.

The Board has entered into a number of agreements that commit the WRS to make investment purchases up to predetermined amounts over certain investment time periods. The unfunded capital commitments for private equity, real estate and multi-asset investments not reported on the Statement of Fiduciary Net Position total \$7.7 billion as of December 31, 2018.

### Private Equity and Real Estate Limited Partnerships

Limited partnerships are generally structured to provide distributions to participants of the fund as the holdings of the partnership are liquidated over time. In general, the Private Equity Limited Partnerships participated in the following investment strategies at December 31, 2018:

*Buyout* – This strategy acquires shares of a private company to gain a controlling interest.

*Mezzanine* – Provides mezzanine debt to finance leveraged buyouts, recapitalizations, and corporate acquisitions.

*Special Situations* – This strategy can invest in public and private companies undergoing financial distress, a turnaround in business operations, or which are believed to be undervalued because of a discrete extraordinary event.

*Venture Capital* – This strategy invests in companies with potential for significant growth (generally small to early stage emerging firms).

The Real Estate Limited Partnerships generally consisted of the following investment strategies at December 31, 2018:

*Core* – Core investments are expected to deliver a significant percentage of their return from income and should demonstrate lower volatility than Opportunistic and Value investments due to lower leverage, higher occupancy, and asset location.

*Value* – Value investments typically have significant near-term leasing, repositioning, and/or renovation risk. This strategy is expected to have modest initial operating revenues with potential for substantial income growth and will likely encounter greater volatility than Core strategies, but lower volatility than Opportunistic strategies.

*Opportunistic* – Opportunistic investments usually have significant development, lease-up, financial restructuring, and/or liquidity risk with little or no initial operating income. This strategy typically uses the highest leverage, is expected to achieve most of its return from future capital gains, and is likely to encounter greater volatility than Core and Value strategies.

### Hedge Funds

Hedge Fund investments are private investment funds that seek to produce absolute returns using a broad range of strategies. When redeeming Hedge Fund investments, the agreements governing the investment vehicle oftentimes require advanced notice and may restrict the timing of withdrawals. Hedge Fund agreements can also include “lock-up” periods, which restrict investors from redeeming their investment during a specified time

frame. The lock-up period helps portfolio managers avoid liquidity problems. Lock-ups can be “hard,” where redemptions are not permitted for a specified time period, or “soft,” where redemptions are permitted provided the investor pays a penalty. In certain instances, a fund may have both hard and soft lock-up restrictions in place. In addition, hedge fund managers can also institute a “rolling” lock-up. A fund with a rolling lock-up period requires investors to commit to an initial lock-up period, and, if the investor does not submit a redemption notice within a set time prior to expiration of the lock-up, the lock-up is reset.

Similar to lock-ups, Hedge Fund agreements also commonly incorporate “gate” restrictions. An investor-level gate limits redemption on a particular redemption date to a specified percentage of the investor’s account value, while a fund-level gate may limit total investor withdrawals on a particular redemption date to a percentage of aggregated fund-level (or master fund-level) net asset value. In certain instances, funds can have both investor- and fund-level gates in place.

The WRS participated in the following Hedge Fund strategies at December 31, 2018:

*Equity Long-Short* – This strategy invests both long and short in publicly-traded stocks. These managers vary in their use of short selling and leverage.

*Event-Driven* – The funds in this strategy seek to gain an advantage from pricing inefficiencies that may occur before or after a corporate action or related event, such as a merger, spinoff, earnings call, bankruptcy, or restructuring.

*Tactical Trading* – The funds in this category invest their holdings in indexes, commodities, interest rate instruments, and currencies as a result of relative value or directional forecasts from a systematic or discretionary approach.

*Relative Value* – This strategy uses a range of fixed income arbitrage, long/short credit, and/or quantitative strategies that seek to take advantage of price differentials.

*Multistrategy* – The funds in this category employ a wide range of strategies and instruments in managing assets.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

#### *Primary Government (excluding the UWS, WRS and SIF)*

The primary government, except for the Separately Managed 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.

Regarding the Separately Managed Funds, investment guidelines require that the bond portfolios shall maintain an average quality rating of A- or better at time of purchase, using the lower of split ratings at the time of purchase.

Investment credit quality ratings as of June 30, 2019, from Standard and Poor's, Moody's Investors Service, and Fitch Ratings are presented below using the Standard and Poor's rating scale (in millions):

<b>Primary Government</b> (excluding the UWS, WRS, SIF and Separately Managed Funds)	
<b>Credit Quality Ratings</b>	<b>Fair Value</b>
AAA	\$ 357.5
AA	589.6
A	20.2
Not Rated	2,306.4
<b>Total</b>	<b>\$ 3,273.7</b>

The following schedule displays the credit ratings at June 30, 2019, for the Separately Managed Funds (fair values in millions):

	<b>Separately Managed Funds</b>		
	<b>IPFCF</b>	<b>Historical Society</b>	<b>SLF</b>
AAA	\$ 23.2	\$ -	\$ 1.2
AA	677.8	-	54.2
A	127.6	-	33.9
BBB	299.5	-	26.5
BB	55.8	-	0.6
Short-term Investment Fund (Not Rated)	11.9	-	-
Bond Fund (Not Rated)	-	4.0	-
<b>Totals</b>	<b>\$ 1,195.8</b>	<b>\$ 4.0</b>	<b>\$ 116.4</b>

**University of Wisconsin System (UWS)**

As of June 30, 2019, the University was exposed to credit risk directly through its singular separately managed fixed income portfolio, the RegentFund, and indirectly through the ownership of shares of commingled or mutual funds.

The following schedule displays the credit ratings as provided by Moody's Investor Service for debt securities held as of June 30, 2019 (in millions). Obligations of the United States and obligations explicitly guaranteed by the U.S. government have been included in the Aaa rating.

UWS	
Ratings	Fair Value
Aaa	\$ 1.0
Aa1	0.2
A1	0.2
A2	0.2
A3	1.0
Baa1	0.9
Baa2	1.7
Baa3	0.8
Ba1	0.3
Ba2	0.3
Ba3	0.1
B1	0.1
Bond Fund	157.3
No Rating	65.4
Unrated Pooled Cash	0.4
Total	<u>\$ 230.1</u>

#### 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 outline the minimum ratings required 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 assigned by nationally recognized statistical rating organizations on debt securities held as of December 31, 2018 (in millions).

WRS	
Rating	Fair Value
F1/A-1	\$ 711.4
AAA/Aaa	258.3
AA/Aa	18,935.4
A	1,788.3
P-2/A-2	157.3
BBB/Baa	2,432.8
BB/Ba	888.9
B	901.9
CCC/Caa or below	141.2
Commingled Fixed Income Funds	6,460.5
Not Rated	1,311.7
Total	<u>\$ 33,987.7</u>

#### Reverse Repurchase Agreements

##### Wisconsin Retirement System (WRS)

The WRS held \$8.8 billion in reverse repurchase agreements at December 31, 2018. Investment guidelines permit certain portfolios to enter into reverse repurchase agreements, which are a sale of securities with a simultaneous agreement to repurchase the 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 counterparty a margin against a decline in market value of the securities. If the counterparty defaults on their obligations to sell these securities back to the WRS or provide cash of equal value, the WRS could suffer an economic loss equal to the difference between the market value of the underlying securities plus accrued interest and the agreement obligation, including accrued interest. This credit exposure at December 31, 2018 was \$111.1 million.

The WRS enters into reverse repurchase agreements with various counterparties and such transactions are governed by Master Repurchase Agreements (MRA). MRAs are negotiated contracts and contain terms in which the WRS seeks to minimize counterparty credit risk. The WRS also controls credit exposures by limiting trades with any one counterparty to stipulated amounts. The counterparty credit exposure is monitored daily and managed through the transfer of margin, in the form of cash or securities, between the WRS and the counterparty.

The cash proceeds from reverse repurchase agreements are reinvested by the Board. The maturities of the purchases made with the proceeds of reverse repurchase agreements are not necessarily matched to the maturities of the agreements. The agreed-upon yields earned by the counterparty were between 2.26 percent and 3.65 percent. Portfolio guidelines require agreements to mature between one and 90 days.

#### 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 UWS, WRS, and SIF)

The primary government, including the Separately Managed Funds, does not have an investment policy specifically for custodial credit risk. As of June 30, 2019, the primary government did not have any direct investment securities exposed to custodial credit risk.

**Wisconsin Retirement System (WRS)**

The WRS held seven repurchase agreements totaling \$367.0 million as of December 31, 2018. These repurchase agreements were tri-party agreements held in a short-term cash management portfolio managed by the WRS's custodian. The underlying securities for these agreements were held by the tri-party agent, not in the WRS's name.

The WRS's custodial credit risk policy addresses the primary risks associated with safekeeping and custody. It requires that the WRS's custodial institution be selected through a competitive bid process and that the institution be designated a "Systemically Important Financial Institution" by the U.S. Federal Reserve. The policy also requires that the WRS be reflected as beneficial owner on all securities entrusted to the custodian and that the WRS have access to safekeeping and custody accounts. The custodian is also required to be insured for errors and omissions and must provide the WRS with an annual report on internal controls, prepared in accordance with the Statement on Standards for Attestation Engagements. Furthermore, WRS management has established a system of controls for the oversight of services and related processes of the custodian. The WRS's current custodial bank was selected in accordance with these guidelines and meets all requirements stipulated in the custodial credit risk policy.

**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 UWS, WRS, and SIF)**

Although the primary government, except for the Separately Managed 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.

Debt securities issued by the Federal Agricultural Mortgage Corporation (Farmer Mac), a government-sponsored enterprise (GSE) represent the largest concentration of investments in a single issuer. In total \$183.5 million of the reported investments of the non-major governmental funds were issued by Farmer Mac, which represents 15.2 percent of their total investments.

Securities issued by the State of Wisconsin represent the second largest concentration of investments in a single issuer. In total \$108.7 million of the reported investments of the non-major governmental funds were issued by the State of Wisconsin which represents 9.0 percent of total investments.

The Separately Managed Funds' investment guidelines limit concentrations of credit risk by establishing maximum issuer and/or sector exposure limits. Generally, the guidelines require that no single issuer may exceed 5 percent of the fund investments, with the exception of U.S. Government and its Agencies, whose exposure is unlimited.

Excluding investments issued or explicitly guaranteed by the U.S. government and pooled investments, as of June 30, 2019, none of the Separately Managed Funds had more than 5 percent of their total investments in a single issuer.

**University of Wisconsin System (UWS)**

UWS separately managed, debt/fixed income accounts are limited to holding no more than 7.0 percent in any one issuer (U.S. Government/Agencies are exempted).

**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 to less than 5 percent of the portfolio's market value.

The WRS did not hold any investments with a single issuer, exclusive of investments issued or explicitly guaranteed by the U.S. government, representing 5% or more of the value of the total WRS investments' value at December 31, 2018.

**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 UWS, WRS, and SIF)**

Although the primary government, except for the Separately Managed 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 Separately Managed Funds. The investments include certain short-term cash equivalents, and various long-term items. At June 30, 2019, the primary government's investments were (in millions):

**Primary Government** (excluding the Separately Managed Funds, UWS, WRS, SIF, and investments in an external investment pool)

Investment Type	Investment Maturities					Fair Value
	Less Than 1 Year	1 to 5 Years	6 to 10 years	More Than 10 Years		
U.S. Government and U.S. agency holdings	\$ 560.4	\$ 130.5	\$ 1.2	\$ 184.0	\$ 876.1	
State and municipal bonds and notes	--	8.5	47.7	150.8	207.0	
Money market funds	429.3	--	--	--	429.3	
Mutual funds – open ended	0.1	585.8	1,419.1	--	2,005.0	
Private Placement	0.4	2.7	2.7	20.9	26.7	
Guaranteed Investment Contracts	--	199.7	--	--	199.7	
Total	\$ 990.2	\$ 927.1	\$ 1,470.8	\$ 355.6	\$ 3,743.7	

As of June 30, 2019, the Separately Managed Funds had interest rate risk statistics as detailed below (in millions):

Investment Type	Separately Managed Funds					
	Duration or WAM (in years) for Fixed Income Securities					
	IPFCF		Historical Society		SLF	
	Fair Value	Duration	Fair Value	Duration	Fair Value	WAM
Govt/Agency	\$ 643.5	5.57	\$ -		\$ 50.2	14.29
Corporate Bonds	476.1	7.35	-		66.3	15.5
Municipal Bonds	22.7	11.81	-		-	
Foreign Bonds (Govt/Agency)	41.6	5.19	-		-	
Bond Fund	-		4.0	6.59	-	
Short-Term Investment Fund	11.9	0.05	-		-	
Total	\$ 1,195.8		\$ 4.0		\$ 116.5	

The Separately Managed Funds, which are managed by the Board, use the duration method to identify and manage interest rate risk. Two of the Separately Managed Funds have investment guidelines relating to interest rate risk. The SLF guidelines require the Weighted Average Maturity (WAM) of the portfolio, including cash, to be a minimum of ten years. The IPFCF guidelines require that effective duration of the bond portfolio shall remain within 15% of the assigned benchmark's duration and that the average duration should be less than ten years.

### External Investment Pools

The Injured Patients and Families Compensation Fund has investments totaling \$11.9 million at June 30, 2019 in the Short-Term Investment Fund, a pooled short-term investment fund. This balance is reported as "Cash and Cash Equivalents" on the Statement of Net Position.

Investments for the Retiree Life Insurance Funds are held with the insurance carrier, Securian. In accordance with the administrative agreement between the GIB and Securian, interest is calculated and credited to the Retiree Life Insurance plans based on the rate of return for a segment of the insurance carrier's general fund, specifically, 10 Year A- Bonds (as a proxy and not tied to any specific investments). The funds invested during the year earn

interest based on that year's rate of return for 10 Year A- Bonds. The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto. No significant contract changes occurred during the year.

#### University of Wisconsin System (UWS)

The UWS uses the option adjusted modified duration method to analyze interest rate risk. As of June 30, 2019, the UWS had interest rate risk statistics as detailed below (in millions):

UWS		
	Fair Value	Effective Duration
<b>Fixed Income Sector:</b>		
U.S. Government	1.4	5.32
Corporates Debt	6.0	4.91
Total	<u>\$ 7.4</u>	
<b>Fixed Income Commingled Funds:</b>		
Blackrock U.S. TIPS Fund	\$ 78.3	7.48
Blackrock Government/Credit Bond Fund	79.1	6.59
Total	<u>\$ 157.3</u>	

UWS also held \$65.4 million in U.S. Government agency securities for which duration was not measured – these investments are held in escrow and their maturity date was selected to correspond with the related refunding date for certain general obligation bonds. Therefore, no interest rate risk exists related to these agency securities.

#### 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 the present values for all cash flows. Some 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.

Short term portfolios' interest rate risk is analyzed using the weighted average maturity to next reset. 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 weighted average maturity implies greater volatility in response to interest rate changes.

The WRS'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.



Aggregated interest rate risk exposure as of December 31, 2018, stated in terms of modified duration (for long term instruments) and weighted average maturity (for repurchase agreements and short-term pooled investments), is presented below (in millions):

WRS		
Investment Type*	Fair Value	Modified Duration (Years)
Asset Backed Securities	\$ 211.1	2.5
Corporate Bonds & Private Placements	5,476.6	5.4
Foreign Government / Agency Bonds	3,081.1	6.1
Municipal Bonds	105.0	10.2
U.S. Government Agencies	209.4	3.9
U.S. Treasury Inflation Protected Securities	14,565.3	7.2
U.S. Treasury Securities	3,352.5	5.5
Commingled Funds:		
Domestic Fixed Income	4,696.2	7.6
Emerging Market Fixed Income	1,137.1	5.8
Subtotal	\$ 32,834.4	

Investment Type	Fair Value	Weighted Average Maturity (days)
Commercial Paper	\$ 159.0	27
Repurchase Agreements	367.0	1
Commingled Funds:		
Short Term Cash Management	627.2	20
Subtotal	1,153.3	
Total	\$ 33,987.7	

\*Excludes Derivatives which are separately disclosed

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment.

#### Primary Government (excluding the UWS, WRS, and SIF)

The primary government, except for the Separately Managed 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, 2019, the primary government, excluding the Separately Managed Funds, did not own any issues denominated in a foreign currency.

The Separately Managed Funds' investment guidelines do not specifically address foreign currency risk with the exception that the SLF only allows investments in U.S. dollar denominated instruments. As of June 30, 2019, the Separately Managed Funds did not directly own any issues denominated in a foreign currency.

#### University of Wisconsin System (UWS)

The UWS held positions only in passively-managed, indexed commingled funds which may invest in securities denominated in foreign currencies. However, the fund used for exposure to developed market equities generally seeks to hedge against the variations in returns deriving solely from the value of the foreign currencies in the fund relative to the U.S. dollar. The fund used for exposure to emerging market equities generally does not engage in similar foreign currency hedging efforts, due largely to the high cost and more limited efficacy of such hedging. Deposits in foreign currency for the RegentFund at June 30, 2019 are immaterial.

**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 December 31, 2018, the WRS had the following currency exposure (all assets stated in millions of United States Dollars):

Currency	Currency Exposures by Investment Type								
	Cash & Cash Equivalents	Equities	Fixed Income	Limited Partnerships	Preferred Securities	Short Sales	Futures & Options	Total	
Australia Dollar	\$ 7.1	\$ 1,010.3	\$ 33.2	\$ -	\$ -	\$ (102.0)	\$ 0.1	\$ 948.7	
Brazil Real	0.2	66.9	-	-	22.4	-	-	89.4	
Canada Dollar	19.0	1,370.1	29.5	-	-	(107.8)	0.1	1,310.9	
Chile Peso	-	2.8	-	-	-	-	-	2.9	
Colombia Peso	-	0.1	-	-	-	-	-	0.1	
Czech Republic Koruna	-	0.8	-	-	-	-	-	0.8	
Denmark Krone	0.1	336.2	11.6	-	-	(63.0)	-	285.0	
Euro Currency Unit	24.8	4,949.3	900.0	878.3	101.1	(293.3)	0.3	6,560.4	
Hong Kong Dollar	7.5	894.8	-	-	-	(26.6)	-	875.7	
Hungary Forint	-	5.8	-	-	-	-	-	5.8	
India Rupee	-	87.0	-	-	-	-	-	87.0	
Indonesia Rupiah	0.6	27.2	-	-	-	-	-	27.7	
Israel Shekel	0.8	32.3	-	-	-	(0.8)	-	32.3	
Japan Yen	741.8	3,779.0	472.9	-	-	(355.9)	(1.3)	4,636.5	
Malaysia Ringgit	2.9	34.2	5.9	-	-	-	-	43.0	
Mexico Peso	7.5	4.7	19.0	-	-	-	-	31.2	
New Zealand Dollar	0.7	44.3	2.5	-	-	(12.7)	-	34.8	
Norway Krone	1.7	116.1	5.0	-	-	(9.2)	-	113.7	
Philippines Peso	-	1.5	-	-	-	-	-	1.5	
Poland Zloty	1.6	37.2	15.4	-	-	-	-	54.3	
Singapore Dollar	4.4	229.4	6.8	-	-	(26.9)	-	213.6	
South African Rand	5.5	45.5	17.7	-	-	-	-	68.7	
South Korea Won	0.1	207.5	-	-	0.2	-	-	207.8	
Sweden Krona	1.1	390.9	9.2	6.2	-	(35.0)	-	372.4	
Switzerland Franc	2.1	1,194.0	-	-	-	(66.3)	-	1,129.7	
Taiwan New Dollar	0.1	87.6	-	-	-	-	-	87.6	
Thailand Baht	-	76.6	-	-	-	-	-	76.6	
Turkey Lira	-	56.1	-	-	-	-	-	56.1	
United Kingdom Pound	46.9	2,576.5	167.2	189.7	-	(98.8)	(0.4)	2,881.0	
<b>Total</b>	<b>\$ 876.4</b>	<b>\$ 17,664.7</b>	<b>\$ 1,695.9</b>	<b>\$ 1,074.1</b>	<b>\$ 123.7</b>	<b>\$(1,198.2)</b>	<b>\$ (1.2)</b>	<b>\$ 20,235.3</b>	

**Securities Lending Transactions****University of Wisconsin System (UWS)**

The UWS has an agreement with BlackRock Institutional Trust Company, N.A., which acts as custodian for the University's Long Term Fund investments and authorizes the bank to lend securities held in UWS accounts to third parties. The bank must obtain collateral from the borrower, or acceptable securities. When UWS securities are delivered to a borrower as part of a securities lending arrangement, the borrower is required to place collateral with the lending agent equal to at least 102% of the loaned securities' fair value, including interest accrued, as of the delivery date. Both the collateral and the securities loaned are marked to market on a daily basis, with additional collateral obtained or refunded as necessary. In the event that the loaned securities are not returned by the borrower, the bank will, at its own expense, either replace the loaned securities or, if unable to purchase those securities on the open market, credit UWS accounts with cash equal to the fair value of the loaned securities.

The UWS receives 75 percent of the net revenue derived from all securities lending activities and the bank receives the remainder of the net revenue. Interest and dividend income earned in conjunction with the securities lending program is reported as part of non-operating investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

Although the UWS securities lending activities are collateralized as described above, the securities lending program involves both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities or the collateral, or that the bank's investment of collateral received from the borrowers of UWS securities may be subject to unfavorable market fluctuations. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts. At June 30, 2019, the fair value of securities loaned, as well as the fair value of the collateral held was \$109.3 million. Collateral received consisted of cash. The cash collateral was invested in a U.S. Dollar Cash Collateral Pool. There was no non-cash collateral received as of June 30, 2019. In accordance with accounting standards the value of the collateral held and a corresponding liability to return the collateral have been reported on the accompanying Statement of Net Position.

**Wisconsin Retirement System (WRS)**

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 in exchange for collateral, in the form of cash or securities, with the simultaneous agreement to return the

collateral for identical securities in the future. The securities custodian is an agent in lending the domestic and international securities. When 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 securities are loaned against collateral denominated in a different currency, 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. On December 31, 2018, the fair value of the securities on loan to counterparties was approximately \$11.3 billion.

