



STATE OF WISCONSIN

Legislative Audit Bureau

NONPARTISAN • INDEPENDENT • ACCURATE

Report 23-4
March 2023

State of Wisconsin FY 2021-22 Single Audit



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State of Wisconsin

FY 2021-22 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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March 31, 2023

Senator Eric Wimberger and
Representative Robert Wittke, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Wimberger and Representative Wittke:

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 and compliance related to financial reporting and federal program administration, and our audit opinion on the State of Wisconsin's Schedule of Expenditures of Federal Awards (SEFA). In fiscal year (FY) 2021-22, state agencies administered \$20.2 billion in federal financial assistance, including \$5.9 billion in assistance expended as a result of the public health emergency and separately identified in the SEFA.

We tested internal controls and compliance with laws and regulations for 22 federal programs that were selected for review using risk-based assessment criteria established by the federal government and specified in Uniform Guidance. We qualified our opinion on compliance related to certain requirements for the Emergency Rental Assistance Program. We made 64 recommendations to improve administration of federal programs and to address deficiencies in internal controls over financial reporting. We also identified \$1.3 million of questioned costs that state agencies charged inappropriately to federal funds.

We followed up on the status of corrective actions to address audit findings we reported in our FY 2020-21 single audit report (report 22-5). 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 each chapter. 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

Introduction

***State agencies
administered \$20.2 billion
in federal financial
assistance in FY 2021-22.***

Wisconsin state agencies administered a total of \$20.2 billion in federal financial assistance during fiscal year (FY) 2021-22 including \$17.4 billion in cash assistance, \$2.7 billion in noncash assistance, and \$107.8 million in outstanding loan balances. This total also includes \$5.6 billion in federal financial assistance the State expended related to the public health emergency, and that it separately identified in the State of Wisconsin's Schedule of Expenditures of Federal Awards (SEFA).

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 our FY 2021-22 audit 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 22 selected federal programs and tested compliance with laws and regulations related to these programs.

In performing this audit, we were 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 SEFA.

Our opinion on the State's FY 2021-22 financial statements was included in the State's Annual Comprehensive Financial Report (ACFR), which was issued by the Wisconsin Department of Administration (DOA) in December 2022 and is available on DOA's website. The other required auditor's reports, accompanied by each agency's response to our findings and its corrective action plans, are included in this single audit report. This single audit report, along with other required information, is required to be submitted to the federal government under Uniform Guidance.

Federal Programs

In FY 2021-22, 18 programs accounted for 88.6 percent of the \$20.2 billion in federal financial assistance state agencies administered.

In FY 2021-22, the State administered 18 federal programs or clusters with expenditures greater than \$200.0 million. Uniform Guidance requires that certain federal programs be grouped into clusters, combined for federal reporting purposes, and audited as one overall program. The 18 largest programs or clusters accounted for 88.6 percent of the \$20.2 billion in federal financial assistance state agencies administered in FY 2021-22, as shown in Table 1.

Table 1

State of Wisconsin
Federal Programs or Clusters with Expenditures Greater than \$200.0 Million
FY 2021-22

Federal Program or Cluster ¹	Agency	Expenditures ²	Percentage of Total
Medicaid Cluster	Department of Health Services	\$ 7,933,156,236	39.4%
Supplemental Nutrition Assistance Program (SNAP) Cluster	Department of Health Services	2,252,812,759	11.2
Highway Planning and Construction Cluster	Department of Transportation	916,179,206	4.5
Student Financial Assistance Cluster	University of Wisconsin System	793,538,454	3.9
Unemployment Insurance (UI) ³	Department of Workforce Development	780,699,324	3.9
Research and Development Cluster	University of Wisconsin System	741,601,662	3.7
Education Stabilization Fund (ESF)	Department of Public Instruction, University of Wisconsin System	599,904,265	3.0
Child Nutrition Cluster	Department of Public Instruction	569,360,182	2.8
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	Department of Revenue Department of Administration, Department of Health Services,	559,178,943	2.8
Coronavirus Relief Fund (CRF)	Department of Revenue Department of Administration,	469,106,425	2.3
Child Care and Development Fund (CCDF) Cluster	Department of Children and Families	389,390,120	1.9
Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Department of Administration, Department of Health Services, Department of Military Affairs	354,289,851	1.8
Pandemic EBT Food Benefits	Department of Health Services	312,520,738	1.6
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Department of Health Services	302,064,445	1.5
Children's Health Insurance Program (CHIP)	Department of Health Services	241,957,657	1.2
Special Education Cluster (IDEA)	Department of Public Instruction	233,589,541	1.2
Title I Grants to Local Educational Agencies	Department of Public Instruction	209,509,365	1.0
Low-Income Home Energy Assistance Program (LIHEAP)	Department of Administration	205,572,123	1.0
Subtotal		17,864,431,296	88.6
Other Federal Programs or Clusters ⁴		2,291,242,872	11.4
Total		\$20,155,674,168	100.0%

¹ Uniform Guidance requires that certain federal programs be grouped into clusters, combined for federal reporting purposes, and audited as one overall program.

² Includes cash assistance; noncash assistance, such as food commodities; and outstanding loan balances.

³ In accordance with federal requirements, consists of insurance benefits paid from employer contributions and direct federal funding.

⁴ Federal programs or clusters with expenditures less than \$200.0 million.

Table 2 shows the amount of federal financial assistance administered by each state agency. Seven state agencies accounted for 94.8 percent of the federal expenditures and had primary responsibility for administering the State's largest federal programs or clusters during FY 2021-22 including:

- the Department of Health Services (DHS), which administered the Medicaid Cluster, the Supplemental Nutrition Assistance Program (SNAP) Cluster for Wisconsin's FoodShare program, the Pandemic Electronic Benefit Transfer (EBT) Food Benefits program, the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program, and the Children's Health Insurance Program (CHIP);
- the University of Wisconsin (UW) System, which administered federal student financial assistance under the Student Financial Assistance Cluster, a variety of research and development grants under the Research and Development Cluster, and portions of the Education Stabilization Fund (ESF) program;
- the Department of Public Instruction (DPI), which administered the Child Nutrition Cluster, the Special Education Cluster (IDEA), Title I Grants to Local Educational Agencies, and portions of the ESF program;
- the Department of Transportation (DOT), which administered the Highway Planning and Construction Cluster;
- DOA, which administered the Coronavirus Relief Fund (CRF), the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), and the Low-Income Home Energy Assistance Program (LIHEAP);
- the Department of Workforce Development (DWD), which administered the Unemployment Insurance (UI) program; and
- the Department of Children and Families (DCF), which administered the Child Care and Development Fund (CCDF) Cluster.

Table 2

State of Wisconsin
Summary Schedule of Expenditures of Federal Awards, by Agency
FY 2021-22

Agency	Expenditures ¹
Department of Health Services	\$ 11,852,255,189
University of Wisconsin System	1,964,136,018
Department of Public Instruction	1,528,993,899
Department of Transportation	1,045,772,026
Department of Administration	990,453,566
Department of Workforce Development	946,901,983
Department of Children and Families	781,763,662
Department of Revenue	451,616,585
Office of the Commissioner of Insurance	142,043,021
Department of Natural Resources	104,051,202
Department of Military Affairs	98,302,719
Department of Justice	66,881,416
Department of Veterans Affairs	54,481,657
Environmental Improvement Fund (DOA)	53,716,326
Wisconsin Technical College System	21,614,333
Department of Agriculture, Trade and Consumer Protection	21,238,103
Public Service Commission	6,762,268
Department of Tourism	5,580,779
Department of Safety and Professional Services	5,555,321
Other State Agencies ²	13,554,095
Total	\$20,155,674,168

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

² Includes the federal expenditures incurred by the following state agencies: Wisconsin Historical Society, Department of Corrections, Wisconsin Elections Commission, Board for People with Developmental Disabilities, Child Abuse and Neglect Prevention Board, Public Defender Board, Wisconsin Court System, District Attorneys, Educational Communications Board, Employee Trust Funds, Department of Financial Institutions, Kickapoo Valley Reserve, State of Wisconsin Investment Board, Board on Aging and Long Term Care, Office of the Governor, Secretary of State, Office of the State Treasurer, and Wisconsin Employment Relations Commission.

Uniform Guidance establishes the process for selecting the grant programs or clusters to be audited. Uniform Guidance categorizes federal programs as “type A” (large programs or clusters) and “type B” (smaller programs or clusters). For the State, type A programs or clusters had expenditures of \$30.2 million or more in federal funds. The type A and B programs or clusters selected for audit were those determined to be subject to a higher risk of noncompliance based on the risk factors established by Uniform Guidance.

Our audit focused on 22 federal programs or clusters administered by state agencies in FY 2021-22.

As shown in Table 3, our FY 2021-22 audit focused on 16 type A programs or clusters and 6 type B programs or clusters. These programs or clusters were administered primarily by 12 state agencies and accounted for 58.9 percent of the \$20.2 billion in federal financial assistance administered by state agencies.

We also followed up on the status of corrective actions agencies took to address the audit findings we reported in our FY 2020-21 single audit report (report 22-5). Our FY 2021-22 single audit report also includes those findings that are required to be reported under Uniform Guidance, such as 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 3
State of Wisconsin
Federal Programs or Clusters Selected for Audit
 FY 2021-22

Federal Program or Cluster ¹	Agency	Expenditures ²
Medicaid Cluster	Department of Health Services	\$ 7,933,156,236
Unemployment Insurance (UI) ³	Department of Workforce Development	780,699,324
Research and Development Cluster	University of Wisconsin System	741,601,662
Education Stabilization Fund (ESF)	Department of Public Instruction, University of Wisconsin System	599,904,265
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	Department of Administration, Department of Health Services, Department of Revenue	559,178,943
Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Department of Administration, Department of Health Services, Department of Military Affairs	354,289,851
Low-Income Home Energy Assistance Program (LIHEAP)	Department of Administration	205,572,123
Emergency Rental Assistance (ERA) Program	Department of Administration	162,277,413
Immunization Cooperative Agreements	Department of Health Services	96,602,602
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health Services	65,989,895
Rehabilitation Services Vocational Rehabilitation Grants to States	Department of Workforce Development	63,689,773
Airport Improvement Program, COVID-19 Airport Program, and Infrastructure Investment and Jobs Act Programs	Department of Transportation	54,155,915
National Guard Military Operations and Maintenance (O&M) Projects	Department of Military Affairs	47,115,066
Veterans State Nursing Home Care	Department of Veterans Affairs	45,914,132
Fish and Wildlife Cluster	Department of Natural Resources	36,411,210
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Department of Public Instruction	32,763,797
Formula Grants for Rural Areas and Tribal Transit Program	Department of Transportation	24,360,615
Career and Technical Education—Basic Grants to States	Wisconsin Technical College System	22,170,051
Pandemic EBT Administrative Costs	Department of Health Services	15,558,362
Employment Service Cluster	Department of Workforce Development	13,832,564
Home Investment Partnerships Program	Department of Administration	12,184,980
Every Student Succeeds Act/Preschool Development Grants	Department of Children and Families	9,001,195
Total		\$11,876,429,974

¹ Uniform Guidance requires that certain federal programs be grouped into clusters, combined for federal reporting purposes, and audited as one overall program.

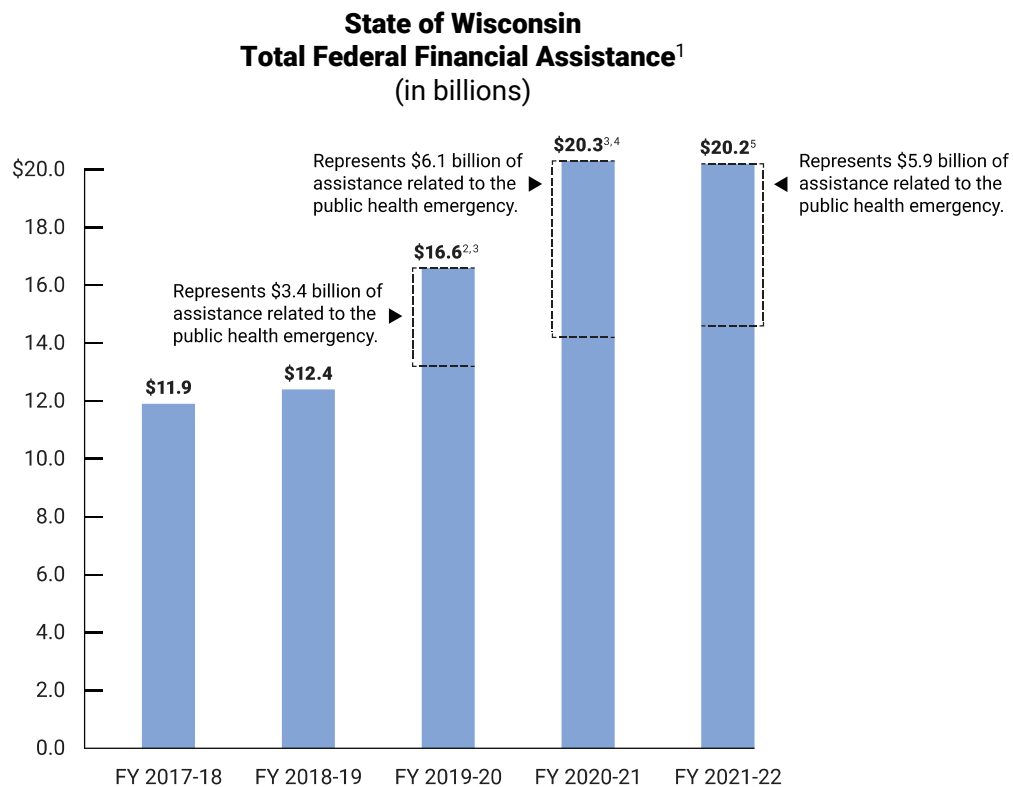
² Includes cash assistance; noncash assistance, such as food commodities; and outstanding loan balances.

³ In accordance with federal requirements, consists of insurance benefits paid from employer contributions and direct federal funding.

Federal Funding for the Public Health Emergency

Total federal financial assistance increased by \$8.3 billion from \$11.9 billion in FY 2017-18 to \$20.2 billion in FY 2021-22, or by 70.0 percent. As shown in Figure 1, total federal financial assistance has increased since FY 2018-19 as a result of additional federal financial assistance to address the effects of the public health emergency.

Figure 1



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

² Includes \$3.4 billion of federal financial assistance related to the public health emergency, and separately identified in the SEFA.

³ Includes adjustment of prior-year total federal financial assistance due to transfers in FY 2021-22 of prior-year expenditures.

⁴ Includes \$6.1 billion of federal financial assistance related to the public health emergency, and separately identified in the SEFA.

⁵ Includes \$5.9 billion of federal financial assistance related to the public health emergency, and separately identified in the SEFA.

In March 2020, the federal government and the State declared a public health emergency in response to COVID-19. In response to the public health emergency, the federal government enacted legislation, including:

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020;
- Families First Coronavirus Response Act;
- Coronavirus Aid, Relief, and Economic Security (CARES) Act;
- Consolidated Appropriations Act of 2021;
- Continued Assistance Act of 2020;
- Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA); and
- American Rescue Plan Act (ARPA) of 2021.

Under these and other federal laws, the State received additional federal funding for certain existing programs or clusters, including UI, as well as funding under new programs, including the CSLFRF program and Emergency Rental Assistance (ERA) Program. In report 22-23, we completed a limited-scope review of how DOA used supplemental federal funds provided in response to the public health emergency.

In the SEFA, the State reported \$5.9 billion in federal funding provided to address the public health emergency during FY 2021-22.

As reported in the SEFA, the State expended \$3.4 billion in FY 2019-20, \$6.1 billion in FY 2020-21, and \$5.9 billion in FY 2021-22, in federal funding provided to address the public health emergency. The \$965.8 million in expenditures reported for the Medical Assistance (MA) Program was the largest amount of expenditures reported in the SEFA by the State in FY 2021-22 for the public health emergency. Other programs or clusters that received additional federal funding for the public health emergency as separately identified in the SEFA, are shown in Table 4.

Table 4

State of Wisconsin
Federal Expenditures Related to the Public Health Emergency¹
FY 2021-22

Federal Program or Cluster ²	Agency	Expenditures ³
Medical Assistance (MA) Program	Department of Health Services	\$ 965,781,721
Supplemental Nutrition Assistance Program Cluster (SNAP) ⁴	Department of Health Services	823,729,307
Education Stabilization Fund (ESF)	Department of Public Instruction, University of Wisconsin System	599,904,265
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	Department of Administration, Department of Health Services, Department of Revenue	559,178,943
Child Nutrition Cluster ⁴	Department of Public Instruction	505,240,433
Coronavirus Relief Fund (CRF) ⁴	Department of Administration, Department of Revenue	469,106,425
Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Department of Administration, Department of Health Services, Department of Military Affairs	347,038,002
Unemployment Insurance (UI) ⁵	Department of Workforce Development	339,681,289
Pandemic EBT Food Benefits ⁴	Department of Health Services	312,520,738
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) ⁴	Department of Health Services	297,077,138
Emergency Rental Assistance (ERA) Program	Department of Administration	162,277,413
Child Care and Development Fund (CCDF) Cluster ⁴	Department of Children and Families	161,711,870
Low-Income Home Energy Assistance Program (LIHEAP)	Department of Administration	109,083,014
Other Federal Programs or Clusters ⁶		272,064,075
Total		\$5,924,394,633

¹ Expenditures for federal funding separately identified in the SEFA as related to the public health emergency.

² Uniform Guidance requires that certain federal programs be grouped into clusters, combined for federal reporting purposes, and audited as one overall program.

³ Includes cash assistance; noncash assistance, such as food commodities; and outstanding loan balances.

⁴ Under Uniform Guidance, this program/cluster was not selected for audit in FY 2021-22.

⁵ Insurance benefits paid from direct federal funding.

⁶ Includes expenditures under an additional 72 programs as reported in the SEFA.

Medical Assistance Program

In FY 2021-22, DHS reported \$965.8 million in additional federal funds received as a result of the public health emergency for the MA Program.

The federal Families First Coronavirus Response Act provided a temporary 6.2 percent increase in Wisconsin's federal medical assistance percentage (FMAP) for benefit payments, subject to certain requirements to maintain benefits under the provisions in place as of January 2020. The FMAP is the percentage of MA Program expenditures the federal government will fund for the State. DHS reported an additional \$636.6 million in funding under the increased FMAP. In addition, DHS claimed an additional \$329.2 million in federal funding under Section 9817 of ARPA, which allowed for an additional 10.0 percent FMAP for certain home and community-based services provided to participants during the period from April 1, 2021, through March 31, 2022. In total, DHS reported in the SEFA that additional federal funds received as a result of the public health emergency were \$965.8 million for the MA Program during FY 2021-22.

In August 2018, the U.S. Department of Health and Human Services (DHHS) issued a disallowance related to Medicaid-related settlements for the MA Program. DHS partially disagreed with the conclusions and issued a formal objection letter in February 2021. In August 2022, DHHS issued a disallowance of \$24.9 million. DHS intends to appeal this decision, as described in Note 3A to the SEFA.

Supplemental Nutrition Assistance Program

DHS reported expending \$823.7 million in emergency SNAP funds in FY 2021-22.

The federal Families First Coronavirus Response Act granted additional flexibilities under SNAP, also known as FoodShare, that increased benefits provided through emergency allotments received by the State and also increased the number of individuals eligible for benefits. DHS reported \$823.7 million in emergency SNAP expenditures related to the public health emergency in the SEFA, including \$816.4 million in emergency SNAP benefits, during FY 2021-22.

Education Stabilization Fund

The ESF was created by the CARES Act, with additional funding provided by CRRSAA and ARPA. The purpose of the fund is to prevent, prepare for, and respond to the effects of the public health emergency on education. The ESF consists of four funds:

- Elementary and Secondary School Emergency Relief (ESSER) Fund;
- Emergency Assistance for non-Public Schools (EANS) Fund;

- Governor’s Emergency Education Relief (GEER) Fund; and
- Higher Education Emergency Relief Fund (HEERF).

During FY 2021-22, UW System and DPI reported in the SEFA that they expended a combined total of \$599.9 million under the ESF.

***During FY 2021-22,
UW System expended
\$257.6 million under the ESF.***

UW System expended ESF funds from the GEER Fund and HEERF. These funds were primarily used by UW institutions to provide grants to students affected by the public health emergency; recover lost revenues as a result of the public health emergency; provide COVID-19 testing; and to cover other costs associated with the public health emergency. UW System reported in the SEFA that it expended \$257.6 million from the ESF during FY 2021-22. In report 22-25, we completed a limited-scope review of UW System’s administration of ESF funding.

***During FY 2021-22, DPI
expended \$342.3 million
under the ESF.***

DPI expended ESF funds from the ESSER Fund, the EANS Fund, and the GEER Fund. These funds were primarily provided to local educational agencies and private schools to address various needs related to the public health emergency, including personal protective equipment, sanitation, technology, and equipment. DPI reported in the SEFA that it expended \$342.3 million from the ESF during FY 2021-22.

Coronavirus State and Local Fiscal Recovery Funds

The CSLFRF was created by ARPA to distribute money directly to state, local, tribal, and territorial governments. The State was allocated \$3.0 billion in CSLFRF funding. In May 2021, the State was advanced \$1.5 billion, including \$205.8 million to distribute to local governments. In May 2022, the State was advanced the second round of funding, \$1.5 billion, including \$207.7 million to distribute to local governments. The amounts distributed to local governments are not reported on the State’s SEFA. CSLFRF funding included certain stipulations, including that the funds must be used to:

- respond to the public health emergency or its negative economic effects;
- respond to the needs of workers performing essential work during the public health emergency;
- provide government services to the extent revenue losses due to the public health emergency reduced revenues; and
- make necessary investments in water, sewer, or broadband infrastructure.

During FY 2021-22, state agencies expended \$559.2 million under the CSLFRF.

Further, federal regulations stipulate that eligible expenditures must be incurred between March 3, 2021, and December 31, 2024, and spent through December 31, 2026. State agencies reported in the SEFA that they expended \$559.2 million in funds from the CSLFRF during FY 2021-22. The largest portion of these expenditures were incurred by DHS, DOA, and the Department of Revenue (DOR). In report 22-11 we completed a limited-scope review of the Public Service Commission's use of CSLFRF funding for broadband expansion grants, and in report 22-21 we completed a limited-scope review of DOR's use of CSLFRF funding for the We're All In and Wisconsin Tomorrow programs.

As of February 2023, accounting records show a remaining balance of \$1.7 billion in CSLFRF funding.

As of February 28, 2023, accounting records show a remaining balance of \$1.7 billion, including \$35.7 million in interest earnings since inception of the program. As we stated in report 22-26, in December 2022 DOA indicated it had plans for using most of the remaining funds.

Child Nutrition Cluster

During FY 2021-22, DPI expended \$505.2 million in funding related to the public health emergency under the Child Nutrition Cluster.

Under the federal Families First Coronavirus Response Act, the State received additional funding for the Child Nutrition Cluster to meet the additional demands and costs to serve school children. DPI administers the Child Nutrition Cluster, which traditionally funds free and reduced priced meals for children in attendance at local schools. In response to the public health emergency, the U.S. Department of Agriculture provided waivers for several program requirements under the Child Nutrition Cluster including a waiver of the operation deadlines for the Summer Food Service Program and National School Lunch Program, which allowed schools to choose which program to operate under through June 30, 2022. During FY 2021-22, DPI reported in the SEFA that it expended \$505.2 million in funding related to the public health emergency under the Child Nutrition Cluster.

Coronavirus Relief Fund

During FY 2021-22, state agencies expended \$469.1 million under the CRF.

The federal CARES Act created the CRF to distribute money directly to state, local, tribal, and territorial governments. The federal government advanced \$2.0 billion in CRF funds to the State of Wisconsin in April 2020. The State was required to use the funds for expenses that were incurred in response to the public health emergency between March 1, 2020, and December 30, 2020. The federal Consolidated Appropriations Act of 2021 extended the time for expenditures to be funded by the CRF to December 31, 2021. The federal guidelines allowed expenditures to be recorded through September 30, 2022. CRF funds were expended in various ways to address the public health emergency, including on the statewide COVID-19 testing program; contact tracing; personal protective equipment and ventilators; assistance to local governments and businesses negatively affected by the public health emergency; and assistance to providers and hospitals

to compensate for additional expenditures to address the public health emergency.