Cash collateral is reinvested by the lending agent in two separate pools, a U.S. dollar cash collateral pool and a pool denominated in Euros, in accordance with contractual investment guidelines, which are designed to minimize the risk of principal loss and provide a modest rate of return. Investment guidelines limit credit and liquidity risk by restricting new investments to overnight repurchase agreements collateralized with high quality U.S. government, U.S. government agencies, and sovereign debt securities. The earnings generated from the collateral investments, plus or minus the rebates received from or paid to the dealers and less fees paid to agents, results in the net earnings from lending activities, which are then split on a percentage basis with the lending agent. Cash from the U.S. dollar pool may be posted as collateral relating to short sale transactions and earns the Overnight Bank Funding rate plus 10 basis points.

At December 31, 2018, the WRS had minimal credit risk exposure to borrowers because loans are collateralized in excess of 100%. In addition to the cash collateral reinvestment indemnification, the contract with the lending agent requires it to indemnify the WRS if the borrowers fail to return the loaned securities and the collateral is inadequate to replace the securities lent. The WRS is also indemnified against losses resulting from violations of investment guidelines.

The majority of security loans are open-ended and can be terminated on demand by the WRS or the borrower. Maturities of investments made with cash collateral are not necessarily matched to the maturities of the securities loaned because most loans do not have a fixed maturity date. The risk that the WRS would be unable to return collateral to securities borrowers upon termination of the loan is mitigated by the highly liquid nature of investments held in the collateral reinvestment pools. The average maturities of the loans and the average maturities of the assets held in the collateral reinvestment pools were similar at December 31, 2018.

Securities lending is allowed in certain commingled fund investments. As an investor in such funds, the WRS does not

own the underlying securities and does not separately report on securities lending activity. All earnings of these funds are reported in the Statement of Changes in Fiduciary Net Position.

## Derivative Instruments

### 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 and degree to which they are to be used.

Gains and losses for all derivative instruments are reported in the Statement of Changes in Fiduciary Net Position.

The WRS seeks to mitigate counterparty credit risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring techniques. Additionally, policies have been established which seek to implement master netting arrangements with counterparties that permit the closeout and netting of transactions with the same counterparty. Agreements may also require daily collateral postings to further mitigate credit risk.

As of December 31, 2018, there were 16 counterparties making up the WRS's exposure to counterparty credit risk for uncleared OTC derivative contracts. The exposure of the WRS to counterparty credit risk relating to these was as follows (in millions of United States Dollars):

#### OTC Derivatives Subject to Counterparty Credit Risk

	Counterparty Credit Rating	
FX Receivables:	AA	\$ 20.6
	A	3,842.8
To Be Announced Securities	A	20.0
Swap Receivables	A	867.3
Warrants	Not Rated	3.7
Total		4,754.5
Less Collateral and MNA Offsets		4,743.2
Total OTC Counterparty Credit Risk		\$ 11.3

*Foreign Currency Spot and Forward Contracts* — Foreign Currency Spot and Forward contracts are OTC agreements between two counterparties to exchange designated currencies at a specific time in the future. No cash is exchanged when a foreign exchange spot or forward contract is initiated. Amounts due are paid or received on the contracted settle date.

Currency exposure management is permitted through the use of currency derivative instruments. 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. Discretionary currency overlay strategies at the total fund and asset class level may be employed when currency market conditions suggest such strategies are warranted.

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 "Net Appreciation (Depreciation) in Fair Value of Investments" on the Statement of Changes in Fiduciary Net Position. The net receivable or payable for spot and forward contracts is reflected as "Foreign Currency Contracts" on the Statement of Fiduciary Net Position.

During the 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 December 31, 2018 (in millions):

<b>Foreign Currency Spot and Forward Contracts</b>						
<b>Currency</b>	<b>Foreign Currency Contract Receivables</b>			<b>Foreign Currency Contract Payables</b>		
	Notional (local currency)	Fair Value \$US	Unrealized Gain/(Loss) \$US	Notional (local currency)	Fair Value \$US	Unrealized Gain/(Loss) \$US
Argentina Peso	65.6	1.7	0.1	--	--	--
Australia Dollar	145.9	102.7	(2.7)	(90.2)	(63.5)	1.8
Brazil Real	144.4	37.2	(0.5)	(100.6)	(25.9)	--
Canada Dollar	236.0	172.8	(3.3)	(90.4)	(66.2)	1.2
Chile Peso	25,104.4	36.2	(1.2)	(31,939.1)	(46.0)	0.1
China Yuan Reminbi	84.8	12.3	0.1	(195.2)	(28.4)	(0.4)
Colombia Peso	7,955.1	2.4	(0.1)	(9,167.7)	(2.8)	--
Czech Republic Koruna	363.0	16.1	0.1	(247.8)	(11.0)	--
Denmark Krone	193.3	29.6	0.1	(313.3)	(48.0)	(0.3)
Euro Currency Unit	194.9	222.8	1.2	(441.5)	(504.9)	(3.4)
Hong Kong Dollar	332.8	42.5	--	(189.7)	(24.2)	--
Hungary Forint	2,047.0	7.3	0.1	(4,125.1)	(14.7)	0.1
Indian Rupee	4,215.6	60.3	1.7	(1,156.0)	(16.5)	(0.8)
Indonesia Rupiah	386,877.6	26.9	0.5	(430,370.9)	(29.8)	(0.2)
Israel Shekel	17.6	4.7	--	(33.5)	(9.0)	0.1
Japan Yen	34,317.7	312.9	6.2	(95,146.3)	(869.0)	(22.3)
Mexico Peso	622.1	31.5	0.9	(14.2)	(0.7)	--
New Zealand Dollar	24.4	16.4	(0.3)	(36.3)	(24.3)	0.5
Norway Krone	627.8	72.5	(0.4)	(309.8)	(35.8)	0.4
Peru Sol	9.3	2.7	--	--	--	--
Philippines Peso	786.6	14.9	0.1	(55.0)	(1.0)	--
Poland Zloty	46.2	12.3	0.1	(43.4)	(11.6)	--
Russia Ruble	1,510.7	21.7	(0.9)	(1,261.4)	(18.2)	--
Singapore Dollar	44.7	32.8	0.3	(27.2)	(20.0)	(0.2)
South Africa Rand	251.5	17.5	(0.2)	(148.9)	(10.3)	0.5
South Korea Won	9,412.7	8.4	--	(17,910.6)	(16.1)	(0.2)
Sweden Krona	1,080.8	121.9	2.5	(482.8)	(54.5)	(1.1)
Switzerland Franc	142.7	144.8	1.1	(21.1)	(21.4)	(0.1)
Taiwan New Dollar	593.8	19.5	0.2	(521.6)	(17.1)	(0.1)
Thailand Baht	565.4	17.4	0.1	(455.8)	(14.0)	(0.1)
Turkey Lira	53.4	9.8	0.2	(11.0)	(2.0)	--
United Kingdom Pound	65.1	82.9	(0.2)	(131.6)	(167.6)	(2.6)
United States Dollar	2,147.8	2,147.8	--	(1,710.0)	(1,710.0)	--
<b>Totals</b>		<b>3,863.4</b>	<b>5.6</b>		<b>(3,884.7)</b>	<b>(26.9)</b>
Net Foreign Currency Contract Receivable / (Payable)					<u>(21.3)</u>	<u>(21.3)</u>

**Futures Contracts** – A futures contract is an exchange-traded agreement to buy or sell a financial instrument, index or commodity at an agreed upon price and time in the future.

The fair value of futures contracts represents the unrealized gain/(loss) on the contracts, since trade inception, and is reflected as a portion of “Financial Futures Contracts and Swaps” on the Statement of Fiduciary Net Position. 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. Gains and losses resulting from 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 Position.

The following table presents the investments in futures contracts as of December 31, 2018 (in millions).

<b>Futures Contracts</b>			
Futures Contract Description	Expiration	Notional Amount	Fair Value*
<b>Long Positions:</b>			
Commodity	Feb - Dec 19	\$ 35.1	\$ 1.2
Equity	Jan - Mar 19	2,990.0	0.3
Fixed Income	Mar-19	8,451.0	157.3
<b>Short Positions:</b>			
Commodity	Jan - Mar 19	\$ (84.3)	\$ 1.6
Currency	Mar 19	(96.0)	0.5
Equity	Jan - Mar 19	(76.9)	0.5
Fixed Income	Mar-19	(1,132.3)	(4.5)
<b>Total</b>		<u>\$ 10,086.5</u>	<u>\$ 156.9</u>

\* Fair Value includes foreign currency gains/(losses).

Futures contracts involve, to varying degrees, risk of loss in excess of margin deposited with the clearinghouse. Losses may arise from future changes in the value of the underlying instrument.

Futures contracts may be entered into to efficiently gain or adjust market exposures for purposes that include trust fund rebalancing, sector, interest rate, or duration types of exposure adjustments; the securitization of cash or as a substitute for cash market transactions.

**Swap Contracts** - Swaps are negotiated contractual agreements between two counterparties which can be cleared or uncleared OTC investments. As is specified in the WRS's investment guidelines, swaps, may be used as an alternative to physical securities when it is deemed advantageous for portfolio construction. In addition, swaps may be used to adjust asset class exposures for the WRS. Guideline limits and soft risk parameters for each portfolio are applied to the aggregate exposures which includes both physical and synthetic securities. A synthetic security is created by combining securities to mirror the properties of another reference security.

Throughout the year, the WRS held positions in Total Return Swaps and Credit Default Swaps (CDS). The following table presents the investments in open Swap Positions as of December 31, 2018 (in millions).

<b>Open Swap Positions</b>			
Description / Reference Rates	Maturity Date(s)	Notional Amount	Fair Value
Credit Default Bond Index	Jun '23	\$ 175.0	\$ 1.4
Total Return Pay 3-month LIBOR, Receive Equity Index Return	Apr - Dec '19	890.5	(23.2)
<b>Total</b>		<u>\$ 1,065.5</u>	<u>\$ (21.8)</u>

The open CDS contract represents a cleared OTC position where the WRS sold credit protection. Under the terms of the contracts, the WRS receives periodic payments and, in exchange agrees to pay a formula-determined amount to counterparties for losses incurred if stipulated credit events occur. CDS spreads are sensitive to credit spread and interest rate changes.

The open TRS contracts represent uncleared OTC positions where the WRS receives the return of the underlying equity index, in exchange, agrees to pay the stipulated rate benchmark. The rate benchmark is based on the 3-month London Interbank Offering Rate (LIBOR) and is sensitive to interest rate changes. The fair value for TRS is determined based on the change in quoted market price of the underlying equity index and represents the unrealized gain/(loss) on the contracts since trade inception.

The fair value of CDS and TRS is included in "Financial Futures Contracts and Swaps" on the Statement of Fiduciary Net Position on the Statement of Net Investment Position. Gains and losses resulting from investments in swap contracts are included in the "Net Appreciation (Depreciation) in the Fair Value of Investments" on the Statement of Changes in Fiduciary Net Position.

*Options* – An option contract gives the purchaser of the contract the right, but not the obligation, 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 and over-the-counter options.

Options may be used to improve market exposure efficiency, enhance expected returns, or provide market exposure hedges. Exchange rules require that the seller of exchange-traded call option contracts cover these positions either by collateral deposits in the form of cash or securities or by pledging, in escrow, the actual securities that would be transferred to the option purchaser in the event the option contract were exercised.

The fair value of option contracts is based upon the closing market price of the contract and is reflected as "Options" on the Statement of Fiduciary Net Position. 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 Position.

The table below presents the fair value of option contracts as of December 31, 2018 (in millions):

#### Option Contracts

Security Description	Contract Type	Position	Exchange-Traded vs. OTC	Expiration	Notional	Fair Value	Unrealized Gain (Loss)
Equity	Call	Long	Exchange	Jan 19 - Dec 19	\$ 11.9	\$ 0.4	\$ (0.7)
	Call	Short	Exchange	Jan 19 - Feb 19	(190.0)	(2.3)	(0.2)
	Put	Short	Exchange	Jan 19 - Feb 19	(750.9)	(5.9)	0.5
	Put	Short	OTC	Jan 19 - Feb 19	(173.0)	(0.3)	0.5
Total					<u>\$ (1,102.0)</u>	<u>\$ (8.1)</u>	<u>\$ 0.0</u>

*To Be Announced Securities* - To be announced mortgage-backed (TBA) securities are uncleared OTC forward contracts consisting of mortgage-backed securities (MBS) issued by Government National Mortgage Association, a government entity, and by government-sponsored enterprises such as, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corp. The term TBA is derived from the fact that the actual MBS that will be delivered to fulfill a TBA trade is not designated at the time the trade is made. Instead, the specific pool of mortgages making up the MBS is announced 48 hours prior to the established trade settlement date. Eligibility rules and standards for MBS pools deliverable into TBA contracts ensure that delivered MBS pools are fungible. Payment for TBA securities is not made until the settlement date.

Certain portfolio investment guidelines allow for both long and short TBA positions. To mitigate counterparty credit risk, guidelines establish minimum credit ratings and require master netting agreements which include provisions for collateral exchanges.

TBAs, much like their underlying MBS securities, may be highly sensitive to interest rate changes. This is because the MBS pool on which these forward contracts are based can be subject to early payment in a period of declining interest rates. The price of TBAs can fluctuate as the marketplace predicts changes in timing, or possible reductions in expected cash flows, associated with a change in interest rates.

The table below presents the fair value of TBA securities as of December 31, 2018 (in millions). Duration statistics are weighted by the fair value of each position to compute an average duration for the contracts held.:

<b>TBA Contracts</b>			
Position / Maturity	Fair Value	Unrealized Gain / (Loss)	Weighted Average Duration (Years)
Long Jan - Apr '19	\$ 3,220.3	\$ 20.0	4.8
Short Jan 19	(2,534.0)	(39.1)	6.6
Total	<u>\$ 686.3</u>	<u>\$ (19.1)</u>	

The fair value of TBAs is reflected in "To Be Announced Securities" on the Statement of Fiduciary Net Position. The unrealized gain/loss associated with these contracts is included within the "Net Appreciation (Depreciation) in the Fair Value of Investments" on the Statement of Changes in Fiduciary Net Position.

**Warrants** — A warrant is a contract that entitles the holder to buy the underlying stock of the issuing company at a specified price. Warrants and options are similar in that the two instruments allow the holder special rights to buy securities. However, warrants differ from options in that they provide additional financing to the issuing company when exercised.

As of December 31, 2018, the WRS held warrant contracts giving the WRS the right to purchase 190,780 shares of preferred stock at a price of 1 Euro per share. The WRS was issued these warrants in 2017 in conjunction with an investment in a privately held company. The \$3.9 million fair value of these warrants is based upon third-party valuations and is included in the "Stocks" section on the Statement of Fiduciary Net Position. The associated unrealized gain of \$3.7 million is included in the "Net Appreciation (Depreciation) in the Fair Value of Investments" on the Statement of Changes in Fiduciary Net Position.

## Short Sell Obligations

### Wisconsin Retirement System (WRS)

The WRS may sell a security it does not own in anticipation of purchasing the security later at a lower price. This is known as a short sale transaction. For the duration of the short sale transaction, a liability is recorded under "Short Sales of Securities" on the Statement of Fiduciary Net Position. The liability presented represents the fair value of the shorted securities necessary for delivery to the purchaser and is marked-to-market daily. Realized and unrealized gains and losses associated with short sales are recorded on the Statement of Changes in Fiduciary Net Position within the "Net Appreciation (Depreciation) in Fair Value of Investments" category. While the transaction is open, the WRS incurs expenses for securities borrowing costs. In addition, as a security borrower, the WRS may incur dividend and interest expense as such payments must be remitted to the security lender during the course of the loan. During the duration of the borrow, there may be corporate action elections requiring the borrower to deliver items such as cash or securities to the lender. Such expenses are included in "Investment Expense" on the Statement of Changes in Fiduciary Net Position.

Risks arise from short sales due to the possible illiquidity of the securities markets and from potential adverse movements in security values. The cost to acquire the securities sold short may exceed the amount of proceeds initially received, as well as the amount of the liability recorded as "Short Sales of Securities" in the Statement of Fiduciary Net Position. Short sales expose the short seller to potentially unlimited liability because there is no upward limit on the price a shorted security could attain. Certain portfolio guidelines permit short sales and, to mitigate risks in various ways, such as: limiting the total value of short sales as a percentage of portfolio value, establishing portfolio vs. benchmark tracking error limits, and monitoring other statistical and economic risk measures of the portfolio. Investment performance and risk associated with each portfolio is measured against benchmarks and monitored by management.

When a short sale occurs, the shorting portfolio must borrow the security and deliver it to the buyer. If the shorted security is owned by another WRS portfolio, investment policies allow the borrowing of the shorted securities from other WRS portfolios.

Except in the case of borrowings within the same trust fund, the WRS is required to post collateral to the lender, at the required rate of 102% for in-currency loans and 105% for cross-currency loans. At December 31, 2018, the WRS posted \$95.1 million in cash and \$1,869.6 million in securities as collateral to security lenders. This represented \$60.4 million in excess of the fair market value of the securities borrowed. If the security lender recalled the security and the WRS was not able to supply the lender with the security, the lender would be permitted to use the WRS's collateral to fund the purchase of the security.



## 2. 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 be invested, which include obligations of the United States or its agencies, corporations wholly owned by the United States or chartered by an act of Congress, securities guaranteed by the United States, the 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 including solvent financial institutions in Wisconsin and bankers acceptances. The State of Wisconsin Investment Board's (the Board) Board of Trustees may specifically approve other prudent legal investments.

For financial statement purposes, the carrying value of securities depends on asset class. Repurchase Agreements and non-negotiable Certificates of Deposit are valued at cost because they are nonparticipating contracts that do not capture interest rate changes in their value.

All remaining short-term debt investments (U.S. Government/ Agency securities, Banker's Acceptances, Commercial Paper, and negotiable Certificates of Deposit) are carried at fair value. Because quoted market prices for SIF securities are often not available at month end, BNY Mellon, as SWIB's custodial bank, compiles fair values from third party pricing services which use matrix pricing models to estimate a security's 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. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a constant yield basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains and losses generated by the pool's investments.

SIF pool shares are bought and redeemed at \$1.00 based on the amortized cost of the investments in the SIF. The State of Wisconsin does not provide any legally binding guarantees to support the value of pool shares.

## Fair Value Reporting

The SIF categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments held at cost or amortized cost are not reported within the fair value hierarchy.

The following table presents the recurring fair value measurements as of June 30, 2019 (in millions).

	Fair Value	Fair Value Measurement Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level:				
Government & Agencies	\$ 8,015.1	\$ 1,009.5	\$ 7,005.7	\$ -
Commercial Paper	435.2	-	435.2	-
Certificates of Deposit (negotiable)	107.1	-	107.1	-
Banker's Acceptances	19.8	-	-	19.8
Corporate Notes	50.6	-	50.6	-
<b>Total By Fair Value Level</b>	<b>\$ 8,627.8</b>	<b>\$ 1,009.5</b>	<b>\$ 7,598.5</b>	<b>\$ 19.8</b>
Short-Term Reported at Cost or Amortized Cost:				
Repurchase Agreements	\$ 4,375.2			
Certificates of Deposit (non-negotiable)	39.2			
Time Deposits (non-negotiable)	25.0			
<b>Total</b>	<b>\$ 13,067.2</b>			

Debt securities categorized as Level 2 are valued using observable inputs by third party pricing services using a matrix-pricing technique. Matrix pricing is used to value securities based on their relationship to quoted market prices for securities with similar interest rates, maturities, and credit ratings. The majority of debt securities are classified as Level 2 because they are generally traded using a dealer market, with lower trading volumes than Level 1 securities.

Level 3 investments are generally valued using significant inputs that are unobservable to the marketplace. Banker's Acceptances included in Level 3 represent securities that derive their fair value from cost. Typically, due to their short-term nature, cost approximates fair value for these investments.

Investments held at cost (Repurchase Agreements and non-negotiable Certificates of Deposit) are not reported within the fair value hierarchy.

**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. The SIF invested in commercial paper with a fair value of \$25 million that was uninsured and held by a counterparty. In addition, the SIF held ten repurchase agreements totaling \$4.4 billion as of June 30, 2019. Nine of the repurchase agreements totaling \$2.8 billion, were tri-party agreements. The underlying securities (collateral) for these repurchase agreements were held by the tri-party's agent, not in SWIB's name. The remaining repurchase agreement, totaling \$1.6 billion, was a related-party, bilateral agreement with the WRS. The underlying securities for this repurchase agreement were held by SWIB's custodian, in SWIB's name.

The related party repurchase transaction with the WRS was an overnight agreement collateralized with U.S. Treasury securities. The WRS is also a participant in the SIF, with an investment totaling \$3.9 billion at June 30, 2019.

The SIF's custodial credit risk policy addresses the primary risks associated with safekeeping and custody. It requires that custodial institutions be selected through a competitive bid process and that the institution be designated a 'Systemically Important Financial Institution' by the U.S. Federal Reserve. The policy also requires that the SIF be reflected as beneficial owner on all securities entrusted to the custodian and that the SIF have access to safekeeping and custody accounts. The custodian is also required to be insured for errors and omissions and must provide the SIF with an annual report on internal controls. The SIF's current custodial bank was selected in accordance with these guidelines and meets all requirements stipulated in the custodial credit risk policy.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. The SIF's investment guidelines limit concentrations of credit risk by establishing 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 discount notes. As of June 30, 2019, the SIF has more than five percent of its investments in FNMA (18.8 percent), FHLB (20.6 percent), U.S. Treasury (17.8 percent) and Repurchase Agreement collateral (33.5 percent) consisting of various securities issued by the U.S. Government and its agencies. Since the Repurchase Agreements generally mature each day, new collateral, consisting

of a different blend of U.S. Government and agency securities, is assigned each day.

**Credit Quality Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board established investment guidelines with maximum exposure limits by security type based on the minimum credit ratings as issued by Nationally Recognized Statistical Rating Organizations (NRSROs).