In report 22-11 we completed a limited-scope review of the Public Service Commission's use of CRF funding for broadband expansion grants, and in report 22-21 we completed a limited-scope review of DOR's use of CRF funding for the We're All In and Wisconsin Tomorrow Programs. As reported in the SEFA, state agencies expended \$469.1 million in funds from the CRF during FY 2021-22. According to amounts reported by DOA in STAR, which is the State's accounting system, the full amount of CRF funds was expended by September 30, 2022.

Disaster Grants—Public Assistance (Presidentially Declared Disasters)

During FY 2021-22, the State expended \$347.0 million under the Disaster Grants—Public Assistance (Presidentially Declared Disasters) grant related to the public health emergency.

In February 2021, a presidential memorandum was issued extending certain federal support to increase the reimbursement and other assistance provided by the Federal Emergency Management Agency (FEMA) to states in order to combat COVID-19. The memorandum allowed FEMA to pay 100 percent of the costs of activities that had previously been determined to be eligible from the beginning of the public health emergency in January 2020 through the Disaster Grants—Public Assistance (Presidentially Declared Disasters) grant, which is administered by the Department of Military Affairs. In FY 2021-22, the State reported expending a total of \$347.0 million in funding related to the public health emergency under this grant. DOA and DHS received most of the funding under this program for expenditures related to the public health emergency, including for certain prior-year expenditures for which the funding source was changed in order to receive funding under this program. DOA reported in the SEFA that it expended \$174.5 million under this program during FY 2021-22 related to the public health emergency. DHS reported in the SEFA that it expended \$154.4 million under this program during FY 2021-22 related to the public health emergency.

Unemployment Insurance

During FY 2021-22, DWD expended \$339.7 million in federal funds to fund UI benefits for individuals whose employment was affected by the public health emergency.

The federal CARES Act created several unemployment benefit programs to provide UI benefits to individuals whose employment was affected by the public health emergency. These programs, which began in March 2020, continued into FY 2021-22 and were extended by the federal Continued Assistance Act and ARPA. The CARES Act also established programs to provide relief to employers through federal reimbursement of certain regular unemployment benefits. During FY 2021-22, DWD reported in the SEFA that \$339.7 million of federal assistance was used to fund UI benefits for individuals whose employment was affected by the public health emergency. These federal unemployment benefits expired on September 4, 2021.

Pandemic EBT Food Benefits Program

During FY 2021-22, DHS provided \$312.5 million in benefits under the Pandemic EBT Food Benefits program.

Under the federal Families First Coronavirus Response Act, the Pandemic EBT Food Benefits program was created to provide nutrition assistance on EBT cards as temporary assistance for households with children affected by a school closure during the public health emergency. The federal government approved the State's plan to distribute these benefits for the 2021-2022 school year and approved the State's plan for the 2022-2023 school year. The federal government also approved the State's plan to distribute these benefits for both the summer of 2022 and 2023. DHS largely determined eligibility based on DPI student data for children eligible for the National School Lunch Program. DHS reported in the SEFA that it provided \$312.5 million in benefits for this program during FY 2021-22.

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Program

During FY 2021-22, DHS expended \$297.1 million in funding related to the public health emergency under the ELC program.

The Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program assists states in protecting public health and safety by enhancing the capacity of public health agencies to effectively detect, respond, prevent and control known and emerging infectious diseases. DHS received a significant increase in funding for this program during the public health emergency. DHS, with the Wisconsin State Lab of Hygiene, expended ELC funds to increase the testing capacity for COVID-19, including payments to local public health agencies, testing sites, and laboratories. During FY 2021-22, DHS reported in the SEFA that it expended \$297.1 million in funding related to the public health emergency under the ELC program.

Emergency Rental Assistance Program

During FY 2021-22, DOA expended \$162.3 million under the ERA Program.

The Emergency Rental Assistance (ERA) Program was established under the federal Consolidated Appropriations Act of 2021 and further funded by ARPA to assist households that are unable to pay rent or utilities. The State was advanced \$322.2 million in ERA Program funding in January 2021 and \$112.5 million in June 2021. DOA is responsible for administering the program and reported in its eligibility and benefit determination system that a total of 31,224 individuals received rental and utility assistance benefit payments in FY 2021-22. In report 22-3, we completed a limited-scope review of the ERA Program. During FY 2021-22, DOA reported in the SEFA that it expended \$162.3 million under the ERA Program.

In February 2023, the U.S. Department of the Treasury (Treasury) provided DOA a \$31.4 million excess funds determination for the ERA funding received under ARPA for the quarter ended September 30, 2022. The amount was equal to the balance undrawn from Treasury as of the notification date. Treasury indicated the \$31.4 million will be deducted

from the remaining undisbursed ARPA ERA allocation for the State. DOA is appealing this decision, as described in Note 3E to the SEFA.

Child Care and Development Fund Cluster

During FY 2021-22, DCF expended \$161.7 million in funding related to the public health emergency under the CCDF Cluster.

The CCDF Cluster is the primary federal funding source to help certain low-income families access child care and to improve the quality of child care for all children. DCF was awarded additional federal funding for this program during the public health emergency, including \$51.6 million under the CARES Act, \$148.8 million under CRRSAA, and \$357.0 million under ARPA. As approved by the Joint Committee on Finance, this additional federal funding was primarily used for the Child Care Counts program, which provides assistance to child care providers affected by the public health emergency. During FY 2021-22, DCF reported in the SEFA that it expended \$161.7 million in funding related to the public health emergency under the CCDF.

Low-Income Home Energy Assistance Program

During FY 2021-22, DOA expended \$109.1 million in funding related to the public health emergency under LIHEAP.

LIHEAP was established to provide energy assistance to eligible low-income home owners and renters to reduce the energy burden in heating and cooling individual's homes. DOA was awarded additional federal funding for this program during the public health emergency, including \$8.1 million under the CARES Act and \$150.6 million under ARPA. During FY 2021-22, DOA reported in the SEFA that it expended \$109.1 million in funding related to the public health emergency under LIHEAP.

Other Federal Funding for the Public Health Emergency

The remaining \$272.1 million in Table 4 related to other programs or clusters that received additional federal funding for the public health emergency as separately identified in the SEFA. The largest of these other expenditures included:

- \$48.8 million reported by DOT under the Highway Planning and Construction Cluster;
- \$37.9 million reported by DHS under the Immunization Cooperative Agreements program;
- \$23.0 million reported by DOT under the Formula Grants for Rural Areas and Tribal Transit Program;
- \$16.2 million reported by DOA under the Emergency Solutions Grant Program.

Public Health Emergency Expiration

Enhanced federal benefits provided during the public health emergency have begun to sunset in 2023.

The U.S. Department of Health and Human Services has announced that it is planning for the public health emergency to expire on May 11, 2023. In addition, the Consolidated Appropriations Act of 2023, which was enacted in December 2022, began to change program benefits and flexibilities that were provided during the public health emergency. For example, emergency benefits provided under SNAP ended in February 2023, and the increased FMAP of 6.2 percent that had been in effect during the public health emergency will be phased out through December 2023. In addition, continuous enrollment requirements for the MA Program will end effective April 1, 2023, and DHS will begin the process of completing renewals and terminating enrollment for ineligible individuals. The “unwinding” period for continuous enrollment for the MA Program is expected to be completed by May 2024. We also note that some programs, such as the ERA Program, began to sunset in FY 2022-23.

Maximizing Federal Revenue— Medical Assistance Program

If DHS fails to pay Medicare premiums, the federal government can reduce the State’s MA Program award.

The U.S. Department of Health and Human Services provides funding to DHS for the MA Program. Participants in the MA Program may also be eligible for Medicare, and the State helps to pay for the Medicare premiums due from these participants. On a monthly basis, DHS receives invoices from the Centers for Medicare & Medicaid Services (CMS) that represent the State’s share of participant premiums. Premium payments are due on the first of the month following receipt of the invoice and if amounts are not paid within the allowed grace period, CMS can issue a grant award notice to the State that reduces the State’s MA Program award for the required payment amount.

DHS both paid Medicare premiums and received a \$43.0 million MA Program award reduction in 2021, but did not identify this until we informed it in March 2023.

In January 2021, DHS received invoices for Medicare premiums due to the federal government on February 1, 2021. The payment DHS made was not received by CMS within the allowed grace period. As a result, CMS issued an MA Program award reduction notice in March 2021 for \$43.0 million to cover the missed payments. Because DHS did, in fact, pay the February 1, 2021 invoices, DHS both paid the Medicare premiums and received an award reduction. DHS was unaware that this had occurred until we informed them in March 2023. We determined that DHS did not adequately review the award notice detailing the reduction and perform additional steps to assess if the award reduction was appropriate.

☑ Recommendation

We recommend the Wisconsin Department of Health Services:

- *work with the federal government to determine if the amount of the reduction for the federal fiscal year 2020-21 award for the Medical Assistance Program can yet be provided to the State; and*
- *implement procedures to review future Medical Assistance Program award notices and perform necessary follow-up to confirm the award amounts are appropriate.*

DHS agreed with our recommendations and plans to work with the federal government to recover the \$43.0 million in lost MA Program funding.

DHS agreed with our recommendations and indicated the overpayment was the result of an infrequent occurrence where CMS reduced an award allocation in the amount of a missed payment. DHS indicated it will work with the federal government to obtain a credit on future Medicare premium invoices to effectively collect the overpayment. DHS also indicated it will add a reconciliation process improvement that will account for this exception, and it will work with the fiscal agent to ensure timely payment of the premiums.

Statewide Schedule of Expenditures of Federal Awards

DOA coordinates with the other state agencies to prepare the State of Wisconsin's Schedule of Expenditures of Federal Awards.

DOA is responsible for coordinating with the other state agencies to prepare the State of Wisconsin's SEFA. Each state agency prepares a SEFA for the federal programs that it administers, and DOA compiles the agency-level SEFAs into the statewide SEFA. DOA performs desk reviews of the agency-level SEFAs to ensure the expenditures reconcile to STAR.

Certain state agencies transferred prior-year expenditures between federal grant programs in FY 2021-22.

During FY 2021-22, certain state agencies transferred FY 2019-20 and FY 2020-21 expenditures from the CRF and the ELC grant to the Disaster Grants—Public Assistance (Presidentially Declared Disasters) grant. In addition, during FY 2021-22 DOA transferred FY 2020-21 expenditures from the CSLFRF grant to the CRF grant. In the STAR General Ledger, the prior-year transferred expenditures resulted in a reduction in the CSLFRF, CRF, and ELC grant expenditures.

As a result of the transfer of prior-year expenditures, grant expenditures were underreported for certain grants.

In compiling the FY 2021-22 statewide SEFA, DOA did not make a subsequent adjustment to remove the expenditure adjustments from the CSLFRF, the CRF, and the ELC grants. As a result, FY 2021-22 expenditures were underreported by \$192.1 million for the CSLFRF, by \$241.3 million the CRF, and by \$55.9 million for the ELC grant. Further, because the transfer of prior-year expenditures in the current year changed the prior-year total federal expenditures, there was a potential effect on the prior-year single audit results that could result in the need

to re-issue the prior-year single audit report. However, we assessed the revised total federal expenditures in FY 2019-20 and in FY 2020-21, and we determined that the audit results for FY 2019-20 and FY 2020-21 did not require an update.

After we had discussions regarding our concerns with the amounts reported in the draft SEFA, DOA corrected the under-reporting of expenditures for the CSLFRF, the CRF, and the ELC grants.

☑ Recommendation

We recommend the Wisconsin Department of Administration:

- *update its guidance and instructions to state agencies to reflect the need to evaluate adjustments of all prior-year expenditures and other material negative adjustments to current-year expenditures to ensure the current-year expenditures are reflected accurately; and*
- *consider if there are adjustments needed to its current desk-review procedures when evaluating the agency-level schedules of expenditures of federal awards.*

DOA indicated plans to update its existing procedures and plans to continue to seek federal confirmation on the reporting of prior-year expenditure transfers in the current SEFA.

DOA agreed with our recommendations and indicated plans to update its existing procedures when evaluating agency-level SEFA submissions. DOA also noted that it does not believe there is authoritative guidance regarding the treatment of transfers of prior-year expenditures in the SEFA and indicated plans to continue to seek federal confirmation on how to report this activity. Existing Uniform Guidance requires the State to report federal grant expenditures incurred in the fiscal year. The Bureau obtained confirmation from federal officials that reflecting the transfer of prior-year expenditures as a reduction of the current-year grant expenditures understates grant expenditures, and should be reflected in the notes to the SEFA, rather than as a reduction of current year grant expenditures. Further, training presented by federal officials in March 2022 also promoted this presentation of prior-year expenditure transfers.

Future Federal Funding

During FY 2022-23, and subsequent to our audit period, state agencies continued to spend federal funding provided to address the public health emergency. In addition, in November 2021 the federal government enacted the Infrastructure Investment and Jobs Act, which includes funding for transportation, drinking water programs, broadband programs, and cybersecurity initiatives. Portions of this funding will be received by the State through existing federal programs,

such as the Highway Planning and Construction grant and LIHEAP. We anticipate future single audits will also include audit work related to funding provided for new federal programs established under this federal law.

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Auditor's Report



STATE OF WISCONSIN

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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, 2022, and have issued our report thereon dated December 20, 2022.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022.

Our report includes a reference to other auditors who audited the financial statements of the Environmental Improvement Fund, the Deferred Compensation Fund, the Wisconsin Housing and Economic Development Authority, the University of Wisconsin (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 Hospitals and Clinics Authority, 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 Deferred Compensation Fund 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 Deferred Compensation Fund or the UW Foundation.

Report on 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 as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies. Specifically, we consider the deficiencies in internal control, described in Section II of the Schedule of Findings and Questioned Costs as Findings 2022-001 through 2022-007, to be significant deficiencies.

Report on 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 financial statements. 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

Government Auditing Standards require the auditor to perform limited procedures on the agency-specific written response to the findings identified in the audit and described in Section II of the Schedule of Findings and Questioned Costs. The 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 other 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

Legislative Audit Bureau

December 20, 2022

Auditor's Reports on Federal Programs



STATE OF WISCONSIN

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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

Qualified and Unmodified Opinions

We have audited the State of Wisconsin's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the State of Wisconsin's major federal programs for the year ended June 30, 2022. 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 following discretely presented component units, which expended federal awards that are not included in the State of Wisconsin's Schedule of Expenditures of Federal Awards for the year ended June 30, 2022: Wisconsin Housing and Economic Development Authority, Wisconsin Economic Development Corporation, and the University of Wisconsin Hospitals and Clinics Authority. Our audit, as described under the Auditor's Responsibility section of the report, did not include the operations of these discretely presented component units, because they engaged other auditors to perform an audit of compliance in accordance with audit requirements of Uniform Guidance.

Qualified Opinion on Emergency Rental Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, 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 COVID-19—Emergency Rental Assistance Program (Assistance Listing number 21.023) for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State of Wisconsin complied, in all material respects, with the compliance requirements referred to in the first paragraph that could have a direct and material effect on each of its other major federal programs that are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those

standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State of Wisconsin and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the State of Wisconsin's compliance with the compliance requirements referred to in the preceding section.

Matter Giving Rise to Qualified Opinion on Emergency Rental Assistance Program

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Wisconsin did not comply with requirements for the COVID-19—Emergency Rental Assistance Program:

Assistance Listing Number	Major Federal Program	Compliance Requirement	Finding Number
21.023	COVID-19—Emergency Rental Assistance Program	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility	2022-102

Compliance with such requirements is necessary, in our opinion, for the State of Wisconsin to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management of each Wisconsin state agency is responsible for compliance with the requirements referred to in the first paragraph and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the State of Wisconsin's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to in the first paragraph occurred, whether due to fraud or error, and express an opinion on the State of Wisconsin's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Governmental Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State of Wisconsin's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance, we exercised professional judgment and maintained professional skepticism throughout the audit. We also identified and assessed the risks of material noncompliance, whether due to fraud or error, and designed and performed audit procedures responsive to those risks. Such procedures included examining, on a test basis, evidence regarding the State of Wisconsin's compliance with the compliance requirements referred to in the first paragraph and performing such other procedures as we considered necessary in the circumstances.

In addition, we obtained an understanding of the State of Wisconsin's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State of Wisconsin's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 2022-001, 2022-100, 2022-101, 2022-103, 2022-104, 2022-300 through 2022-304, 2022-400, 2022-600, and 2022-700 through 2022-704. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Wisconsin state agencies' responses and corrective action plans to the noncompliance findings identified in our audit in the accompanying agency report narratives and in 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, 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 deficiency 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 Finding 2022-102 to be a material weakness.

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 2022-001, 2022-007, 2022-100, 2022-101, 2022-103, 2022-104, 2022-302 through 2022-304, 2022-400, 2022-600, and 2022-700 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Wisconsin state agencies' responses and corrective action plans to the internal control over compliance findings identified in our compliance audit described in the accompanying agency report narratives and in 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 the Schedule of Expenditures of Federal Awards Required by Uniform Guidance

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, 2022, 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, 2022, 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, 2022. 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



March 29, 2023

Department of Administration

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 2021-22, DOA administered approximately \$1.0 billion in federal financial assistance.

We tested DOA's internal controls and compliance with grant requirements for three type A programs: the Emergency Rental Assistance (ERA) Program (Assistance Listing number 21.023), Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) (Assistance Listing number 21.027), and Low-Income Home Energy Assistance Program (LIHEAP) (Assistance Listing number 93.568). We also tested the Home Investment Partnerships Program (Assistance Listing number 14.239), which is a type B program. We identified the following internal control and compliance concerns:

- Coronavirus State and Local Fiscal Recovery Funds—Unallowable Costs (Finding 2022-100);
- Low-Income Home Energy Assistance Program—Heating Benefit Calculation (Finding 2022-101);
- Emergency Rental Assistance Program—Documentation to Support Applicant Eligibility and Benefit Payments (Finding 2022-102);
- Multiple Grants—Reporting in the Schedule of Expenditures of Federal Awards (Finding 2022-103); and
- Low-Income Home Energy Assistance Program—Federal Funding Accountability and Transparency Act Reporting (Finding 2022-104).

In report 22-26 we evaluated DOA's internal controls over financial reporting for FY 2021-22. In Section II of the Schedule of Findings and Questioned Costs, which begins on page 83, we include three internal control concerns related to the State's information technology security controls managed by DOA (Findings 2022-002, 2022-003, and 2022-004).

In addition, we followed up on the progress of DOA in addressing Findings 2021-100 through 2021-105 of our FY 2020-21 audit (report 22-5). DOA implemented corrective actions to address Findings 2021-101 through 2021-105, and to partially address Finding 2021-100. We also followed up on the progress of DOA in addressing financial reporting concerns related to information technology security controls (Findings 2021-001 from report 22-5 and Finding 2020-001 from report 21-6). DOA implemented corrective actions to partially address Finding 2021-001 and Finding 2020-001. It will be important for DOA to continue to work to resolve these findings. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 111 and describes the status of these findings as of the end of our audit period as well as ongoing steps to address findings that were not fully corrected.

Finding 2022-100: Coronavirus State and Local Fiscal Recovery Funds—Unallowable Costs

Background:

The State was advanced \$1.3 billion in CSLFRF funding in May 2021 and another \$1.3 billion in May 2022. CSLFRF was created under the American Rescue Plan Act (ARPA) and is administered by DOA. CSLFRF funding has certain stipulations, including that the funds must be used to:

- respond to the public health emergency or its negative economic impacts;
- respond to the needs of workers performing essential work during the public health emergency;
- provide government services to the extent revenue losses due to the public health emergency reduced revenues; and
- make necessary investments in water, sewer, or broadband infrastructure.

Further, federal regulations stipulate that eligible expenditures must be incurred between March 3, 2021, and December 31, 2024, and funds must be spent through December 31, 2026.

DOA paid funds to other state agencies for programs they administered and spent funds on its own programs. Two of the programs established by DOA were the Live Event Small Business Grant Program and the Minor League Sports Team Grant Program. The Live Event Small Business Grant Program provided grants to eligible live event small businesses within the State of Wisconsin that generated 50.0 percent or more of their revenue through provision of goods and/or services to live venues. The Minor League Sports Team Grant Program provided grants to eligible Wisconsin-based minor league sports teams that had attendance of at least 30,000 and not more than

300,000 at events held in 2019. Applicants submitted application materials, including federal income tax information or total revenue, and awards were made after review and approval by DOA. Grant award amounts were determined based on the decrease in the applicant's federal taxable income or total revenue between calendar years 2019 and 2020, up to a maximum amount of \$200,000.

Criteria:

In accordance with 2 CFR s. 200.303, DOA is responsible for establishing and maintaining effective internal control over federal awards that provides reasonable assurance that it is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards. Further, under U.S. Department of the Treasury Final Rule (31 CFR Part 35), DOA must establish rigorous oversight and internal control processes to monitor compliance with any applicable requirements of CSLFRF funding.

Condition:

We identified that DOA made a payment of \$161,363 to an organization under both the Live Event Small Business Program and the Minor League Sports Team Grant Program. The applicant reported its 2019 and 2020 federal taxable income in both applications and its decrease in income from 2019 to 2020 was \$161,363. DOA paid the organization \$161,363 under the Minor League Sports Team Grant Program on January 5, 2022, and then paid the organization \$161,363 under the Live Event Small Business Program on January 12, 2022.

Context:

During FY 2021-22, DOA expended \$185.2 million in CSLFRF funding, including providing \$11.2 million to 96 organizations under the Live Event Small Business Grant Program and \$2.8 million to 17 organizations under the Minor League Sports Team Grant Program. We interviewed DOA staff, reviewed applications, and examined payment documentation for these programs.

Questioned Costs:

\$161,363

Effect:

Without adequate internal controls in place, DOA is at increased risk of making inappropriate payments using CSLFRF funding.

Cause:

When administering the CSLFRF grant, DOA did not establish effective internal controls to assess the appropriateness of making a payment to an applicant that applies under multiple programs. DOA staff indicated that such controls were implemented for certain programs where DOA anticipated an applicant might apply under more than one program. However, DOA indicated that it had not anticipated that an applicant would apply under both the Live Event Small Business Grant Program and the Minor League Sports Team Grant Program.

☑ Recommendation

We recommend the Wisconsin Department of Administration:

- *develop and implement controls to identify when an applicant applies for funding under multiple programs and to assess the appropriateness of whether it would be making payments to an applicant that applies under multiple programs; and*
- *review the specific payments made to the organization we identified and seek repayment of the amount that was made inappropriately.*

Finding 2022-100: Coronavirus State and Local Fiscal Recovery Funds—Unallowable Costs

COVID-19—Coronavirus State and Local Fiscal Recovery Funds
(Assistance Listing number 21.027)

<u>Award Number</u>	<u>Award Year</u>
None	2021

Questioned Costs: \$161,363

Type of Finding: Significant Deficiency, Noncompliance

Response from the Wisconsin Department of Administration: The Wisconsin Department of Administration agrees with the audit finding and recommendations.

Finding 2022-101: Low-Income Home Energy Assistance Program—Heating Benefit Calculation

Background:

The U.S. Department of Health and Human Services (DHHS) provides funding to DOA's Division of Energy, Housing, and Community Resources (DEHCR) for LIHEAP. This program is used to provide energy assistance to eligible low-income home owners and renters to reduce the energy burden in heating their homes. DOA uses the Home Energy (HE) Plus computer system to determine eligibility for individuals applying for benefits, calculate heating benefits, and store information on applicants and beneficiaries. Program benefits are calculated based on applicant information that is entered into Home Energy (HE) Plus by DOA's local agency partners. DOA submits an annual state plan to DHHS for LIHEAP. This state plan includes the estimated program benefit levels, as well as other information. In the federal fiscal year 2022 state plan, DOA estimated a minimum program benefit award amount of \$30 and a maximum program benefit award amount of \$1,518.

Criteria:

Under 42 U.S. Code ch. 94, states are required to provide in a timely manner the highest level of assistance to those households with the lowest incomes and the highest energy costs or needs relative to income and family size.

Under 2 CFR 200.303, DOA is responsible for establishing and maintaining effective internal control over federal awards to provide reasonable assurance that federal awards are managed in compliance with federal statutes, regulations, and the award terms and conditions.

Condition:

After we asked questions about the calculation of the maximum heating benefit award amount, DOA informed us that it did not accurately calculate the maximum heating benefit award amount for inclusion in its state plan. Specifically, DOA did not include the adjusted benefit factor, which is used to estimate total caseload and total budget for the year to ensure that as many eligible applicants may be served as possible. As noted, DOA calculated a maximum heating benefit award amount of \$1,518. When the adjusted benefit factor was included in the calculation, the maximum heating benefit award amount increased to \$2,407.