The following table presents these credit ratings and aggregate exposures by investment type as of June 30, 2019 (in millions):

Investment Type	Ratings	Fair Value
Repurchase Agreements (Collateral):		
U.S. Government Debt & Agencies	AA	\$ 4,375.2
U.S. Treasury:		
Short-Term (Bills)	A-1+	1,752.2
Long Term (Note)	AA	579.3
Government Sponsored Entity		
U.S. Agency:		
Federal Home Loan Bank (FHLB)	A-1+	2,424.9
Federal Home Loan Bank (FHLB)	AA	261.0
Federal Home Loan Mortgage Corporation (FHLMC)	A-1+	500.0
Federal National Mortgage Association (FNMA)	A-1+	2,462.6
Federal Farm Credit Bank (FFCB)	A-1+	0.1
Federal Farm Credit Bank (FFCB)	AA	35.0
Commercial Paper	A-1+	367.0
Commercial Paper	A-1	68.2
Certificates of Deposit:		
Negotiable	A-1+	82.1
Negotiable	A-1	25.0
Non-Negotiable (Wisc. CD program)	NR	39.2
Time Deposits	A-1+	25.0
Banker's Acceptances	A-1+	19.8
Corporate Notes	AA	50.6
Total Investments		<u>\$ 13,067.2</u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Weighted Average Maturity (WAM) method is used to analyze interest rate risk. Investment guidelines mandate that the WAM for the entire portfolio will not exceed one year.

At June 30, 2019, the following table shows the investments by investment type, amount and the weighted average maturities (in millions):

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Days)</b>
Repurchase Agreements	\$ 4,375.2	1
Government & Agencies	8,015.1	24
Commercial Paper	435.2	9
Certificates of Deposit	146.3	35
Time Deposits	25.0	1
Banker's Acceptances	19.8	55
Corporate Notes	50.6	40
Total Investments	<u>\$ 13,067.2</u>	
Portfolio Weighted Average Maturity (Days)		16

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. At June 30, 2019, the SIF was not exposed to foreign currency risk.

**3. Lottery Investments and Related Future Prize Obligations**

Investments of the State Lottery Fund totaling \$15.2 million are held to finance grand prizes payable over a 20-year, 25-year or 30-year period. The investments in prize annuities are debt obligations of the U.S. government 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 in "Accounts Payable and Other Accrued Liabilities".

The following is a schedule of future prize obligations (in millions):

<b>Fiscal Year</b>	<b>Amount</b>
2020	\$ 4.1
2021	3.7
2022	2.7
2023	2.4
2024	1.1
Thereafter	<u>2.2</u>
Total future value	16.3
Less: Present value adjustment	<u>(2.3)</u>
Present value of payments	<u>\$ 14.0</u>

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**NOTE 6. RECEIVABLES AND NET REVENUES****A. Receivables**

Receivables at June 30, 2019 were as follows (in thousands):

	Loans to		Other Loans Receivable				Other Receivables	Due From Other Governments	Due From Component Units	Total Receivables
	Taxes	Local Governments	Student Loans	Veterans Loans	Mortgage Loans	Other Loans				
<b>Governmental Activities:</b>										
General	\$ 1,570,828	\$ -	\$ -	\$ -	\$ -	\$ 3,659	\$ 709,906	\$ 1,044,249	\$ 9,328	\$ 3,337,971
Transportation	101,474	-	-	-	-	17,671	44,398	216,877	-	380,421
Capital Improvement	-	-	-	-	-	-	-	-	-	-
Nonmajor Governmental	-	451,404	-	-	-	-	74,641	25,266	-	551,312
<b>Total Governmental:</b>	<b>1,672,302</b>	<b>451,404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,331</b>	<b>828,946</b>	<b>1,286,392</b>	<b>9,328</b>	<b>4,269,704</b>
Government-wide Adjustments:										
Internal Service Funds	-	-	-	-	-	-	3,656	877	673	5,206
Accrual Adjustments	-	-	-	-	-	-	2,859	-	-	2,859
Fiduciary Receivables	-	-	-	-	-	-	72,052	-	-	72,052
<b>Total – Governmental Activities</b>	<b>\$ 1,672,302</b>	<b>\$ 451,404</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,331</b>	<b>\$ 907,512</b>	<b>\$ 1,287,269</b>	<b>\$ 10,002</b>	<b>\$ 4,349,821</b>
Related revenue not recognized in the funds because it is not available	\$ 241,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,098	\$ -	\$ -	\$ 296,821
<b>Business-type Activities:</b>										
Current:										
Injured Patients and Families Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,200	\$ -	\$ -	\$ 57,200
Environmental Improvement	-	189,824	-	-	-	-	270	9,246	-	199,339
University of Wisconsin System Unemployment Reserve	-	-	27,301	-	-	-	157,410	66,980	7,561	259,253
Nonmajor Enterprise	-	255	-	69	-	-	82,687	7,672	-	90,683
<b>Total Current:</b>	<b>-</b>	<b>190,079</b>	<b>27,301</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>445,931</b>	<b>85,608</b>	<b>7,561</b>	<b>756,549</b>
Noncurrent:										
Environmental Improvement	-	1,739,141	-	-	-	-	-	-	-	1,739,141
University of Wisconsin System Unemployment Reserve	-	-	145,969	-	-	-	-	-	64	146,033
Nonmajor Enterprise	-	1,921	-	108	-	2,995	31,899	-	-	5,024
<b>Total Noncurrent</b>	<b>-</b>	<b>1,741,062</b>	<b>145,969</b>	<b>108</b>	<b>-</b>	<b>2,995</b>	<b>31,899</b>	<b>-</b>	<b>64</b>	<b>1,922,097</b>
Government-wide Adjustments:										
Fiduciary Receivables	-	-	-	-	-	-	25,472	-	-	25,472
<b>Total – Business-type Activities</b>	<b>\$ -</b>	<b>\$ 1,931,141</b>	<b>\$ 173,270</b>	<b>\$ 176</b>	<b>\$ -</b>	<b>\$ 2,995</b>	<b>\$ 503,303</b>	<b>\$ 85,608</b>	<b>\$ 7,625</b>	<b>\$ 2,704,119</b>

**B. Net Revenues**

Certain revenues of the University of Wisconsin System are reported net of scholarship allowances. For Fiscal Year 2019, these scholarship allowances totaled as follows (in thousands):

Student Tuition and Fees	\$ 284,123
Sales and Services of Auxiliary Enterprises	45,937
Total	<u>\$ 330,060</u>

**NOTE 7. CAPITAL ASSETS****Primary Government**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows (in thousands):

Primary Government	Beginning Balance *	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and Land Improvements	\$ 2,875,031	\$ 27,115	\$ (741)	\$ 2,901,405
Buildings and Improvements	167,561	151	-	167,713
Library Holdings	58,875	207	-	59,082
Equipment	159	199	-	358
Construction and Software in Progress	2,491,321	680,876	(777,248)	2,394,948
Infrastructure	16,955,242	689,802	(66,945)	17,578,099
Total capital assets, not being depreciated	22,548,189	1,398,350	(844,935)	23,101,605
Capital assets, being depreciated:				
Land Improvements	191,868	17,183	(35)	209,016
Buildings and Improvements	2,634,630	55,086	(2,611)	2,687,105
Equipment	1,080,373	63,381	(34,372)	1,109,381
Totals	3,906,871	135,649	(37,018)	4,005,502
Less accumulated depreciation for:				
Land Improvements	141,376	9,287	(35)	150,628
Buildings and Improvements	1,206,364	74,747	(2,918)	1,278,194
Equipment	709,419	83,411	(29,727)	763,102
Totals	2,057,159	167,445	(32,680)	2,191,924
Total Capital Assets, being depreciated, net	1,849,713	(31,796)	(4,338)	1,813,578
Governmental activities capital assets, net	\$ 24,397,902	\$ 1,366,554	\$ (849,273)	\$ 24,915,183
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land and Land Improvements	\$ 162,439	\$ 1,194	\$ (10)	\$ 163,622
Construction and Software in Progress	515,399	323,527	(54,475)	784,451
Total Capital Assets, not being depreciated	677,838	324,720	(54,485)	948,074
Capital assets, being depreciated:				
Land Improvements	24,534	1,486	(118)	25,902
Library Holdings	1,122,852	19,004	(14,786)	1,127,070
Buildings	7,997,179	103,272	(7,048)	8,093,404
Equipment	1,261,627	109,533	(136,010)	1,235,150
Totals	10,406,193	233,295	(157,962)	10,481,526
Less accumulated depreciation for:				
Land Improvements	15,168	1,121	(118)	16,171
Library Holdings	967,408	22,212	(14,786)	974,833
Buildings	3,780,860	239,829	(1,849)	4,018,841
Equipment	950,433	81,086	(117,004)	914,515
Totals	5,713,869	344,247	(133,757)	5,924,359
Total Capital Assets, being depreciated, net	4,692,324	(110,952)	(24,205)	4,557,167
Business-type activities capital assets, net	\$ 5,370,162	\$ 213,768	\$ (78,689)	\$ 5,505,241

\* Amounts for beginning balance include restatements of prior year's balances.

In addition to the capital assets reported by governmental and business-type activities, the fiduciary funds reported gross capital assets of \$11.9 million, with accumulated depreciation totaling \$5.5 million.

*Depreciation Expense*

Depreciation expense was charged to the primary government as follows (in thousands):

<b>Governmental Activities</b>		<b>Business-type Activities</b>	
Commerce	\$ 622	Injured Patients and Families Compensation	\$ 898
Education	4,341	University of Wisconsin System	327,325
Transportation	11,970	Lottery	29
Environmental Resources	17,410	Care and Treatment Facilities	6,162
Human Relations and Resources	72,462	Other Business-Type	9,834
General Executive	13,965	Total depreciation expense -	
Judicial	2,203	business-type activities	<u>\$ 344,247</u>
Internal Service Funds	44,472		
Total depreciation expense - governmental activities	<u>\$ 167,445</u>		

*Capital Asset Impairment*

In calendar year 2018, an impairment of capital assets in the amount of \$25.4 million was recorded by the Wisconsin Retirement System (WRS), a fiduciary fund. The impairment arose because a vendor developing a benefit administration system, Vitech Systems Group, Inc. (Vitech), unexpectedly stopped providing services. This stoppage significantly affected the development and service utility of the system. The impairment charge is reported as a "Miscellaneous Expense" in the Statement of Changes in Fiduciary Net Position.

In March 2019, The Employee Trust Funds (ETF) filed a complaint in Dane County Circuit Court against Vitech to remedy damages suffered when Vitech breached its contract with ETF by failing to fulfill its promises according to the provisions of the contract. In response, Vitech filed a counterclaim against ETF. The resolution of this dispute is not anticipated to have a material effect on the WRS's financial position.

Construction and Software in Progress

Construction and software in progress of the primary government reported in the government-wide statement of net position at fiscal year end included the following projects:

Governmental Activities:	Allotments	Expended through June 30, 2019	Encumbrances Outstanding	Unencumbered Allotment Balance
<b>Reported through capital projects funds:</b>				
BCPL Land Sale/Transfer to DNR	\$ 10,908,050	\$ 10,908,050	\$ -	-
I94 N-S Corridor Reconstruction	74,068,325	74,068,325	-	-
Stillwater/St Croix Crossing Bridge	60,655,401	60,655,401	-	-
Zoo Interchange	530,476,901	530,476,901	-	-
GBCI North and South Cell Hall Improvement	22,232,000	503,865	1,073,252	20,730,371
Major Highway and Rehabilitation	85,658,055	85,658,055	-	-
Major Highway and Rehabilitation	10,255,252	10,255,252	-	-
Willow River State Park Little Falls Dam Renovation	19,041,700	6,254,192	8,486,657	4,300,851
Kettle Moraine Springs Hatchery Renovation	26,600,000	2,402,390	21,119,204	3,336,092
DNR South East Region HQ and Service Center Renovation	16,869,385	425,940	206,020	16,237,426
Interstate 94 North South Freeway Project	43,706,480	43,706,480	-	-
Other Projects with allotments totaling less than \$10 million		<u>39,198,838</u>	-	-
<b>Subtotal</b>		864,513,687		
<b>Projects funded with sources other than capital projects funds:</b>				
Transportation-related		1,498,659,196		
Department of Health Services		27,266,401		
Department of Natural Resources		4,419,785		
Other agency projects		<u>88,602</u>		
<b>Total construction and software in progress - governmental</b>		<u>\$ 2,394,947,671</u>		
 <b>Business Activities:</b>				
MSN Music Performance Facility	\$ 55,800,000	\$ 45,699,594	\$ 3,371,974	\$ 7,469,559
EAU New Residence Hall	35,000,000	27,933,597	4,160,028	4,012,567
MSN Multi-Bldg Energy Conservation	12,032,400	10,963,255	408,144	939,145
RVF Rodi Hall Renovation	15,900,000	9,968,195	4,501,910	3,271,353
PLT Boebel Hall Addition and Renovation	23,772,000	1,098,634	521,679	22,151,687
MSN Babcock Hall Renovation	46,920,000	10,147,720	33,304,473	3,845,766
OSH Fletcher Hall Renovation	26,412,500	25,430,048	558,612	430,657
STP Chemistry Biology Building	72,405,885	69,154,115	424,795	2,826,975
MSN Chemistry Addition & Renovation	133,100,000	20,814,813	90,090,322	25,360,087
LAC Science Labs Building	79,500,000	74,909,188	1,416,498	4,167,659
MSN Meat Sci & Muscle Bio Lab	50,077,000	47,203,738	2,314,062	1,633,622
MSN Sellery & Witte Renovation	54,460,000	50,117,385	3,917,709	1,601,634
EAU Towers Hall Renovation	38,969,000	34,805,536	2,229,274	2,418,970
LAC Wittich Hall Renovation	26,746,000	6,908,293	17,070,883	3,883,674
STO North Hall Add and Renovation	21,744,000	18,132,001	2,788,400	1,297,341
PLT Williams Field House Addition	15,272,000	13,363,256	117,170	1,816,574
MSN SERF Facility Replacement	96,541,000	51,156,277	27,605,788	22,020,857
STP Debot Dining Renovation	16,848,000	8,910,326	5,362,555	3,968,216
MSN South Campus Utilities	22,760,000	3,643,012	12,573,665	9,117,371
WTW Design-New Residence Hall	34,000,000	26,344,870	4,943,884	5,728,172
MIL Sandburg Hall Renovation	33,500,000	816,114	1,752,986	30,930,900
MIL NWQ Student Health Service Renovation	16,006,000	929,638	10,148,362	4,928,593
PKS Wyllie Hall Renovation	36,373,000	925,576	76,424	35,371,000
WTW Chiller Plant Upgrade	28,600,000	19,545,227	8,343,577	1,977,014
MSN-Lathrop Bascom Utility Improvement	32,656,000	1,982,893	2,723,015	28,379,335
Mendota Lorenz HL Secure Treatment Units	24,706,000	7,126,143	1,187,555	16,690,795
Veterans Homes Moses Skilled Nursing Facility-King	81,230,000	10,015,354	58,942,697	14,676,142
<b>Projects with allotments totaling less than \$10 million:</b>				
University of Wisconsin System		153,334,576		
Other Projects with allotments totaling less than \$10 million		<u>33,071,891</u>		
<b>Total construction and software in progress - business type</b>		<u>\$ 784,451,266</u>		

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 \$734.4 million and \$50.1 million, respectively.



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**NOTE 8. ENDOWMENTS****Primary Government****University of Wisconsin System**

The University of Wisconsin System invested 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 Applied Security Analysis Program "RegentFund." In Fiscal Year 2018, the Board of Regents transferred its investment management responsibilities of the Long Term Fund to the State of Wisconsin Investment Board (SWIB) as permitted through Section 36.11 (11m) of the Wisconsin statutes. The RegentFund was established on April 1, 2019, as an investment fund for a limited number of participating Trust Funds accounts. The RegentFund is an intermediate-term fixed income portfolio, governed by and subject to a Board-approved Memorandum of Understanding, which includes detailed investment guidelines.

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 RegentFund, 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, 2019, net appreciation of \$136.6 million was available to meet spending rate distributions, of which \$16.2 million was actually authorized for expenditure.

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 are governed and authorized by the Board of Regents. The approved asset allocation for the new SWIB-managed Long Term Fund has a target to public markets of the following: 57.0 percent public equities, 20.0 percent fixed income, and 23.0 percent inflation sensitive securities. Private markets are not included in the target asset allocation. The legacy private markets investments will self-liquidate as distributions are made from existing funds with no new commitments intended.

The fair value of Endowments as of June 30, 2019 was \$466.8 million including an unrealized gain of \$25.5 million when fair

values as of June 30, 2019 are compared to asset acquisition costs.

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, 2019, 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	\$ 296.1
Realized Gains – Undistributed	145.2
Book Value	441.3
Unrealized Net Gains/Losses – Undistributed	25.5
Fair Value	<u>\$ 466.8</u>

On June 30, 2019, the portfolio at market, for the Long Term Fund, contained 40.0 percent in global equities, 17.0 percent in Treasury Inflation Protection Securities (TIPS), 17.2 percent in investment grade government/credit, 5.1 percent in hedged non-U.S. equities, 2.6 percent in real estate investment trusts, 2.4 percent in emerging markets equities, and 15.7 percent in private markets. The total return (loss) on the principal Long Term Fund including capital appreciation was 7.5 percent for the year.

On June 30, 2019, the portfolio at market, for the RegentFund, contained 94.4 percent in fixed income securities and 5.6 percent in cash and cash equivalents. The total return on the principal RegentFund including capital appreciation was 3.7 percent for the three months beginning April 1, 2019 when the Fund was initiated.

**NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund balances as of or for the year ended June 30, 2019 consists 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, 2019 were as follows (in thousands):

<b>Due to Other Funds:</b>												
	General	Transportation	Capital Improvement	Nonmajor Governmental	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Unemployment Reserve	Nonmajor Enterprise	Internal Service	Fiduciary	Total
<b>Due from Other Funds:</b>												
General	\$ -	\$ 16,682	\$ 3	\$ 2,945	\$ 1	\$ 2,742	\$ 62,377	\$ 1,985	\$ 2,021	\$ 1,181	\$ 71,774	\$ 161,709
Transportation	45,515	-	4,678	31,447	-	-	-	-	-	-	-	81,640
Capital Improvement	-	-	-	-	-	-	24,861	-	9,009	4,552	-	38,422
Nonmajor Governmental	7,991	14,141	-	2,070	-	1,027	-	3	3,302	332	-	28,866
Environmental Improvement	39	-	-	22	-	-	-	-	-	-	-	61
University of Wisconsin System	12,662	1,263	2	3,640	-	67	-	-	7	16	1	17,657
Unemployment Reserve	236	-	-	-	-	-	-	-	-	-	-	236
Nonmajor Enterprise	1,170	22	-	-	-	-	-	-	68	-	25,529	26,789
Internal Service	8,823	2,303	-	1,054	-	-	641	-	124	11	278	13,235
Fiduciary	10,146	1,239	-	782	2	2	34,263	-	26,601	296	6,723	80,054
<b>Total</b>	<b>\$ 86,582</b>	<b>\$ 35,650</b>	<b>\$ 4,682</b>	<b>\$ 41,960</b>	<b>\$ 3</b>	<b>\$ 3,837</b>	<b>\$ 122,141</b>	<b>\$ 1,988</b>	<b>\$ 41,132</b>	<b>\$ 6,387</b>	<b>\$ 104,306</b>	<b>\$ 448,669</b>

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.

Most of the State's funds are presented on a fiscal year ended June 30. However, some funds are presented on a fiscal year ended December 31. As a result, inconsistencies may occur in amounts reported as interfund receivables or payables between funds with different fiscal year ends.

**B. 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, 2019 were as follows (in thousands):

	<b>Interfund Receivable:</b>			
	General	Nonmajor Enterprise	Fiduciary	Total
<b>Interfund Payables:</b>				
Nonmajor				
Governmental	\$ 2,688	\$ -	\$ -	\$ 2,688
Nonmajor				
Enterprise	30,446			30,446
Internal Service	41,123			41,123
<b>Total</b>	<b>\$74,257</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$74,257</b>

**C. Advances to/from Other Funds**

Advances to/from Other Funds represent long-term loans to one fund from another fund. Advances at June 30, 2019 were as follows (in thousands):

	<b>Advances from Other Funds (liability):</b>		
	General	Nonmajor Governmental	Total
<b>Advances to Other Funds (asset)</b>			
Environmental Improvement	\$ -	\$ 6,494	\$ 6,494
<b>Total</b>	<b>\$ -</b>	<b>\$ 6,494</b>	<b>\$ 6,494</b>

**D. Interfund Transfers**

Interfund Transfers in and out that occurred during Fiscal Year 2019 were as follows (in thousands):

**Transfers In:**

	General	Transportation	Capital Improvement	Nonmajor Governmental	Environmental Improvement	University of Wisconsin System	Nonmajor Enterprise	Internal Service	Total
<b>Transfers Out:</b>									
General	\$ -	\$ 45,243	\$ 67,930	\$ 787,029	\$ -	\$ 926,622	\$ 137,319	\$ 8,640	\$ 1,972,783
Transportation	65	-	8,353	177,275	-	-	-	-	185,693
Capital Improvement	-	-	-	79	7,081	30,049	5,602	363	43,174
Nonmajor Governmental	18,332	30,259	967	116,570	-	3,879	532	83	170,621
Injured Patients and Families Compensation	-	-	-	11	-	-	-	-	11
Environmental Improvement	-	-	25	7,982	-	-	-	-	8,007
University of Wisconsin System	24,419	-	16	49,067	-	-	-	-	73,502
Unemployment Reserve	114	-	-	-	-	-	-	-	114
Nonmajor Enterprise	14,056	-	325	6,489	-	-	14,788	-	35,658
Internal Service	4,087	-	48	1,594	-	11	-	917	6,657
Fiduciary	8	-	-	472	-	-	-	-	480
<b>Total</b>	<b>\$ 61,081</b>	<b>\$ 75,501</b>	<b>\$ 77,664</b>	<b>\$ 1,146,568</b>	<b>\$ 7,081</b>	<b>\$ 960,561</b>	<b>\$ 158,241</b>	<b>\$ 10,003</b>	<b>\$ 2,496,699</b>

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.

Most of the State’s funds are presented on a fiscal year ended June 30. However, some funds are presented on a fiscal year ended December 31. As a result, inconsistencies may occur in amounts reported as interfund transfers between funds with different fiscal year ends. In addition, the transfer of capital assets between governmental and enterprise funds will result in an inconsistency.