Context:

In FY 2021-22, DOA expended \$205.6 million under the LIHEAP grant, including providing \$80.6 million in heating benefits to over 190,000 households. We inquired of DOA staff regarding the LIHEAP benefit calculation and how it is determined. We tested the heating benefit calculation and analyzed DOA's determination of the number of households affected by the error DOA made in calculating the maximum heating benefit amount.

Questioned Costs:

None.

Effect:

As a result of the error in calculating the maximum heating benefit award amount, DOA determined that it underpaid LIHEAP benefits for 605 households in FY 2021-22. DOA calculated that the 605 households were underpaid a total of \$130,352 in heating benefits. At the time of our fieldwork in February 2023, DOA was in the process of recalculating heating benefits and issuing supplemental heating benefit payments.

Cause:

DOA staff indicated that the underlying parameters for determining the LIHEAP heating benefit maximum are calculated using an external Microsoft Access database. DOA Division of Enterprise Technology staff manually load these parameters into the benefit factor table into Home Energy (HE) Plus. DEHCR staff indicated they perform a review of the parameters after they are loaded into Home Energy (HE) Plus. However, this review was not effective in identifying the error in the maximum heating benefit award amount, and DOA did not document the performance of the review.

☒ Recommendation

We recommend the Wisconsin Department of Administration:

- *establish and implement written procedures for making updates to the benefit calculation parameters in the Home Energy (HE) Plus application;*

- *reassess its existing procedures for performing a review of the benefit calculation parameters entered into the Home Energy (HE) Plus application, make adjustments to its existing procedures as necessary, and document the performance of each review; and*
- *complete its review of the 605 households that were underpaid heating benefits due to the error and issue supplemental heating benefit payments.*

Finding 2022-101: Low-Income Home Energy Assistance Program—Heating Benefit Calculation

Low-Income Home Energy Assistance Program
(Assistance Listing number 93.568)

COVID-19—Low-Income Home Energy Assistance Program
(Assistance Listing number 93.568)

<u>Award Numbers</u>	<u>Award Years</u>
2101WILIE4	n/a
2201WILIEA	10/1/21–9/30/22
2101WIE5C6 (ARPA)	3/11/21–9/30/22
2201WILIEI (IJA)	10/1/21–9/30/23

Questioned Costs: None

Type of Finding: Significant Deficiency, Noncompliance

Response from the Wisconsin Department of Administration: The Wisconsin Department of Administration agrees with the audit finding and recommendations.

Finding 2022-102: Emergency Rental Assistance Program—Documentation to Support Applicant Eligibility and Benefit Payments

Background:

The ERA Program was established in FY 2020-21 under the federal Consolidated Appropriations Act of 2021 and was continued in FY 2021-22 under ARPA. The ERA Program is administered by the U.S. Department of the Treasury (Treasury) and was established to assist households that are unable to pay rent or utilities. In January 2021, DOA was advanced \$322.2 million in ERA 1 funding. In May and June 2021, DOA was advanced \$112.5 million in ERA 2 funding. Federal requirements under ERA 1 and ERA 2 are similar with some variation in the income eligibility requirements. DOA established the Wisconsin Emergency Rental Assistance (WERA) program using the federal ERA Program funding. According to DOA's *WERA Program Manual*, ERA 1 was fully expended as of February 24, 2022, and ERA 2 policies were established as of September 2, 2021.

To administer the WERA program, DOA contracted with community action agencies, including the Wisconsin Community Action Program (WISCAP) Association, and Energy Services, Inc. (ESI), to intake and review individual applications for eligibility. The community action agencies and ESI were responsible for entering the applications into

DOA's Home Energy (HE) Plus computer system, which was used to determine and process the benefit payment amount. To receive assistance through the WERA program, an individual must first apply for the Wisconsin Home Energy Assistance Program (WHEAP) and have an active application in Home Energy (HE) Plus.

We identified concerns with DOA's administration of the WERA program as part of our performance evaluation of the Emergency Rental Assistance and Emergency Solutions Grant programs (report 22-3) and our FY 2020-21 single audit (report 22-5). We made recommendations for DOA to make improvements (Finding 2021-104 in report 22-5). In response to our recommendations, DOA updated its policies and procedures in the *WERA Program Manual*, effective June 30, 2022, and provided training to the community action agencies and ESI.

Criteria:

Under Treasury guidance, to be eligible for DOA's WERA program a household must be obligated to pay rent on a residential dwelling and:

- at least one individual within the household must qualify for unemployment benefits or has experienced a reduction in household income, incurred significant costs, or experienced other financial hardship because of the public health emergency; and
- at least one individual within the household must be at risk of experiencing homelessness or housing instability; and
- the total household income must be 80 percent or less of the median income in the county where the household is located (ERA 1 funding), or the household must be a low-income family as defined in 42 U.S.C. 1437a(b) (ERA 2 funding).

Treasury guidance allows the State to rely on self-attestation for verification of an applicant's income. If a household meets the eligibility requirements based on a written attestation without further documentation, Treasury guidance indicates that the State must redetermine household income every three months by requesting that applicants submit documentation or a written attestation.

Treasury guidance indicates that applicants must provide a current lease that is signed by the applicant and the landlord identifying the rental unit and the rental payment amount. If a lease is unavailable, other documentation of residence should be obtained, such as a utility bill. Further, Treasury guidance indicates that if the applicant cannot present documentation of the amount of rent, a written attestation may be accepted for up to three months. If additional assistance is needed after that time, documentation of the rent amount is required.

Treasury guidance requires that all payments for utilities and home energy costs be supported by a bill, invoice, or evidence of payment to the utility provider or home energy service.

To make benefit payments under the WERA program, DOA requires:

- an income attestation form, which indicates that the applicant has been unable to pay rent and/or utilities and is at risk of losing housing or facing eviction due to COVID-related events, states that the

applicant is not receiving other federally funded emergency rental assistance, and describes why income was impacted;

- a renter verification form, which indicates applicant name and applicant rental information, such as landlord, rent amount, and description of assistance requested; and
- supporting documentation, such as invoices, utility bills, a lease agreement, or other documentation.

Further, when recertifying an applicant for eligibility after three months, DOA's *WERA Program Manual* indicates that the client's current income must be reviewed, notes are required to be entered into Home Energy (HE) Plus indicating how the income eligibility was calculated, and an updated renter verification form is to be uploaded into Home Energy (HE) Plus.

Condition:

We tested a sample of 60 individuals who applied for and received benefits under the WERA program. In our testing, we found that DOA did not have sufficient documentation in Home Energy (HE) Plus to demonstrate that all of the applicants were eligible to receive benefits under the program or that the costs were allowable to be funded by the ERA Program. We found concerns with:

- the income attestation forms for 10 of 60 individuals, where DOA did not have documentation of a completed income attestation form or the income attestation form was at least 90 days old at the time of application;
- the income recertification documentation for 6 of 9 individuals in our sample where DOA did not have documentation that a timely income recertification was completed;
- the renter verification form for 7 of 60 individuals, where DOA did not have documentation of a completed form or the form was from a prior application for funding and was not updated; and
- utility assistance for 5 of 14 individuals in our sample where DOA did not have documentation to support the amounts paid.

We also identified other documentation concerns that were not material but that we verbally discussed with DOA staff.

Context:

In FY 2021-22, DOA processed \$135.5 million in ERA Program benefit payments, using Home Energy (HE) Plus, of which \$132.1 million was made to either landlords or tenants and \$3.4 million was made to utility companies. A total of 31,224 households were reported in Home Energy (HE) Plus as having received rental and utility assistance benefit payments under the ERA Program in FY 2021-22.

We evaluated Treasury guidance related to the ERA Program, discussed the application procedures with DOA staff, and reviewed DOA's *WERA Program Manual*. We selected

a random sample of 60 individuals who received ERA Program benefits in FY 2021-22 and reviewed available documentation in Home Energy (HE) Plus.

Questioned Costs:

We question \$52,562 in rental and utility assistance payments for which DOA did not have adequate supporting documentation in Home Energy (HE) Plus. We removed instances of duplication in the documentation concerns we identified and determined that questioned costs includes:

- \$30,258 in benefits paid for 10 individuals for whom DOA did not have documentation of a completed or timely income attestation form;
- \$10,878 in benefits paid for 4 individuals for whom DOA did not have documentation of a timely income recertification;
- \$9,150 in benefits paid for 3 individuals for whom DOA either did not have documentation of a renter verification form or did not have a current renter verification form; and
- \$2,276 in benefits paid for 5 individuals for whom DOA did not have documentation of payments made for utility assistance.

We also question an undetermined amount for individuals that we did not test.

Effect:

DOA provided rental and utility assistance to individuals who may have been ineligible to receive ERA Program benefits, which may have resulted in improper payments.

Cause:

During FY 2021-22, DOA did not provide sufficient oversight and training to ESI and the community action agencies that were responsible for entering the applicant information into Home Energy (HE) Plus and ensuring the appropriate supporting documentation was entered into the system. Further, DOA's *WERA Program Manual* did not clearly address all Treasury documentation requirements to determine eligibility or allowability of costs. For example, DOA's *WERA Program Manual* did not specify that a lease must be provided, if available, or the requirement that an applicant must provide documentation of rental amounts if assistance is requested for longer than three months. In response to our prior-year recommendation, DOA provided training to the community action agencies and ESI in June 2022, and updated the *WERA Program Manual* as of June 30, 2022.

☒ Recommendation

We recommend the Wisconsin Department of Administration:

- *obtain the required documentation for the 22 individuals we identified or seek to recoup improper benefit payments it made to these individuals;*
- *closely monitor the documentation being accepted by the community action agencies and Energy Services, Inc., and provide further training to address individual instances of noncompliance*

with the Wisconsin Emergency Rental Assistance Program Manual and guidance from the U.S. Department of the Treasury; and

- *regularly review and update its procedures to ensure that it is following the guidance from the U.S. Department of the Treasury in administering the Wisconsin Emergency Rental Assistance program.*

Finding 2022-102: Emergency Rental Assistance Program—Documentation to Support Applicant Eligibility and Benefit Payments

COVID-19—Emergency Rental Assistance Program

(Assistance Listing number 21.023)

<u>Award Number</u>	<u>Award Year</u>
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None	2021
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Questioned Costs: \$52,562

Type of Finding: Material Weakness, Material Noncompliance

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

Finding 2022-103: Multiple Grants—Reporting in the Schedule of Expenditures of Federal Awards

Background:

The DOA State Controller's Office (SCO) is responsible for coordinating with the other state agencies to prepare the State of Wisconsin Schedule of Expenditures of Federal Awards (SEFA). The SEFA, which is required to be published in the State of Wisconsin single audit report, is a listing of all federal programs administered by an entity, includes the total expenditures for the reporting period, and identifies any amounts provided to subrecipients for each federal program.

Each state agency prepares a SEFA for the federal programs that it administers. For federal programs administered by DOA, the DOA Bureau of Financial Management (BFM) prepares the SEFA and provides this SEFA to DOA SCO. DOA SCO compiles the agency-level SEFAs into the statewide SEFA. DOA SCO performs desk reviews of the agency-level SEFAs to ensure the expenditures reconcile to the accounting records in STAR, which is the State's accounting system.

Criteria:

Under 2 CFR 200.510 (b), the State is required to prepare a SEFA for the period covered by the State's financial statements and the SEFA must include the total federal awards expended. Under 2 CFR 200.502, the determination of when a federal award is expended must be based on when the activity related to the federal award occurs. Finally, 2 CFR 200.514 indicates that the financial statements and SEFA must be for the same audit period.

Generally accepted accounting principles require that the correction of prior-period amounts in the financial statements should be reported as an adjustment to the opening fund balance and not be reported as an adjustment to the current-year activity. Further, the adjustment and its effects should be disclosed in the footnotes. These concepts are similarly applied to the preparation of the SEFA.

Condition:

During FY 2021-22, DOA BFM transferred FY 2020-21 expenditures from the CSLFRF grant to the Coronavirus Relief Fund (CRF) (Assistance Listing number 21.019). In addition, during FY 2021-22 DOA BFM transferred FY 2019-20 and FY 2020-21 expenditures from the CRF to the Disaster Grants—Public Assistance (Presidentially Declared Disasters) grant (Assistance Listing number 97.036). In the STAR General Ledger, the prior-year transferred expenditures resulted in a reduction in the CSLFRF and CRF grant expenditures. In reporting these amounts in the FY 2021-22 SEFA, DOA BFM did not make a subsequent adjustment to remove the expenditure adjustments from the CSLFRF and CRF grants.

Context:

The State administered and reported in its SEFA \$20.2 billion in federal financial assistance in FY 2021-22. DOA administered \$990.5 million in federal financial assistance in FY 2021-22. We reviewed DOA's SEFA to assess the reported expenditures, particularly for major programs.

Questioned Costs:

None.

Effect:

In preparing its FY 2021-22 SEFA, DOA BFM underreported expenditures for CSLFRF by \$192.1 million and for the CRF by \$241.3 million. Further, because the transfer of prior-year expenditures in the current year changed the prior-year total federal expenditures, there is a potential effect on the prior-year single audit results that could result in the need to re-issue the prior-year single audit report. However, we assessed the revised total federal expenditures in FY 2019-20 and in FY 2020-21 and we determined that the audit results for FY 2019-20 and FY 2020-21 did not require an update.

Cause:

DOA BFM sought to reflect the expenditures for DOA's grant programs based on the amounts recorded in the STAR General Ledger. However, DOA BFM did not consider that the negative expenditures, resulting from the transfers of FY 2019-20 and FY 2020-21 expenditures led to underreporting of the grant expenditures in the SEFA.

☒ Recommendation

We recommend the Wisconsin Department of Administration:

- *further evaluate federal grant expenditures reported in the STAR General Ledger as it prepares its schedule of expenditures of federal awards and ensure it is adjusting expenditures for all prior-year transfers of expenditures in the current year; and*

- carefully assess the transfer of prior-year expenditures in the current year to determine any potential effects on the total federal expenditures for the prior-year and the effect on the major program expenditures.

Finding 2022-103: Multiple Grants—Reporting in the Schedule of Expenditures of Federal Awards

COVID-19—Coronavirus Relief Fund (Assistance Listing number 21.019)

<u>Award Number</u>	<u>Award Year</u>
None	2020

Questioned Costs: None

COVID-19—Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing number 21.027)

<u>Award Number</u>	<u>Award Year</u>
None	2021

Questioned Costs: None

Type of Finding: Significant Deficiency, Noncompliance

Response from the Wisconsin Department of Administration: The Wisconsin Department of Administration agrees with the audit finding and recommendations.

Finding 2022-104: Low-Income Home Energy Assistance Program—Federal Funding Accountability and Transparency Act Reporting

Background:

DHHS provides funding to DEHCR for LIHEAP. This program is used to provide energy assistance to eligible low-income home owners and renters to reduce the energy burden in heating and cooling their homes.

LIHEAP subawards of \$30,000 or more are subject to Federal Funding Accountability and Transparency Act (FFATA) reporting. The intent of FFATA is to provide information about federal awards to allow the public access to the information to hold the government accountable for decisions. DEHCR developed a procedure to track subaward information for the LIHEAP grant, and this information was provided to the DOA Division of Executive Budget and Finance, which was responsible for entering the information into the FFATA Subaward Reporting System (FSRS).

Criteria:

Under 2 CFR s. 170, DOA is required to report in FSRS subawards of \$30,000 or more, including any amendments or modifications to a subaward. This reporting is to be submitted no later than the last day of the month following the month in which the creation or change to the subaward was made. For example, if the subaward was made on November 7, 2021, it must be reported in FSRS not later than December 31, 2021.

DOA identifies subawards required to be reported in FSRS for LIHEAP and tracks the subawards in a spreadsheet.

Condition:

We found that DOA did not complete FFATA reporting for any LIHEAP subawards in FY 2021-22. In its tracking spreadsheet, DOA reported the following LIHEAP subawards:

- 18 subawards were entered into in June 2021;
- 4 subawards were entered into in September 2021;
- 2 subawards were entered into in October 2021;
- 1 subaward was entered into in November 2021;
- 14 subawards were entered into in May 2022; and
- 4 subawards were entered into in June 2022.

However, DOA did not enter these subawards into FSRS until February 21, 2023 and March 2, 2023, at the time of our audit fieldwork.

Context:

During FY 2021-22, DOA expended \$205.6 million under LIHEAP of which \$17.2 million was provided to subrecipients. We interviewed DOA staff to gain an understanding of the procedures for compiling information for subawards and submitting the information in FSRS.

Questioned Costs:

None.

Effect:

DOA did not comply with FFATA requirements for the timely reporting of subawards in FSRS for the LIHEAP grant.

Cause:

DEHCR used an old LIHEAP federal award identification number (FAIN) when providing the subaward information to the DOA Division of Executive Budget and Finance, which resulted in the subaward information being rejected in FSRS. Staff in the Division of Executive Budget and Finance assumed the LIHEAP subaward information was rejected because the FAIN had not been established in FSRS by the federal government. In February 2023, when DOA conducted a review of FFATA reporting, it became aware that an incorrect FAIN for LIHEAP was used. In February and March 2023, DOA entered the subawards in FSRS with the correct FAIN.

☑ Recommendation

We recommend the Wisconsin Department of Administration improve its Federal Funding Accountability and Transparency Act reporting procedures to ensure:

- *accurate award information, including the federal award identification number, is being used;*
- *rejected subaward information is reviewed and communicated to the appropriate program staff for investigation and resolution;*
- *documentation of rejected subaward information is maintained to demonstrate that the Department of Administration attempted to enter the subaward information; and*
- *all required subawards of \$30,000 or more, including any amendments or modifications to a subaward, are identified and submitted to the Federal Funding Accountability and Transparency Act Subaward Reporting System in a timely manner.*

Finding 2022-104: Low-Income Home Energy Assistance Program—Federal Funding Accountability and Transparency Act Reporting

Low-Income Home Energy Assistance Program

(Assistance Listing number 93.568)

<u>Award Numbers</u>	<u>Award Years</u>
2101WILIEA	10/1/20–9/30/21
2201WILIEA	10/1/21–9/30/22

Questioned Costs: None

Type of Finding: Significant Deficiency, Noncompliance

Response from the Wisconsin Department of Administration: The Wisconsin Department of Administration agrees with the audit finding and recommendations.

■ ■ ■ ■

Department of Health Services

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 2021-22, DHS administered \$11.9 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 (Assistance Listing number 10.557), Immunization Cooperative Agreements (Assistance Listing number 93.268), and Medicaid Cluster (Assistance Listing numbers 93.775/93.777/93.778). In addition, we tested internal controls and compliance with grant requirements for two type A programs from which DHS received funding from other state agencies: the Disaster Grants—Public Assistance (Presidentially Declared Disasters) (Assistance Listing number 97.036) from the Department of Military Affairs, and the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) (Assistance Listing number 21.027) from the Department of Administration (DOA). We also tested Pandemic EBT Administrative Costs (Assistance Listing number 10.649), which is a type B program. We identified the following internal control and compliance concerns:

- Disaster Grants—Public Assistance (Presidentially Declared Disasters)—Unallowable Costs (Finding 2022-300);
- Medical Assistance Program—Home and Community Based Services Unallowable Costs (Finding 2022-301);
- Multiple Grants—Reporting in the Schedule of Expenditures of Federal Awards (Finding 2022-302);
- Federal Funding Accountability and Transparency Act Reporting—Immunization Cooperative Agreements (Finding 2022-303); and

- Coronavirus State and Local Fiscal Recovery Funds—Monitoring of Local and Tribal Health Department Response and Recovery Support Program Expenditures (Finding 2022-304).

In report 22-26, we evaluated DHS's internal controls over financial reporting for FY 2021-22. In Section II of the Schedule of Findings and Questioned Costs, which begins on page 83, we include two internal control deficiencies (Findings 2022-001 and 2022-005) related to internal controls over financial reporting for the MA Program. In addition, Finding 2022-001 is a significant deficiency related to DHS's internal controls over compliance and an instance of noncompliance with federal requirements, which requires reporting for the MA Program.

In addition, we followed up on the progress of DHS in addressing Findings 2021-300 through 2021-308 of our FY 2020-21 audit (report 22-5), as well as Findings 2020-301, 2020-303, 2020-304, 2020-306, 2020-307, and 2020-309 of our FY 2019-20 audit (report 21-6) and Findings 2018-303 of our FY 2017-18 audit (report 19-3). DHS implemented corrective actions to address Findings 2021-302, 2021-303, 2021-306, 2020-301, 2020-304, 2020-306, 2020-307, 2018-303, and to partially address Findings 2021-300, 2021-301, 2021-305, 2021-308, and 2020-303. DHS did not implement corrective actions to address Findings 2021-304, 2021-307, and 2020-309. It is important for DHS to work to resolve these findings. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 111 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 2022-300: Disaster Grants—Public Assistance (Presidentially Declared Disasters)—Unallowable Costs

Background:

In February 2021, a presidential memorandum was issued extending certain federal support to increase the reimbursement and other assistance provided by the Federal Emergency Management Agency (FEMA) to states in order to combat COVID-19. The memorandum allowed FEMA to pay 100 percent of the costs of activities that had previously been determined to be eligible from the beginning of the public health emergency in January 2020. This funding was provided through the Disaster Grants—Public Assistance (Presidentially Declared Disasters) grant (Assistance Listing number 97.036). As a result, DHS changed the funding source of certain expenditures from a prior fiscal year by moving them to this grant in FY 2021-22.

Criteria:

Under 2 CFR 200.403, costs charged to a federal award must be necessary and reasonable for the performance of the federal award and be adequately documented. In addition, 2 CFR 200.402 requires that these costs must be reduced by any applicable credits, such as refunds for overpayments.

Condition:

In information submitted to FEMA to support reimbursement for costs related to personal protective equipment, we identified that DHS received reimbursements for transactions totaling \$855,368 that should not have been included in its reimbursement

request. Specifically, we found that DHS included a \$395,000 payment for which it received a refund from the vendor. In addition, we found that DHS included a payment for \$460,368 twice within the supporting documentation it provided to FEMA for its reimbursement request.

Context:

During FY 2021-22, DHS received reimbursements for costs associated with the public health emergency totaling \$154.4 million from the Disaster Grants—Public Assistance (Presidentially Declared Disasters) grant. We reviewed the supporting documentation for the two largest reimbursements and tested a selection of expenditures.

Questioned Costs:

\$855,368

Effect:

Because it received Disaster Grants—Public Assistance (Presidentially Declared Disasters) grant funding for inappropriate expenditure transactions, DHS was not in compliance with federal requirements.

Cause:

The inappropriate expenditure transactions we identified were included in the first large reimbursement request prepared by DHS, which was based on information provided by another state agency. At the time of this reimbursement request, DHS did not have procedures in place to identify duplicate or refunded payments within the data used to support the reimbursement request. DHS staff indicated that subsequent reimbursement requests were prepared using DHS queries from STAR, which is the State's accounting system, that removed duplicated or refunded transactions. We did not identify issues in the other reimbursement request we reviewed.

☑ Recommendation

We recommend the Wisconsin Department of Health Services work with the federal government to resolve the \$855,368 in unallowable costs we identified.

Finding 2022-300: Disaster Grants—Public Assistance (Presidentially Declared Disasters)—Unallowable Costs

COVID-19—Disaster Grants—Public Assistance (Presidentially Declared Disasters) (Assistance Listing number 97.036)

<u>Award Number</u>	<u>Award Year</u>
4650DR4520PA	2022

Questioned Costs: \$855,368

Type of Finding: Noncompliance

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

Finding 2022-301: Medical Assistance Program—Home and Community-Based Services Unallowable Costs

Background:

The U.S Department of Health and Human Services (DHHS) provides funding to DHS for the Medical Assistance (MA) Program (Assistance Listing number 93.778). Funding under the MA Program is used to assist states in maintaining and expanding health care services to certain categories of low-income persons. Under the MA Program, a state may obtain a waiver to provide Home and Community-Based Services (HCBS). Such a waiver may permit an individual to receive services in their own home or community rather than in institutions or other isolated settings. Under 1915(c) of the Social Security Act, Wisconsin has an approved waiver to administer the Include, Respect, I Self-Direct (IRIS) program. This program provides services to MA-eligible adults that facilitates participant choice, direction, and control over services designed to provide HCBS services as an alternative to institutional care.