**Nonroutine and Other Transfers**

Transfers considered non-routine or inconsistent with the fund making the transfer included the following (in thousands):

Transfer out from the General Fund:

Funds Reporting the Transfer In	Amount
Transportation	\$ 44,778
Lottery	40,000
Environmental	7,991
Local Government Property Insurance	3,320

Transfers in to the General Fund:

Funds Reporting the Transfer Out	Amount
University of Wisconsin System	\$ 15,482
Human Resource Services	2,800

Transfers out from the Petroleum Inspection Fund:

Fund Reporting the Transfer In	Amount
Transportation	\$ 24,000

**NOTE 10. CHANGES IN LONG-TERM LIABILITIES**

During the year ended June 30, 2019, the following changes occurred in long-term liabilities (in thousands):

**Primary Government**

<b>Governmental Activities</b>	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2019</b>	<b>Amounts Due Within One Year</b>
<b>Bonds and Long Term Notes Payable:</b>					
General Obligation Bonds & Notes * for:					
Governmental Funds	\$ 5,558,430	\$ 185,556	\$ 537,462	\$ 5,206,524	\$ 552,032
Internal Service Funds	332,311	8,509	16,027	324,793	22,309
Annual Appropriation Bonds	3,027,935	359,950	443,235	2,944,650	107,810
Revenue Bonds	2,120,540	155,950	131,170	2,145,320	163,888
Issuance Premiums and (Discounts)	869,652	89,813	136,887	822,578	-
Total Bonds and Long Term Notes Payable	11,908,868	799,778	1,264,781	11,443,865	846,040
<b>Other Liabilities:</b>					
Future Benefits and Loss Liability	110,336	48,293	37,474	121,155	52,130
Capital Leases	94,328	6,016	15,578	84,766	14,642
Compensated Absences	156,300	56,672	54,464	158,509	54,518
Net Pension Liability	-	456,970	-	456,970	-
Other Postemployment Benefits	492,267	-	104,985	387,281	-
Claims, Judgments and Commitments	479	113	-	592	-
Pollution Remediation Obligations	5,725	-	1,048	4,677	2,486
Total Governmental Activities Long-term Liabilities	\$ 12,768,303	\$ 1,367,842	\$ 1,478,330	\$ 12,657,814	\$ 969,815

\* General Obligation Bonds & Notes included direct borrowings in the form of General Obligation Long-Term Notes in the amount of \$104.6 million at June 30, 2018. During the fiscal year repayments in the amount of \$34.2 million reduced that balance to \$70.4 million at June 30, 2019. \$45.4 million of these remaining notes are due within one year.

Repayment of the general obligation bonds and notes 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 2019. 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. Most of the compensated absences, pension and other postemployment benefits liabilities are attributed to the General, Transportation and Conservation funds. Long-term liabilities for claims, judgments and commitments are generally liquidated with resources of the governmental activities.

<b>Business-type Activities</b>	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2019</b>	<b>Amounts Due Within One Year</b>
Bonds Payable:					
General Obligation Bonds & Notes *	\$ 1,551,505	\$ 118,700	\$ 103,136	\$ 1,567,068	\$ 102,482
Revenue Bonds	237,885	92,080	84,080	245,885	18,125
Issuance Premiums and (Discounts)	160,966	22,862	31,536	152,291	-
Total Bonds Payable	1,950,355	233,641	218,752	1,965,244	120,607
Other Liabilities:					
Future Benefits and Loss Liability	986,770	40,494	135,820	891,444	117,286
Capital Leases	31,285	4,024	624	34,685	1,794
Compensated Absences	153,290	80,427	75,363	158,353	76,543
Net Pension Liability	-	528,532	-	528,532	-
Other Postemployment Benefits	592,512	-	123,571	468,941	-
Asset Retirement Obligations	-	12,009	-	12,009	-
Total Business-type Activities					
Long-term Liabilities	\$ 3,714,211	\$ 899,127	\$ 554,130	\$ 4,059,209	\$ 316,230

\* General Obligation Bonds & Notes included direct borrowings in the form of General Obligation Long-Term Notes in the amount of \$16.4 million at June 30, 2018. During the fiscal year repayments in the amount of \$5.1 million reduced that balance to \$11.3 million at June 30, 2019. \$6.1 million of these remaining notes are due within one year.

**NOTE 11. BONDS, NOTES AND OTHER DEBT OBLIGATIONS**

The following schedule summarizes outstanding bonds and long-term notes payable at June 30, 2019 (in millions):

<b>Primary Government</b>	
<b>Governmental Activities:</b>	
General Obligation Bonds and Notes	\$ 6,025.8
Annual Appropriation Bonds	3,002.4
Revenue Bonds:	
Transportation	2,388.5
Petroleum Inspection	27.2
Total Governmental Activities	11,443.9
<b>Business-type Activities:</b>	
General Obligation Bonds and Notes:	
University of Wisconsin System	1,652.3
Other Business-type	35.1
Revenue Bonds:	
Environmental Improvement	277.8
Total Business-type Activities	1,965.2
Total Primary Government	\$ 13,409.1

**A. General Obligation Bonds**

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 and notes 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 and notes 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, 2019, \$4.0 billion of general obligation bonds were legislatively authorized but unissued.



General obligation bonds issued and outstanding as of June 30, 2019 were as follows (in thousands):

Fiscal Year Issued	Series	Dates	Interest Rates	Maturity Through	Amount Issued	Amount Outstanding
2007	2007 Series 1	2/07	4.8 to 5.65	5/20	\$ 299,005	\$ 56,630
2010	2009 Series C, D; 2010 Series 1 and B	9/09; 9/09; 3/10; 4/10	4.5 to 5.9	5/40	803,360	441,875
2011	2010 Series D; 2011 Series A, and 1	9/10; 2/11; 6/11	3.45 to 5.1	5/41	1,013,855	465,930
2012	2011 Series 2, B, and C; 2012 Series 1, 2, and A	10/11; 8/11; 12/11; 3/12; 5/12; 6/12	3.0 to 5.0	5/42	1,347,620	527,595
2013	2012 Series B; 2013 Series A	11/12; 5/13	2.55 to 5.0	5/33	703,320	441,555
2014	2013 Series 1; 2014 Series 1, 2, and A	11/13; 2/14; 4/14; 2/14	3.0 to 5.0	5/34	1,060,455	538,185
2015	2014 Series 3, 4 and B; 2015 Series 1, A, and B	9/14; 1/15; 7/14 4/15; 2/15; 6/15	2.0 to 5.0	11/29	1,318,765	705,410
2016	2015 Series C; 2016 Series 1 and A	9/15; 3/16; 3/16	1.75 to 5.0	5/36	977,435	858,470
2017	2016 Series B, C, D, 2; 2017 Series A	7/16; 7/16, 10/16, 8/16; 3/17	1.15 to 5.0	5/37	1,124,280	1,071,065
2018	2017 Series B, 1, 2, 3; 2018 Series A	11/17; 7/17, 11/17, 12/17; 3/18	2.0 to 5.0	5/38	1,635,975	1,597,200
2019	2018 Series B	10/18	5.0	5/39	258,965	258,965
					10,543,035	6,962,880
	Premiums/Discounts				--	614,897
	Total General Obligation Bonds				\$10,543,035	\$ 7,577,777

As of June 30, 2019, general obligation bond debt service requirements for principal and interest for governmental activities and business -type activities are as follows (in thousands):

Fiscal Year Ended June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 432,893	\$ 251,361	\$ 74,587	\$ 69,785
2021	423,799	236,349	73,886	68,279
2022	406,357	214,144	78,008	64,445
2023	429,450	193,910	89,665	60,606
2024	392,496	174,516	104,764	56,272
2025-2029	1,742,710	604,391	513,675	206,072
2030-2034	1,145,033	253,099	409,437	93,676
2035-2039	460,078	51,685	156,192	28,906
2040-2042	--	--	29,850	2,262
	5,432,817	1,979,454	1,530,063	650,304
Premiums/Discounts	494,509		120,388	
Total	\$ 5,927,326	\$ 1,979,454	\$ 1,650,451	\$ 650,304

Qualified Build America Bonds

The State has issued four series of general obligation bonds, in the aggregate amount of \$769.2 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.

With respect to the direct payments the State expects to receive, since such payments are not program Income and not pledged to the payment on the Bonds, there is no direct impact on the Bonds with these direct payments being subject to the mandated across-the-board cuts to the Federal budget for the federal fiscal year that started October 1, 2018 and ends September 30, 2019. The impact of these cuts for the current federal fiscal year is a 6.2% reduction in the direct payment amount that the State expected to receive. Three series of such general obligation bonds remain outstanding:

- 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.

- The interest rates on the 2010 Series D bonds, in the amount of \$309.7 million, range from 3.45 percent to 5.1 percent payable semiannually on May 1 and November 1 beginning with the first interest payment date of May 1, 2011. These bonds are callable at par on May 1, 2021 or any date thereafter. The bonds mature beginning May 1, 2020 through 2041.

In November 2017, the State issued General Obligation Refunding Bonds (2017 Series 2), which included a crossover refunding of certain outstanding general obligation bonds that are “qualified Build America Bonds”. A portion of the proceeds of the bonds were deposited in escrow to provide for future interest payments on the 2017 Series 2 bonds until the crossover dates (May 1, 2019 and May 1, 2020), at which time escrow resources retired \$46.5 million of 2009 Series B bonds, and will retire \$128.2 million of 2009 Series D Bonds, and \$119.1 million of 2010 Series B Bonds. Until the respective crossover dates, the refunded bonds were not and are not considered defeased, and both the 2017 Series 2 Bonds and refunded bonds are reported as liabilities of the State.

**B. General Obligation Notes**

**1. Demand Notes**

In May 2019, the State issued \$53.8 million of General Obligation Demand Notes for general governmental purposes as authorized by law.

As of June 30, 2019, the State had \$53.8 million in variable-rate general obligation demand notes outstanding that are demand notes marketed weekly pursuant an electronic bidding system referred to as the Clarity BidRate Alternative Trading System. The holders of the notes have the option to tender their notes weekly, and upon a tender if the remarketing of the tendered note is unsuccessful, the note will be purchased by the State pursuant to a self-liquidity agreement and become a contracted note. There were no contracted notes during fiscal year 2018-19.

The face value of the demand notes are reported as part of General Obligation Bonds and Notes in the Statements of Net Position and bear interest at rates determined and reset every seven days and computed on the basis of a 365/366 day year for the actual number of days elapsed and payable monthly on the first business day of the month. Principal outstanding at year end totaled \$53.8 million.

As of June 30, 2019, general obligation demand note debt service requirements for principal and interest for governmental activities and business-type activities are as follows (in thousands):

Fiscal Year Ended June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ --	\$ 1,035	\$ --	\$ 944
2021	--	1,125	--	1,027
2022	--	1,125	--	1,027
2023	--	1,125	--	1,027
2024	--	1,125	--	1,027
2025-2029	--	5,626	--	5,134
2030-2034	--	5,626	--	5,134
2035-2038	28,130	3,952	25,670	3,915
Total	\$ 28,130	\$ 20,740	\$ 25,670	\$ 19,235

Though the actual interest rate paid by the state for these notes will fluctuate as described above, the stated future interest payments in the preceding schedule above are based on an assumed 4.00% fixed annual rate, and not the 2.00% rate that was the actual reset rate in effect at June 30, 2019.

## 2. Long-term Notes

*Direct Borrowing* - In April 2015, the State issued \$279.8 million of General Obligation Long-term Notes Payable for the purpose of refunding General Obligation Bonds. These notes were issued pursuant to a Term Loan Agreement with JPMorgan Chase Bank, NA. Pursuant to provisions of the Term Loan Agreement, interest

rates on the outstanding maturities were increased effective January 1, 2018 as a result of the enactment on December 22, 2017 of the Federal Tax Cuts and Jobs Act (which decreased the federal corporate tax rate).

The face value of the notes is reported as part of General Obligation Bonds and Notes in the Statements of Net Position and bear interest at rates from 3.82 percent to 4.17 percent, payable semi-annually on each May 1 and November 1 until their maturity dates. Principal outstanding at year end totaled \$81.7 million.

As of June 30, 2019, long-term general obligation note debt service requirements for principal and interest for governmental activities and business-type activities are as follows (in thousands):

Fiscal Year Ended June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 45,387	\$ 2,820	\$ 6,073	\$ 459
2021	24,983	1,056	5,262	222
Total	\$ 70,370	\$ 3,876	\$ 11,335	\$ 681

## C. 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). In November 2012, the State issued \$251.6 million bonds to refund a portion of the 2003 Series A bonds. In August 2016, the State issued \$400.1 million of General Fund Annual Appropriation Refunding Bonds (Taxable) to refund the May 2018 maturities of the 2008 Series A Bonds.

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 of 2003, Series A (Taxable Fixed Rate) in the outstanding principal amount of \$460.2 million ("2003 Series A Bonds"), bear interest at a rate of 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 Bonds of 2008, Series B (Taxable Floating Rate Notes), 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 \$183.8 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.

The General Fund Annual Appropriation Refunding Bonds of 2012, Series A (Taxable Fixed Rate) in the outstanding principal amount of \$113.6 million ("2012 Series A Bonds"), bear interest at rates from 3.669 percent to 4.019 percent computed on the basis of a 30-day month and a 360-day year, payable semiannually on May 1 and November 1 until their maturity dates.

The General Fund Annual Appropriation Refunding Bonds of 2016, Series A (Taxable) in the outstanding principal amount of \$400.1 million (2016 Series A Bonds), bear interest at rates from 1.45 percent to 2.48 percent computed on the basis of a 30-day month and a 360-day year and for the number of days actually elapsed, payable semiannually on May 1 and November 1 until their maturity dates.

As of June 30, 2019, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2020	\$ 99.0	\$ 70.0
2021	107.8	66.2
2022	118.3	63.0
2023	130.1	59.1
2024	145.3	54.4
2025 – 2029	629.8	157.0
2030 – 2032	227.5	22.5
	1,457.7	492.4
Unamortized Prem./Discount	(0.5)	--
Total, net	\$ 1,457.3	\$ 492.4

#### 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, 2019, 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. 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, 2019.

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, 2019, interest rate exchange

agreements remain to reduce the interest rate risk in connection with \$475.9 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 \$475.9 million as of June 30, 2019. 2008 Series B Bonds and Series C Bonds mature and a related notional amount of the related interest rate exchange agreements decline from May 1, 2020 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, 2019, the aggregate fair value of the interest exchange agreements was negative \$143.0 million, a decrease of \$35.1 million compared to the aggregate fair value of negative \$107.9 million reported as of June 30, 2018. 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 position 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 determined 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, 2019, 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	Interest			
	Principal	Interest	Swaps, Net	Totals
2020	\$ 1.1	\$ 17.2	\$ 14.0	\$ 32.3
2021	8.5	17.1	14.0	39.6
2022	10.1	16.8	13.8	40.7
2023	10.1	16.4	13.6	40.1
2024	10.1	16.1	13.3	39.5
2025 – 2029	260.8	62.4	52.1	375.3
2030 – 2032	175.2	10.6	8.8	194.6
Total	\$ 475.9	\$ 156.7	\$ 129.6	\$ 762.1

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 swap 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, 2019, 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, 2019, Aa3 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 A2 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, 2019, 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 (if funds are on deposit), 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. In August 2016, January 2017, May 2017, and January 2019, the State issued an aggregate \$1.5 billion of General Fund Annual Appropriation Refunding Bonds (Taxable and Tax Exempt) to refund a portion of the appropriation obligations issued in 2009.

The 2016 Series B (Taxable) General Fund Annual Appropriation Bonds in the outstanding principal amount of \$200.5 million bear interest rates from 1.45 percent to 3.29 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 2017 Series A Taxable General Fund Annual Appropriation Bonds in the outstanding principal amount of \$427.8 million bear interest rates from 1.87 percent to 3.95 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 2017 Series B General Fund Annual Appropriation Bonds in the outstanding principal amount of \$102.1 million bear

interest rates from 4.00 percent to 5.00 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 2017 Series C (Taxable) General Fund Annual Appropriation Bonds in the outstanding principal amount of \$396.6 million bear interest rates from 1.70 percent to 3.15 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 2019 Series A (Forward Delivery) General Fund Annual Appropriation Bonds in the outstanding principal amount of \$360.0 million bear interest rates at 5.00 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, 2019, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2020	\$ 8.8	\$ 58.2
2021	19.0	58.0
2022	42.4	57.3
2023	46.1	55.5
2024	58.0	53.4
2025 – 2029	680.0	203.3
2030 – 2034	202.4	115.5
2035 – 2037	430.2	31.8
	1,486.9	633.1
Unamortized Premium/Discount	58.2	
<b>Total</b>	<b>\$ 1,545.1</b>	<b>\$ 633.1</b>

**D. Revenue Bonds**

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 \$4.1 billion of revenue bonds. Presently, there are fifteen issues of Transportation Revenue Bonds outstanding totaling \$2.1 billion. Debt service payments are secured by driver and vehicle registration fees and the program resolution provides for a reserve fund, which if funded, 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, 2019 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2019-A	4/19	5.0	7/39	\$ 155,950	\$ 155,950
2017 2	12/17	5.0	7/32	368,595	368,595
2017 1	5/17	5.0	7/37	284,520	284,520
2015 A	12/15	3.0 to 5.0	7/36	225,000	219,940
2015 1	4/15	5.0	7/29	207,240	154,040
2014 2	12/14	5.0	7/27	94,130	94,130
2014 1	4/14	4.5	7/34	339,745	77,235
2013 1	3/13	4.0 to 5.0	7/33	259,680	158,840
2012 2	6/12	4.0 to 5.0	7/24	116,400	93,490
2012 1	4/12	3.5 to 5.0	7/25	343,725	143,595
2010 B	12/10	4.7 to 6.0	7/31	123,925	123,925
2010 A	12/10	5.0	7/20	76,075	8,935
2009 B	10/09	4.54 to 5.84	7/30	147,130	120,080
2007 1	3/07	5.0	7/20	206,900	86,275
2005 A	3/05	5.0	7/20	235,585	28,575
				3,184,600	2,118,125
Unamortized Premium / Discount				--	270,335
Total				\$ 3,184,600	\$ 2,388,460

### 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, 2019, PIF

Bonds outstanding are \$27.2 million. Debt service payments are secured by petroleum inspection fees.

The PIF revenue bonds issued and outstanding as of June 30, 2019 were as follows (in thousands):

Issue	Issue Date	Interest Rate	Maturity Through	Issued	Outstanding
2016-1	10/16	4.0 to 5.0	7/19	\$ 62,445	\$ 27,195
Unamortized Premium / Discount					--
Total					\$ 27,195

### Environmental Improvement Fund 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 Clean Water Revenue Bonds and Environmental Improvement Fund Revenue Bonds up to an amount of \$2.5 billion in total.

Environmental Improvement Fund revenue bonds are payable only from revenues derived from 1) pledged loan amounts, 2) amounts in the Loan Fund, Reserve Fund (if any), and 3) all other pledged receipts.

The Environmental Improvement Fund has pledged future loan revenues, net of specified operating expenses, to repay outstanding revenue bonds. Proceeds from the bonds provided financing for loans to municipalities to construct or improve water and wastewater projects.

At June 30, 2019, there were three issues of Environmental Improvement Fund Revenue Bonds outstanding totaling \$245.9 million.

Bonds issued and outstanding for the Environmental Improvement Fund as of June 30, 2019 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2018-A	9/18	5.0	6/26	\$ 92,080	92,080
2017-A	6/17	3.0 to 5.0	6/35	218,705	120,845
2015-A	12/15	3.0 to 5.0	6/30	43,380	32,960
				354,165	245,885
Unamortized Premium / Discount				--	31,903
Total				\$ 354,165	\$ 277,788

As of June 30, 2019, revenue bond debt service requirements for principal and interest for governmental activities and business-type activities are as follows (in thousands):

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities	
	Transportation Revenue Bonds		Petroleum Inspection Fee Revenue Bonds		Environmental Improvement Fund Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 114,555	\$ 89,813	\$ 27,195	\$ 544	\$ 18,125	\$ 12,294
2021	242,870	87,917	--	--	21,040	11,388
2022	265,570	83,945	--	--	22,095	10,336
2023	141,570	76,652	--	--	23,200	9,231
2024	128,605	69,448	--	--	24,360	8,071
2025-2029	571,560	250,009	--	--	81,810	24,090
2030-2034	472,015	100,743	--	--	45,660	9,037
2035-2039	170,490	17,924	--	--	9,595	480
2040	10,890	272	--	--	--	--
	2,118,125	776,723	27,195	544	245,885	84,927
Unamortized Premium / Discount	270,335	--	--	--	31,903	--
Total	\$ 2,388,460	\$ 776,723	\$ 27,195	\$ 544	\$ 277,788	\$ 84,927

#### Qualified Build America Bonds

The State has previously issued three series of revenue bonds, in the aggregate amount of \$320.8 million, that are "qualified Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Code), and currently two series of such revenue bonds remain outstanding. 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.

With respect to the direct payments the State expects to receive, since such payments are not Program Income and not pledged to the payment on the Bonds, there is no direct impact on the Bonds with these direct payments being subject to the mandated across-the-board cuts to the Federal budget for the federal fiscal year that started October 1, 2018 and ends September 30, 2019. The impact of these cuts for the current federal fiscal year is a 6.2% reduction in the direct payment amount that the State expected to receive.

The interest rates on the 2009 Series B (taxable) Transportation Revenue Bonds in the amount of \$120.1 million range from 4.5 percent to 5.84 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 interest rates on the 2010 Series B (taxable) Transportation Revenue Bonds in the amount of \$123.9 million range from 4.7 percent to 6.0 percent payable semiannually on January 1 and July 1 beginning with the first interest payment date of July 1, 2011. These bonds are callable at par on July 1, 2020 or any date thereafter. The bonds mature beginning July 1, 2022 through 2031.

In December 2017, the State issued Transportation Revenue Refunding Bonds (2017 Series 2), which included a crossover refunding of certain outstanding transportation revenue bonds that are "qualified Build America Bonds". A portion of the proceeds of the bonds were deposited in an escrow to provide for future interest payments on the 2017 Series 2 bonds until the crossover dates (July 1, 2019 and July 1, 2020), at which time escrow resources retired \$112.6 million of 2009 Series B bonds and will retire \$123.9 million of 2010 Series B bonds. Until the respective crossover dates, the refunded bonds are not considered to be defeased, and both the 2017 Series 2 bonds and refunded bonds are reported as liabilities of the State.

#### E. 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 Fiscal Year Refundings/General Obligation Bonds**

Under the Tax Cut and Jobs Act of 2017, advance refunding of tax-exempt obligations such as State of Wisconsin general obligation bonds are no longer treated as tax-exempt. As a result, no refunding general obligation bond issues occurred in fiscal year 2019.

As a result of higher estimated tax collections, a cash defeasance using the State’s General Fund occurred in June 2019. At that time, the State deposited \$58.7 million of cash into an escrow account that provided for future debt service payments and redemption of \$56.2 million of various general obligation bonds outstanding at that time. As the result of the cash defeasance, the \$56.2 million of various general obligations bonds for which future debt service payment and redemptions are paid from the escrow account are considered defeased and the associated liability removed from the financial statements.

**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, 2019, \$1,567.3 million of general obligation bond principal has been defeased.

**Current Fiscal Year Refundings/Revenue Bonds**

Under the Tax Cut and Jobs Act of 2017, advance refunding of tax-exempt obligations such as State of Wisconsin revenue bonds are no longer treated as tax-exempt. As a result, no refunding revenue issues occurred in occurred in fiscal year 2019.

**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, 2019, revenue bonds outstanding of \$591.2 million have been defeased.

- Transportation Revenue Bonds – At June 30, 2019, revenue bonds outstanding of \$417.7 million have been defeased.

**F. 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 payments to the issuing and paying agent that will be used to pay interest due on maturing notes. On June 30, 2019, the amount of commercial paper notes outstanding was \$149.5 million which had interest rates ranging from 1.42 percent to 1.46 percent and maturities ranging from July 10, 2019 to September 5, 2019.

Short-term debt activity for the year ended June 30, 2019 for general obligation commercial paper notes was as follows (in millions):

Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
\$ 181.9	\$ --	\$ 32.4	\$ 149.5

**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 commercial paper notes that reflect principal amortization of the paper. The State also intends to make regular payments to the

issuing and paying agent that will be used to pay the interest due on the maturing notes. At June 30, 2019, the amount of extendible municipal commercial paper outstanding was \$171.1 million which had interest rates ranging from 1.46 percent to 1.53 percent and maturities from July 17, 2019, to August 15, 2019.

Short-term debt activity for the year ended June 30, 2019 for general obligation extendible municipal commercial paper was as follows (in millions):

Balance				Balance	
July 1, 2018	Additions	Reductions		June 30, 2019	
\$ 223.7	\$ --	\$ 52.6		\$ 171.1	

**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, 2019, no transportation revenue commercial paper notes were outstanding.

Short-term debt activity for the year ended June 30, 2019 for the transportation revenue commercial paper notes was as follows (in millions):

Balance				Balance	
July 1, 2018	Additions	Reductions		June 30, 2019	
\$ 58.8	\$ --	\$ 58.8		\$ 0	

**G. 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 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 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.

The outstanding balance as of June 30, 2019 was as follows:

Balance Due	Average Life (Weighted Term)
\$99.1 million	2.49 Years

At June 30, 2019, the following parity Master Lease certificates were outstanding:

- Master Lease Certificates of Participation of 2013, Series A (Revolving Credit Agreement – Taxable) in the amount of \$11.0 million. This Master Lease certificate evidences the State's obligation to repay advances under a Revolving Credit Agreement, dated September 1, 2013, 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 PNC Bank National Association. The scheduled termination date under the Revolving Credit Agreement, as amended, is September 1, 2020. 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 2014, Series A, in the amount of \$14.9 million. This series of Master Lease certificates has interest rates ranging from 2.75 percent to 5.0 percent and matures semi-annually through March 1, 2023.
- Master Lease Certificates of Participation of 2014, Series B in the amount of \$15.6 million. This series of Master Lease certificates has interest rates ranging from 1.65 to 5.00 percent and matures semi-annually through March 1, 2023.
- Master Lease Certificates of Participation of 2015, Series A in the amount of \$21.9 million. This series of Master Lease certificates has interest rates ranging from 3.0 to 5.0 percent and matures semi-annually through March 1, 2023.
- Master Lease Certificates of Participation of 2016, Series A in the amount of \$12.1 million. This series of Master Lease certificates has interest rates ranging from 3.0 to 5.0 percent and matures semi-annually through March 1, 2023.

- Master Lease Certificates of Participation of 2018, Series A in the amount of \$23.6 million. This series of Master Lease certificates has interest rates ranging from 3.0 to 5.0 percent and matures semi-annually through March 1, 2023,

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, 2019, the State has not deposited with the Trustee amounts, that when invested, will terminate lease schedules.

## H. 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, 2019, a liability for arbitrage rebate did not exist.

## I. 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 in bonds and has issued one series with an outstanding balance of \$102.0 million that is 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 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. One bond issue with an outstanding balance of \$29.1 million has been issued that have a special debt service reserve fund secured by the State's moral obligation.

Through legislation enacted in 2017, subject to the Secretary of Administration's designation and determination of certain conditions being met, the State may provide a moral obligation pledge for up to 40% of a local governmental unit's aggregate municipal obligations issued to finance costs related to development occurring in, or for the benefit of, the electronics and information technology manufacturing zone. In October 2018, the Secretary of Administration designated the State's moral obligation pledge on \$120.0 million of Village of Mount Pleasant Tax Increment Revenue Bonds.

## J. Credit Agreements

The State has entered into a credit agreement that provides the State a line of credit for liquidity support for up to \$185.0 million of general obligation commercial paper notes. As of June 30, 2019, \$185.0 million was unused and available. The line of credit expires in March 2021, but is subject to termination and renewal as provided for in the credit agreement. The cost of this line of credit is 0.180 percent per year.

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**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 non-cancelable 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 fund 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, 2019 for capital leases (in thousands):

Fiscal Year	Governmental Activities	
	Principal	Interest
2020	\$ 14,642	\$ 3,824
2021	14,002	3,147
2022	12,065	2,489
2023	41,929	2,045
2024	809	95
2025- 2029	1,319	91
2030 - 2034	-	-
2035 - 2039	-	-
2040 - 2044	-	-
2045 - 2049	-	-
Total minimum future payments	84,766	-
Total minimum interest payments	\$ -	11,690

Fiscal Year	Business-type Activities	
	Principal	Interest
2020	\$ 1,890	\$ 2,371
2021	1,730	2,288
2022	1,481	2,198
2023	1,276	2,112
2024	1,223	2,031
2025- 2029	6,055	7,114
2030 - 2034	5,236	7,128
2035 - 2039	7,507	4,857
2040 - 2044	8,283	1,608
2045 - 2049	-	-
Total minimum future payments	34,679	-
Total minimum interest payments	\$ -	31,707

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, 2019 (in thousands):

	Governmental Activities	Business-type Activities
Land and Land Improvements	\$ -	\$ -
Buildings and Improvements	-	29,287
Machinery and Improvements	178,157	10,151
Construction in Progress	-	-
Less: Accumulated Depreciation	(72,380)	(5,760)
Carrying Amount	\$ 105,777	\$ 33,678

**B. Operating Leases**

Operating leases, those leases not recorded as capital leases, are not recorded in the statement of net position. 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. Operating lease expenditures/expenses are recognized as incurred or paid over the lease term.

Governmental and business-type activities rental expenses under operating leases for Fiscal Year 2019 were \$127 million. Of this amount, \$126.9 million relates to minimum rental payments stipulated in lease agreements, and \$49.1 thousand pertains to contingent rental payments.

The following is an analysis of the future minimum rental payments due under operating leases (in thousands):

Fiscal Year	Governmental		Business-type	
		Activities		Activities
2020	\$	38,357	\$	26,825
2021		28,900		24,584
2022		15,006		20,644
2023		10,341		15,540
2024		4,661		15,220
2025-2029		8,517		65,171
2030-2034		466		56,546
2035-2039		363		35,931
2040-2044		518		24,714
2045-2049		531		14,820
2050-2054		189		-
2055-2059		151		-
Thereafter		316		-
Minimum lease payments	\$	108,316	\$	299,995

**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, 2019 for installment purchases (in thousands):

Fiscal Year	Business-type Activities	
	Principal	Interest
2020	\$ 401	6
2021	401	5
2022	-	-
2023	-	-
2024	-	-
Total minimum future installment payments	\$ 802	-
Total interest payments	\$ -	11

**NOTE 13. POLLUTION REMEDIATION AND ASSET RETIREMENT OBLIGATIONS**

**Pollution Remediation Obligations**

Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, establishes accounting and financial reporting standards for pollution remediation obligations. These 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 Statement No. 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 the fiscal year, the State expended \$0.4 million to clean up sites. Estimates of existing pollution remediation liabilities were also reduced by \$0.7 million. In total, the beginning liability of \$5.7 million decreased to \$4.7 million. There were no recoveries received from other responsible parties during the fiscal year 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 Position as of June 30, 2019 (in millions):

Nature and Source of Pollution	Estimated Liability	Estimated Recovery
Contract agreement with EPA to clean up Superfund site for former wood treatment facility	\$ 0.6	-
Voluntary commencement by the State to clean up heavy metal contamination of canal near former industrial site	4.1	-
Total estimated obligations	\$ 4.7	-

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 Position for either site.

**Asset Retirement Obligations**

During Fiscal Year 2019, the State adopted GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83), which establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. In accordance with the statement, the University of Wisconsin System has recognized asset retirement obligations of \$12.0 million as of June 30, 2019, related to decommissioning costs for a nuclear research reactor. This obligation was recognized based on the best estimate of the current value of outlays expected to be incurred. The corresponding deferred outflow of resources is amortized over the estimated remaining useful life of the associated tangible capital asset coinciding with a licensure period through the year 2031. The University of Wisconsin System has issued a statement to the U.S. Nuclear Regulatory Commission of intent to obtain funds necessary for decommissioning, when necessary. No restricted assets are set aside for payment of the asset retirement obligations.

**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 audited financial statements and required supplementary information for the year ending December 31, 2018, is available at [www.etf.wi.gov](http://www.etf.wi.gov).

**Plan Description**

The WRS, governed by Chapter 40 of the Wisconsin Statutes, is a cost-sharing multiple-employer defined benefit pension plan administered by the Department of Employee Trust Funds. Benefit terms may only be modified by the Legislature. It provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

As of December 31, 2018, the number of participating employers was:

State Agencies	56
Cities	188
Counties	71
Villages	271
Towns	265
School Districts	422
Wisconsin Technical College System Board Districts	16
Cooperative Educational Service Agencies	12
Other	206
<b>Total Employers</b>	<b>1,507</b>

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 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested. Employees who retire at or after age 65 (54 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.

Vested 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, or may leave contributions on deposit and defer application until eligible to receive a retirement benefit. The WRS also provides death and disability benefits for employees.

The Employee Trust Funds Board may periodically adjust annuity payments from the WRS based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payment may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the WRS’ consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core Retirement Investment Trust fund annuities cannot be reduced to an amount below the original, guaranteed amount set at retirement.

**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 paid. Employer contributions to the plan are recognized in the accounting period in which the underlying earnings on which the contributions are based are paid 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 position.

**Contributions Required**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. In 2016, executives & elected officials' contributions rates were changed to match General. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates as of June 30, 2019 are:

	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.55%	6.55%
Executives & Elected Officials	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

**State of Wisconsin Net Pension Liability, Pension Contributions, Pension Expenses, and Deferred Outflows and Inflows of Resources**

At June 30, 2019, the State reported a net pension liability of \$985.5 million for its proportionate share of the WRS' net pension liability. It is presented as a net pension liability on the Statement of Net Position for proprietary and fiduciary funds and on the government-wide Statement of Net Position.

The net pension liability was measured as of December 31, 2018, and the total pension liability was based on an actuarial valuation as of December 31, 2017. Update procedures were used to roll forward the total pension liability to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

The State's proportionate share of the net pension liability was determined based the State's share of contributions to the WRS relative to the contributions of all participating employers. At December 31, 2018, the State's proportionate share was 27.7 percent, which is a decrease of 0.12 percent from its proportionate share as of December 31, 2017.

For calendar year 2018, State employers made \$285.0 million in contributions recognized by the WRS.

For the year ended June 30, 2019, the State recognized pension expense of \$664.5 million. At June 30, 2019, the State reported deferred outflows and inflows of resources related to pensions of \$2.56 billion and \$1.36 billion, respectively. Deferred outflows and inflows related to pensions, including the types and the amounts applicable to each type, can be found in table below (in thousands).

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Pension Experience	\$ 767,585	\$(1,356,814)
Changes of Pension Assumptions	166,126	
Net Difference Between Projected and Actual Earnings on Pension Investments	1,439,310	
Changes in Proportionate Share	7,024	(6,294)
Pension Contributions Subsequent to the Measurement Date	182,477	
<b>Total</b>	<b>\$ 2,562,522</b>	<b>\$(1,363,107)</b>

The \$182,477 thousand in deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows (in thousands):

Fiscal Year Ended June 30	Amount
2020	\$ 366,965
2021	93,210
2022	162,019
2023	394,744
2024	-
	\$ 1,016,937

A schedule presenting multi-year trend information of the State's proportionate share of the net pension liability or asset is presented as required supplementary information following the notes to the financial statements.

#### Actuarial Valuation

The pension measurements as of December 31, 2018 were based upon the following actuarial assumptions:

Actuarial Valuation Date	December 31, 2017
Measurement Date of Net Pension Liability	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	7.0%
Discount Rate	7.0%
Salary Increases	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

\* No post-retirement adjustments are guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. The assumed annual adjustment is 1.9%, based on the investment return assumption and the post-retirement discount rate. This includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement

adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

#### Long-Term Expected Return on Plan Assets

The long-term expected rate of return on WRS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return, net of WRS investment expense and inflation, are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return is reviewed every three years in conjunction with the WRS experience study. For each major asset class that is included in the Core Retirement Investment Trust fund's target asset allocation as of December 31, 2018, these best estimates of geometric long-term real rates of return were used:

Asset Class	Target Allocation	Rate of Return
Global Equities	49.0%	5.5%
Fixed Income	24.5	1.5
Inflation Sensitive	15.5	1.3
Real Estate	9.0	3.9
Private Equity/Debt	8.0	6.7
Multi-asset	4.0	4.1

For each major asset class that is included in the Variable Retirement Investment Trust fund's target asset allocation as of December 31, 2018, these best estimates of geometric long-term real rates of return were used:

Asset Class	Target Allocation	Rate of Return
Domestic Equity	70.0%	5.0%
International Equity	30.0	5.9

The money-weighted rates of return on pension plan investment for the Core and Variable funds for the calendar year ended 2018 were 3.56% and 7.61%, respectively. The money-weighted rate of return expresses investment performance, net of pension plan expenses, adjusted for the changing amount actually invested.

#### Discount Rate

A single discount rate of 7.0% was used to measure the total pension liability, as opposed to a discount rate of 7.2% for the prior year. This rate was based on the expected rate of return of 7.0% and a long-term bond rate of 3.71%. Because of the unique structure of the WRS, the 7.0% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this

single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the State's proportionate share of the net pension liability (asset), calculated using a single discount rate of 7.0%, as well as what the State's net pension liability (asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	State's share of the net pension liability (asset)
1% Decrease (6.0%)	\$ 3,916,630,224
Current Rate (7.0%)	\$ 985,537,745
1% Increase (8.0%)	\$ (1,193,956,858)

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 audited financial statements along with the accompanying footnote disclosures and supplementary information for the Core Fund and the Variable Fund is available at [www.swib.state.wi.us](http://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 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 Fund (Core Fund) and the Variable Retirement Investment Trust Fund (Variable Fund) of the Wisconsin Retirement System. Participation of the MRS in the Core Fund and Variable Fund is described in the DETF Administrative Code, Chapter 10.12. The State of Wisconsin Investment Board (SWIB) manages the Core Fund and Variable Fund 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 Core Fund and Variable Fund 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 Core Fund and Variable Fund 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

## NOTE 16. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PROGRAMS

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures in financial reports of state and local governmental employers. GASB statement 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, establishes reporting standards for other postemployment benefits included in the general purpose external financial reports of state and local governmental OPEB plans.

Under Chapter 40 of Wisconsin Statutes, the Department of Employee Trust Funds (ETF) and Group Insurance Board (GIB) have statutory authority for program administration and oversight of post-employment benefits. ETF administers postemployment benefit plans other than pension plans for the Retiree Health Insurance and Retiree Life Insurance plans (for retired state employees). ETF also administers the Local Retiree Health Insurance and the Local Retiree Life Insurance plans (for retired local government employees). The plans are reported as fiduciary funds in the State's CAFR.

ETF's separately issued financial statements contain further information. ETF's report may be obtained at [www.etf.wi.gov](http://www.etf.wi.gov) and on request from:

The Department of Employee Trust Funds  
PO Box 7931  
Madison, Wisconsin 53707-7931

### Basis of Accounting

The OPEB plans are reported in accordance with GASB standards and accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. The OPEB liability, deferred outflows of resources and deferred inflows of resources, OPEB expense, and fiduciary net position, if any, have been determined on the same basis. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

### Retiree Health Insurance Funds

The Retiree Health Insurance plans offer group health insurance to retired State of Wisconsin and local government employees. Retirees pay the full premium amount. The State Retiree Health Insurance Fund includes the State, the University of Wisconsin, and other component units of the State. The Local Government Retiree Health Insurance Fund includes 361 local government employers. The plans are not administered through a trust. The Retiree Health Insurance Funds contain certain non-OPEB

components relating to post-Medicare pharmacy and health insurance benefits. ETF and the GIB have statutory authority for program administration and oversight under Wisconsin Statutes Chapters 15.165 (2) and 40.03 (6).

State of Wisconsin and local government employees participating in the State Health Insurance Plan or the Wisconsin Public Employers Insurance Plan (local government plans) are eligible to continue their health insurance coverage after leaving covered employment. Membership as of December 31, 2018, included 26,874 former state employees or their beneficiaries and 1,920 former local government employees and beneficiaries.

Retirees may choose between several health plans with specific provider networks (i.e., Health Maintenance Organizations (HMO's), Preferred Provider Organizations (PPO's) or Medicare Advantage). The health plans must follow GIB guidelines for eligibility and program requirements. All health plans offer a prescribed benefit package called Uniform Benefits and participate in a yearly competitive premium rate bid process. The pharmacy benefit is self-insured by the GIB and administered by Navitus Health Solutions.

Effective January 1, 2012, prescription drug coverage for Medicare eligible retirees enrolled in the State group health insurance program is provided by a self-funded Medicare Part D Employer Group Waiver Plan (EGWP). A Medicare "Wrap" product is also included to provide full coverage to members, as required by Uniform Benefits, when they reach the Medicare coverage gap, also known as the "donut hole."

### Retiree Life Insurance Funds

The State Retiree Life Insurance Fund includes the State, the University of Wisconsin, and other component units of the State, and is considered a single-employer defined benefit OPEB plan. The Local Government Retiree Life Insurance Fund included 719 local government employers as of December 31, 2018 and is considered a cost-sharing multiple-employer defined benefit OPEB plan. The plans are administered through a trust.

The plans provide post-employment life insurance coverage to all eligible employees of participating employers. The plans are established by Wisconsin Statutes Chapter 40.70. ETF contracts with Securian Financial Group, Inc (Securian) as a third party administrator for the Retiree Life Insurance plans. Benefit terms may be modified by the GIB, subject to state and federal legislative constraints.

Generally, members may enroll during a 30-day enrollment period after their date of hire. Members may also 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.

**Contributions**

The GIB approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member’s working lifetime funds a post-retirement benefit.

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.

Coverage Type	State	Local
50 percent post retirement coverage	28 percent of the employee premium	40 percent of the employee premium
25 percent post retirement coverage	N/A	20 percent of employee premium

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Attained Age	State Basic	State Supplemental	Local Basic	Local Supplemental
Under 30	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.05
30-34	0.04	0.04	0.06	0.06
35-39	0.04	0.04	0.07	0.07
40-44	0.06	0.06	0.08	0.08
45-49	0.10	0.10	0.12	0.12
50-54	0.16	0.16	0.22	0.22
55-59	0.22	0.22	0.39	0.39
60-64	0.30	0.30	0.49	0.49
65-69	0.39	0.39	0.57	0.57

\*Disabled members under age 70 receive a waiver-of-premium benefit.

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, 1990, 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).

**Benefits and Membership**

After retirement, basic coverage is continued for life in amounts for the insurance in force before retirement:

Age	State	Local
Before age 65	100%	100%
While age 65	75%	75%
While age 66	50%	50%
After age 66	50%	50%/25%
		Employer Election

After retirement, supplemental and 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 is terminated.

Membership as of December 31, 2018, included:

	State	Local	Total
Active*	51,131	75,762	126,893
Inactive Pre-Age 65 Annuitants	6,859	10,076	16,935
Inactive Post-Age 64 Annuitants	26,050	35,525	61,575
<b>Totals</b>	<b>84,040</b>	<b>121,363</b>	<b>205,403</b>

\* Active membership includes disabled

**NOTE 17. OTHER POSTEMPLOYMENT BENEFIT PLANS****A. State Retiree Health Insurance OPEB**

The State Retiree Health Insurance program provides postemployment health insurance coverage to all eligible retired employees of the State, the University of Wisconsin, University of Wisconsin Hospital and Clinics Authority, Wisconsin Housing and Economic Development Authority and Wisconsin Economic Development Corporation. The employers do not directly pay any portion of the premium for participating retirees. However, because retirees pay the same premium rate set for active employees, an implicit rate subsidy exists for employers. This implicit rate subsidy is reported as an OPEB liability. At age 65, when eligible, retirees are required to enroll in Medicare. No assets have accumulated because there is no trust.

**Retiree Health Insurance Plan Description**

GASB standards classify the State Retiree Health Insurance program as a single employer defined benefit OPEB plan with multiple participating employers. Medical, prescription drug and dental benefits are provided to eligible retirees.

Retirees pay the full premium until age 65 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 GIB. Premiums for non-Medicare retirees are based on an effective rate structure for the health care service provider selected. Monthly rates range from \$543 to \$1,400 for single coverage and \$1,331 to \$3,495 for family coverage.