During FY 2021-22, DHS contracted with seven independent consulting agencies (ICA) that assisted IRIS participants in developing individual support and service plans that will meet each participant's needs within the participant's approved IRIS annual budget. Included in this plan are authorizations for specific services, the name of the entity or individuals to provide the goods or services, and the amount or frequency of goods or services. For example, a plan may include services that will be provided by a caretaker and could include the provider name, number of hours for a specific period, and the billing rate. These plans are approved by the ICA, with additional DHS approval required for certain services. DHS also contracted with four fiscal employer agents (FEAs) that are responsible for reviewing invoices in accordance with the approved individual support and service plan and for making payments. This review may include payments for services based upon an invoice or review of timesheets to support that the services were provided to the participant. The FEA submits to DHS information related to the approved payments, and DHS makes funds available to enable the FEA to make the payments. DHS reviews the total payment requests it received from each FEA before transferring funds to the FEA for payment to providers.

Criteria:

The approved waiver for IRIS requires the creation of an individual support and service plan and for services to be provided in accordance with this service plan. DHS has established the *IRIS Policy Manual*, which provides guidance to FEAs on determining allowed payments and requires a review of provider claims to ensure the claims are supported by documentation and the participant's approved individual support and service plan.

Condition:

We tested a sample of 26 payments and identified one payment for \$5.60 that DHS paid during FY 2021-22 for which it could not provide documentation to support that the payment was for services authorized in the participant's individual support and service plan.

Context:

Based on detailed payment data provided by DHS, there were approximately 12 million individual payments totaling \$711.9 million paid to providers for care or services to IRIS participants during FY 2021-22. Payments under the program were generally small and,

based upon the data provided, averaged \$59.33 per payment. We selected a random sample of 26 payments and requested supporting documentation to support the payment and the related participant's individual support and service plan authorizing the goods or services. We also interviewed DHS staff on the payment process and its oversight of the entities responsible for administering the IRIS program.

Questioned Costs:

We question the federal share of the unsupported \$5.60 payment identified, or \$3.70. Because our testing was based upon a sample of payments, it is likely there are additional cases where the payment is not supported. We estimate these additional questioned costs are likely over \$25,000, which is required to be reported under 2 CFR 200.516.

Effect:

DHS did not comply with its approved waiver and inappropriately paid an IRIS provider for amounts that were not supported for the participant.

Cause:

Although we found the FEA approved the payment, the FEA indicated that there was an error made in entering the payment because the payment was not associated with the participant identified within the claim documentation. DHS, in reviewing the payment file from the FEA, did not review the detailed support for each individual IRIS claim payment and, therefore, DHS did not detect the error.

☒ Recommendation

We recommend the Wisconsin Department of Health Services work with the fiscal employer agent that improperly approved the payment we identified to determine how this payment was made, assess whether changes to current processes are needed, document its assessment, and implement corrective actions, as appropriate.

Finding 2022-301: Medical Assistance Program—Home and Community-Based Services Unallowable Costs

Medical Assistance Program (Assistance Listing number 93.778)

<u>Award Numbers</u>	<u>Award Years</u>
2105WI5MAP	2021
2205WI5MAP	2022

Questioned Costs: \$3.70

Type of Finding: Noncompliance

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

Finding 2022-302: Multiple Grants—Reporting in the Schedule of Expenditures of Federal Awards

Background:

The DOA, State Controller's Office (SCO) is responsible for coordinating with the other state agencies to prepare the State of Wisconsin Schedule of Expenditures of Federal Awards (SEFA). The SEFA, which is required to be published in the State of Wisconsin single audit report, is a listing of all federal programs administered by an entity, includes the total expenditures for the reporting period, and identifies any amounts provided to subrecipients for each federal program. Each state agency, including DHS, prepares a SEFA for the federal programs that it administers and provides this to DOA SCO. DOA SCO compiles the agency-level SEFAs into the statewide SEFA. DOA SCO performs desk reviews of the agency-level SEFAs to ensure the expenditures reconcile to the accounting records in STAR, which is the State's accounting system.

Criteria:

Under 2 CFR 200.510 (b), the State is required to prepare a SEFA for the period covered by the State's financial statements and the SEFA must include the total federal awards expended. Under 2 CFR 200.502, the determination of when a federal award is expended must be based on when the activity related to the federal award occurs. Further, 2 CFR 200.514 indicates that the financial statements and SEFA must be for the same audit period. Finally, in accordance with *Office of Management and Budget (OMB) Compliance Supplement*, recipients and subrecipients of federal funding provided under the COVID-19 Emergency Acts, which includes funding the State received under the American Rescue Plan Act (ARPA), must separately identify the COVID-19 expenditures in the SEFA. Further, in its instructions to state agencies, DOA identified that separate reporting of COVID-19 Emergency Acts expenditures was required.

Condition:

We identified four concerns in our review of the DHS FY 2021-22 SEFA. First, we found DHS did not separately identify \$329.2 million in FY 2021-22 expenditures as COVID-19 MA Program expenditures related to the enhanced federal medical assistance percentage for home and community-based services authorized under ARPA.

Second, during FY 2021-22 DHS transferred \$55.9 million in FY 2020-21 expenditures from the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) grant (Assistance Listing number 93.323) to the Disaster Grants—Public Assistance (Presidentially Declared Disasters) grant. In the STAR General Ledger, the prior-year transferred expenditures resulted in a reduction in the ELC grant expenditures. In reporting these amounts in the FY 2021-22 SEFA, DHS did not make a subsequent adjustment to remove the expenditure adjustment from the total expenditures reported for the ELC grant.

Third, DHS did not report all CSLFRF expenditures it incurred in FY 2021-22. DHS requested reimbursement from DOA as it incurred expenditures under the CSLFRF grant. In its FY 2021-22 SEFA, DHS reported \$161.9 million in CSLFRF expenditures, which was the total expenditures for which it had received reimbursement from DOA. However, DHS had actually incurred \$173.6 million in CSLFRF expenditures in FY 2021-22.

Finally, DHS included a \$2.6 million repayment of a prior-year overpayment as an expenditure for the WIC Special Supplemental Nutrition Program for Women, Infants, and Children grant. This should have been excluded from total expenditures because it did not relate to FY 2021-22 program expenditures.

Context:

The State administered and reported in its SEFA \$20.2 billion in federal financial assistance in FY 2021-22. DHS administered \$11.9 billion in federal financial assistance in FY 2021-22. We reviewed the DHS SEFA to assess the reported expenditures, particularly for major programs.

Questioned Costs:

None.

Effect:

Although total expenditures for the MA Program were accurately reported, DHS did not accurately report \$329.2 million as COVID-19 expenditures separately in the SEFA. Further, DHS underreported expenditures by \$55.9 million for the ELC grant, underreported expenditures by \$11.7 million for CSLFRF, and overreported expenditure by \$2.6 million for the WIC Special Supplemental Nutrition Program for Women, Infants, and Children grant program.

Cause:

DHS did not consider the new enhanced federal funding it received for home and community-based services as amounts that should be identified as COVID-19 expenditures when compiling the SEFA. DHS sought to reflect the expenditures for the grant programs based on the amounts recorded in the STAR General Ledger. However, DHS did not consider that the negative expenditures resulting from the transfers of FY 2020-21 expenditures led to the underreporting of the ELC grant expenditures in the DHS SEFA. Further, for the CSLFRF grant, DHS indicated that it thought it was appropriate to report only what had been reimbursed by DOA. Finally, DHS overlooked the inclusion of a repayment of a prior-year overpayment when reporting its expenditures for the WIC Special Supplemental Nutrition Program for Women, Infants, and Children grant program.

☒ Recommendation

We recommend the Wisconsin Department of Health Services further evaluate federal grant expenditures reported in the STAR General Ledger as it prepares its schedule of expenditures of federal awards and ensure it is:

- *properly identifying applicable COVID-19 expenditures;*
- *adjusting expenditures for prior-year transfers of expenditures in the current year;*
- *reporting all federal expenditures for each federal grant program, regardless of whether the agency has received reimbursement from the pass-through entity; and*
- *removing repayments of prior-year overpayments of expenditures from current-year expenditures.*

Finding 2022-302: Multiple Grants—Reporting in the Schedule of Expenditures of Federal Awards

WIC Special Supplemental Nutrition Program for Women, Infants, and Children
(Assistance Listing number 10.557)

<u>Award Number</u>	<u>Award Year</u>
16W1006	2016

COVID-19—Coronavirus State and Local Fiscal Recovery Funds
(Assistance Listing number 21.027)

<u>Award Number</u>	<u>Award Year</u>
None	2021

COVID-19—Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
(Assistance Listing number 93.323)

<u>Award Numbers</u>	<u>Award Years</u>
6 NU50CK000534-01-06	2020
6 NU50CK000534-01-07	2020
6 NU50CK000534-01-08	2020
6 NU50CK000534-01-09	2021
6 NU50CK000534-02-00	2021
6 NU50CK000534-02-01	2021
6 NU50CK000534-02-05	2021

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
(Assistance Listing number 93.323)

<u>Award Numbers</u>	<u>Award Years</u>
6 NU50CK000534-01-00	2020
6 NU50CK000534-01-01	2020
6 NU50CK000534-02-00	2021

COVID-19—Medical Assistance Program
(Assistance Listing number 93.778)

<u>Award Numbers</u>	<u>Award Years</u>
2105WI5MAP	2021
2205WI5MAP	2022

Medical Assistance Program
(Assistance Listing number 93.778)

<u>Award Numbers</u>	<u>Award Years</u>
2105WI5MAP	2021
2205WI5MAP	2022

Questioned Costs: None

Type of Finding: Significant Deficiency, Noncompliance

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

Finding 2022-303: Federal Funding Accountability and Transparency Act Reporting—Immunization Cooperative Agreements

Background:

The U.S. Department of Health and Human Services Centers for Disease Control and Prevention provides funding to DHS for the Immunization Cooperative Agreements program. DHS provided a portion of this program to subrecipients during FY 2021-22.

The Immunization Cooperative Agreements program subawards of \$30,000 or more are subject to Federal Funding Accountability and Transparency Act (FFATA) reporting. The intent of FFATA is to provide information about federal awards to allow the public access to the information to hold the government accountable for decisions.

Criteria:

Under 2 CFR s. 170, DHS is required to report in the FFATA Subaward Reporting System (FSRS) subawards of \$30,000 or more, including any amendments or modifications to a subaward. This reporting is to be completed no later than the last day of the month following the month in which the subaward was made. For example, if DHS signed a subaward contract on July 1, 2021, it must be reported in FSRS no later than August 31, 2021. During FY 2021-22, DHS staff would periodically identify subawards required to be reported using information compiled through queries of contracts established through DHS's Community Aids Reporting System (CARS) and queries of purchase orders established in STAR, which is the State's accounting system.

Condition:

We identified two concerns with DHS's FFATA reporting during FY 2021-22. First, we found that four of the five subawards we reviewed that DHS had initiated through a purchase order in STAR were not reported in FSRS prior to our request in March 2023. The one subaward that was reported in FSRS was reported one month later than required. Second, we found that seven of the eight subawards we reviewed that DHS had initiated through CARS were not reported in FSRS in a timely manner and one had not been reported. For example, we found that five of the seven subawards were submitted more than one month later than required.

Context:

During FY 2021-22, DHS expended \$94.8 million under the Immunization Cooperative Agreements program, of which \$16.9 million was provided to subrecipients. We interviewed DHS staff to gain an understanding of the procedures for compiling information for subawards and for reporting the information in FSRS. For FY 2021-22, we selected 5 of the 119 subawards over \$30,000 that DHS initiated through a purchase order in STAR and 8 of the 61 subawards over \$30,000 that DHS initiated through CARS. We requested screenshots from FSRS for each subaward to assess if the subaward was reported in an accurate and timely matter.

Questioned Costs:

None.

Effect:

DHS did not comply with FFATA requirements for the reporting of subawards in FSRS.

Cause:

The queries DHS used to identify the subawards it initiated through a STAR purchase order did not accurately identify all applicable subawards subject to FFATA reporting. DHS indicated that it did not prioritize FFATA reporting to identify or review information that was required to be reported in FSRS to ensure all subawards were reported in a timely manner.

☒ Recommendation

We recommend the Wisconsin Department of Health Services:

- *update the queries used to identify subawards in the State's accounting system, STAR, that are subject to Federal Funding Accountability and Transparency Act reporting to ensure all required subawards are identified; and*
- *ensure all required subawards of \$30,000 or more, including any amendments or modifications to a subaward, are identified and submitted to the Federal Funding Accountability and Transparency Act Subaward Reporting System in a timely manner.*

Finding 2022-303: Federal Funding Accountability and Transparency Act Reporting—Immunization Cooperative Agreements

COVID-19—Immunization Cooperative Agreements

(Assistance Listing number 93.268)

<u>Award Numbers</u>	<u>Award Years</u>
20NH23IP922611C3	2020
20NH23IP922611VWCC6	2021
20NH23IP922611C5	2021
20NH23IP922611C6	2021
20NH23IP922611UDSPC5	2022

Questioned Costs: None

Immunization Cooperative Agreements (Assistance Listing number 93.268)

<u>Award Numbers</u>	<u>Award Years</u>
19NH23IP922611	2021
19NH23IP922611	2022

Questioned Costs: None

Type of Finding: Significant Deficiency, Noncompliance

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

Finding 2022-304: Coronavirus State and Local Fiscal Recovery Funds—Monitoring of Local and Tribal Health Department Response and Recovery Support Program Expenditures

Background:

The State was advanced \$1.3 billion in CSLFRF in May 2021 and another \$1.3 billion in May 2022. CSLFRF was created under the American Rescue Plan Act (ARPA) and is administered by DOA. CSLFRF funding has certain stipulations, including that the funds must be used to:

- respond to the public health emergency or its negative economic impacts;
- respond to the needs of workers performing essential work during the public health emergency;
- provide government services to the extent revenue losses due to the public health emergency reduced revenues; and
- make necessary investments in water, sewer, or broadband infrastructure.

Further, federal regulations stipulate that eligible expenditures must be incurred between March 3, 2021, and December 31, 2024, and funds must be spent through December 31, 2026.

DOA entered into a memorandum of understanding with DHS to administer the Local and Tribal Health Department Response and Recovery Support program, which provides grants to local and tribal health departments for costs incurred to respond to the public health emergency. DHS entered into contracts with 98 local and tribal health departments. The contracts stipulate the allowable uses of the funding and reporting requirements. After incurring expenditures, the health departments may request reimbursement on a monthly basis using DHS's CARS.

Criteria:

In accordance with 2 CFR s. 200.303, DHS is responsible for establishing and maintaining effective internal control over federal awards that provides reasonable assurance that it is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards. Further, under U.S. Department of the Treasury Final Rule (31 CFR Part 35), DHS must establish rigorous oversight and internal control processes to monitor compliance with any applicable requirements of CSLFRF funding.

The contracts between DHS and each of the public health departments require the health departments to submit a quarterly report. DHS indicated that the quarterly report includes a list of expenditures for the quarter, a list of payroll costs, and a description of the uses of the funds, and it is due within 30 days of the end of the

quarter. DHS tracks the receipt and review of the quarterly reports in a tracking spreadsheet. DHS indicated that it compares the reported expenditures in the quarterly report to the monthly reimbursement request data from CARS to ensure the amounts agree. Further, DHS indicated that it reviews the description of the uses of the funding from the quarterly report to evaluate the allowability of the reported expenses. DHS indicated that quarterly reports are required regardless of whether the public health department incurred expenditures during the quarter.

Condition:

DHS did not have documentation to support that it was reviewing the quarterly reports and following its procedures to provide oversight over the expenditures charged to the program in FY 2021-22. We attempted to review 20 quarterly reports filed in FY 2021-22 for 10 public health departments. We identified two concerns.

First, we found that the City of Milwaukee Public Health Department did not submit the two quarterly reports that were due in FY 2021-22. Therefore, DHS did not have documentation that it evaluated whether funding was expended on allowable activities under the grant program. The City of Milwaukee was reimbursed \$3.6 million in expenditures in January 2022. On March 3, 2023, DHS put a hold on any further reimbursements to the City of Milwaukee Public Health Department until the issues with the missing quarterly reports are resolved. Second, we found that 12 of the remaining 18 quarterly reports we reviewed were submitted to DHS more than six months after the due date. Five of the 12 reports were dated after we made our request for the reports in February 2023.

We also reviewed reports for the quarter ended June 30, 2022, for the 10 public health departments we selected for review. For three health departments, we found there were differences between the amounts reported to date on the quarterly reports and the total reimbursement provided by DHS as of the end of that quarter. DHS did not have documentation to show that it identified and resolved these differences.

Context:

DHS was awarded \$58.4 million in CSLFRF funds for the Local and Tribal Health Department Response and Recovery Support program. The public health departments are considered beneficiaries under the program and, as such, this funding is not subject to the local or tribal government single audits. In FY 2021-22, DHS reimbursed the public health departments \$6.7 million in expenditures for the program. The program ends on December 31, 2024. We reviewed the quarterly reports filed in FY 2021-22 for 10 of the 98 public health departments that were allocated funding for this program. We randomly selected 7 public health departments and selected the remaining three public health departments using a judgement sample based on a review of DHS's quarterly report tracking spreadsheet.

Questioned Costs:

None.

Effect:

Because DHS controls related to the quarterly report are not working effectively, there is an increased risk of improper payments made using the CSLFRF grant funding.

Cause:

DHS did not have written policies and procedures for the tracking and review of the reports. In addition, DHS did not have documentation to support that it was tracking the timely receipt and review of the quarterly reports in FY 2021-22.

At the end of FY 2021-22, DHS experienced turnover in staff responsible for administering the Local and Tribal Health Department Response and Recovery Support program. DHS indicated that the staff responsible for administering the program in FY 2021-22 did not document reviews of the quarterly reports. In a March 2, 2023 email to DHS, staff from the City of Milwaukee Public Health Department indicated that DHS staff had agreed to permit emails to explain the expenditure of funds in lieu of the quarterly reports. DHS did not provide these emails or other documentation to support this permission.

☑ Recommendation

We recommend the Wisconsin Department of Health Services:

- *develop and implement written policies and procedures for the review and tracking of the quarterly reports used to monitor expenditures under the Local and Tribal Health Department Response and Recovery Support program;*
- *maintain the quarterly reports, document its review of the quarterly reports, and document its correspondence with the public health departments regarding resolution of reporting variances;*
- *review the contracts with the public health departments and determine whether any revisions are needed to clarify expectations for documentation and timeliness of filing the quarterly reports; and*
- *ensure it obtains quarterly reports to support the payments it made to the City of Milwaukee Public Health Department.*

Finding 2022-304: Coronavirus State and Local Fiscal Recovery Funds—Monitoring of Local and Tribal Health Department Response and Recovery Support Program Expenditures

COVID-19—Coronavirus State and Local Fiscal Recovery Funds
(Assistance Listing number 21.027)

<u>Award Number</u>	<u>Award Year</u>
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None	2021
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Questioned Costs: None

Type of Finding: Significant Deficiency, Noncompliance

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

Department of Public Instruction

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 2021-22, DPI administered \$1.5 billion in federal financial assistance.

We tested DPI's internal controls and compliance with grant requirements for two type A programs: Supporting Effective Instruction State Grants (SEI) (formerly Improving Teacher Quality State Grants) (Assistance Listing number 84.367) and the Education Stabilization Fund (Assistance Listing number 84.425). In addition, we tested internal controls and compliance with grant requirements for a type B program from which DPI received funding from the Wisconsin Technical College System: the Career and Technical Education—Basic Grants to States (Assistance Listing number 84.048). We identified the following internal control and compliance concern: Supporting Effective Instruction State Grants—Federal Funding Accountability and Transparency Act Reporting (Finding 2022-400).

In addition, we followed up on the progress of DPI in addressing Finding 2021-400 and 2021-401 of our FY 2020-21 audit (report 22-5). DPI implemented corrective actions to partially address these findings. It will be important for DPI to continue to work to resolve these findings. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 111 and describes the status of the findings as of the end of our audit period as well as ongoing steps to address findings that were not fully corrected.

Finding 2022-400: Supporting Effective Instruction State Grants— Federal Funding Accountability and Transparency Act Reporting

Background:

The U.S. Department of Education provides funding to DPI through the SEI program in Title II, Part A of the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA). The purpose of the grant program is to provide assistance to schools to increase student achievement and close achievement gaps by offering professional development opportunities in core academic areas.

SEI subawards of \$30,000 or more are subject to Federal Funding Accountability and Transparency Act (FFATA) reporting. The intent of FFATA is to provide information about federal awards to allow the public access to the information to hold the government accountable for decisions. In report 22-5, we reported concerns with DPI's procedures and controls over FFATA reporting for a different grant program (Finding 2021-401). We recommended that DPI improve its FFATA submission process to ensure all required subawards of \$30,000 or more, including any amendments or modifications to a subaward, are identified and reported in a timely manner.

Criteria:

Under 2 CFR s. 170, DPI is required to report in the FFATA Subaward Reporting System (FSRS) subawards of \$30,000 or more, including any amendments or modifications to a subaward. This reporting is to be submitted no later than the last day of the month following the month in which the subaward was made. For example, if the subaward was made on November 7, 2021, it must be reported in FSRS not later than December 31, 2021. DPI identifies subawards required to be reported in FSRS using information from DPI's subaward tracking system.

Condition:

We found that none of the 40 SEI subawards we reviewed were reported in a timely manner in FSRS. All 40 subawards were made in July 2021 and should have been reported in FSRS by August 31, 2021. However, DPI did not report 38 of the subawards in FSRS until October 2021. In addition, we found 2 of the 40 SEI subawards we reviewed were not reported until February 2023 when we identified them to DPI.

Context:

During FY 2021-22, DPI expended \$32.8 million under SEI of which \$31.3 million was provided to subrecipients. DPI awarded 451 SEI subawards during FY 2021-22. We interviewed DPI staff to gain an understanding of the procedures for compiling information for subawards and submitting the information in FSRS. We requested screenshots from FSRS and subaward documentation from DPI to support the information reported for FFATA.

Questioned Costs:

None.

Effect:

DPI did not comply with FFATA requirements for the timely reporting of subawards in FSRS.

Cause:

Although DPI took corrective action in responding to Finding 2021-401, which was included in report 22-5, the improved internal controls were not in place for all of FY 2021-22. For example, DPI implemented improvements to its FFATA submission process by July 2022, which was subsequent to the 40 subawards we identified that DPI was required to report in FSRS in August 2021. These improvements included making enhancements to its grant tracking system to create a report identifying subawards required to be reported under FFATA and developing an approval tracking document that is reviewed monthly by a supervisor.

DPI completed initial subawards for SEI subrecipients in July 2021 and finalized the amounts for the subawards in September 2021. DPI then reported 38 of the SEI subawards in FSRS in October 2021. For the two SEI subawards we identified that were not reported until February 2023, DPI indicated that an error occurred during the October 2021 submission process that prevented these subawards from being uploaded to FSRS. Although subsequent manual entry was attempted, DPI staff indicated that follow-up on the two subawards did not occur when the manual entry was unsuccessful. At that time, other detective procedures were not in place to identify that FFATA reporting had not occurred for the two subawards.

☑ Recommendation

We recommend the Wisconsin Department of Public Instruction:

- *report in a timely manner all applicable subawards greater than \$30,000 and subject to Federal Funding Accountability and Transparency Act reporting when initiated in the Federal Funding Accountability and Transparency Act Subaward Reporting System;*
- *ensure all rejected submissions are detected and corrected in a timely manner; and*
- *continue to enhance the internal controls it implemented to its Federal Funding Accountability and Transparency Act submission process to ensure all required subawards of \$30,000 or more, including any amendments or modifications to a subaward, are identified in a timely manner and submitted to the Federal Funding Accountability and Transparency Act Subaward Reporting System.*

Finding 2022-400: Supporting Effective Instruction State Grants—Federal Funding Accountability and Transparency Act Reporting

Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) (Assistance Listing number 84.367)

Award Number

Award Period

S367A210047

7/1/2021–9/30/2022

Questioned Costs: None

Type of Finding: Significant Deficiency, Noncompliance

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

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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 \$274.3 million of DWD's FY 2021-22 expenditures. In addition, the Wisconsin Unemployment Reserve Fund paid \$339.0 million in regular unemployment insurance benefits and \$333.6 million in federally funded benefits.

We tested DWD's internal controls and compliance with grant requirements for two type A programs: Unemployment Insurance (UI) (Assistance Listing number 17.225) and Rehabilitation Services Vocational Rehabilitation Grants to States (Assistance Listing number 84.126). We also tested the Employment Service Cluster (Assistance Listing numbers 17.207/17.801), which is a type B program. We identified the following internal control and compliance concern: Unemployment Insurance Program—Reporting (Finding 2022-600).

In addition, we followed up on the progress of DWD in addressing Findings 2021-600 through 2021-602 of our FY 2020-21 audit (report 22-5) and Finding 2020-600 of our FY 2019-20 audit (report 21-6). DWD implemented corrective actions to address Findings 2021-601, 2021-602 and 2020-600 and to partially address 2021-600. We also followed up on the progress of DWD in addressing financial reporting concerns related to its use of predictive analytics for the UI program (Finding 2021-003 of report 22-5) and access controls over UI program systems (Finding 2021-004 of report 22-5). DWD implemented corrective actions to partially address Finding 2021-003, and it took corrective actions to address Finding 2021-004. It will be important for DWD to continue to work to resolve this finding. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 111 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 2022-600: Unemployment Insurance Program—Reporting

Background:

As a part of its administration of the UI program, DWD is required to complete and submit multiple performance and special reports to the U.S. Department of Labor (DOL), including the monthly ETA 9052, *Nonmonetary Determination Time Lapse Detection*. These reports contain information related to Wisconsin's UI program that assist DOL in evaluating the performance of the program and contain information that is of interest to DOL.

In our prior audit, we found that DWD did not establish adequate procedures to ensure the accuracy of the performance and special reports. In April 2022, we recommended that DWD develop and implement adequate procedures for the preparation and review of the UI performance and special reports to ensure the accuracy of the amounts reported to the federal government. We also recommended that DWD retain documentation to support the amounts included in each report it submits to the federal government (Finding 2021-600).

Criteria:

Under 2 CFR s. 200.303, DWD is required to establish and maintain effective internal controls over its federal programs to provide reasonable assurance that the federal programs are administered in compliance with federal statutes and regulations as well as the terms and conditions of its federal awards. This includes effective internal controls over the preparation of reports for the federal government.

Condition:

During our current audit, and after April 2022, we found DWD improved its procedures for the preparation and review of the UI performance and special reports, and it retained documentation to support the amounts included in each report it submitted to the federal government. However, for those reports that DWD submitted to the federal government prior to our recommendations in April 2022, we continued to find that the supporting documentation DWD provided did not agree with the amounts it reported on the ETA 9052 performance report. Specifically, we identified that for the November 2021 ETA 9052 performance report we reviewed, the amounts reported for 35 of 110 key line items reviewed did not agree with the supporting documentation provided.

Context:

We interviewed DWD staff to gain an understanding of the procedures for preparing the UI program performance and special reports. During FY 2021-22, DWD was required to submit 12 ETA 9050 performance reports, 12 ETA 9052 performance reports, and 4 ETA 2208A special reports to DOL. We reviewed:

- the ETA 9050 performance reports submitted for the months of November 2021 and April 2022;
- the ETA 9052 performance reports submitted for the months of November 2021, April 2022, and May 2022; and
- the March 2022 quarterly ETA 2208A special report.

We also requested DWD’s documentation to support the reported information for each section or amount identified by the federal government as a key section or key line item.

Questioned Costs:

None.

Effect:

DWD cannot be assured that it reported complete and accurate information during the entire fiscal year to enable DOL to assess the outcomes of Wisconsin’s UI program.

Cause:

Prior to April 2022, which is when we communicated our concerns with the accuracy of the ETA 9052 performance report, DWD did not establish adequate procedures to ensure the accuracy of the report.

☒ **Recommendation**

We recommend the Wisconsin Department of Workforce Development continue to make progress in developing and implementing adequate procedures for the preparation and review of the Unemployment Insurance program’s performance reports to ensure the accuracy of the amounts reported to the federal government.

Finding 2022-600: Unemployment Insurance Program—Reporting

COVID-19—Unemployment Insurance (Assistance Listing number 17.225)

<u>Award Numbers</u>	<u>Award Years</u>
None	2021
None	2022

Unemployment Insurance (Assistance Listing number 17.225)

<u>Award Numbers</u>	<u>Award Years</u>
None	2021
None	2022

Questioned Costs: None.

Type of Finding: Significant Deficiency, Noncompliance

Response from the Wisconsin Department of Workforce Development: The Wisconsin Department of Workforce Development agrees with the audit finding and recommendation.

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University of Wisconsin System

The University of Wisconsin (UW) System provides postsecondary academic education for approximately 163,000 students. UW 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 2021-22, UW System administered \$2.0 billion in federal financial assistance.

We tested UW System's internal controls and compliance with grant requirements for two type A programs: the Education Stabilization Fund (Assistance Listing number 84.425) and Research and Development Cluster (various Assistance Listing numbers). We identified the following internal control and compliance concerns:

- Research and Development Cluster—Physical Inventory Requirements for Federal Equipment (Finding 2022-700);
- Higher Education Emergency Relief Fund—UW-La Crosse Institutional Aid Allowable Costs (Finding 2022-701);
- Higher Education Emergency Relief Fund—UW-Platteville Institutional Aid Allowable Costs (Finding 2022-702);
- Higher Education Emergency Relief Fund—UW-Superior Institutional Aid Allowable Costs (Finding 2022-703); and
- Research and Development Cluster—Unallowable Costs (Finding 2022-704).

In report 22-26, we reported finding 2022-007 as significant deficiency for the State's FY 2021-22 Annual Comprehensive Financial Report (ACFR). This finding is also considered a significant deficiency in internal controls over compliance for the Research and Development Cluster. This finding included concerns with UW System's internal controls related to a new computer application implemented in April 2021. We found that UW System Administration lacked adequate policies for UW institution review of all access related to the new application during FY 2021-22. We also found that UW System Administration had not obtained a service organization audit report to assess the internal controls of a third-party vendor for the new application. We recommend UW System Administration develop policies to require such access reviews, monitor that the reviews are completed in a timely manner, and obtain and review service organization audit reports for third-party vendors.

In addition, we followed up on the progress of UW System Administration in addressing financial reporting concerns related to information technology security controls (Finding 2021-002 from report 22-5). UW implemented corrective actions to address Finding 2021-002. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 111 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.

We also included the Wisconsin Humanities Council in our FY 2021-22 audit of UW System. The Wisconsin Humanities Council is a nonprofit organization associated with UW System, which is responsible for the fiscal and personnel administration of the Wisconsin Humanities Council. We tested internal controls and compliance with grant requirements for the Promotion of the Humanities—Federal/State Partnership (Assistance Listing number 45.129) grant.

Finding 2022-700: Research and Development Cluster—Physical Inventory Requirements for Federal Equipment

Background:

During FY 2021-22, UW institutions were awarded \$741.6 million in federal funding as part of the Research and Development Cluster, for which UW-Madison expended the majority of the funding. UW-Madison used a portion of these federal funds, and similar funding from prior years, to purchase equipment needed for research activities. When UW-Madison purchases equipment using federal funding (federal equipment), it must maintain comprehensive records of each federal equipment item, periodically conduct a physical inventory of the equipment, and reimburse the federal agency that originally funded the equipment purchase with any proceeds from the disposal of the equipment no longer needed for research activities.

Criteria:

Under 2 CFR s. 200.313 (d) (2), UW-Madison is required to biennially complete a physical inventory of all federal equipment and reconcile the results with its records. UW System Policy 334, *Accountability for Capital Equipment*, and UW-Madison Procedure 3008.6, *Physical Inventory Procedure*, require biennial physical inventories of federal equipment. To comply with these policies and procedures, UW-Madison has assigned central accounting staff the responsibility for tracking federal equipment and scheduling physical inventories. Staff within various UW-Madison departments are responsible for safekeeping the equipment, locating items during physical inventories,

and authorizing disposal when specific equipment is no longer useful. Under 2 CFR s. 200.313 (e) UW-Madison is required to potentially provide repayment to the federal agency that originally funded the equipment purchase when federal equipment is no longer needed for research activities.

Condition:

UW-Madison did not perform a physical inventory of all federal equipment during the period from July 1, 2020, through June 30, 2022.

Context:

Based on available records, UW-Madison reported a total federal equipment acquisition value of \$332.9 million as of June 30, 2022. Based on these records, and from July 1, 2020, through June 30, 2022, UW-Madison had 7,102 federal equipment items subject to the biennial physical inventory requirement. UW-Madison performed a physical inventory of 2,688 federal equipment items from July 1, 2020, through June 30, 2022, but during this period it did not perform a physical inventory of 4,414 federal equipment items (62.2 percent). We discussed UW-Madison's procedures with the central accounting staff responsible for scheduling physical inventories of UW-Madison departments, obtained documentation of physical inventories UW-Madison performed, and conducted other testing of UW-Madison's management of federal equipment.

Questioned Costs:

None.

Effect:

Without completion of regular physical inventories of federal equipment, UW-Madison is at increased risk of theft or loss of equipment, it cannot be assured that federal equipment records were accurately maintained, and it may not be aware of all equipment disposals or losses, which may result in a failure to reimburse the federal agency that originally funded the equipment purchase with any proceeds from its disposal.

Cause:

Due to staffing turnover of both central accounting staff and department staff, UW-Madison indicated that it waived the requirement to perform physical inventories of equipment items by June 30, 2022. However, UW-Madison did not provide documentation of the waiver or federal approval to waive this requirement. We found two of the four UW-Madison central accounting positions experienced turnover in spring 2021, which contributed to a backlog in the physical inventories UW-Madison had planned to complete during FY 2020-21. As a result, during FY 2021-22 UW-Madison central accounting staff stated that they focused on eliminating the backlog rather than on initiating new physical inventories at certain departments. Given the volume of equipment managed by UW-Madison and the various locations of the equipment, it is important that physical inventories are performed regularly to limit the risk of theft or loss of federal equipment.

☒ Recommendation

We recommend the University of Wisconsin-Madison conduct physical inventories of federal equipment as required by federal regulations and its existing policies and procedures, or seek a waiver from the federal cognizant agency.

Finding 2022-700: Research and Development Cluster—Physical Inventory Requirements for Federal Equipment

Research and Development Cluster (various Assistance Listing numbers)

<u>Award Numbers</u>	<u>Award Years</u>
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Various

Various

Questioned Costs: None

Type of Finding: Significant Deficiency, Noncompliance

Response from the University of Wisconsin-Madison: The University of Wisconsin-Madison agrees with the audit finding and recommendation.

Finding 2022-701: Higher Education Emergency Relief Fund—UW-La Crosse Institutional Aid Allowable Costs

Background:

In prior fiscal years, UW institutions were awarded federal funding from the Higher Education Emergency Relief Fund (HEERF), which was established and funded by federal legislation. For example, in May 2021, the U.S. Department of Education allocated \$271.4 million in American Rescue Plan Act (ARPA) funds to UW institutions to be used for student aid (Assistance Listing number 84.425E) and institutional aid (Assistance Listing number 84.425F). UW-La Crosse received an allocation that totaled \$35.3 million, of which \$19.4 million could be used for institutional aid.

Criteria:

Under 2 CFR s. 200.303, UW-La Crosse is responsible for establishing and maintaining effective internal control over federal awards to provide reasonable assurance that federal awards are managed in compliance with federal statutes, regulations, and the award terms and conditions. Under ARPA, UW institutions are required to use a portion of the allocated HEERF funds to make direct aid payments to students and may use a portion of the allocated funds to defray institutional expenses associated with the coronavirus, including lost revenue. Section 314 of the Coronavirus Response and Relief Supplemental Appropriations Act, guidance from the Department of Education, the agreements each UW institution signed with the U.S. Department of Education, and the federal Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) prohibit UW institutions from using the funds to cover certain costs, including those for student recruitment.

Condition:

UW-La Crosse used a total of \$127,448 of its HEERF institutional aid allocation for consulting, advertising, and recruitment costs to increase student enrollment.

Context:

During FY 2021-22, UW-La Crosse used \$2.9 million of its total HEERF institutional aid allocation. We reviewed 151 transactions for which UW-La Crosse used HEERF institutional aid, including the largest 10 transactions made using funds appropriated by ARPA. We reviewed whether each transaction met the requirements of federal legislation, guidance from the U.S. Department of Education, the agreements UW-La Crosse signed with the U.S. Department of Education, and Uniform Guidance. To complete our testing, we requested information or supporting documentation for each transaction and interviewed UW-La Crosse staff.

Questioned Costs:

\$127,448

Effect:

Because unallowable costs were charged to HEERF, UW-La Crosse was not in compliance with federal requirements for the use of its HEERF institutional aid allocation. UW-La Crosse received federal reimbursement of \$127,448 for unallowable costs during FY 2021-22.

Cause:

UW-La Crosse interpreted the federal guidance to permit the costs for which it used its HEERF institutional aid allocation because the intention of the services was to increase enrollment that had declined during the public health emergency. After we questioned the use of HEERF funds, UW-La Crosse subsequently returned the funding.

☒ Recommendation

We recommend the University of Wisconsin-La Crosse ensure that all expenses charged to the Higher Education Emergency Relief Fund (HEERF) program are allowable, such as performing an additional review of those costs allocated to HEERF and document the performance of such a review.

Finding 2022-701: Higher Education Emergency Relief Fund—UW-La Crosse Institutional Aid Allowable Costs

COVID-19—Higher Education Emergency Relief Fund (Assistance Listing number 84.425F)

<u>Award Number</u>	<u>Award Year</u>
P425F200067	2021

Questioned Costs: \$127,448

Type of Finding: Noncompliance

Response from the University of Wisconsin-La Crosse: The University of Wisconsin-La Crosse agrees with the audit finding and recommendation.

Finding 2022-702: Higher Education Emergency Relief Fund— UW-Platteville Institutional Aid Allowable Costs

Background:

In prior fiscal years, UW institutions were awarded federal funding from HEERF, which was established and funded by federal legislation. For example, in May 2021, the U.S. Department of Education allocated \$271.4 million in ARPA funds to UW institutions to be used for student aid and institutional aid. UW-Platteville received an allocation that totaled \$26.4 million, of which \$14.5 million could be used for institutional aid.

Criteria:

Under 2 CFR s. 200.303, UW-Platteville is responsible for establishing and maintaining effective internal control over federal awards to provide reasonable assurance that federal awards are managed in compliance with federal statutes, regulations, and the award terms and conditions. Under ARPA, UW institutions are required to use a portion of the allocated HEERF funds to make direct aid payments to students and may use a portion of the allocated funds to defray institutional expenses associated with coronavirus, including lost revenue. Section 314 of the Coronavirus Response and Relief Supplemental Appropriations Act, guidance from the Department of Education, the agreements each UW institution signed with the U.S. Department of Education, and Uniform Guidance prohibit UW institutions from using the funds to cover certain costs, including those for student recruitment and entertainment.

Condition:

UW-Platteville used \$23,500 of its HEERF institutional aid allocation to create online tours of its campuses for recruiting purposes and \$1,018 for student entertainment for a summer 2021 program.

Context:

During FY 2021-22, UW-Platteville used \$6.4 million of its total HEERF institutional aid allocation. We reviewed 13 transactions for which UW-Platteville used HEERF institutional aid, including the largest 10 transactions made using funds appropriated by ARPA. We reviewed whether each transaction met the requirements of federal legislation, guidance from the U.S. Department of Education, the agreements UW-Platteville signed with the U.S. Department of Education, and Uniform Guidance. To complete our testing, we requested supporting documentation for certain transactions and interviewed UW-Platteville staff.

Questioned Costs: \$24,518

Effect:

Because unallowable costs were charged to HEERF, UW-Platteville was not in compliance with federal requirements for the use of its HEERF institutional aid allocation. UW-Platteville received federal reimbursement of \$24,518 for unallowable costs during FY 2021-22.

Cause:

UW-Platteville indicated it used HEERF institutional aid funding for online tours in order to provide prospective students an alternative way to learn about the campus. UW-Platteville indicated it interpreted the federal guidance to permit such use of

HEERF institutional aid. However, we found the tour content was predominately marketing because it included encouragement for viewers to enroll at UW-Platteville. We consider any activities that encourage enrollment to be recruiting activity prohibited under federal regulations. After we questioned the use of HEERF funds for the presemester entertainment event, UW-Platteville subsequently returned the funding for this expense.

☑ Recommendation

We recommend the University of Wisconsin-Platteville:

- *work with the federal government to resolve the \$23,500 in unallowable costs that we identified; and*
- *ensure that all expenses charged to the Higher Education Emergency Relief Fund (HEERF) program are allowable, such as performing an additional review of those costs allocated to HEERF and document the performance of such a review.*

Finding 2022-702: Higher Education Emergency Relief Fund—UW-Platteville Institutional Aid Allowable Costs

COVID-19—Higher Education Emergency Relief Fund (Assistance Listing number 84.425F)

<u>Award Number</u>	<u>Award Year</u>
P425F200891	2021

Questioned Costs: \$24,518

Type of Finding: Noncompliance

Response from the University of Wisconsin-Platteville: The University of Wisconsin-Platteville agrees with the audit finding and recommendations.

Finding 2022-703: Higher Education Emergency Relief Fund—UW-Superior Institutional Aid Allowable Costs

Background:

In prior fiscal years, UW institutions were awarded federal funding from HEERF, which was established and funded by federal legislation. For example, in May 2021, the U.S. Department of Education allocated \$271.4 million in ARPA funds to UW institutions to be used for student aid and institutional aid. UW-Superior received an allocation that totaled \$8.8 million, of which \$4.9 million could be used for institutional aid.

Criteria:

Under 2 CFR s. 200.303, UW-Superior is responsible for establishing and maintaining effective internal control over federal awards to provide reasonable assurance that federal awards are managed in compliance with federal statutes, regulations, and the

award terms and conditions. Under ARPA, UW institutions are required to use a portion of the allocated HEERF funds to make direct aid payments to students and may use a portion of the allocated funds to defray institutional expenses associated with the coronavirus, including lost revenue. Section 314 of the Coronavirus Response and Relief Supplemental Appropriations Act, guidance from the Department of Education, the agreements each UW institution signed with the U.S. Department of Education, and Uniform Guidance prohibit UW institutions from using the funds to cover certain costs, including those for alcohol and entertainment.

Condition:

During FY 2021-22, UW-Superior used \$30,376 of its HEERF institutional aid allocation to offset lost revenue from the sale of alcohol at sporting and other events and \$1,500 for student entertainment for a presemester summer event.

Context:

During FY 2021-22, UW-Superior used \$2.4 million of its total HEERF institutional aid allocation. We reviewed 26 transactions for which UW-Superior used HEERF institutional aid, including the largest 10 transactions made using funds appropriated by ARPA. We reviewed whether each transaction met the requirements of federal legislation, guidance from the U.S. Department of Education, the agreements UW-Superior signed with the U.S. Department of Education, and Uniform Guidance. To complete our testing, we requested information or supporting documentation for each transaction and interviewed UW-Superior staff.

Questioned Costs:

\$31,876

Effect:

Because unallowable costs were charged to HEERF, UW-Superior was not in compliance with federal requirements for the use of its HEERF institutional aid allocation. UW-Superior received federal reimbursement of \$31,876 for unallowable costs during FY 2021-22.

Cause:

UW-Superior indicated it was aware that alcohol sales should be excluded from lost revenue calculations and agreed that it had incorrectly included a cost center for alcohol sales in its FY 2021-22 lost revenue calculation. When this issue was identified during the audit, UW-Superior subsequently adjusted the accounting records in November 2022 to make \$30,376 available to fund additional lost revenues under the HEERF program. In December 2022, UW-Superior also adjusted the accounting records to make the \$1,500 in costs for the student entertainment available to fund additional HEERF program expenses.

☒ Recommendation

We recommend the University of Wisconsin-Superior ensure that all expenses charged to the Higher Education Emergency Relief Fund (HEERF) program are allowable, such as performing an additional review of those costs allocated to HEERF and document the performance of such a review.

Finding 2022-703: Higher Education Emergency Relief Fund—UW-Superior Institutional Aid Allowable Costs

COVID-19—Higher Education Emergency Relief Fund

(Assistance Listing number 84.425F)

<u>Award Number</u>	<u>Award Year</u>
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P425F202112	2021
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Questioned Costs: \$31,876

Type of Finding: Noncompliance

Response from the University of Wisconsin-Superior: The University of Wisconsin-Superior agrees with the audit finding and recommendation.

Finding 2022-704: Research and Development Cluster—Unallowable Costs

Background:

During FY 2021-22, UW institutions were awarded \$741.6 million in federal funding as part of the Research and Development Cluster, for which UW-Madison expended the majority of the funding. UW-Madison purchases a variety of supplies and other goods or services to conduct its research activities.

Criteria:

Under 2 CFR s. 200.303, UW-Madison is responsible for establishing and maintaining effective internal control over federal awards that provides reasonable assurance that it is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards. Further, 2 CFR s. 200.405 (a) specifies that for a cost to be allocable to a federal award the cost must be incurred specifically for the federal award; benefit both the federal award and other work; be distributed in proportions; be necessary to overall institutional operations; and be assignable, in part, to the federal award.

Condition:

We found that UW-Madison charged two unallowable costs to two federal awards during FY 2021-22. First, we found that UW-Madison charged \$54 for facilities and maintenance expenses relating to a location not used for purposes related to the federal award. Second, we found that UW-Madison charged \$596 in software license fees to a federal award. However, it is UW-Madison's practice to charge such fees to a nonfederal project.

Context:

During FY 2021-22, UW-Madison expended \$86.9 million in certain nonpayroll expenses using federal Research and Development Cluster funding. There were 84,230 transactions comprising this amount with an average dollar amount of \$1,032. We reviewed 40 such transactions to determine if the expenses were allowable under

federal regulations. To complete our testing, we requested supporting documentation and information from UW-Madison for the transactions we reviewed.

Questioned Costs:

We questioned \$650 in known questioned costs and an undetermined amount for other expenses we did not review. Because our testing was based upon a sample of payments it is likely there are additional cases where the payment is inappropriately charged to a federal award. We estimate these additional questioned costs are likely over \$25,000, which is required to be reported under 2 CFR s. 200.516.

Effect:

UW-Madison used \$650 in federal funds from the Research and Development Cluster for unallowable costs during FY 2021-22. Because unallowable costs were charged to the Research and Development Cluster, UW-Madison was not in compliance with federal requirements for the use of federal funding.

Cause:

UW-Madison staff indicated that the charges were applied to incorrect accounting codes when the expenses were originally recorded. For example, the \$54 for facilities and maintenance expenses was charged to a federal award in the accounting system due to a limitation of certain billing codes for applying such expenses to the correct location of the work. These errors were not identified or corrected during the review of the payment or of other UW-Madison monitoring activities. In December 2022 and January 2023, UW-Madison corrected these accounting codes for these transactions and transferred the expenses to nonfederal projects.

☒ Recommendation

We recommend the University of Wisconsin-Madison provide guidance and training to staff to ensure all costs are properly charged to federal award accounting codes and only costs allowable under federal regulations are charged to federal funds.

Finding 2022-704: Research and Development Cluster—Unallowable Costs

Research and Development Cluster (various Assistance Listing numbers)

<u>Award Numbers</u>	<u>Award Years</u>
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Various	Various
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Questioned Costs: \$650

Type of Finding: Noncompliance

Response from the University of Wisconsin-Madison: The University of Wisconsin-Madison agrees with the audit finding and recommendation.

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Other Agencies

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

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 FY 2021-22, DCF administered \$781.8 million in federal financial assistance.

We tested DCF's internal controls and compliance with grant requirements for Every Student Succeeds Act/Preschool Development Grants (Assistance Listing number 93.434), which is a type B grant program.

Department of Military Affairs

The Wisconsin 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 2021-22, DMA administered \$98.3 million in federal financial assistance.

We tested DMA's internal controls and compliance with grant requirements for two type A programs: National Guard Military Operations and Maintenance (O&M) Projects (Assistance Listing number 12.401) and Disaster Grants—Public Assistance (Presidentially Declared Disasters) (Assistance Listing number 97.036).

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 2021-22, DNR administered \$104.1 million in federal financial assistance.

We tested DNR's internal controls and compliance with grant requirements for the Fish and Wildlife Cluster (Assistance Listing numbers 15.605/15.611/15.626), which is a type A program.

Department of Revenue

The Department of Revenue (DOR) administers the State's major tax laws, including collecting individual income taxes, sales taxes, and corporate income taxes; programs that provide financial assistance to local governments; the Wisconsin Lottery; and the Unclaimed Property program. In FY 2021-22, DOR administered \$451.6 million in federal financial assistance. We tested DOR's internal controls and compliance with grant requirements for Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) (Assistance listing number 21.027), which is a type A program. DOA entered into memoranda of understanding with DOR to use CSLFRF funding to administer various programs to assist local governments and businesses to address the effects of the public health emergency.

Department of Transportation

The Wisconsin Department of Transportation (DOT) administers transportation programs, including those affecting highways, bridges, airports, harbors, and railroads. In FY 2021-22, DOT administered \$1.0 billion in federal financial assistance.