As of January 1, 2017 (most recent actuarial valuation date), membership consisted of:

<b>Member Type</b>	<b>Number</b>
Retired members or beneficiaries receiving OPEB benefits	7,409
Vested terminated members not yet receiving OPEB benefits	1,537
Active members	61,952
<b>Total</b>	<b>70,898</b>

**Inclusion of OPEB Information for Component Units**

GASB standards require the presentation of OPEB related amounts and information in the State's financial statements for both the State of Wisconsin (the primary government) and the component units. The component units are responsible for their share of the OPEB liabilities. Reported amounts related to the OPEB liability, OPEB expense and related deferred inflows and

outflows for the OPEB plans may vary by an immaterial amount from the final amounts due to the timing of available information.

**Total Retiree Health OPEB Liability**

The actuarial valuation was based on the plan of retiree benefits and was made for purposes of fulfilling GASB accounting standards which require recognition of the employer cost of postemployment benefits over an employee's career. The total cost of providing postemployment benefits is projected, considering relevant assumptions, then discounted to determine the total OPEB liability.

To determine the total OPEB liability for the program, the actuary performed an actuarial valuation as of January 1, 2017 and adjusted for changes such as interest earned, contributions paid, and benefits paid through June 30, 2018. The actuary also completed a participation rate study in fiscal year 2019. Based on this, the actuary determined the OPEB liability totaled \$539.7 million.

The total OPEB liability was allocated to participating employers based on their proportionate share of health insurance premiums contributed for active employees. Amounts by participating employers as of a June 30, 2019 reporting date, are indicated in the table below (in millions):

<b>Participating Employer</b>	<b>OPEB Liability</b>
<b>Primary Government</b>	
State of Wisconsin	\$ 241.8
University of Wisconsin System	237.2
<b>Component Units</b>	
UW Hospital and Clinics Authority	58.9
WI Housing & Economic Development Authority	1.1
WI Economic Development Corp.	0.7
<b>Total OPEB Liability</b>	<b>\$ 539.7</b>

**Changes in the Total OPEB Liability**

Changes to the total OPEB plan liability during the fiscal year include the following (in millions):

Total OPEB Liability June 30, 2017	\$ 719.3
Changes for the Year	
Service cost	58.0
Interest	27.1
Difference between expected & actual experience	.8
Changes of assumptions	(224.8)
Benefit payments*	(40.8)
Net Change in Total OPEB Liability	(179.6)
<b>Total OPEB Liability June 30, 2018</b>	<b>\$ 539.7</b>

\* Employer benefit payments of \$40.8 million were actuarially determined and pertain to the implicit rate subsidy.

**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.

The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Actuarial Valuation Date	January 1, 2017
Measurement Date of Total OPEB Liability	June 30, 2018
Actuarial cost method	Entry Age Normal
Asset Valuation Method	N/A
Inflation	Inflation was change to 3.0% for the June 30, 2018 measurement from 3.2% for the June 30, 2017 measurement
Salary increases	Separate merit and longevity increase rates by employer and service, plus 3% were used for the June 30, 2018 measurement compared to varying salary increases by service and employee class plus 3.2% inflation for the June 30, 2017 valuation
Discount Rate	Discount rate was changed to 3.87% for the June 30, 2018 measurement from 3.58% for the June 30, 2017 measurement
Healthcare Cost Trend Rates:	
Medical	5.25% for 2018 grading down 0.25% per year to 4.50%
Prescription drug	8.50% for 2018 grading down 0.50% per year to 5.00%
Dental	4.00% for 2018 and thereafter
Administrative Costs	3.00% for 2018 and thereafter
Mortality Rates	Wisconsin 2017 Mortality Table for the June 30, 2018 measurement changed from the Wisconsin 2014 Mortality Table for the June 30, 2017 measurement
Benefit Changes	None
Participation Rate	Active: 80% are assumed to elect coverage at retirement, 20% that defer are assumed to be covered over the next 8 years (2.5% per year), so 100% assumed to be covered after 8 years
	Deferred: 12.5% per year over 8 years
Assumed Claims	An 85% participation rate was used in the prior year Per capita claims costs were based on premium equivalent rates for plan year 2017, adjusted to reflect plan changes

Disability Rates	effective January 1, 2017 and actuarial factors applied to weighted average premium rates to estimate costs Rates for General and Executive and Elected employees were changed to match the 2015-2017 experience study for the pension valuation compared to the 2012-2014 experience study used in the prior year
Withdrawal Rate	Rate was changed to match the 2015-2017 experience study for the pension valuation compared to the 2012-2014 experience study used in the prior year
Lapse Rate	10% per year after the later of assumed commencement or the valuation date was used for June 30, 2018 valuation, while a lapse rate wasn't used for the June 30, 2017 valuation
Excise Tax	Excise tax on high cost health plans beginning in 2022
Benefit End Date	Gross Average Claims were trended using the Plan Blended Medical and Prescription Drug Trend Rate, offset by the 2018 threshold trended at 2.6% for 2018 and the assumed rate of inflation for subsequent periods  The tax is assumed to be 40% of this difference, beginning in 2022 Benefits end when participants turn 65 years old

Actuarial assumptions are based on the Wisconsin Retirement System experience study conducted in 2018 using experience from 2015 to 2017. Valuation assumption changes decreased the liability by \$224.8 million due to reflecting a lapse assumption, an increase in obligations due to changes in the demographic assumptions including the participation assumption and a decrease due to raising the discount rate to 3.87 percent from 3.58 percent based on the Bond Buyer, 20-year, general obligation municipal bond index rate closest to the measurement date (but not beyond).

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents each employer's proportionate share of the total liability and what it would be if it were calculated using a discount rate that is 1-percentage-point lower or higher than the current discount rate (in millions):

	1% Decrease in Discount Rate (2.87%)	Current Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
<b>Primary Government</b>	\$ 513.0	\$ 479.0	\$ 447.0
<b>Component Units</b>	65.0	60.7	56.6
<b>Total OPEB Liability</b>	<u>\$ 578.0</u>	<u>\$ 539.7</u>	<u>\$ 503.6</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents each employer's proportionate share of the total liability and what it would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or higher than the current healthcare trend rate (in millions):

	1% Decrease in Healthcare Trend Rate	Current Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
<b>Primary Government</b>	\$ 423.5	\$ 479.0	\$ 545.1
<b>Component Units</b>	53.6	60.7	69.0
<b>Total OPEB Liability</b>	<u>\$ 477.1</u>	<u>\$ 539.7</u>	<u>\$ 614.1</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, OPEB expense of \$14.0 million was recognized by participating employers:

<b>Primary Government</b>	
State of Wisconsin	\$ 3,550,592
University of WI System	3,150,146
<b>Component Units</b>	
UW Hospital and Clinics Authority	7,237,446
WI Housing & Economic Development Authority	21,425
WI Economic Development Corp	12,863
<b>Total</b>	<u>\$ 13,972,471</u>

At June 30, 2019, deferred outflows of resources and deferred inflows of resources for both the state and component units were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 760,959	\$ (3,319,128)
Changes of Assumptions	-	(291,713,652)
Changes in Proportion	8,247,303	(8,247,303)
Amounts Paid Subsequent to the Measurement Date	40,902,921	-
<b>Total</b>	<u>\$ 49,911,183</u>	<u>\$ (303,280,083)</u>

Deferred outflows of resources and deferred inflows of resources for the state (primary government) as of a June 30, 2019 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 675,413	\$ (2,945,995)
Changes of Assumptions	-	(258,919,511)
Changes in Proportion	976,887	(8,247,159)
Amounts Paid Subsequent to the Measurement Date	36,304,658	-
<b>Total</b>	<u>\$ 37,956,958</u>	<u>\$ (270,112,665)</u>

Deferred outflows of resources and deferred inflows of resources for component units as of a June 30, 2019 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 85,546	\$ (373,133)
Changes of Assumptions	-	(32,794,141)
Changes in Proportion	7,270,416	(144)
Amounts Paid Subsequent to the Measurement Date	4,598,264	-
<b>Total</b>	<u>\$ 11,954,226</u>	<u>\$ (33,167,418)</u>



The \$40,902,921 in deferred outflows of resources resulting from amounts paid subsequent to the measurement date will be recognized as a decrease to the total OPEB liability in the year ended June 30, 2020 for the state and component units. Other amounts reported as deferred outflows of resources and deferred inflows of resources for the state and component units will be recognized in future OPEB expense as follows:

FY 2020	\$ (32,696,869)
FY 2021	(32,696,869)
FY 2022	(32,696,869)
FY 2023	(32,696,869)
FY 2024	(32,696,869)
Thereafter	(130,787,476)

The \$36,304,658 in deferred outflows of resources resulting from amounts paid subsequent to the measurement date will be recognized as a decrease to the total OPEB liability in the year ended June 30, 2020 for the state (primary government). Other amounts reported as deferred outflows of resources and deferred inflows of resources for the state will be recognized in future OPEB expense as follows:

FY 2020	\$ (29,828,929)
FY 2021	(29,828,929)
FY 2022	(29,828,929)
FY 2023	(29,828,929)
FY 2024	(29,828,929)
Thereafter	(119,315,716)

The \$4,598,264 in deferred outflows of resources resulting from amounts paid subsequent to the measurement date will be recognized as a decrease to the total OPEB liability in the year ended June 30, 2020 for component units. Other amounts reported as deferred outflows of resources and deferred inflows of resources for component units will be recognized in future OPEB expense as follows:

FY 2020	\$ (2,867,940)
FY 2021	(2,867,940)
FY 2022	(2,867,940)
FY 2023	(2,867,940)
FY 2024	(2,867,940)
Thereafter	(11,471,760)

The Schedule of Changes in the Total OPEB Liability and Related Ratios is presented as required supplementary information following the notes to the financial statements.

**B. State Retiree Life Insurance OPEB**

The State Retiree Life Insurance program provides postemployment health insurance coverage to all eligible retired employees of the State, the University of Wisconsin, University of Wisconsin Hospital and Clinics Authority, Wisconsin Housing and Economic Development Authority and Wisconsin Economic Development Corporation. Each employer's proportionate share of the net OPEB liability and collective OPEB expense, deferred inflows and outflows is based on the employer's contribution for the most recent calendar year compared to the total contributions of all employers.

**Inclusion of OPEB Information for Component Units**

GASB standards require the presentation of OPEB related amounts and information in the State's financial statements for both the State of Wisconsin (the primary government) and the component units. The component units are responsible for their share of the OPEB liabilities. Reported amounts related to the OPEB liability, OPEB expense and related deferred inflows and outflows for the OPEB plans may vary by an immaterial amount from the final amounts due to the timing of available information.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2019, the State, including the University of Wisconsin System, reported a liability of \$381.2 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as January 1, 2018 rolled forward to December 31, 2018. The State's proportion of the net OPEB liability was based on the State's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the State's proportion was 88.3 percent which was a decrease of 0.2 percent from its proportion of 88.5 percent measured as of December 31, 2017.

Net OPEB liability amounts, by participating employers as of a June 30, 2019 reporting date, are indicated in the table below (in millions):

Participating Employer	Net OPEB Liability
<b>Primary Government</b>	
State of Wisconsin	\$ 200.7
University of Wisconsin System	180.5
<b>Component Units</b>	
UW Hospital and Clinics Authority	48.1
WI Housing & Economic Development Authority	1.5
Wisconsin Economic Development Corporation	0.6
Total Net OPEB Liability	\$ 431.5

For the year ended June 30, 2019, OPEB expense of \$37.6 million was recognized by participating employers:

<b>Primary Government</b>	
State of Wisconsin	\$ 17,490,587
University of WI System	15,728,831
<b>Component Units</b>	
UW Hospital and Clinics Authority	4,191,296
WI Housing & Economic Development Authority	134,786
WI Economic Development Corp	55,839
Total	\$ 37,601,339

For the year ended June 30, 2019, contributions of \$1.4 million were recognized by the plan from participating employers:

<b>Primary Government</b>	
State of Wisconsin	\$ 645,260
University of WI System	580,265
<b>Component Units</b>	
UW Hospital and Clinics Authority	154,625
WI Housing & Economic Development Authority	4,972
WI Economic Development Corp	2,060
Total	\$ 1,387,182

**Changes in the Net OPEB Liability**

Changes to the total OPEB plan liability during the fiscal year include the following (in millions):

Total OPEB Liability December 31, 2017	\$ 845.5
Changes for the Year:	
Service cost	30.7
Interest	31.2
Difference between expected & actual experience	(17.5)
Changes of assumptions	(94.9)
Benefit payments	(19.5)
Net Change in Total OPEB Liability	(70.1)
<b>Total OPEB Liability December 31, 2018</b>	<b>\$ 775.5</b>
Plan Fiduciary Net Position December 31, 2017	\$ 352.0
Changes for the Year:	
Contributions from employers	1.4
Net investment income	10.9
Administrative expense	(.7)
Benefit payments	(19.5)
Net change in Plan Fiduciary Net Position	(8.0)
<b>Plan Fiduciary Net Position December 31, 2018</b>	<b>\$ 344.0</b>
Collective Net OPEB Liability December 31, 2017	\$ 493.5
Net change in Collective Net OPEB Liability	(62.0)
<b>Collective Net OPEB Liability December 31, 2018</b>	<b>\$ 431.5</b>

At June 30, 2019, deferred outflows of resources and deferred inflows of resources for the state and component units were reported from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between Expected and Actual Experience	\$ -	\$ (18,715,956)
Changes of Assumptions	35,045,836	(80,902,380)
Changes in Proportion	7,358,054	(7,358,056)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	8,542,088	-
<b>Total</b>	<b>\$ 50,945,977</b>	<b>\$(106,976,392)</b>

Deferred outflows of resources and deferred inflows of resources for the state (primary government) as of a June 30, 2019 reporting date were as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between Expected and Actual Experience	\$ -	\$ (16,534,867)
Changes of Assumptions	30,961,723	(71,474,316)
Changes in Proportion	5,662,630	(7,358,056)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	7,546,625	-
<b>Total</b>	<b>\$ 44,170,978</b>	<b>\$ (95,367,239)</b>

Deferred outflows of resources and deferred inflows of resources for component units as of a June 30, 2019 reporting date were as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between Expected and Actual Experience	\$ -	\$ (2,181,088)
Changes of Assumptions	4,084,112	(9,428,065)
Changes in Proportion	1,695,424	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	995,463	-
<b>Total</b>	<b>\$ 6,774,999</b>	<b>\$ (11,609,153)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources for the state and component units will be recognized in future OPEB expense as follows:

FY 2020	\$ (7,863,563)
FY 2021	(7,863,563)
FY 2022	(7,863,563)
FY 2023	(9,048,072)
FY 2024	(10,295,209)
Thereafter	(13,096,447)

Amounts reported as deferred outflows of resources and deferred inflows of resources for the state (primary government) will be recognized in future OPEB expense as follows:

FY 2020	\$ (7,264,220)
FY 2021	(7,264,220)
FY 2022	(7,264,220)
FY 2023	(8,310,690)
FY 2024	(9,412,491)
Thereafter	(11,680,420)

Amounts reported as deferred outflows of resources and deferred inflows of resources for component units will be recognized in future OPEB expense as follows:

FY 2019	\$ (599,343)
FY 2020	(599,343)
FY 2021	(599,343)
FY 2022	(737,382)
FY 2023	(882,718)
Thereafter	(1,416,027)

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents participating employer's proportionate share of the net OPEB liability and what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher than the current discount rate (in millions):

	1% Decrease in Discount Rate (3.2%)	Current Discount Rate (4.2%)	1% Increase in Discount Rate (5.2%)
<b>Primary Government</b>	\$ 519.5	\$ 381.2	\$ 274.1
<b>Component Units</b>	68.5	50.3	36.1
<b>Net OPEB Liability</b>	<u>\$ 588.0</u>	<u>\$ 431.5</u>	<u>\$ 310.2</u>

**Single Discount Rate**

A single discount rate of 4.20% was used to measure the total OPEB liability for the current year as opposed to 3.60% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The source of the municipal bond rate used is the Bond Buyers GO Index. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2033. Therefore, the long-term expected rate of return on plan investments was applied through 2033 and the municipal bond index rate was applied for all remaining periods of projected benefit payments to determine the Total OPEB Liability.

**Long-term expected Return on Plan Assets**

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the retiree life insurance plans are held with Securian, the insurance carrier. Interest is calculated and credited to the plans based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Asset allocation targets and expected returns as of December 31, 2018 were:

<b>Asset Class</b>	<b>Index</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MB	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**Actuarial assumptions**

Actuarial assumptions are based on the Wisconsin Retirement System experience study conducted in 2018 using experience from 2015 to 2017. The projections of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contributions schedule and that contributions are made by plan members retiring prior to age 65. The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability:	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.20%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	WI 2018 Mortality Table

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements from ETF. The report can be obtained at [www.etf.wi.gov](http://www.etf.wi.gov) and on request from:

The Department of Employee Trust Funds  
PO 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, duty disability insurance, and life insurance. ETF's separately issued financial statements, which contain historical trend, revenue, and claims development information, are available at [www.etf.wi.gov](http://www.etf.wi.gov) and on request from:

Wisconsin Department of Employee Trust Funds  
PO Box 7931  
Madison, WI 53707-7931  
1-877-533-5020

The information provided in this note applies to the period ending December 31, 2018.

**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 361 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 242 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 Duty Disability Fund offers special disability insurance for State of Wisconsin and local WRS participants in protective occupations. Participation in the program is mandatory for all WRS employers with protective occupation employees. The State of Wisconsin and 492 local employers currently participate. The plan is self-insured, and the risk is shared between the State of Wisconsin and local government employers in the plan. Contributions are actuarially determined and are employer paid. Contributions are based on a graduated, experience-rated formula.

**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 Duty 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 7.0 percent for income continuation and duty disability insurance. The liabilities for income continuation, duty 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.

*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 GIB (Health Insurance and ICI) and ETF Board for Duty Disability 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 2018 (in millions):

	Income Continuation Insurance		Duty Disability Insurance		Health Insurance		Pharmacy Benefits		Dental	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Unpaid claims and claim adjustment expenses at beginning of the calendar year</b>	\$ 92.7	\$ 93.5	\$ 464.8	\$ 453.4	\$ 1.8	\$ 2.0	\$ (18.8)	\$ (15.0)	\$ 1.0	\$ 1.9
<b>Incurred claims and claim adjustment expenses:</b>										
Provision for insured events of the current calendar year	19.2	17.7	20.4	19.2	0.0	16.0	156.1	164.5	43.8	44.4
Changes in provision for insured events of prior calendar years	4.5	1.1	4.7	27.2	0.4	(0.2)	(4.9)	(4.9)	(0.1)	(0.1)
Total incurred claims and claim adjustment expenses	23.7	18.8	25.1	46.4	0.4	15.8	151.2	159.6	43.7	44.3
<b>Payments:</b>										
Claims and claim adjustment expenses attributable to insured events of the current calendar year	4.2	4.6	0.0	0.0	0.0	14.2	177.8	183.3	42.9	43.4
Claims and claim adjustment expenses attributable to insured events of prior calendar years	15.6	15.0	35.3	35.0	2.2	1.8	(23.5)	(19.9)	0.9	1.8
Total payments	19.8	19.6	35.3	35.0	2.2	16.0	154.3	163.4	43.8	45.2
<b>Total unpaid claims and claim adjustment expenses at end of the calendar year</b>	\$ 96.5	\$ 92.7	\$ 454.6	\$ 464.8	\$ 0.0	\$ 1.8	\$ (21.9) *	\$ (18.8) *	\$ 0.9	\$ 1.0

\* Total unpaid claims at the end of 2018 is the net of \$4.5 million in unpaid claims and \$26.4 million in rebates due from pharmaceutical companies; unpaid claims at the end of 2017 is the net of \$4.4 million in unpaid claims and \$23.2 million in rebates due from pharmaceutical companies.

**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 \$5.0 million annual aggregate. When claims, which exceed \$100,000 per occurrence, total \$5.0 million, the State's private insurance becomes available. Losses to property occurring after the annual aggregate are first subject to a \$100,000 deductible. The amount of loss in excess of \$100,000 is covered by the State's private insurance company. During Fiscal Year 2019, the excess insurance limits were written to \$500 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, 2019 are estimated to total \$12.0 million.

**Property Damages and Bodily Injuries to Third Parties**

The State is self-funded for third party liability to a level of \$4.0 million per occurrence and purchases insurance in excess of this self-funded retention. The policy limit during Fiscal Year 2019 was \$49.0 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, 2019 are estimated to total \$32.7 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, 2019 are estimated to total \$80.2 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):

	2019	2018
Beginning of fiscal year liability	\$ 110,336	\$ 112,920
Current year claims and changes		
in estimates	48,293	40,976
Claim payments	(33,687)	(38,977)
	124,942	114,919
Excess insurance reimbursable	(3,787)	(4,583)
Balance at fiscal year-end	\$ 121,155	\$ 110,336

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, 2019 is \$5.2 million.



**NOTE 20. INSURANCE FUNDS****A. Local Government Property Insurance Fund**

The purpose of the Local Government Property Insurance Fund was 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.

The dissolution of the fund was included in 2017 Wis. Act 59, the State's biennial budget act, enacted in September 2017. The fund provided coverage through December 31, 2018.

*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 had 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. Excess of Loss coverage terminated on December 18, 2018.

**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):

	2019	2018
Unpaid loss liabilities		
at beginning of the year	\$ 5,498	\$ 7,184
Less: Excess-of-loss insurance recoverable	4,828	4,532
Net unpaid loss liabilities at beginning of year	670	2,652
Incurred losses and loss expenses:		
Provision for insured events of the current year	--	3,059
Increase (decrease) in provision for insured events of prior years	(708)	(276)
Total incurred losses and loss expenses	(708)	2,783
Payments:		
Losses and loss expenses attributable to insured events of the current year	--	2,064
Losses and loss expenses attributable to insured events prior years	(116)	2,701
Total payments	(116)	4,765
Net unpaid loss liabilities at end of year	78	670
Plus: Excess-of-loss liabilities recoverable	--	4,828
Total unpaid loss liabilities at end of year	\$ 78	\$ 5,498

**B. 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 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	\$ 5,880	4,896
1967-1976	23,879	15,457
1977-1985	60,509	25,479
1986-1994	43,517	10,362
1995-2012	42,112	8,130
2013-2018	5,771	493
2019+	353	12
	<u>\$ 182,021</u>	<u>\$ 64,829</u>

**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
2009-2012	4.0	2001 CSO, ALB, Aggregate
2013-2018	3.5	2001 CSO, ALB, Aggregate
2019+	3.5	2017 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, 2018 were \$111.5 million and statutory capital and surplus was \$8.4 million. Fund equity at June 30, 2019 was \$27.2 million.

**C. 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 coverage for 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 provider is insured, whichever limit is greater. Management of the 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 assessment 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. The liability for incurred but not reported losses as of June 30, 2019, is determined by deducting individual case estimates of the liability for reported losses and net losses paid from inception of the Fund, and adding a risk margin to the projected ultimate loss liabilities, as follows (in thousands):

Projected ultimate loss liability	\$ 1,072,365
Less: Net loss paid from inception	(910,684)
Less: Liability for reported losses	(29,034)
Risk Margin	40,420
Liability for incurred but not reported losses	<u>\$ 173,067</u>

The Future Benefits and Loss Liability account also includes an estimate of the loss adjustment expense (LAE). Using the data available through September 30 of the fiscal year, the actuary estimated the liability for LAE as 31 percent of the estimated unpaid losses as of June 30, 2019. The percentage used in the financial statements was different, since the actuary's estimate was adjusted to reflect actual LAE payments. Specifically, the loss adjustment expenses paid from the inception of the Fund through June 30, 2019, are deducted from the projected ultimate LAE to determine the liability for LAE as June 30, 2019 as follows (in thousands):

Projected ultimate LAE liability	\$ 137,101
Less: LAE paid from inception	(106,696)
Risk Margin	7,601
Liability for LAE	<u>\$ 38,006</u>

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 0.9348, which is based on an investment yield assumption of 2.0 percent approved by the Board of Governors, the discounted loss liability would be as follows as of June 30, 2019 (in thousands):

Estimated liability for incurred but not reported losses	\$ 173,067
Estimated liability for reported losses	29,034
Estimated liability for loss adjustment expense	38,006
Total estimated loss liabilities	240,107
Less: Amount representing interest	(15,655)
Discounted loss liabilities	<u>\$ 224,452</u>

Included in the above estimates of loss liabilities, both undiscounted and discounted, is a 25 percent risk margin, which was recommended by the actuary and approved by the Board of Governors.

The Office of the Commissioner of Insurance contracts for periodic actuarial audits of the 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 2019 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 to 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, 2019 (in thousands), is as follows:

Discounted loss liabilities	\$ 224,452
Future medical expense liability	55,300
Total estimated loss liabilities	279,752
Current portion	(54,384)
Noncurrent portion	<u>\$ 225,368</u>

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 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 Fiscal Year 2019 (in thousands):

Liability at the beginning of the year	\$ 366,550
Incurred claims and related expenses for the current year and the change in estimated amounts for claims incurred in prior years	(50,562)
Less: current year payments attributable to claims incurred in current and prior years	(36,236)
Liability at the end of the year	<u>\$ 279,752</u>

**NOTE 21. SEGMENT INFORMATION AND CONDENSED FINANCIAL DATA****Primary Government**

The State issues revenue bonds as a component of the total funding for the Direct Loan Portfolio, which is accounted for as part of the Environmental Improvement Fund. The Direct Loan Portfolio is also funded by grants from the U.S. Environmental Protection Agency (the "EPA"). Loans in this portfolio are made for water and wastewater projects. Repayments from loans in this portfolio, grants and revenue bond proceeds are used to fund new loans.

The Environmental Improvement Fund has pledged future loan revenues, net of specified operating expenses, to repay outstanding revenue bonds. Investors in these revenue bonds rely solely on the revenues generated from the loans within the Direct Loan Portfolio. Condensed financial statement information of the Direct Loan Portfolio as of and for the year ended June 30, 2019 is presented below (in thousands):

**Condensed Statement of Net Position**

Assets:	
Current Assets	\$ 428,526
Other Assets	1,438,283
Total Assets	<u>1,866,809</u>
Deferred Outflows of Resources	<u>1,382</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,868,191</u>
Liabilities:	
Due to Other Funds	\$ 5,340
Other Current Liabilities (Including Current Portion of Long-term Debt)	19,169
Noncurrent Liabilities	<u>259,663</u>
Total Liabilities	<u>284,172</u>
Net position:	
Restricted	<u>1,584,019</u>
Total Net Position	<u>1,584,019</u>
Total Liabilities and Net Position	<u>\$ 1,868,191</u>

**Condensed Statement of Revenues, Expenses and Changes in Net Position**

Operating Revenues (Expenses):	
Loan Interest	\$ 23,828
Interest Income used as Security for Revenue Bonds	16,350
Miscellaneous Other	182
Interest Expense	(9,052)
Other Operating Expenses	<u>(3,286)</u>
Operating Income (Loss)	28,023
Nonoperating Revenues (Expenses):	
Investment Income	4,557
Intergovernmental Grants	43,051
Grants Awarded	<u>(10,123)</u>
Income (Loss) before Transfers	65,508
Transfers In (Out)	<u>(8,000)</u>
Change in Net Position	57,508
Beginning Net Position	<u>1,526,511</u>
Ending Net Position	<u>\$ 1,584,019</u>

**Condensed Statement of Cash Flows**

Net Cash Provided (Used) by:	
Operating Activities	\$ 78,283
Noncapital Financing Activities	29,926
Investing Activities	<u>4,557</u>
Net Increase (Decrease)	112,767
Beginning Cash and Cash Equivalents	<u>147,238</u>
Ending Cash and Cash Equivalents	<u>\$ 260,005</u>

**NOTE 22. COMPONENT UNITS – CONDENSED FINANCIAL INFORMATION**

Significant financial data for the State's discretely presented component units for the year ended December 31, 2018 or June 30, 2019 is presented below (in thousands):

	Wisconsin Housing and Economic Development Authority	Wisconsin Health Care Liability Insurance Plan	University of Wisconsin Hospitals and Clinics Authority	Wisconsin Economic Development Corporation	University of Wisconsin Foundation	Total
<b>Condensed Statement of Net Position</b>						
<b>Assets:</b>						
Cash, Investments and Other Assets	\$ 2,881,954	\$ 56,755	\$ 2,442,075	\$ 125,451	\$ 4,349,273	\$ 9,855,508
Due from Primary Governments	-	-	22,800	-	-	22,800
Cash and Investments with Other Component Units	-	-	210,472	-	-	210,472
Capital Assets, net	337	-	1,241,079	917	17,056	1,259,389
Total Assets	2,882,291	56,755	3,916,426	126,368	4,366,329	11,348,169
<b>Deferred Outflows of Resources</b>						
	36,912	-	369,349	4,694	-	410,955
Total Assets and Deferred Outflows	\$ 2,919,203	\$ 56,755	\$ 4,285,775	\$ 131,062	\$ 4,366,329	\$ 11,759,123
<b>Liabilities:</b>						
Accounts Payable and Other Current Liabilities	\$ 116,409	\$ 2,896	\$ 493,404	\$ 8,945	\$ 181,676	\$ 803,329
Due to Primary Government	-	-	64,646	25,000	-	89,646
Amounts Held for Other Component Units	-	-	-	-	200,854	200,854
Other Liabilities	29,676	-	4,917	-	-	34,593
Long-term Liabilities (Current and Noncurrent portions)	1,924,929	9,613	1,012,483	5,457	42,673	2,995,156
Total Liabilities	2,071,014	12,509	1,575,450	39,402	425,203	4,123,578
<b>Deferred Inflows of Resources</b>						
	3,939	-	232,711	2,922	-	239,572
<b>Net Position:</b>						
Net Investment in Capital Assets	337	-	620,440	917	17,056	638,750
Restricted	827,191	44,246	29,322	48,449	3,777,867	4,727,075
Unrestricted	16,722	-	1,827,852	39,372	146,203	2,030,148
Total Net Position	844,250	44,246	2,477,614	88,737	3,941,126	7,395,973
Total Liabilities, Deferred Inflows and Net Position	\$ 2,919,203	\$ 56,755	\$ 4,285,775	\$ 131,062	\$ 4,366,329	\$ 11,759,123
<b>Condensed Statement of Activities</b>						
<b>Program Expenses:</b>						
Depreciation	\$ 334	\$ -	\$ 121,497	\$ 362	\$ 2,281	\$ 124,474
Payments to Primary Government	-	-	112,170	-	275,391	387,561
Other	280,316	2,121	3,058,849	54,853	41,985	3,438,124
Total Program Expenses:	280,650	2,121	3,292,516	55,215	319,657	3,950,159
<b>Program Revenues:</b>						
Charges for Goods and Services	7,525	2,122	3,319,038	178	-	3,328,863
Investment and Interest Income	64,322	1,056	-	-	148,531	213,909
Operating Grants and Contributions	189,638	-	-	43,592	341,625	574,855
Miscellaneous	20,816	-	77,090	-	5,447	103,353
Total Program Revenues	282,301	3,178	3,396,128	43,770	495,603	4,220,980
Net Program Revenue/(Expense)	1,651	1,057	103,612	(11,445)	175,947	270,821
<b>General Revenues:</b>						
Interest and Investment Earnings	85,624	-	75,724	3,827	-	165,175
Miscellaneous	-	-	48,153	543	-	48,696
Special Item	-	-	-	(25,000)	-	(25,000)
Contributions to Endowments	-	-	4,293	-	-	4,293
Change in Net Position	87,275	1,057	231,782	(32,075)	175,947	463,985
Net Position, Beginning of Year	756,975	43,190	2,245,832	120,812	3,765,179	6,931,988
Net Position, End of Year	\$ 844,250	\$ 44,246	\$ 2,477,614	\$ 88,737	\$ 3,941,126	\$ 7,395,973

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**NOTE 23. RESTATEMENTS OF BEGINNING FUND BALANCES/NET POSITIONS AND OTHER CHANGES**

The following reconciliations summarize restatements of the end-of-year fund balance and net position amounts as reported in the 2018 Comprehensive Annual Financial Report to the beginning-of-year amounts reported for Fiscal Year 2019 (in thousands):

**A. Fund Statements – Governmental Funds**

	Major Funds				Total Governmental
	General	Transportation	Capital Improvement	Nonmajor Funds	
Fund Balances June 30, 2018 as reported in the 2018 Comprehensive Annual Financial Report	\$ (1,253,527)	\$ 655,881	\$ (238,196)	\$ 2,177,653	\$ 1,341,812
Capital Improvement					
Correction of Project Classifications	-	-	6,132	-	6,132
Fund Balances July 1, 2018 as restated	\$ (1,253,527)	\$ 655,881	\$ (232,064)	\$ 2,177,653	\$ 1,347,944
Effect of adjustments on the amount of excess revenues and other sources over expenditures and other uses of Fiscal Year 2018	\$ -	\$ -	\$ 6,132	\$ -	\$ 6,132

**B. Fund Statements – Proprietary Funds**

	Major Funds						Total Enterprise	Internal Service Funds
	Injured Patients and Families Compensation	Environmental Improvement	University of Wisconsin System	Unemployment Reserve	Nonmajor Funds			
Net Positions June 30, 2018 as reported in the 2018 Comprehensive Annual Financial Report	\$ 1,009,441	\$ 1,982,110	\$ 5,425,006	\$ 1,783,909	\$ 763,465	\$ 10,963,931	\$ 18,290	
Life Insurance Fund removed	-	-	-	-	(304)	(304)	-	
Capital asset corrections	-	-	-	-	-	-	(273)	
Other adjustments of assets and liabilities as of June 30, 2018	(11,870)	-	-	-	(3,722)	(15,592)	-	
Net Positions July 1, 2018 as restated	\$ 997,572	\$ 1,982,110	\$ 5,425,006	\$ 1,783,909	\$ 759,439	\$ 10,948,035	\$ 18,017	
Effect of adjustments on the amount of net change in net position of Fiscal Year 2018	\$ (11,870)	\$ -	\$ -	\$ -	\$ (3,722)	\$ (15,592)	\$ (273)	



**C. Government-wide Statements**

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
Net Positions June 30, 2018 as reported in the 2018 Comprehensive Annual Financial Report	\$ 13,931,092	\$ 10,965,383	\$ 24,896,475
Capital projects corrections	(89,212)		(89,212)
Capital assets adjustments	(8,830)	-	(8,830)
Life Insurance Fund removed	-	(304)	(304)
Other adjustments of assets and liabilities as of June 30, 2018	-	(15,592)	(15,592)
Net Positions July 1, 2018 as restated	<u>\$ 13,833,050</u>	<u>\$ 10,949,486</u>	<u>\$ 24,782,536</u>
Effect of adjustments on the amount of net increase (decrease) in net positions of Fiscal Year 2018	\$ (98,042)	\$ (15,592)	\$ (113,634)

## NOTE 24. LITIGATION, CONTINGENCIES AND COMMITMENTS

### A. Litigation and Contingencies

The State is a participant in various legal proceedings pertaining to matters incidental to the performance of routine governmental operations.

The State accrues liabilities related to legal proceedings, if a loss is probable and reasonably estimable. Such losses, totaling \$30.2 million on June 30, 2019 reported in the governmental activities, are discussed below:

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 \$0.6 million at June 30, 2019.

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. SWIB filed a petition in the United States Tax Court contesting the proposed IRS assessment for the taxes, plus penalties and interest. In 2015, the Tax Court found that the principal shareholders of SCC were liable as putative transferees for the tax, penalties and interest owed by SCC related to its sale. In October 2017 the 11<sup>th</sup> Circuit Court of Appeals upheld the 2015 opinion with respect to the principal shareholders of SCC; concluding its litigation. Because SWIB has separate and distinct arguments from the principal shareholders of SCC, the Tax Court granted SWIB the opportunity to pursue its case with the Court. In 2018, SWIB's tax counsel and the IRS filed briefs with the Tax Court, and SWIB is awaiting the Court's opinion.

Although SWIB's case is still pending, at the end of 2015, SWIB determined it was prudent to accrue a potential loss of \$16.6 million from the SCC transaction based on the Tax Court's initial adverse opinion against the principal shareholders. In calendar year 2018, SWIB accrued an additional loss of \$3.4 million to account for accrued interest. SWIB's potential liability, as a putative transferee of SCC assets, is reasonably estimated to be between \$20.0 million and \$56.0 million as of December 31, 2018.

In October 2019, the Department of Health Services (DHS) received notification from the U.S. Department of Health and Human Services (DHHS) requesting that DHS refund \$9.6 million related to the Medicaid program. DHHS concluded that Wisconsin's cost settlements related to the 1915(i) Community Recovery Services-Home and Community Based Services-

Psychosocial Rehabilitation Program for the period of January 2010 to December 2014 were not supported by a Centers for Medicare & Medicaid Services (CMS) approved cost reporting methodology as required by Wisconsin's plan amendment #09-017. Therefore, a liability of \$9.6 million is reported 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 loss 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.

In August 2018, the Department of Health Services (DHS) received notification from the U.S. Department of Health and Human Services (DHHS) recommending a \$27.6 million disallowance related to the Medicaid program. DHHS concluded DHS did not refund the full federal share of Medicaid-related settlements and judgements from October 2008 through September 2016. In September 2018, DHS asserted in a letter to DHHS the amount to be refunded is \$6.1 million. DHS continues to have discussions with the Centers for Medicare and Medicaid Services (CMS) on this issue and provided additional information to CMS in May 2019.

Mercy Health Systems filed a just compensation appeal against the Department of Transportation under Wis. Stat. section 32.05(11). The issue is the amount of compensation to Mercy Health Systems for DOT's partial acquisition of Mercy's property in Janesville. Depending upon the verdict, DOT may be liable statutorily for the payment of Mercy's attorneys fees and other litigation costs. It is believed that the maximum total liability would not exceed \$10.0 million. It is DOT's position that it is not liable for the payment of any new compensation or fees and costs of Mercy. The State is vigorously defending this case, with court-ordered mediation expected to occur in January 2020 and trial set for April 2020.

**B. Commitments**

**Primary Government**

As of June 30, 2019, encumbrances of the General Fund totaled \$391.6 million, encumbrances of the Transportation Fund totaled \$1.7 billion, and encumbrances of other non-major governmental funds totaled \$231.6 million. Obligations at June 30, 2019 representing multi-year, long-term commitments included (in thousands):

Transportation Fund	\$ 347,390
Capital Improvement Fund – WisDOT Harbors, Rails and Highway Programs	32,895
Transportation Revenue Bonds Capital Projects Fund	27,505
General Fund – Housing Programs	21,488

The *Environmental Improvement Fund* (the Fund) was established to administer the Clean Water Fund Loan Program. Loans and grants are made to local units of government for wastewater treatment projects for terms of up to 20 years. 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 units. Additionally, various statutory provisions exist which provide further security for payment. The Fund has made financial assistance commitments of \$150.9 million as of June 30, 2019. These loan and grant commitments are expected to be met through proceeds from issuance of revenue obligations and additional federal grants.

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. The total estimated replacement value of the Fund’s annuities as of June 30, 2019 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, 2019, the appropriation available totaled \$65.1 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.

**NOTE 25. Tax Abatements**

Wisconsin statutes authorize tax abatements to encourage economic development and other actions beneficial to the State or its citizens resulting in a reduction in tax revenue the State would otherwise be entitled to collect. GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement agreements entered into by a reporting government, along with agreements entered into by other governments, which reduce the reporting government’s tax revenues. Most tax abatement programs meeting the criteria for disclosure in the State’s CAFR are certified by the Wisconsin Economic Development Corporation (WEDC), a separate legal entity also reported as a component unit in the CAFR. WEDC enters into the abatement agreements and administers the programs. The Wisconsin Department of Revenue (DOR) is responsible for ensuring the certified tax abatements were properly applied when processing income tax returns filed by recipients. The table below describes abatement programs that impact tax revenues for the State of Wisconsin.

<b>State Agency Programs</b>	<b>Authority</b>	<b>Purpose</b>	<b>Tax Abated</b>	<b>Primary Criteria</b>	<b>Mechanism</b>	<b>Abatement Calculation</b>	<b>Recapturing Abatements</b>
Historical Homeowners Tax Credit - Administered by Wisconsin Historical Society	Wis. Stats. 44.02(24)	Preserving or rehabilitating historic property located in Wisconsin	Income Tax	Own and occupy as personal residence property  Costs must relate only to preservation or rehabilitation work done  Costs must be more than \$10,000	Nonrefundable state income tax credit	25% of qualified expenditures for the current year for individuals	DOR may recover all or a portion of the credit if the claimant has not complied with all requirements
<b>WHEDA Programs</b>	<b>Authority</b>	<b>Purpose</b>	<b>Tax Abated</b>	<b>Primary Criteria</b>	<b>Mechanism</b>	<b>Abatement Calculation</b>	<b>Recapturing Abatements</b>
Low Income Housing Tax Credit Administered by Wisconsin Housing and Economic Development Authority	Wis. Stats. 234.45	Low-income housing tax credits	Income Tax	Person has an ownership interest in the qualified development  The tax credit is necessary for financial feasibility of the qualified development  Maintenance and operation as a qualified development for the compliance period and in compliance with Title VIII of the federal Civil Rights Act of 1968, as amended  The allocation certificate is issued in accordance with the qualified allocation plan	Nonrefundable state income tax credit	A claimant may claim as a credit against the taxes imposed, up to the amount of the tax, the amount allocated by the authority	DOR may recover the credit based on the amount determined under section 42(j) of the Internal Revenue Code

WEDC Programs	Authority	Purpose	Tax Abated	Primary Criteria	Mechanism	Abatement Calculation	Recapturing Abatements
Business Development Credit (also includes the Economic Development and Jobs Tax Credit programs)	Wis. Stats. 238.308	Provides incentives for job creation, capital investment, training, and corporate location or retention for new and current businesses in Wisconsin	Income Tax	Person increases net employment in the state from net employment in the state during the year before certification	Refundable state income tax credit or offset against economic development surcharge	<p>Up to 10% of eligible employee wages</p> <p>Up to 5% of additional eligible employee wages in economically distressed area</p> <p>Up to 50% of eligible training costs</p> <p>For investments of \$1.0 million or greater or investments of less than \$1.0 million but at least \$10,000 per eligible employee: Up to 3% of personal property investment and up to 5% of real property investment</p> <p>Certain percentage of wages paid to eligible headquarters employees</p>	WEDC may require repayment of tax benefits claimed for a year in which the person failed to employ an eligible employee required by the agreement
Development Opportunity Zone Tax Credit	Wis. Stats. 238.395	Incent new and expanding businesses in the cities of Beloit, Janesville, and Kenosha  Incent the creation of jobs for target group members	Income Tax	Business located in or relocating to, Beloit, Janesville, or Kenosha	Nonrefundable state income tax credit	<p>Credits ranging from \$6,000 to \$8,000 per job for an FTE paying at least 150% of federal minimum wage</p> <p>Up to 3% of all eligible capital investments</p> <p>Up to 50% of eligible environmental remediation costs</p>	WEDC may revoke tax benefits if false or misleading information is provided, if the business ceases to operate in the zone or moves outside the development zone
Enterprise Zone Tax Credit	Wis. Stats. 238.399	Incent expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin	Income Tax	<p>Businesses located in, or relocating to, an enterprise zone in Wisconsin</p> <p>Business that begins or expands operations in an enterprise zone</p> <p>Business makes a significant capital contribution</p> <p>Positions created as a result of tax credits must be maintained for at least five years</p>	Refundable state income tax credit	<p>WEDC determines the maximum amount of tax credits a business may claim</p> <p>Credit of up to 7% of the net increase in zone payroll less certain adjustments</p> <p>Credit up to 100% of job-related training costs</p> <p>Up to 10% of significant capital expenditures</p> <p>Up to 1% of amount paid for property, goods or services purchased from Wisconsin vendors</p>	<p>WEDC may require a business to repay tax benefits for which the business failed to maintain employment levels or a significant capital investment in property</p> <p>WEDC may revoke tax benefits if false or misleading information is provided, if the business ceases to operate in the zone or moves outside the development zone</p>
Electronics and Information Technology Manufacturing Zone Tax Credit	Wis. Stats. 238.396	Incent a project (Foxconn) involving the attraction of major business operations to Wisconsin to support the creation of jobs	Income Tax	<p>Business that begins operations in the zone</p> <p>Services must be performed in the state</p> <p>Business maintains job creation threshold and requirements as designated by WEDC</p> <p>Business makes a significant capital expenditure in the zone</p>	Refundable state income tax credit	<p>Job creation credit equal to no more than 17% of payroll within the state for the benefit of the operations within the zone</p> <p>Investment credit where the business may claim up to 15% of its significant capital expenditures</p>	WEDC may require the business to repay any tax benefits the business claims for a year in which the business failed to maintain employment levels or a significant capital investment in property

WEDC Programs, continued	Authority	Purpose	Tax Abated	Primary Criteria	Mechanism	Abatement Calculation	Recapturing Abatements
Qualified New Business Venture (Consists of Early Stage Seed Investment and Angel Investment Credits)	Wis. Stats. 238.15	Promote development of research and development and early-stage capital availability by providing tax credit incentives for private equity investment in technology-based Wisconsin businesses with significant long-term growth potential	Income Tax	Investor must keep investment in a certified business or with a certified fund manager for no less than 3 years unless the investment becomes worthless or the person has kept the investment for at least 12 months and a bona fide liquidity event occurs during the 3 year period  Certified businesses are those headquartered in the State and engaged in innovation within certain sectors such as manufacturing, biotechnology, agriculture, etc. or that process or assemble items such as medical devices, pharmaceuticals, computer hardware or software, etc.	Nonrefundable state income tax credit	25% of the value of the investment made in the certified company	The certified business must pay a penalty ranging from 60% to 100% of the tax credit provided if it relocates out of state during the 3 years after it received an investment
Historical Preservation Tax Credit (Supplement to Federal Historic Rehabilitation Tax Credit)	Wis. Stats. 238.17	Incentive for businesses to rehabilitate historic structures in Wisconsin used for production of income	Income Tax	Must own the historic property  Building must be depreciable property that is either nonresidential real property, residential rental property, or real property with a class life of more than 12.5 years  Rehabilitation expenditures are more than the greater of \$50,000 or the adjusted basis  Expenditure test must be met within a 24-month (or, for phased rehabilitation projects, a 60-month) period	Nonrefundable state income tax credit	20% of qualified rehabilitation expenditures for the current year  The state credit must be claimed ratably over a five-year period beginning in the taxable year the building is placed in service effective for amounts paid or incurred after December 31, 2017 <sup>1</sup>	If sale or noncompliance occurs within 5 years then a prorated amount of the credit received will be added back to the individual's tax liability

<sup>1</sup> State law automatically adopted the provision in the federal Tax Cuts and Jobs Act signed into law on December 22, 2017. The federal law effectively modified the timing for claiming the state credit from one year to over five years with a transition rule in place that applies to projects contracted and completed prior to tax year 2021.