We tested DOT's internal controls and compliance with grant requirements for the Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (Assistance Listing number 20.106), which is a type A program. We also tested Formula Grants for Rural Areas and Tribal Transit Program (Assistance Listing number 20.509), which is a type B program.

Department of Veterans Affairs

The Wisconsin 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 2021-22, DVA administered \$54.5 million in federal financial assistance.

We tested DVA's internal controls and compliance with grant requirements for Veterans State Nursing Home Care (Assistance Listing number 64.015) program, which is a type A program.

Office of the Commissioner of Insurance

The Wisconsin Office of the Commissioner of Insurance (OCI) supervises the insurance industry in Wisconsin. The office is responsible for examining insurance industry financial practices and market conduct, licensing insurance agents, reviewing policy forms for compliance with state insurance statutes and regulations, investigating consumer complaints, and providing consumer information. The office administers two segregated insurance funds: the State Life Insurance Fund and the Injured Patients and Families Compensation Fund. In FY 2021-22, OCI administered \$142.0 million in federal financial assistance. For our FY 2021-22 audit, no grants or subgrants administered by OCI were selected for audit based on risk factors established by Uniform Guidance. However, we followed up on the progress of OCI in addressing Finding 2021-900 of the FY 2020-21 audit (report 22-5). OCI implemented corrective actions to address this finding. The Summary Schedule of Prior Audit Findings, which is prepared by management, begins on page 111 and describes the status of this finding as of the end of our audit period as well as ongoing steps to address findings that were not fully corrected.

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 2021-22, WTCS administered \$21.6 million in federal financial assistance.

We tested WTCS's internal controls and compliance with grant requirements for Career and Technical Education—Basic Grants to States (Assistance Listing number 84.048), which is a type B program.

Board of Commissioners of Public Lands

The Board of Commissioners of Public Lands (BCPL) administers various trust funds, including the Common School Fund, to support public schools and libraries. BCPL did not administer any federal financial assistance in FY 2021-22. However, as part of our audit of the State's financial statements we identified a significant deficiency in

internal control over financial reporting related to obtaining and reviewing a service organization audit report (Finding 2022-006 of report 22-26). This finding is included in Section II of the Schedule of Findings and Questioned Costs, which begins on page 83.

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Schedule of Findings and Questioned Costs

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 FY 2021-22:

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified for all major federal programs except for COVID-19—Emergency Rental Assistance Program (Assistance Listing number 21.023), which was 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:	\$30.2 million
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:	

Assistance Listing Number	Major Federal Program/Cluster
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
10.649	Pandemic EBT Administrative Costs
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.239	Home Investment Partnerships Program
15.605, 15.611, 15.626	Fish and Wildlife Cluster
17.207, 17.801	Employment Service Cluster
17.225	Unemployment Insurance
20.106	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs
20.509	Formula Grants for Rural Areas and Tribal Transit Program
21.023	Emergency Rental Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
64.015	Veterans State Nursing Home Care
84.048	Career and Technical Education—Basic Grants to States
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality Grants)
84.425A, 84.425B, 84.425D, and more	Education Stabilization Fund
93.268	Immunization Cooperative Agreements
93.434	Every Student Succeeds Act/Preschool Development Grants
93.568	Low-Income Home Energy Assistance Program
93.775, 93.777, 93.778	Medicaid Cluster
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)
Various	Research and Development Cluster

Section II

Financial Statement Findings

This schedule includes seven 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*. We consider Finding 2022-001 to be an instance of noncompliance with federal requirements that is required to be reported in accordance with Uniform Guidance. We also consider Finding 2022-001 and Finding 2022-007 to be significant deficiencies in internal control over compliance. Findings 2021-002, 2021-003, and 2021-004 from the prior year (report 21-23) are no longer reportable. Repeat findings from report 21-23 are indicated with an asterisk (*).

Finding 2022-001: Medical Assistance Program Third-Party Liability

Background:

The U.S. Department of Health and Human Services provides funding to the Department of Health Services (DHS) for the Medical Assistance (MA) Program. Funding under the MA Program is used to assist states in maintaining and expanding health care services to certain categories of low-income persons. Services provided to participants include both inpatient and outpatient services that providers bill on a fee-for-service basis. Providers submit claims for services for eligible participants in the MA Program through the Medicaid Management Information System (MMIS), which is administered by the MA Program's fiscal agent. DHS works with the fiscal agent to ensure that the MMIS system is correctly processing claims, changes to the system are approved, and an audit of system controls related to claims is completed annually.

Criteria:

Under 42 CFR ss. 433.135 through 433.154, DHS is required to make reasonable efforts to determine the legal liability of third-party insurers for MA Program participants and have processes in place to identify and assess claims to determine if a third-party may be responsible for payment. For example, certain MA Program participants are also eligible for Medicare. If the services provided to a participant could be paid by Medicare, or any other third-party insurer, the claims should first be submitted to the third-party insurer by the provider before the claims are submitted to the MA Program.

To assess the validity of a claim prior to paying a provider the approved fee-for-service rate, DHS has established validity checks within MMIS called edits. These edits include cost avoidance rules, which are a series of rules within MMIS that identify claims meeting specific criteria related to whether a third-party insurer, including Medicare, could be responsible for payment of the services provided. These rules use claim information, including participant information and type of service, to determine if a third-party insurer may be responsible for payment. If the claim meets the criteria identified in these rules, the provider claim is denied. For claims that are denied through the cost avoidance rules, the MA Program may subsequently pay some claims if the third-party insurer ultimately does not cover the services provided to the participant.

Condition:

We found one MA Program payment of \$1,956 for outpatient services that was not properly identified and denied under the cost avoidance rules in MMIS. Based upon the outpatient services of this claim, the payment should have been denied because the participant was enrolled in Medicare at the time the service was provided, and Medicare may have been responsible for payment of the service.

Context:

During FY 2021-22, based upon MA Program payment information provided by DHS, a total of \$5.2 billion was paid to providers for fee-for-service claims. During FY 2021-22, there were \$324.5 million in MA Program payments for 586,522 claims for outpatient services. Of the 40 fee-for-service claims we reviewed, seven claims were for outpatient services that had payments totaling \$6,445.

Questioned Costs:

For the \$1,956 payment we identified, we question \$1,293 as the estimated federal share. We also question an undetermined amount for other claims DHS paid using MA Program funding during FY 2021-22 for participants also enrolled in Medicare.

Effect:

DHS inappropriately used MA Program funding to make a payment for an outpatient claim that may be covered by Medicare, resulting in an improper payment under the MA Program. Further, because the cost avoidance rules are applied to all claims, it is likely there are additional claims for services provided to participants who are also enrolled in Medicare that were improperly paid.

Cause:

The improper payment we identified occurred because the cost avoidance rules were not correctly established to deny this type of claim for a participant who was also enrolled in Medicare. According to DHS staff, in 2015 DHS reviewed cost avoidance rules in MMIS related to Medicare in an effort to simplify and clarify the rules. In making and testing changes to these rules, DHS did not identify errors in claims meeting criteria similar to the one selected for testing as a part of our audit. DHS indicated that no further testing specific to these rules was performed after these cost avoidance rules were tested and implemented in 2015.

☑ Recommendation

We recommend the Wisconsin Department of Health Services:

- *review and update the Medicaid Management Information System cost avoidance rules to properly identify and deny payment for claims that may be covered by third-party insurers;*
- *identify payments made during FY 2021-22 that may have been improper due to inaccurate cost avoidance rules and seek to recover these amounts;*
- *return to the federal government recovered payments that may have been improper; and*

- *perform an assessment and implement additional procedures to review changes to cost avoidance rules in the future.*

Type of Finding: Significant Deficiency, Noncompliance

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

Finding 2022-002: Department of Administration/Division of Enterprise Technology Information Security Access Review Process

Background:

Under s. 16.971 (2), Wis. Stats., the Department of Administration (DOA) is responsible for the State's information technology (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 data centers 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, which is the State's enterprise resource planning system that includes accounting, payroll, and purchasing systems used by most state agencies.

We have reported access review concerns related to DET accounts since our FY 2015-16 audit and have made recommendations to DET to review and update access and retain documentation of such reviews. Although DET established a policy and standard regarding access reviews, it did not complete access reviews in accordance with the policy and standards for all hardware and software maintained by DET.

Criteria:

The Wisconsin Access Control Standard states that the privileges assigned to roles or classes of users must be reviewed annually to validate the need for such privileges. Further, the Standard states that access to privileged accounts must be reviewed at least every six months to determine whether the account is still required and access remains appropriate.

An effective access review process contains the following key elements:

- identification of all active user accounts, both standard and privileged, that should be reviewed;
- a timeline to review identified user accounts within appropriate time frames;
- approval of each user account's access by entity staff at an appropriate level within the entity that understands the user's access requirements; and
- a process to validate that access changes resulting from the review were completed.

In addition, it is important that access review documentation is maintained and that responsibilities for the access review process are communicated to the appropriate entity staff.

Condition:

During FY 2021-22, DET did not complete access reviews in accordance with the policy and standards for all DOA and DOA-managed user accounts. In addition, DET has not completed access reviews in some areas since we first made a recommendation as part of our FY 2015-16 audit.

Context:

We reviewed the State of Wisconsin *IT Security Policy Handbook* and related standards and made inquiries of senior management to gain an understanding of the process for reviewing access and to assess progress DET made in addressing our FY 2021-22 recommendations.

As noted, the areas of insufficient access reviews are pervasive across several different types of accounts. Further, these accounts have access to various hardware and software located in the DET data centers, which could affect all executive branch agencies.

Questioned Costs:

None.

Effect:

Access reviews are important to ensure access remains appropriate based on user responsibilities and the principle of least privilege. Because DET hosts and supports a significant number of executive branch agency systems at its data centers, users with inappropriate access have the ability to affect the computing resources and data of all state agencies with resources connected to the DET network.

Cause:

DET indicated that steps were taken in FY 2021-22 to attempt to complete user access reviews. However, DET indicated it was unable to develop clear and reproducible access reports that could be used for a regular access review process. DET indicated that in August 2022, it purchased an access management tool to automate the user access reviews and is developing plans to implement the tool in FY 2022-23. Although automating the access review process could be beneficial, this access management tool cannot be applied to all access types applicable to the DET network environment.

☒ Recommendation

We recommend the Wisconsin Department of Administration, Division of Enterprise Technology develop and complete a process by June 30, 2023, to perform access reviews in accordance with the State of Wisconsin IT Security Policy Handbook, including updating access based on the review and retaining documentation of the review and the updates made to access.

Type of Finding: Significant Deficiency

Response from Wisconsin Department of Administration, Division of Enterprise Technology:

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

Finding 2022-003: Department of Administration/Division of Enterprise Technology Information Security Policy Exception Process

Background:

Under s. 16.971(2), 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. Further, statutes require DOA to provide oversight and monitoring of state agency IT operations. As a part of DOA, DET operates data centers 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.

DOA implemented the State of Wisconsin *IT Security Policy Handbook*, which includes policies for IT security and the related standards. Executive branch agencies are expected to comply with these policies and standards, or obtain an approved exception to a policy or standard if compliance cannot be achieved. An exception is a known deviation from policies in the State of Wisconsin *IT Security Policy Handbook* and related standards. For example, DOA may approve an exception to allow an agency to deviate from an established IT security policy, such as a password policy.

We reported concerns with the process for requesting an exception during our FY 2018-19 audit and made recommendations to DET to improve its process. During our FY 2020-21 audit, we again made recommendations to DET to improve its exception process. However, DET did not make sufficient progress in addressing our recommendations in this area.

Criteria:

The compliance section of the State of Wisconsin *IT Security Policy Handbook* and related standards states that if compliance with particular policies or related standards is not feasible or technically possible, or if a deviation from a policy or standard is justifiable to support a business function, executive branch agencies can request an exception through the exception procedures established by the DOA/DET Bureau of Security. Further, the Security Policy and Standards Review and Maintenance section of the State of Wisconsin *IT Security Policy Handbook* and related standards states that the DOA/DET Bureau of Security is responsible for coordinating the review and tracking of exception requests to the IT security policies and standards.

An effective exception process contains the following key elements:

- identification of situations where established processes or configurations do not comply with established policies;
- a process to report exceptions to these policies by entity staff at an appropriate level within the entity;

- an assessment of the exception requested that considers risks to the entity of authorizing the exception and potential compensating controls that could be implemented;
- approval of exceptions at an appropriate level within the entity that understands the policies and risks; and
- regular review of approved exceptions, such as annually, to ensure risks remain acceptable and to consider if changes can be made to alleviate the need for an exception.

In addition, it is important that documentation of exception requests and approvals be maintained and that the responsibilities for the exception process are appropriately communicated.

Condition:

In response to recommendations from our FY 2020-21 audit, DET indicated it would review its new dashboard that identifies exceptions to the State of Wisconsin *IT Security Policy Handbook*, as self-reported by executive branch agencies. DET also indicated it would work with executive branch agencies to ensure any exceptions identified in this review were drafted and approved by September 30, 2022. However, as of June 30, 2022, DET completed a preliminary analysis of the dashboard, identified instances of noncompliance, and indicated that meetings were held to assist agencies in becoming compliant with the policies. However, DET did not provide sufficient documentation to support that these meetings were held, the discussions that occurred, and the steps that agencies were taking to become compliant. Further, there were no new exceptions drafted, even though agencies were not following all policies, standards, and procedures in the State of Wisconsin *IT Security Policy Handbook*. We followed up with DET in October 2022, and found that executive branch agencies were asked to draft exceptions and provide them to DET by November 30, 2022.

In response to recommendations from our FY 2020-21 audit, DET had indicated that by March 30, 2022, it would perform an assessment of current exceptions, identify the risks related to approving the exceptions, and consider potential compensating controls. In completing testing during our FY 2021-22 audit, we found DET remediated 2 of 13 policy exceptions we identified during our FY 2020-21 audit and prepared draft exceptions for 3 others.

DET also had indicated that it would review approved exceptions on a quarterly basis to assess if the approval of the exception should continue. Although DET provided a spreadsheet that indicated that it was tracking some exceptions, the documentation did not include evidence that DET consistently communicated with the agency regarding the continued need for the exception or an assessment of the risks related to the exception. For example, in December 2021 DET requested an agency provide additional information regarding an exception. However, DET did not provide a due date for its request. As of October 2022, there was no response from the agency, or documentation that DET had followed up with the agency on its request.

Finally, DET indicated it would review its exceptions procedure and forms, make revisions to ensure exceptions are properly submitted and approved, and communicate relevant procedures and responsibilities to DET and executive branch

agencies by March 30, 2022. DET did not complete a review or make updates to its exceptions procedure and forms by March 30, 2022, or before the end of FY 2021-22.

Context:

We reviewed the State of Wisconsin *IT Security Policy Handbook* and related standards, made inquiries of DET staff, reviewed approved exceptions, and evaluated the design of the existing exception process.

We evaluated the new dashboard for agency compliance with the State of Wisconsin *IT Security Policy Handbook* and related standards. We compared the dashboard results against the spreadsheet of approved and in progress exceptions. We identified concerns with the exception process across nine policy areas in the State of Wisconsin *IT Security Policy Handbook* and related standards.

Most state agencies use computer systems that are located on the mainframe or on servers maintained in the DET data centers. Therefore, IT weaknesses at one agency can affect IT security for other agencies.

Questioned Costs:

None.

Effect:

Without a strong information security policy exception process in place, DET does not have an appropriate awareness of areas where policies are not being followed. As a result, weaknesses in the overall security in the state network may not be identified or corrected.

In our review of compliance with nine policies and standards in the State of Wisconsin *IT Security Policy Handbook* and related standards, as reported in the Policy Standards and Procedures dashboard by four executive branch agencies, we identified 34 areas of noncompliance or partial noncompliance with the policies and standards for which there was not an approved exception.

Cause:

DET did not have adequate procedures in place for administering the exceptions process and did not develop an efficient training process to address agency staff turnover. Documentation provided by DET indicated that DET did not communicate regularly with executive branch agencies regarding the status of exceptions, establish timelines for agency responses to DET's inquiries, or escalate to senior management when an agency was not responding to DET's inquiries. In addition, DET did not have procedures for escalating executive branch agency noncompliance with the State of Wisconsin *IT Security Policy Handbook* and related standards, to senior management within the particular agency and within DOA.

DET staff indicated that other priorities, including resolving questions and issues arising from other third-party audits of DET, were assessed as higher priority than addressing the recommendations in this area.

☑ Recommendation

We recommend the Wisconsin Department of Administration, Division of Enterprise Technology:

- *complete by January 31, 2023, a review of its existing IT security exception process and make revisions to the process, including developing a procedure for escalating noncompliance with established policies to senior management within the Department of Administration and within the particular executive branch agency;*
- *develop an exception process training program and communicate the relevant training program and exception process procedures and responsibilities to its staff and executive branch agency staff by January 31, 2023; and*
- *complete and document its review and assessment of processes and configurations that do not comply with established policies, complete approvals of exceptions when changes to processes cannot be made timely, maintain documentation of discussions and meetings with agency staff as the review and assessment of exceptions are completed, and complete this review and approval of exceptions by March 31, 2023.*

Type of Finding: Significant Deficiency

Response from the Wisconsin Department of Administration, Division of Enterprise

Technology: The Wisconsin Department of Administration agrees with the audit finding and recommendations.

Finding 2022-004: Department of Administration Information Technology Oversight and Monitoring Responsibilities*

Background:

DOA is responsible for the State's IT services, including providing oversight and monitoring of executive branch agency IT operations. We first recommended that DOA develop and implement executive branch agency IT policies and standards and provide oversight and monitoring of executive branch agencies' IT operations seven years ago during our FY 2014-15 audit. During subsequent audits, we recommended that DOA take steps to identify, assess, and address risks for the State's IT environment. These steps were to include completion of a comprehensive risk management program across all executive branch agencies. DOA has taken steps including:

- implementing in FY 2018-19 the State of Wisconsin *IT Security Policy Handbook*, which includes policies for IT security and the related standards with which executive branch agencies are expected to comply;

- developing in FY 2019-20 a risk assessment plan, which contained a plan for improving vulnerability management and completing penetration testing;
- initiating efforts in FY 2020-21 to develop a baseline understanding of agency compliance, with the State of Wisconsin *IT Security Policy Handbook* and related standards; and
- implementing and configuring in FY 2021-22 a new vulnerability management tool.

During our FY 2020-21 audit (report 21-23), we found that DOA did not collect needed information from all executive branch agencies, and DOA did not establish a plan for other important monitoring steps, such as analyzing the effectiveness of the procedures established by executive branch agencies. At that time, we recommended that DOA improve its monitoring program, perform ongoing vulnerability assessments, and update its risk assessment program.

Criteria:

Wisconsin Statutes give DOA responsibility for the State's IT services. Under s.16.971 (2), Wis. Stats., DOA is required to work with executive branch agencies to establish IT policies, procedures, and planning processes. In addition, statutes require DOA to monitor adherence to these policies, procedures, and processes. Further, statutes require DOA to provide oversight and monitoring of executive branch agency IT operations, which includes 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.

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

National Institute of Standards and Technology (NIST) 800-137 *Information Security Continuous Monitoring (ISCM) for Federal Information Systems and Organizations* indicates that ongoing monitoring is a critical part of an organization's risk management process. In addition, an organization's overall IT security architecture and accompanying security program should be monitored to ensure that organization-wide operations remain within an acceptable level of risk despite any changes that occur. Key steps in effective monitoring include:

- developing and communicating the policies, procedures, and standards that form the security framework;
- collecting information on the effectiveness of the policies, standards, and procedures;

- analyzing the information collected;
- responding to the results of the analyses; and
- reviewing and updating the monitoring program.

Condition:

During our FY 2021-22 audit, we found again that DOA did not have sufficient oversight and monitoring in place to ensure executive branch agency adherence to the State of Wisconsin *IT Security Policy Handbook* and related standards. DOA completed and published a baseline dashboard of agency compliance with the *IT Security Policy Handbook* and related standards, based on information self-reported by executive branch agencies. DOA completed a preliminary analysis of the dashboard, identified instances of noncompliance, and indicated that meetings were held to assist agencies in becoming compliant with the policies. However, DOA did not provide sufficient documentation to support that these meetings were held, the discussions that occurred, and the steps that agencies were taking to become compliant. We include recommendations in Finding 2022-003 for DOA to improve its information security policy exception process that will help address these concerns.

Given its statutory responsibilities, it would be expected that DOA would review agency procedures to assess the accuracy of the self-reported information, and the effectiveness of the procedures established by the executive branch agencies. However, DOA did not take sufficient steps to assess the accuracy of the agency-reported information. DOA indicated that it performed some reviews of agency procedures to assess compliance with the IT policies. However, DOA did not provide documentation to support that these reviews were completed, and DOA indicated it had no plans to conduct additional reviews. In our review of agency compliance with the State of Wisconsin *IT Security Policy Handbook* and related standards, we found that certain controls reported by four agencies in the dashboard as being compliant were not compliant based on our audit work. For example, two agencies assessed their personnel termination status as implemented. However, the agencies' timelines to disable access exceeded the timeline listed in the standard. Another agency assessed its business continuity plan test as implemented. However, upon discussion with the agency, the planned test was canceled due to lack of staff availability.

During FY 2021-22, DOA worked with executive branch agencies to implement a new vulnerability management tool. As of June 30, 2022, 14 of 19 agencies had implemented the new tool. However, a licensure issue resulted in changes to how DOA planned to use the vulnerability tool, at least in the short term. As a result, DOA did not establish plans for how ongoing vulnerability assessments would be performed, or how DOA would respond to those assessments and make changes to the State's IT environment.

Finally, due to the implementation issues with the new vulnerability tool, DOA did not make further progress in the development of its risk assessment plan. In addition, DOA did not update its risk assessment plan to include consideration of the risks related to known deviations from policies in the State of Wisconsin *IT Security Policy Handbook* and related standards. For example, DOA may approve an exception to allow an agency to deviate from an established IT security policy, such as a password policy. Although deviations from the policies have been approved, the deviations may bring additional risk that DOA should consider in its oversight and monitoring of the State's IT environment. In Finding 2022-003, we make recommendations for DOA to improve the information security policy exception process.

Context:

State agencies rely on computer systems to complete critical functions, including processing checks, accounting for cash receipts, preparing financial statements, and administering federal grant programs. DOA is responsible for ensuring these computer systems are properly secured. We interviewed key DOA staff to gain an understanding of the steps that were taken by June 30, 2022, to provide oversight and monitoring of executive branch agency IT operations and adherence to the State of Wisconsin *IT Security Policy Handbook* and related standards. We also interviewed key DOA staff to gain an understanding of DOA's plans for utilizing the new enterprise vulnerability management tool to identify vulnerabilities with security patch, configuration, and regulatory compliance issues. We evaluated the baseline dashboard of executive branch agency compliance with the State of Wisconsin *IT Security Policy Handbook* and related standards. We compared the dashboard results against our review of agency compliance with certain IT policies and standards for four executive branch agencies.

Because DOA has responsibility to provide oversight and monitoring over IT operations for executive branch agencies, and because there are connections among agencies in the State's network, IT weaknesses at one agency can affect IT security for other agencies.

Questioned Costs:

None.

Effect:

For FY 2021-22, DOA did not comply with s.16.971 (2), Wis. Stats., which requires DOA to provide oversight and monitoring of executive branch agency IT operations and adherence to the State of Wisconsin *IT Security Policy Handbook* and related standards. Insufficient monitoring of agency IT environments can 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 indicated that executive branch agencies were not always responsive to requests to discuss noncompliance with the State of Wisconsin *IT Security Policy Handbook* and related standards, and the steps needed to address the noncompliance. However, DOA did not have procedures to assist its staff in understanding when and how to escalate to senior management within the particular agency and within DOA when agencies were not responsive.

DOA did not establish a monitoring process to analyze the accuracy of the agency-reported information or to assess the effectiveness of executive branch agency controls. DOA should develop a plan for the review of agency procedures. This plan could include different levels of review based on an assessment of risk to the State's IT environment and could be cycled to smooth the effort over a period of time.

Finally, DOA indicated that it encountered licensure issues in implementing the new vulnerability management tool, which delayed its comprehensive use of the tool for ongoing monitoring and precluded additional updates to its risk assessment program.