The gross dollar amount by which the State's tax revenues were reduced as a result of abatement agreements during the fiscal year ended June 30, 2019:

State Agency Administered Program	Amount
Historical Homeowners Tax Credit	\$ 1.3 million
<b>WEDC Administered Programs</b>	
Business Development Credit <sup>2</sup>	24.8 million
Development Opportunity Zone Tax Credit	0.7 million
Enterprise Zone Tax Credit	67.8 million
Qualified New Business Venture	8.4 million
Historical Preservation Tax Credit	27.4 million
<b>Total State Agency and WEDC:</b>	<b>\$130.3 million</b>

<sup>2</sup> Includes Economic Development, Jobs Tax Credit and Business Development Credit abatements

**Tax Abatement-related Commitments**

2017 Wis. Act 58 created an electronics and information technology manufacturing zone in southeast Wisconsin (the Foxconn project). Subject to the Act, the state may contract public debt in an amount not to exceed \$252.4 million in general fund-supported general obligation bonds to be used for road expansion and improvements to the I-94 North-South corridor. The Act also recognized a moral obligation in which the legislature expresses its expectation and aspiration, if ever called upon to do so, to make an appropriation to pay no more than 40 percent of the principal and interest of a local governmental unit's municipal obligations used to finance costs related to the zone.

**NOTE 26. SUBSEQUENT EVENTS****Primary Government****Long-term Debt**

*General Obligation Bonds* – In July 2019, the State redeemed \$8.0 million of general obligation bonds that have been cash defeased in June 2019 and for which the liability of such obligations had already been removed from the financial statements.

In August 2019, the State issued \$220.6 million of 2019 Series A 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 associated with these bonds were set at 4.0 to 5.0 percent payable semiannually beginning November 1, 2019. The bonds mature annually beginning May 1, 2021 through May 1, 2040. In October 2019, the State issued \$329.7 million of 2019 Series 1 general obligation refunding bonds (taxable) to be used for advance refunding of certain principal of previously issued general obligation bonds. The interest rates associated with these bonds were set at 1.8 to 2.5 percent payable semiannually beginning May 1, 2020. The bonds mature annually beginning May 1, 2023 through May 1, 2033.

In December 2019, the State issued \$265.0 million of 2019 Series B 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 associated with these bonds were set at 4.0 to 5.0 percent payable semiannually beginning May 1, 2020. The bonds mature annually beginning May 1, 2021 through May 1, 2040.

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## **Required Supplementary Information**

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**Required Supplementary Information**

**Postemployment Benefits - State Health Insurance Program**

Schedule of Changes to the Total OPEB Liability and Related Ratios (in millions)

As of the Measurement Date June 30

	2017	2018
<b>Total OPEB Liability</b>		
Service cost	72.1	58.0
Interest	23.6	27.1
Difference between expected & actual experience	(4.1)	.8
Changes of assumptions	(109.3)	(224.8)
Benefit payments	(38.4)	(40.8)
<b>Net Change in Total OPEB Liability</b>	<b>(56.0)</b>	<b>(179.6)</b>
<b>Total OPEB Liability – Beginning</b>	<b>\$775.4</b>	<b>\$719.3</b>
<b>Total OPEB Liability – Ending</b>	<b>\$719.3</b>	<b>\$539.7</b>
Covered-employee payroll	\$3,690.7	\$3,729.7
Total OPEB liability as a percentage of covered-employee payroll	19.49%	14.47%

GASB standards require the presentation of 10 years of information. Because fiscal year 2018 (6/30/17 measurement date) was the first year for reporting this information, a full 10-year schedule will not be available until fiscal year 2027 (6/30/26 measurement date).

**Notes to RSI**

The State Health Insurance OPEB plan does not have assets in trust or equivalent arrangements and is funded on a pay-as-you-go basis. Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, health care trend rates, and participation rate assumptions. Employer benefit payments were actuarially determined and pertain to the implicit rate subsidy.

## Required Supplementary Information

### Postemployment Benefits - State Life Insurance Program

Schedule of Changes in the Total OPEB Liability and Related Ratios (in millions)

As of the Measurement Date December 31

	2017	2018
Total OPEB Liability		
Service cost	26.2	30.7
Interest	30.7	31.2
Difference between expected & actual experience	(5.3)	(17.5)
Changes of assumptions	49.0	(94.9)
Benefit payments	(17.7)	(19.5)
<b>Net Change in Total OPEB Liability</b>	<b>82.9</b>	<b>(70.1)</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$762.6</b>	<b>\$845.5</b>
<b>Total OPEB Liability - Ending</b>	<b>\$845.5</b>	<b>\$775.5</b>
<b>Plan Fiduciary Net Position</b>		
Contributions from employers	1.4	1.4
Net investment income	11.6	10.9
Administrative expense	(.7)	(.7)
Benefit payments	(17.7)	(19.5)
<b>Net change in Plan Fiduciary Net Position</b>	<b>(5.4)</b>	<b>(8.0)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>\$357.4</b>	<b>\$352.0</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$352.0</b>	<b>\$344.0</b>
<b>Ending Collective Net OPEB Liability - Beginning</b>	<b>\$405.1</b>	<b>\$493.5</b>
<b>Net change in Collective Net OPEB Liability</b>	<b>88.4</b>	<b>(62.0)</b>
<b>Collective Net OPEB Liability - Ending</b>	<b>\$493.5</b>	<b>\$431.5</b>
Plan Fiduciary Net Position as a percentage of the total OPEB liability	41.63%	44.36%
Covered-employee payroll	\$3,184.0	\$3,182.5
Net OPEB liability as a percentage of covered-employee payroll	15.50%	13.56%

GASB standards require the presentation of 10 years of information. Because fiscal year 2018 (12/31/17 measurement date) was the first year for reporting this information, a full 10-year schedule will not be available until fiscal year 2027 (12/31/26 measurement date).

### Schedule of Contributions to State Life Insurance OPEB Plan (in millions)

As of the Measurement Date December 31

	2017	2018
Contractually required contribution	\$1.4	\$1.4
Contributions in relation to the contractually required contribution	\$1.4	\$1.4
Contribution deficiency	\$0	\$0
Covered-employee payroll	\$3,184.0	\$3,182.5
Contributions as a percentage of covered-employee payroll	0.042%	0.044%

GASB standards require the presentation of 10 years of information. Because fiscal year 2018 (12/31/17 measurement date) was the first year for reporting this information, a full 10-year schedule will not be available until fiscal year 2027 (12/31/26 measurement date).

**Required Supplementary Information**

**State's Proportionate Share of the Net Pension Liability or Net Pension (Asset)**

The State's proportionate share of the net pension liability (NPL) or net pension (asset) (NPA) of the Wisconsin Retirement System is provided below:

<b>Fiscal Year*</b>	<b>State's Proportion of the NPL/(NPA) (a)</b>	<b>State's Proportionate Share of the NPL/(NPA) (b)</b>	<b>State's Covered Payroll (c)</b>	<b>State's Share of the NPL/(NPA) as a Percentage of Covered Payroll (b / c)</b>	<b>WRS' Net Position as a Percentage of the Total Pension Liability (d)</b>
2019	27.7%	\$ 985,537,744	\$3,972,324,722	24.8%	96.5%
2018	(27.8%)	\$ (826,113,891)	\$3,867,555,186	(21.4)%	102.9%
2017	28.0%	\$ 232,791,419	\$3,806,871,835	6.1%	99.1%
2016	28.1%	\$ 455,475,378	\$3,790,475,424	12.0%	98.2%
2015	(28.0%)	\$(686,873,469)	\$3,735,598,305	(18.4)%	102.7%

\* The amounts presented were measured as of the calendar year-end or for the calendar year ended that occurred within the fiscal year listed.

GASB standards require the presentation of 10 years of information. Because fiscal year 2015 was the first year for reporting this information, a full 10-year schedule will not be available until fiscal year 2024.

**Required Supplementary Information**

**State's Pension Contributions**

The State's pension contributions to the Wisconsin Retirement System are provided below:

<b>Fiscal Year*</b>	<b>State's Actuarially Determined Contributions (a)</b>	<b>State's Contributions Made (b)</b>	<b>Contribution Excess/ (Deficiency) (b - a)</b>	<b>State's Covered Payroll (c)</b>	<b>State's Contributions Made as a Percentage of Covered Payroll (b / c)</b>
2019	\$284,968,840	\$284,968,840	\$ -	\$3,972,324,722	7.2%
2018	\$280,500,929	\$280,500,929	\$ -	\$3,867,555,186	7.3%
2017	\$263,970,133	\$263,970,133	\$ -	\$3,806,871,835	6.9%
2016	\$270,985,300	\$270,985,300	\$ -	\$3,790,475,424	7.2%
2015	\$275,968,183	\$275,968,183	\$ -	\$3,735,598,305	7.4%

\* The amounts presented were measured for the calendar year ended that occurred within the fiscal year listed.

GASB standards require the presentation of 10 years of information. Because fiscal year 2015 was the first year for reporting this information, a full 10-year schedule will not be available until fiscal year 2024.

**Required Supplementary Information**

**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 road and 5,200 bridges.

**Road Network**

Condition assessments are completed on a two-year cycle with the most current results reported for each State road. The State completes the assessment of the Eastern half of the State in one year and the Western half of the State in the next. 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 one of its condition measures. IRI is a direct measure of road roughness, with an IRI of 2.69 mm/m (170 inches/mile) or greater being defined as a "poor" ride. Roads with a "poor" IRI assessment may cause negative impacts for the traveling public by decreasing driver comfort and potentially 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)
2019	11,200	7.6	15.0	7.4
2018	11,200	7.4	15.0	7.6
2017	11,200	7.4	15.0	7.6
2016	11,200	8.9	15.0	6.1
2015	11,200	7.3	15.0	7.7
2014	11,200	8.3	15.0	6.7
2013	11,200	6.2	15.0	8.8
2012	11,200	7.0*	15.0	8.0
2011	11,200	12.0**	15.0	3.0
2010	11,200	9.3**	15.0	5.7

\* The 2012 decrease in the percentage of roads rated poor is due to inclusion of new construction in the scope of the condition assessment. Without such inclusion, the percentage of poor roads would have been equivalent to the 2011 level. New construction was included because efficiencies were gained from a new van used to capture condition assessment data, resulting in new construction being included in the assessment closer to the completion date. In prior years, new construction was generally not included in condition assessments until the following year.

\*\* The 2011 and 2010 increase in the percentage of roads rated poor compared to previous years is partially attributable to the new equipment used in assessing the IRI. For 2011, all of the miles were tested using the new equipment. For 2010, approximately half of the miles were tested using the new equipment. 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)
2019	\$847.9	\$612.0	\$235.9
2018	748.0	616.7	131.3
2017	770.3	629.3	141.0
2016	617.6	564.7	52.9
2015	603.4	643.3	(39.9)
2014	619.4	605.9	13.5
2013	580.9	561.8	19.1
2012	611.0	585.3	25.7
2011	606.7	705.7	(99.0)
2010	660.7	669.1	(8.4)

Estimated costs are developed at the beginning of the fiscal year based on projects planned for the current and future years. The types of projects ultimately contracted and incurring costs during the year are often very different. In addition, the State of Wisconsin, Department of Transportation's multi-year contracting process, allowing encumbrances to carry forward, makes a comparison of actual to estimated amounts difficult since expenditures for the current year may have been budgeted and committed to a project in prior years.

**Bridge Network**

Condition assessments are completed on a two-year cycle, with more frequent inspections completed if warranted. The most current assessment results are reported for each State bridge, making the overall assessment a blend of measures completed in the current fiscal year and those completed in the prior year.

The structural condition rating is a broad measure of the condition of a bridge. Each bridge is rated using three National Bridge Inventory (NBI) condition codes and two NBI appraisal ratings. The three NBI condition codes are Deck Condition, Superstructure Condition, and Substructure Condition. The two NBI appraisal ratings are Structural Evaluation and Waterway Adequacy. The NBI uses a 10-point scale for condition codes and appraisal ratings. A bridge is considered "structurally deficient" if any condition code is 4 or less, or if either appraisal code is 2 or less.

"Structurally deficient" bridges cause negative impacts for the public by increasing the likelihood that heavy loads will need to be rerouted to less efficient routes, thus increasing logistic costs for State businesses. It is the State's policy to ensure no more than 15 percent of its bridges are "structurally deficient".

Recent condition assessment results are as follows:

Year Ended June 30	Number of Bridges	Percent Structurally Deficient	Established Percent	Variance Favorable/ (Unfavorable)
2019	5,200	2.6	15.0	12.4
2018	5,200	3.0	15.0	12.0
2017	5,200	3.1	15.0	11.9
2016	5,200	3.1	15.0	11.9
2015	5,200	3.2	15.0	11.8
2014	5,100	3.3	15.0	11.7
2013	5,100	3.1	15.0	11.9
2012	5,100	3.3	15.0	11.7
2011	5,100	3.6	15.0	11.4
2010	5,000	4.1	15.0	10.9

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)
2019	\$63.1	\$65.8	\$(2.7)
2018	92.1	89.9	2.2
2017	56.9	59.3	(2.4)
2016	78.6	128.3	(49.7)
2015	57.1	164.4	(107.3)
2014	261.2	131.0	130.2
2013	123.2	115.3	7.9
2012	101.9	61.1	40.8
2011	42.4	64.2	(21.8)
2010	91.7	93.0	(1.3)

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. Estimated and actual costs for 2014 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.

**Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019**

(In Thousands)

	Original Budget	Final Budget	Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year			\$ 2,507,949
<b>Revenues and Transfers (Inflows):</b>			
Taxes	\$ 16,659,421	\$ 17,293,541	17,369,028
Departmental:			
Tribal Gaming	26,086	26,140	29,066
Other	17,786,212 (A)	17,818,133 (A)	17,636,813
Transfers from:			
Nonmajor Governmental Funds	(A)	(A)	72,634
Nonmajor Enterprise Funds	(A)	(A)	33
<b>Total Revenues and Transfers (Inflows)</b>	<b>34,471,719</b>	<b>35,137,814</b>	<b>35,107,574</b>
Amounts Available for Appropriation			37,615,523
<b>Appropriations (Outflows):</b>			
Commerce	215,350	258,116	223,585
Education	14,046,644	14,762,443	14,128,349
Environmental Resources	320,093	401,659	351,105
Human Relations and Resources	14,966,475	17,961,224	15,478,808
General Executive	1,281,268	1,590,313	1,061,712
Judicial	144,223	153,278	143,714
Legislative	76,530	79,826	73,209
Tax Relief and Other General	2,756,944	3,067,141	2,995,752
Transfers to:			
Transportation Fund	41,597	41,597	41,597
Nonmajor Governmental Funds	-	-	15,482
Nonmajor Enterprise Funds	-	-	3,320
<b>Total Appropriations (Outflows)</b>	<b>\$ 33,849,124</b>	<b>\$ 38,315,597</b>	<b>34,516,633</b>
Fund Balances, End of Year			3,098,890
Less Encumbrances Outstanding at June 30, 2019			(563,805)
Fund Balances, End of Year Budgetary Basis			<u>\$ 2,535,085</u>
Reconciliation of the End of Year, Budgetary Basis, Fund Balance to the Detail Reported in the Annual Fiscal Report:			
General Purpose:			
Designated			\$ 97,098
Undesignated			1,086,869
Total General Purpose			<u>1,183,967</u>
Program Revenue			<u>1,351,118</u>
Fund Balances, End of Year Budgetary Basis			<u>\$ 2,535,085</u>

(A) Interfund transfers to the General Fund were budgeted under departmental revenue during Fiscal Year 2019.



**Budgetary Comparison Schedule  
Transportation Fund  
For the Fiscal Year Ended June 30, 2019**

(In Thousands)

	Original Budget	Final Budget	Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year			\$ 495,996
<b>Revenues (Inflows):</b>			
Taxes	\$ 1,128,096	\$ 1,128,096	1,128,096
Departmental	1,867,939	1,867,939	1,867,939
Transfers from:			
General Fund	41,597	41,597	41,597
Nonmajor Governmental Funds	24,000	24,000	24,000
Total Revenues (Inflows)	3,061,632	3,061,632	3,061,632
Amounts Available for Appropriation			3,557,628
<b>Appropriations and Transfers (Outflows):</b>			
Environmental Resources	2,905,240	5,901,956	2,994,455
General Executive	2,008	2,010	1,693
Tax Relief and Other General	22,449	24,174	22,907
Total Appropriations and Transfers (Outflows)	\$ 2,929,697	\$ 5,928,140	3,019,055
Fund Balances, End of Year			538,573
Less Encumbrances Outstanding at June 30, 2019			(1,821,112)
Fund Balances, End of Year Budgetary Basis			\$ (1,282,539)

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, 2019 is presented below (in thousands):

	General Fund	Transportation Fund
<b>Fund balance June 30, 2019 (budgetary basis – budgetary fund structure):</b>		
General Purpose Revenue – fund balance per budgetary basis <i>Annual Fiscal Report</i>		
Undesignated fund balance	\$1,086,869	
Designated fund balance	97,098	
Total General Purpose Revenue fund balance	1,183,967	
Program Revenue – fund balance per budgetary basis <i>Annual Fiscal Report</i>	1,351,118	
<b>Fund balance June 30, 2019 (budgetary basis – budgetary fund structure)</b>		
as reported on the budgetary comparison schedule	2,535,085	\$(1,282,539)
Reclassifications:		
To eliminate encumbrances reported as expenditures under budgetary reporting ( <i>basis difference</i> )	563,805	1,821,112
To include activities of funds such as the Medical Assistance Trust, Hospital Assessment, Critical Hospital Assessment, Budget Stabilization, and Permanent Endowment Funds (reported as special revenue funds under budgetary reporting) as part of the General Fund ( <i>perspective difference</i> )	726,992	--
To remove activities reported in another GAAP fund type ( <i>perspective differences</i> ):		
Enterprise funds (except for the University of Wisconsin System)	(3,504)	--
University of Wisconsin System	(1,315,454)	--
Internal Service funds	(23,697)	--
Transportation Revenue Bonds capital project fund	--	4,680
<b>Fund balance June 30, 2019 (GAAP fund structure – budgetary basis, excluding encumbrances treated as expenditures at year end)</b>	2,483,228	543,253
Adjustments ( <i>basis differences</i> ):		
To accrue receivables and establish payables for individual income taxes (net)	(1,031,694)	--
To defer revenues for gross receipts public utility taxes	(270,613)	--
To adjust revenues and expenditures for tax-related items and other tax credit/aid programs (net)	(526,126)	(3,156)
To adjust expenditures for the intergovernmental shared revenue program	(491,198)	--
To adjust expenditures for State property tax credit/relief program	(809,584)	--
To accrue unpaid Medicaid payments to providers (net of receivable from federal government)	(278,213)	--
To adjust revenues and expenditures for certain major Health Services, and Children and Families human services payments to local governments	(133,998)	--
To accrue receivable for Medicaid drug rebates (net of payable to federal government)	210,680	--
To adjust expenditures/revenues for other Health Services, Workforce Development, Children and Families, and Corrections accruals and deferrals	(76,353)	--
To recognize the tobacco settlement revenue receivable	71,345	--
To accrue State educational aids payments deferred until the subsequent year	(75,000)	--
To accrue receivables from the federal government for the Children’s Health Insurance Program	32,779	--
To adjust expenditures and revenues for State Energy Program and other revolving loan programs	3,827	--
To adjust revenues and expenditures for other items (net)	117,465	154,384
<b>Fund balance June 30, 2019 (GAAP fund structure – GAAP basis) as reported on the governmental fund statements</b>	<b>\$(773,455)</b>	<b>\$694,481</b>

## 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 activities from the statutory General and Transportation funds. In addition, funds such as the Medical Assistance Trust, Hospital Assessment, Budget Stabilization and Permanent Endowment, 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. One special revenue fund, the Wisconsin Public Broadcasting Foundation, has been excluded from reporting because it is a blended component unit that is 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 on September 21, 2017 and published on September 22, 2017. 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.