☑ Recommendation

We recommend the Wisconsin Department of Administration, Division of Enterprise Technology comply with its statutory responsibilities to provide oversight and monitoring of executive branch agency adherence to the State's IT policies by:

- *using its statutory authority to ensure executive branch agencies conform with the State's IT policies and standards or obtain an approved exception by March 31, 2023;*
- *developing and communicating to executive branch agencies by March 31, 2023, a monitoring plan to review the effectiveness of agency-reported information in the dashboard, including how the Department of Administration will report results to the agency and expected timelines for agencies to correct the noncompliance with the State's IT policies and standards or obtain an approved exception;*
- *establishing detailed plans by June 30, 2023, for how it will perform ongoing vulnerability assessments with the new vulnerability management tool, respond to those assessments, and make changes to further strengthen the State's IT environment; and*
- *continuing to update its risk management program including considering the risks related to approved policy exceptions and remediating known vulnerabilities.*

Type of Finding: Significant Deficiency

Response from the Wisconsin Department of Administration, Division of Enterprise Technology: The Wisconsin Department of Administration agrees with the audit finding and recommendations.

Finding 2022-005: Financial Reporting for the Medical Assistance Program

Background:

The financial activity of programs administered by DHS, which includes the MA Program, is reported as part of the State's General Fund in the State's Annual Comprehensive Financial Report (ACFR). The MA Program provides health care services to certain categories of low-income persons. The MA Program is significant to the General Fund and, as a result, consideration of the activity of this program and changes in the program are critical to accurate financial reporting.

In FY 2021-22, DHS claimed additional federal funds for the MA Program, as allowed by Section 9817 of the American Rescue Plan Act of 2021. The claim amount was calculated based upon an increase in the federal medical assistance percentage

(FMAP) rate by 10 percent for certain home and community-based services provided to participants during the period April 1, 2021, through March 31, 2022. To claim the increased FMAP rate, DHS made several adjustments primarily related to the allowable portion of monthly capitation payments. These adjustments resulted in the receipt of federal funds totaling \$329.2 million during FY 2021-22. Further, an additional \$75.5 million was received in FY 2022-23 that related primarily to certain services provided to participants on a fee-for-service basis during the period from April 1, 2021, through March 31, 2022.

Federal regulations require the funds derived from the increased FMAP to be reinvested in the MA Program to implement or supplement home and community-based services to participants. DHS is required to return to the federal government any remaining amount that is unexpended as of March 31, 2025. During FY 2021-22, DHS had reinvested \$50.6 million of these funds.

Criteria:

For use in preparing the financial statements of the State's General Fund as reported in the ACFR, DHS is responsible for preparing adjustments in accordance with Governmental Accounting Standards Board (GASB) standards and submitting this information to the Department of Administration State Controller's Office (DOA-SCO). The *Uniform GAAP Conversion Policies and Procedures Manual*, which is published by DOA-SCO, provides guidance to state agencies in preparing adjustments. Using the requirements of the accounting standards promulgated by GASB, Section V-18 of the manual includes requirements related to the appropriate reporting of amounts received related to a federal grant program.

Condition:

DHS did not consider whether the additional funds derived from the increased FMAP required an adjustment to properly report the activity in the General Fund financial statements. At our request, DHS reviewed the process used to claim and receive these funds as well as the federal requirements related to the use of these funds. From this analysis, DHS concluded that the \$75.5 million in federal funds it received in FY 2022-23 should have been accrued both as a receivable and as a federal revenue for FY 2021-22. In addition, because the federal government required the funds to be reinvested in certain MA Program services, the unspent balance of \$278.6 million as of June 30, 2022, as well as the \$75.5 million received in FY 2022-23, should have been reported as a restriction of the General Fund's fund balance in the financial statements.

Context:

We interviewed DHS staff to gain an understanding of the federal requirements related to the receipt of the funds derived from the increased FMAP and reviewed the federal regulations related to the future use of these amounts. We also reviewed claim adjustments processed throughout FY 2021-22 and adjustments subsequent to the end of FY 2021-22 to verify activity related to the funds.

Questioned Costs:

None.

Effect:

The Intergovernmental Revenue account on the Statement of Revenues, Expenditures, and Changes in Fund Balance and Due from Other Government account on the

Balance Sheet were understated by \$75.5 million for the General Fund. In addition, Fund Balance—Restricted was understated by \$354.1 million and Fund Balance—Unrestricted was overstated by \$354.1 in the General Fund Balance Sheet.

Cause:

DHS staff responsible for financial reporting discussed MA Program activity with staff responsible for accounting and monitoring the MA Program to identify potential adjustments that may have been needed to the FY 2021-22 General Fund financial statements. These discussions were not sufficient to identify the need for an adjustment related to the receipt and future use of the funds derived from the increased FMAP.

☒ Recommendation

We recommend the Wisconsin Department of Health Services:

- *develop and implement additional procedures to evaluate the potential effects of changes in the programs that it administers; and*
- *use the additional procedures to evaluate changes that may require further consideration and adjustments for financial reporting purposes.*

Type of Finding: Significant Deficiency

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

Finding 2022-006: Common School Fund—Service Organization Internal Controls

Background:

The Board of Commissioners of Public Lands (BCPL) administers the Common School Fund, which accounts for proceeds from the sale of land granted by the federal government to Wisconsin when it became a state. The state Constitution established that the proceeds from the sale of the public lands be invested and held in perpetuity in the Fund, and the investment income be distributed as library aids to school districts.

2015 Wisconsin Act 60 expanded BCPL's investment authority, which allowed it to consider a broader array of investments for the Common School Fund assets. Prior to this time, the Common School Fund assets were limited to investments in certain municipal bonds and notes. Since that time, BCPL has expanded its investments to include equities and limited partnerships.

Criteria:

Management is responsible for the proper design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial information that is free from material misstatement. This includes instances in which management contracts with a service organization, which is an organization that provides services to another entity and those services are relevant to the entity's

internal controls over financial reporting. For example, an entity may use a service organization to process financial transactions or an entity may outsource some of its accounting functions to a service organization.

When using a service organization, the entity should gain assurances that the internal controls at the service organization are operating effectively because weaknesses in the service organization's internal controls could affect the financial activity of the entity. Such assurances could be gained through a service organization audit, which includes a report on the service organization's internal controls by an independent auditor. One type of audit that may be completed includes an opinion on the fairness of management's description of the internal controls in place at the service organization, whether the auditor believes the service organization's internal controls are suitably designed to achieve the internal control objective, and whether the service organization's internal controls are effective at achieving the internal control objective.

If an entity relying on a service organization does not obtain a service organization audit report, the entity should ensure it has assessed the work being completed by the service organization, and has implemented procedures to ensure the accuracy of processing completed by the service organization and of the information provided by the service organization.

Condition:

BCPL maintains a service agreement with a custodian bank, which is responsible for conducting purchases and sales of investments as authorized by BCPL. The custodian bank makes wire transfers for capital calls for limited partnership investments, collects income, and keeps cash and investment holdings for the Common School Fund. BCPL also relies on accounting and investment reports prepared by the custodian bank, including reporting the fair value of investments to BCPL, which are used for financial reporting. The custodian bank performs certain services for BCPL that classify it as a service organization.

Although BCPL relies on the custodian bank, it did not document its assessment of its reliance on the custodian bank, it did not obtain a service organization audit report from its custodian bank, nor did it perform other procedures sufficient to reduce risk. For example, BCPL could request its custodian bank to provide a SOC 1, Type 2 service organization audit report, which would provide an independent auditor's opinion on the design and effectiveness of the custodian bank's internal controls that are important to BCPL's financial reporting. BCPL could also assess the reliance placed on its custodian bank and reduce its risks by performing other procedures, such as reviewing the investment valuation provided by its custodian bank to provide assurance of its accuracy.

Context:

We reviewed BCPL's investment records for the Common School Fund and discussed its investment procedures, including the services provided by its custodian bank. When we inquired about the internal controls related to the custodian bank, we learned that BCPL did not obtain a service organization audit report from its custodian bank. The Common School Fund investment assets have increased from \$496.4 million as of June 30, 2015, to \$981.1 million as of June 30, 2022, an increase of \$484.7 million, or 97.6 percent.

Questioned Costs:

None.

Effect:

The custodian bank may have internal control deficiencies about which BCPL is unaware that could affect the investments or financial reporting for the Common School Fund.

Cause:

BCPL staff indicated that the custodian bank would provide a service organization audit report. However, BCPL staff did not know which specific internal controls at the custodian bank were important and, therefore, needed to be tested by a service organization auditor.

Because a service organization audit report provides an opinion on whether internal controls of the service organization are operating effectively, BCPL could obtain a service organization audit report as an additional tool to assess whether its custodian bank has effective internal controls in place and to assess whether any identified deficiencies should be further discussed and addressed with respect to BCPL transactions and holdings. In addition, BCPL could use the service organization audit report to assess whether appropriate and sufficient internal controls are in place at BCPL to complement the internal controls at the custodian bank.

☒ Recommendation

We recommend the Wisconsin Board of Commissioners of Public Lands:

- *complete and document an assessment of its reliance on its custodian bank; and*
- *determine and implement internal controls as appropriate to ensure the accuracy of information it receives from the custodian bank; or*
- *obtain a service organization audit report from its custodian bank, assess and document its review of the effectiveness of the custodian bank's internal controls as reported in the service organization audit report, and assess and document its review of the service organization audit report to ensure appropriate and sufficient internal controls are present at the Board of Commissioners of Public Lands to complement the internal controls at the custodian bank.*

Type of Finding: Significant Deficiency

Response from the Board of Commissioners of Public Lands: The Wisconsin Board of Commissioners of Public Lands agrees with the audit finding and recommendations.

Finding 2022-007: UW System Information Technology Internal Control Deficiencies

Background:

In April 2021, the University of Wisconsin (UW) System implemented ShopUW+ (SUW) as a new procure-to-pay procurement system that integrates approval of purchases among all 13 UW institutions. Similar to other systemwide applications, UW System Administration was responsible for administering SUW, including developing systemwide policies and ensuring adequate internal controls. SUW is a cloud-based system, and some SUW activities are integrated with UW System's accounting system, the Shared Financial System (SFS). For example, SUW system roles responsible for providing approvals on UW purchases are authorized by designated individuals at each UW institution. Certain other roles are provisioned through a formal process within SFS. The process to provide SUW approval access, and subsequently monitor this access, was different than with SFS.

Criteria:

Under s. 36.09 (1), Wis. Stats., the Board of Regents is vested with the primary responsibility for the governance of UW System. In discharging this responsibility, compliance with local, state, and federal regulations is necessary to protect institutional and research data. *UW System Administrative Procedure 1031.B Information Security: Data Protections* requires that information technology systems follow operating system-specific best practices for system management and security. Such best practices include limiting access to those individuals who need access to complete properly separated job duties and periodically reviewing the access provided to ensure it remains appropriate.

According to the National Institute of Standards and Technology (NIST) *Cybersecurity Framework and NIST 800-53 Release 5*, when an entity uses a cloud-based third-party to process financial transactions or it outsources some of its information technology functions, the entity should consider whether assurances are needed to ensure the third-party internal controls are operating effectively. Weaknesses in the third-party's internal controls could affect the financial activity of the entity. These assurances are typically provided through a service organization audit report, which is a report on the service organization's internal controls by an independent auditor.

A service organization audit report is intended to meet the needs of management of user entities, such as UW System Administration, and user entities' auditors. One type of audit that may be completed includes an opinion on the fairness of management's description of the internal controls in place at a service organization, whether the auditor believes those controls are suitably designed to achieve the internal control objective, and whether the internal controls are effective at achieving the control objective.

Condition:

We identified two concerns with the internal controls over SUW. First, we found that UW System Administration had not formally documented that UW institutions should periodically review approval access authorized within the SUW application. We also note that these approval roles within SUW were not included in the SFS access review process conducted by UW institutions. UW System Administration provides weekly reports of employee job changes to assist UW institutions in monitoring SUW approval access. Although UW System Administration staff indicated that certain UW institution

staff were responsible for conducting a review of this report to monitor SUW-authorized access, there was no established procedure nor any systemwide monitoring to ensure that each UW institution completed such a review. We contacted four UW institutions and only one UW institution identified the weekly job change report provided by UW System Administration as part of their process to review SUW approval access.

Second, UW System Administration did not obtain a service organization audit report from its third-party SUW vendor during FY 2021-22 to provide assurances that the vendor had appropriate internal controls in place and that they were operating effectively. Because UW System Administration did not obtain the annual service organization audit report, it also did not consider the adequacy of certain activities that UW System should have in place to ensure reliance on the third-party vendor's internal controls, such as reviewing SUW access authorized by UW institutions.

Context:

We reviewed the SFS and SUW systems, which include internal controls over certain UW institution expenses reported in the FY 2021-22 financial statements and certain federal grant programs. During FY 2021-22, UW System approved \$1.3 billion in payments through access authorized within SUW. We also assessed established UW systemwide policies requiring adequate internal controls and procedures to ensure that each UW institution complied with these policies. In addition, we reviewed a UW System Office of Internal Audit report on certain SUW internal controls that was completed in March 2022. We further discussed the SFS and SUW access review process with UW System Administration and certain UW institutions. We performed transaction testing to review a sample of payments, including those approved through SUW, to ensure the transactions were appropriately approved. We discussed management of service organization audit reports with UW System Administration staff.

Questioned Costs:

None.

Effect:

Access reviews are important to ensure access remains appropriate based on user responsibilities and the principle of least privilege. Failure to monitor access can lead to inappropriate access to sensitive data or inappropriate transaction approvals. Although it can be difficult to determine how information security concerns affect the financial statements and material compliance areas, ineffective information security controls may permit controls over individual systems to operate improperly and may allow financial statement misstatements and noncompliance to occur and not be detected.

Cause:

UW System Administration had emphasized with UW institutions that each UW institution was responsible for granting appropriate access for SUW approvers. However, UW System Administration had not communicated in writing the responsibility of UW institutions to conduct periodic access reviews for SUW approval roles nor did UW System Administration include SUW approval roles in the SFS access review process due to the large number of approvers. UW System Administration is currently working on the Administrative Transformation Program (ATP), which will replace certain systemwide information technology applications, and it currently plans to retain SUW when the ATP project is completed. Therefore, UW System Administration should take further steps to clarify and monitor UW institution review requirements for SUW approval access.

UW System Administration performed a risk assessment in 2019 prior to contracting with the cloud-based third-party vendor to assess the vendor's internal controls, including security provisions. In addition, UW System's contract with the cloud-based third-party vendor provides for a service organization audit report. However, no UW System Administration staff were assigned the responsibility or requirement to annually obtain and review such a report. As the application owner, UW System Administration should obtain and review a service organization audit report at least annually. Because UW System's current ATP project is planning to rely on additional cloud-based third-party vendors to administer aspects of these new systemwide applications, it is important for UW System Administration to establish systemwide policies to adequately monitor cloud-based third-party vendor internal controls.

☑ Recommendation

We recommend the University of Wisconsin System Administration improve its oversight of the ShopUW+ application by:

- *developing a written requirement for University of Wisconsin institutions to periodically review ShopUW+ approval access and communicating this requirement to all University of Wisconsin institutions;*
- *developing a procedure to monitor the compliance of all University of Wisconsin institutions with the requirement for periodic review of ShopUW+ approval access;*
- *developing a policy to require periodic review of the adequacy of certain cloud-based third-party vendors' internal controls, such as by assigning the responsibility to obtain a service organization audit report and ensuring such reports are reviewed; and*
- *annually obtaining and reviewing relevant service organization audit reports.*

Type of Finding: Significant Deficiency

Response from the University of Wisconsin System Administration: The University of Wisconsin System Administration agrees with the audit finding and recommendations.

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 251.

Repeat findings from report 22-5 are marked with an asterisk (*).

U.S. DEPARTMENT OF AGRICULTURE

Wisconsin Department of Health Services

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-302 p. 52	10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Reporting in the Schedule of Expenditures of Federal Awards	\$ 0
TOTAL U.S. DEPARTMENT OF AGRICULTURE				\$ 0

U.S. DEPARTMENT OF LABOR

Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-600* p. 66	17.225	COVID-19—Unemployment Insurance	Reporting	\$ 0
2022-600* p. 66	17.225	Unemployment Insurance	Reporting	0
TOTAL U.S. DEPARTMENT OF LABOR				\$ 0

U.S. DEPARTMENT OF THE TREASURY

Wisconsin Department of Administration

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-103 p. 42	21.019	COVID-19—Coronavirus Relief Fund	Reporting in the Schedule of Expenditures of Federal Awards	\$ 0

U.S. DEPARTMENT OF THE TREASURY *(continued)***Wisconsin Department of Administration** *(continued)*

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-102* p. 38	21.023	COVID-19—Emergency Rental Assistance Program	Documentation to Support Applicant Eligibility and Benefit Payments	\$ 52,562
2022-100 p. 34	21.027	COVID-19—Coronavirus State and Local Fiscal Recovery Funds	Unallowable Costs	161,363
2022-103 p. 42	21.027	COVID-19—Coronavirus State and Local Fiscal Recovery Funds	Reporting in the Schedule of Expenditures of Federal Awards	0

Wisconsin Department of Health Services

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-302 p. 52	21.027	COVID-19—Coronavirus State and Local Fiscal Recovery Funds	Reporting in the Schedule of Expenditures of Federal Awards	\$ 0
2022-304 p. 57	21.027	COVID-19—Coronavirus State and Local Fiscal Recovery Funds	Monitoring of Local and Tribal Health Department Response and Recovery Support Program Expenditures	0
TOTAL U.S. DEPARTMENT OF THE TREASURY				\$ 213,925

U.S. DEPARTMENT OF EDUCATION**Department of Public Instruction**

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-400 p. 62	84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Federal Funding Accountability and Transparency Act Reporting	\$ 0

University of Wisconsin System

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-701 p. 72	84.425F	COVID-19—Higher Education Emergency Relief Fund	UW-La Crosse Institutional Aid Allowable Costs	\$ 127,448

U.S. DEPARTMENT OF EDUCATION *(continued)***University of Wisconsin System** *(continued)*

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-702 p. 74	84.425F	COVID-19—Higher Education Emergency Relief Fund	UW-Platteville Institutional Aid Allowable Costs	24,518
2022-703 p. 75	84.425F	COVID-19—Higher Education Emergency Relief Fund	UW-Superior Institutional Aid Allowable Costs	31,876
TOTAL U.S. DEPARTMENT OF EDUCATION				\$ 183,842

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-101 p. 36	93.568	COVID-19—Low-Income Home Energy Assistance Program	Heating Benefit Calculation	\$ 0
2022-101 p. 36	93.568	Low-Income Home Energy Assistance Program	Heating Benefit Calculation	0
2022-104 p. 44	93.568	Low-Income Home Energy Assistance Program	Federal Funding Accountability and Transparency Act Reporting	0

Wisconsin Department of Health Services

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-302 p. 52	93.323	COVID-19—Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Reporting in the Schedule of Expenditures of Federal Awards	\$ 0
2022-302 p. 52	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Reporting in the Schedule of Expenditures of Federal Awards	0
2022-303 p. 55	93.268	COVID-19—Immunization Cooperative Agreements	Federal Funding Accountability and Transparency Act Reporting	0
2022-303 p. 55	93.268	Immunization Cooperative Agreements	Federal Funding Accountability and Transparency Act Reporting	0
2022-001 p. 85	93.778	Medical Assistance Program	Medical Assistance Program Third-Party Liability	1,171

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES *(continued)***Wisconsin Department of Health Services** *(continued)*

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-001 p. 85	93.778	COVID-19—Medical Assistance Program	Medical Assistance Program Third-Party Liability	122
2022-301 p. 50	93.778	Medical Assistance Program	Home and Community Based Services Unallowable Costs	3.70
2022-302 p. 52	93.778	COVID-19—Medical Assistance Program	Reporting in the Schedule of Expenditures of Federal Awards	0
2022-302 p. 52	93.778	Medical Assistance Program	Reporting in the Schedule of Expenditures of Federal Awards	0
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				\$ 1,296.70

U.S. DEPARTMENT OF HOMELAND SECURITY**Wisconsin Department of Health Services**

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-300 p. 48	97.036	COVID-19—Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Unallowable Costs	\$ 855,368
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				\$ 855,368

FINDINGS AFFECTING MULTIPLE PROGRAMS**University of Wisconsin-Madison**

<u>Finding Number</u>	<u>Assistance Listing Number</u>	<u>Federal Program</u>	<u>Finding</u>	<u>Amount Questioned</u>
2022-007 p. 101	Various	Research and Development Cluster	UW System Information Technology Internal Control Deficiencies	\$ 0
2022-700 p. 70	Various	Research and Development Cluster	Physical Inventory Requirements for Federal Equipment	0
2022-704 p. 77	Various	Research and Development Cluster	Unallowable Costs	650
TOTAL FINDINGS AFFECTING MULTIPLE PROGRAMS				\$ 650

TOTAL KNOWN QUESTIONED COSTS FOR THE STATE OF WISCONSIN**\$ 1,255,081.70**

AUDITEE SECTION

Summary Schedule of Prior Audit Findings

Federal Compliance Findings	Financial Statement Findings
pages 112-137	pages 138-142



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Jana Steinmetz, Administrator

Status of Prior Year Audit Findings

Finding: Subrecipient Designation-Coronavirus Relief Fund (2021-100)

Federal Program: COVID-19—Coronavirus Relief Fund (Assistance Listing number 21.019)

Status of Audit Finding:
Partially Corrected

Corrective action for which a date later than June 30, 2022, was identified in the Department's corrective action plan has yet to be completed. Specifically, the Department will ensure that amounts provided to subrecipients are accurately reported in the Schedule of Expenditures of Federal Awards (SEFA) concurrent with the submission of the FY 2021-22 SEFA, which is anticipated to be November 2022.

Person responsible for corrective action:

Colleen Holtan, Director
Bureau of Financial Management
Division of Enterprise Operations
Colleen.Holtan@wisconsin.gov

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STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Jana Steinmetz, Administrator

Status of Prior Year Audit Findings

Finding: Lack of Documentation-Coronavirus Relief Fund (2021-101)

Federal Program: COVID-19—Coronavirus Relief Fund (Assistance Listing number 21.019)

Status of Audit Finding:

Corrective Action Taken

Person responsible for corrective action:

Colleen Holtan, Director

Bureau of Financial Management

Division of Enterprise Operations

Colleen.Holtan@wisconsin.gov

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STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Susan Brown, Division Administrator

Status of Prior Year Audit Findings

Finding: Emergency Rental Assistance Program-Subrecipient Monitoring (2021-102)

Federal Program: COVID-19—Emergency Rental Assistance Program (Assistance Listing number 21.023)

Status of Audit Finding:
Corrective Action Taken

Person responsible for corrective action:
Susan Brown, Administrator
Division of Energy, Housing and Community Resources
Susan.Brown@wisconsin.gov



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Susan Brown, Division Administrator

Status of Prior Year Audit Findings

Finding: Emergency Rental Assistance Program-Prioritization of Applications (2021-103)

Federal Program: COVID-19—Emergency Rental Assistance Program (Assistance Listing number 21.023)

Status of Audit Finding:
Corrective Action Taken

Person responsible for corrective action:
Susan Brown, Administrator
Division of Energy, Housing and Community Resources
Susan.Brown@wisconsin.gov



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Susan Brown, Division Administrator

Status of Prior Year Audit Findings

Finding: Emergency Rental Assistance Program-Applicant Eligibility (2021-104)

Federal Program: COVID-19—Emergency Rental Assistance Program (Assistance Listing number 21.023)

Status of Audit Finding:

Corrective Action Taken

Person responsible for corrective action:

Susan Brown, Administrator

Division of Energy, Housing and Community Resources

Susan.Brown@wisconsin.gov



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Susan Brown, Division Administrator

Status of Prior Year Audit Findings

Finding: Emergency Solutions Grant Program-Monitoring Controls Over Allowable Costs (2021-105)

Federal Program: Emergency Solutions Grant Program (Assistance Listing number 14.231)
COVID-19—Emergency Solutions Grant Program (Assistance Listing number 14.231)

Status of Audit Finding:
Corrective Action Taken

Person responsible for corrective action:
Susan Brown, Administrator
Division of Energy, Housing and Community Resources
Susan.Brown@wisconsin.gov

Tony Evers
Governor



Karen E. Timberlake
Secretary

State of Wisconsin
Department of Health Services

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Fax: 608-267-6749
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DATE: August 9, 2022

TO: Sherry Haakenson, Financial Audit Director
Legislative Audit Bureau

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

SUBJECT: Status of Prior Year Audit Findings

Finding: Medical Assistance Program-Payments to Terminated Providers (2021-300)

Federal Program: Medical Assistance Program (Assistance Listing number 93.778)
COVID-19—Medical Assistance Program (Assistance Listing number 93.778)

Status of Audit Finding: Partially Corrected

DHS implemented changes to its weekly report to accurately identify all instances in which payments were made to providers who were subsequently identified to be ineligible, including identifying all claims where providers were terminated between the beginning and ending date of a service range.

DHS has not recouped improper Medical Assistance Program payments it made to five ineligible providers during FY 2020-21 for services provided after their effective termination dates. DHS Office of Legal Counsel determined that before DMS can actively recover from terminated providers, the Department needs to update its recovery process. DHS needs to ensure the Department is in compliance in cases of changes in ownership, which is the most common example of terminated providers being reimbursed. Recoupment from these providers will be attempted once this project is implemented. The project is scheduled to be implemented prior to September 30, 2022.

Person responsible for corrective action:
Nick Havens, Director
Bureau of Systems Management, Division of Medicaid Services
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Finding: Epidemiology and Laboratory Capacity for Infectious Diseases Program-Subrecipient Monitoring (2021-301)

Federal Program: Epidemiology and Laboratory Capacity for Infectious Diseases (Assistance Listing number 93.323)
COVID-19—Epidemiology and Laboratory Capacity for Infectious Diseases
(Assistance Listing number 93.323)

Status of Audit Finding: Partially Corrected

DPH completed risk assessments for every subaward as recommended by BPC. Information has been sent to Grant Administrators. DPH plans to complete risk assessments before the next round of agreements are awarded.

Person responsible for corrective action:

Elizabeth Brotheridge, Manager

Communicable Disease Administration Section, Bureau of Communicable Disease, Division of Public Health

Elizabeth.brotheridge@dhs.wisconsin.gov

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Finding: Supplemental Nutrition Assistance Program-EBT Card Security (2021-302)

Federal Program: Supplemental Nutrition Assistance Program (Assistance Listing number 10.551)
COVID-19—Supplemental Nutrition Assistance Program (Assistance Listing number 10.551)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Cory Flynn, Manager

Vendor Management Section, Bureau of Eligibility and Enrollment Policy, Division of Medicaid Services

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Finding: Epidemiology and Laboratory Capacity for Infectious Diseases Program-Performance Reporting (2021-303)

Federal Program: COVID-19—Epidemiology and Laboratory Capacity for Infectious Diseases (Assistance Listing number 93.323)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Elizabeth Brotheridge, Manager

Communicable Disease Administration Section, Bureau of Communicable Disease, Division of Public Health

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Finding: Medical Assistance Program-Audit Requirements for Managed Care Providers (2021-304)

Federal Program: Medical Assistance Program (Assistance Listing number 93.778)
COVID-19—Medical Assistance Program (Assistance Listing number 93.778)

Status of Audit Finding: Not Corrected

The provider affected by this finding will submit audited financial statements in February or March 2023. At that time, the requirement to obtain audited financial statements will be met. DHS continues to disagree with the recommendation as it relates to posting audit results to the state website.

Person responsible for corrective action:
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Finding: Coronavirus Relief Fund-Skilled Nursing Facility Incentive Program (2021-305)

Federal Program: COVID19—Coronavirus Relief Fund (Assistance Listing number 21.019)

Status of Audit Finding: Partially Corrected

The Coronavirus Relief Fund - Nursing Incentive Program was a one-time program; therefore, an approach for ongoing documentation specific to this program is not needed. The Bureau did create additional documentation for this specific program while gathering documentation for the Legislative Audit Bureau. Between the issuance of 2021-305 and the end of June, we met with our IT coordinator and management team to think through the best way to integrate processes, policies, and approvals. Planning for a work tracking system had already been underway since January of 2022. Since June, we have rolled out the work tracking system for testing to our managers before we roll out to all Bureau staff. We have and will continue to refine this system. We have scheduled a Bureau wide meeting to roll out the work tracking system to all staff on February 28, 2023. In addition, we have engaged our IT Bureau to implement an additional layer of approval in the PRISM system that the Bureau of Rate Setting uses to approve payments to capture the record of section manager approval. This is expected to be completed sometime in 2023, with user acceptance testing planned for March, 2023.

Person responsible for corrective action:

David Albino, Deputy Director
Bureau of Rate Setting, Division of Medicaid Services
David.a.albino@dhs.wisconsin.gov

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Finding: HIV Care Formula Grants Program-Eligibility (2021-306)

Federal Program: HIV Care Formula Grants (Assistance Listing number 93.917)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Amy Wick, Supervisor

HIV Care Unit, Harm Reduction Section, Bureau of Communicable Diseases, Division of Public Health

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Finding: Coronavirus Relief Fund-Unallowable Costs (2021-307)

Federal Program: COVID-19—Coronavirus Relief Fund (Assistance Listing number 21.019)

Status of Audit Finding: Not Corrected

DHS believes costs were appropriate for Coronavirus Relief Fund.

Person responsible for corrective action:

Barry Kasten, Director

Bureau of Fiscal Services, Division of Enterprise Services

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Finding: Block Grants for Prevention and Treatment of Substance Abuse-Federal Funding Accountability and Transparency Act Reporting (2021-308)

Federal Program: Block Grants for Prevention and Treatment of Substance Abuse (Assistance Listing number 93.959)

Status of Audit Finding: Partially Corrected

All Federal Funding Accountability and Transparency Act reporting, including subawards for January through April 2022, have been brought current, and FFATA reporting is being completed on a monthly basis. However, the prior year (2020-2021) line-item corrections are still in process. The anticipated completion date is August 15, 2022.

Person responsible for corrective action:

Tanya Holcomb, Manager

Expenditure Section, Bureau of Fiscal Services, Division of Enterprise Services

Tanya.holcomb@dhs.wisconsin.gov

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Finding: Security for Medical Assistance Program IT Systems (2020-301)

Federal Program: Medical Assistance Program (Assistance Listing number 93.778)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Nick Havens, Director

Bureau of Systems Management, Division of Medicaid Services

Nicholas.havens@dhs.wisconsin.gov

Thomas Haukohl, Deputy Director

Bureau of Information Technology, Division of Enterprise Services

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Department of Health Services

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Finding: Children's Health Insurance Program Participant Age (2020-303)

Federal Program: Children's Health Insurance Program (Assistance Listing number 93.767)

Status of Audit Finding: Partially Corrected

On June 10, 2022, DHS implemented a restriction in our manual certification system that prevents workers from certifying members for CHIP when they do not meet the age requirements for CHIP. If a worker tries to certify a person aged 19 or older for CHIP, the system will provide the following edit: "The Medical Status Code you have selected is not allowed for the age range of the member for the certification dates entered. Please select an appropriate Medical Status Code to proceed." This change was completed by Gainwell Technologies in collaboration with DHS staff under Change Order 119008.

DHS still plans to evaluate and correct any existing cases in which someone age 19 or older may be certified for CHIP. However, because of our implementation of continuous coverage during the public health emergency, in which BadgerCare Plus members maintain their coverage unless they pass away, move out of state, or voluntarily request to be disenrolled, we do not plan to complete this evaluation and correction process until after the federal public health emergency ends.

Person responsible for corrective action:

Jori Mundy, Director

Bureau of Eligibility and Enrollment Policy, Division of Medicaid Services

Jori.mundy@dhs.wisconsin.gov

Jonelle Brom, Director

Bureau of Eligibility Operations and Training, Division of Medical Services

Jonellem.brom@dhs.wisconsin.gov

www.dhs.wisconsin.gov

Tony Evers
Governor



Karen E. Timberlake
Secretary

State of Wisconsin
Department of Health Services

DIVISION OF ENTERPRISE SERVICES

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PO BOX 7850
MADISON WI 53707-7850

Telephone: 608-266-8445
Fax: 608-267-6749
TTY: 711 or 800-947-3529

Finding: Reporting of Commodities on the SEFA (2020-304)

Federal Program: Commodity Supplemental Food Program (Assistance Listing number 10.565)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Rebecca Mogensen, Manager

Managerial Accounting Section, Bureau of Fiscal Services, Division of Enterprise Services

Rebeccaj.mogensen@dhs.wisconsin.gov

Tony Evers
Governor



Karen E. Timberlake
Secretary

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Department of Health Services

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Finding: Food Distribution Cluster Eligibility Monitoring (2020-306)

Federal Program: Commodity Supplemental Food Program (Assistance Listing number 10.565)
Emergency Food Assistance Program (Administrative Costs) (Assistance Listing number 10.568)
Emergency Food Assistance Program (Food Commodities) (Assistance Listing number 10.569)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:
Jenny Keeley, CFSP Coordinator
Bureau of Community Health Programs, Division of Public Health
Jennifer.keeley@dhs.wisconsin.gov

Jennifer Putzer, Supervisor
Food Security Section, Bureau of Community Health Programs, Division of Public Health
Jennifer.Putzer@dhs.wisconsin.gov

Tony Evers
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Finding: Food Distribution Cluster Monitoring of Administrative Funding (2020-307)

Federal Program: Commodity Supplemental Food Program (Assistance Listing number 10.565)
Emergency Food Assistance Program (Administrative Costs) (Assistance Listing number 10.568)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:
Jenny Keeley, CFSP Coordinator
Bureau of Community Health Programs, Division of Public Health
Jennifer.keeley@dhs.wisconsin.gov

Jennifer Putzer, Supervisor
Food Security Section, Bureau of Community Health Programs, Division of Public Health
Jennifer.Putzer@dhs.wisconsin.gov

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TTY: 711 or 800-947-3529

Finding: Medical Assistance Program Provider Overpayments (2020-309, 2019-306, 2018-305)

Federal Program: Medical Assistance Program (Assistance Listing number 93.778)

Status of Audit Finding: Not Corrected

DHS continues to disagree with the finding. We are working with CMS to resolve the finding.
Additional information was provided to CMS on July 18, 2022.

Person responsible for corrective action:

Anthony Baize, Inspector General
Office of the Inspector General
Anthong.Baize@dhs.wisconsin.gov

Tony Evers
Governor



Karen E. Timberlake
Secretary

State of Wisconsin
Department of Health Services

DIVISION OF ENTERPRISE SERVICES

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

Federal Program: Medical Assistance Program (Assistance Listing number 93.778)

Status of Audit Finding: Corrective Action Taken

DHS has completed the corrective action plan for this finding. The identified claims have been sent for adjustment and the federal share of the claims has been repaid. A system project was implemented on June 30, 2021, that automates the identification and denial of claims for incarcerated members. This was done with the creation of a member status to suspend members that are incarcerated and only allow inpatient services during the time of their incarceration.

DHS has implemented improvements in the communication of inmates MA program eligibility and payment with the Department of Corrections. DHS implemented a systems change in October 2020 to collect DOC facility type when incarceration information is entered during application for benefits, renewal of benefits, or when there is a change entered on an open case. The facility type data is exchanged with MMIS and DMS staff in the EM CAPO unit update the agency/site code to appropriately apply DOC pricing.

Person responsible for corrective action:
Nick Havens, Director
Bureau of Systems Management, Division of Medicaid Services
Nicholas.havens@dhs.wisconsin.gov

www.dhs.wisconsin.gov



WISCONSIN DEPARTMENT OF
Public Instruction

Jill K. Underly, PhD, State Superintendent

Status of Prior Year Audit Findings

Finding: Education Stabilization Fund-ESSER Reporting (2021-400)

Federal Program: COVID-19—Elementary and Secondary School Emergency Relief Fund
(Assistance Listing number 84.425D)

Status of Audit Finding: Partially Corrected – As of June 30, 2022, Wisconsin DPI had drafted internal procedures for ESSER reporting and tested the procedures while completing the second year of ESSER reporting (due July 1, 2022). The procedures will be updated and finalized by July 29, 2022.

Person responsible for corrective action:
Shelly Babler, Assistant Director, Title I and School Support Team
Division for Student and School Success
shelly.babler@dpi.wi.gov

Finding: Education Stabilization Fund-Federal Funding Accountability and Transparency Act Reporting (2021-401)

Federal Program: COVID-19—Elementary and Secondary School Emergency Relief Fund
(Assistance Listing number 84.425D)

Status of Audit Finding: Partially Corrected – As of June 30, 2022, Wisconsin DPI has updated the allocation approval process to include tracking of all grants that are administered by the DPI School Financial Services team. This document is reviewed by the accountant prior to reporting the FFATA data. The WISEgrants system report update will be completed in July of 2022.

Person responsible for corrective action:
Angeline Gaster, Assistant Director, School Financial Services
Division for Finance and Management
angeline.gaster@dpi.wi.gov

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**Department of Workforce Development
Secretary's Office**
201 E. Washington Avenue
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Fax: (608) 266-1784
Email: sec@dwd.wisconsin.gov



Tony Evers, Governor
Amy Pechacek, Secretary-designee

Status of Prior Year Audit Findings - Federal

Finding: Reporting-Unemployment Insurance Program (2021-600)

Federal Program: Unemployment Insurance (Assistance Listing number 17.225)

Recommendation: Develop and implement adequate procedures for the preparation and review of the UI performance and special reports to ensure the accuracy of amounts reported to the federal government; and retain documentation that supports the amounts included in each report it submits to the federal government.

Status of Audit Finding: Partially Corrected

This finding refers to the accuracy and retention of the following three reports:

- ETA 9050 First Payment Time Lapse
- ETA 9052 Nonmonetary Determination Time Lapse, Detection Date
- ETA 2208A UI3 Quarterly Contingency Report

The recommendations are fully implemented regarding reports ETA 9050 and ETA 2208A.

The recommendations are scheduled to be fully implemented by September 30, 2022 for ETA 9052.

Person responsible for corrective action:

Name, Title: Jim Chiolino, Administrator

Division or Unit (If applicable): Unemployment Insurance Division

Email address: jim.chiolino@dwd.wisconsin.gov

Finding: Unemployment Insurance Benefit Accuracy Measurement Program-Compliance with Program Requirement (2021-601)

Federal Program: Unemployment Insurance (Assistance Listing number 17.225)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Name, Title: Jim Chiolino, Administrator

Division or Unit (If applicable): Unemployment Insurance Division

Email address: jim.chiolino@dwd.wisconsin.gov

Finding: Unemployment Insurance Benefit Accuracy Measurement Program-Lack of Supervisory Review of Investigations (2021-602)

Federal Program: Unemployment Insurance (Assistance Listing number 17.225)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Name, Title: Jim Chiolino, Administrator

Division or Unit (If applicable): Unemployment Insurance Division

Email address: jim.chiolino@dwd.wisconsin.gov

Finding: Separate Reporting of COVID-19 Expenditures on the SEFA (2020-600)

Federal Program: Unemployment Insurance (Assistance Listing number 17.225)

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Name, Title: Tami Moe, Finance Director

Division or Unit (If applicable): Administrative Services Division, Finance Bureau

Email address: tami.moe@dwd.wisconsin.gov

CC: Jim Chiolino
Tami Moe



Wisconsin Office of the
COMMISSIONER
OF INSURANCE

Tony Evers, Governor of Wisconsin
Nathan Houdek, Commissioner of Insurance

Status of Prior Year Audit Findings

Finding: 1332 State Innovation Waivers Program-Verification Audits (2021-900)

Federal Program: 1332 State Innovation Waivers (Assistance Listing number 93.423)

Status of Audit Finding:

Corrective Action Taken

Person responsible for corrective action:

Jennifer Stegall, Executive Senior Policy Advisor

Commissioner's Unit

Jennifer.Stegall@wisconsin.gov

Summary of OCI's Corrective Action

The Legislative Audit Bureau (LAB) recommended modifications to the WIHSP phase I and phase II verification audit processes. Those modifications have been implemented. The updated processes are applicable beginning with the plan year (PY) 2021 verification audit, currently underway as of May 26, 2022. A summary of the modifications is provided below.

Random Samples

An Excel template programed with the Excel RANDARRAY¹ function determines enrollees to be sampled. This same template will be used to determine which claims require proof of payment as part of the phase II audit.

Number of Enrollees Reviewed

OCI will select at least 60 enrollees for review during the phase I audits and has updated WIHSP policies and procedures to reflect a requirement that at least two enrollees are reviewed for each insurer. The number of enrollees pulled per insurer continues to be based on insurer WIHSP claim volume, however, at least two from each insurer will be reviewed. In some years, this will lead to an overall sample size of over 60 enrollees. For PY 2021, this process resulted in 65 enrollee samples.

Beginning with the PY 2021 phase II verification audit, OCI will require insurers to provide proof of payment for two claims associated with each of the individuals reviewed during phase I.

Secondary Review

OCI has implemented a secondary review process applying to a select number of enrollees and claims during both phases of the audit process.

¹ According to the Microsoft support website, "The RANDARRAY function returns an array of random numbers." <https://support.microsoft.com/en-us/office/randarray-function-21261e55-3bec-4885-86a6-8b0a47fd4d33>



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Trina Zanow, Division Administrator

Status of Prior Year Audit Findings

Finding: Department of Administration Information Technology Oversight and Monitoring Responsibilities (2021-001, 2020-002, 2019-003, 2018-004, 2017-005)

Status of Audit Finding:

Partially Corrected

Planned Corrective Action:

DET continues to work with executive branch agencies that are not in compliance with the State of Wisconsin IT Security Policy Handbook and related Standards. An updated Policy, Standards and Procedures (PSP) template will be issued on August 1, 2022, to monitor agency progress towards compliance as well as ensure compliance with the new policies and standards that were added during the last annual review. Agency response of the PSP template is requested by September 30, 2022. If an agency is not in compliance with a policy or standard, agencies will submit an exception, following the Enterprise Exception Procedure, to DET by November 30, 2022.

DET has procured and implemented a vulnerability management tool. Standard operating procedures and roles and responsibilities have been established for performing vulnerability management assessments per the established schedule and timeline. DET will continue to work with the executive branch agencies to update the Risk Assessment Plan and ensure that agencies are in compliance with the Risk Assessment Policy and related Standard. Anticipated Completion Date for the updated Risk Assessment Plan is December 30, 2022.

Person responsible for corrective action:

Alan Greenberg, CISO
Division of Enterprise Technology
Alan.Greenberg@wisconsin.gov

Finding: Implementation of IT Procedures by the Department of Administration Division of Enterprise Technology (2020-001, 2019-002, 2018-003, 2017-004, 2016-011)

Status of Audit Finding:

Partially Corrected

Planned Corrective Action:

DET is in the process of procuring an Active Directory audit tool to perform access reviews more efficiently for privileged and non-privileged accounts. Privileged account review is anticipated to be performed by December 30, 2022. Non-privileged account review is anticipated to be performed by June 23, 2023.

In May 2022, DET purchased a Security Incident and Event Management (SIEM) tool to enhance its audit logging capabilities. A project has been created to collect security event logs required by the Audit and Accountability Policy and related Standard and to retain the logs per the required state and/or federal data retention policies. Anticipated project completion date is July 31, 2023. Subsequent projects will be defined to integrate the logs from existing SIEM tools into the new tool to be able to better correlate investigations of security incidents.

DET continues to work with executive branch agencies to remove unsupported devices from the network. The last Windows 2003 server is scheduled to be decommissioned no later than September 30, 2022.

Enterprise Technology, PO Box 7844, Madison, WI 53707-7844
Phone: (608) 267-0627 | DOA.WI.GOV

Person responsible for corrective action:
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Office of Information Security

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Status of Prior Year Audit Findings

Finding: Information Security Controls at the University of Wisconsin System (2021-002)

Status of Audit Finding: Corrective Action taken

University Wisconsin System Administration (UWSA) has developed and implemented a systemwide policy monitoring program for Information Security (IS) policies, effective July 1, 2021. UW institution expectations for this effort were detailed in a February 8, 2021, memo by former President Tommy Thompson and UW System Board of Regents President Andrew Petersen.

Institutions are required to complete bi-monthly compliance reports detailing their status of compliance with existing IS policies. The formats for these reports are developed and updated by UWSA's Office of Information Security (OIS) on an annual basis based on UW System's largest areas of policy risk and to incorporate new or revised policies and policy requirements.

OIS reviews these compliance reports and makes them available to UW System leadership. The results of these reports, supplemented by policy compliance verification efforts from internal audit, influence systemwide security discussions, strategy, and resource allocation through direct and indirect means. For example, UWSA hosts the Technology and Information Security Council, a group of UW System security leaders that meet monthly to discuss ways to enhance information security practices and share strategies on meeting policy objectives. OIS has also been conducting campus visits to better understand challenges with policy compliance and to help identify and remove barriers.

Policy compliance is a never-ending journey for the UW System community as policies are continuously updated to align with evolving industry standards and regulations. The policy compliance monitoring system is one of the tools used to reduce the UW System's attack surface and risk posture.

Person responsible for corrective action:

Edward Murphy, Associate Vice President for Information Security

Office of Information Security

emurphy@uwsa.edu

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Tony Evers, Governor
Amy Pechacek, Secretary-designee

Status of Prior Year Audit Findings - Financial

Finding: Monitoring and Use of Predictive Analytics for the Unemployment Insurance Program (2021-003)

Federal Program: Unemployment Insurance (Assistance Listing number 17.225)
 COVID-19—Unemployment Insurance (Assistance Listing number 17.225)
 COVID-19—Presidential Declared Disaster Assistance to Individuals and Households - Other
 Needs (Assistance Listing number 97.050)

Recommendation 1: Seek written assurance from the U.S. Department of Labor that the predictive analytics program is meeting federal requirements for DWD to review the facts and circumstances when making decisions that affect whether or not an individual is eligible to receive benefits.

Status of Audit Finding: Partially Corrected

In 2021, DWD leadership met with US DOL leadership and explained DWD's use of Google's predictive artificially intelligent (AI) technology to develop confidence scores on the eligibility probability of the claims backlog, allowing DWD staff to work through the pending claims more strategically. During that conversation, DWD leadership asked if DOL would provide written support for DWD's use of predictive analytics in this manner. While impressed with the project, US DOL responded to the request during a subsequent call that US DOL declined to provide written assurance regarding Wisconsin's use of analytics because that was outside the role of DOL. Rather, DOL would issue guidance in the form of an Unemployment Insurance Program Letter (UIPL) that would be applicable to all states. To date, the UIPL has not been issued by DOL.

Person responsible for corrective action:

Name, Title: Lynda Jarstad, Division of Administrative Services Administrator
 Division or Unit (If applicable): Administrative Services Division
 Email address: lynda.jarstad@dwd.wisconsin.gov

Name, Title: Pamela McGillivray, Deputy Secretary
 Division or Unit (If applicable): Office of the Secretary
 Email address: pamela.mcgillivray@dwd.wisconsin.gov

Recommendation 2: Implement and document adequate procedures to monitor the ongoing accuracy of the predictive analytics model in assessing whether a hold could be appropriately removed.

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Name, Title: Lynda Jarstad, Division of Administrative Services Administrator
 Division or Unit (If applicable): Administrative Services Division
 Email address: lynda.jarstad@dwd.wisconsin.gov

Name, Title: Pamela McGillivray, Deputy Secretary
 Division or Unit (If applicable): Office of the Secretary
 Email address: pamela.mcgillivray@dwd.wisconsin.gov

Finding: Access Controls over Unemployment Insurance Program Systems (2021-004, 2020-601)

Federal Program: Unemployment Insurance (Assistance Listing number 17.225)

COVID-19—Unemployment Insurance (Assistance Listing number 17.225)

COVID-19—Presidential Declared Disaster Assistance to Individuals and Households - Other Needs (Assistance Listing number 97.050)

Recommendation 1: Complete full implementation of its corrective action plan by March 2022.

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Name, Title: Lynda Jarstad, Division of Administrative Services Division Administrator

Division or Unit (If applicable): Administrative Services Division

Email address: lynda.jarstad@dwd.wisconsin.gov

Name, Title: Neeraj Kulkarni, Chief Information Officer/Information Technology Director

Division or Unit (If applicable): Administrative Services Division, Bureau of Information Technology

Email address: Neeraj.kulkarni@dwd.wisconsin.gov

Recommendation 2: Address the specific concerns included in the confidential communication by June 2022.

Status of Audit Finding: Corrective Action Taken

Person responsible for corrective action:

Name, Title: Lynda Jarstad, Division of Administrative Services Division Administrator

Division or Unit (If applicable): Administrative Services Division

Email address: lynda.jarstad@dwd.wisconsin.gov

Name, Title: Neeraj Kulkarni, Chief Information Officer/Information Technology Director

Division or Unit (If applicable): Administrative Services Division, Bureau of Information Technology

Email address: neeraj.kulkarni@dwd.wisconsin.gov

CC: Pamela McGillivray
Lynda Jarstad
Neeraj Kulkarni

**State of Wisconsin Schedule of
Expenditures of Federal Awards
for the Year Ended June 30, 2022**

STATE OF WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
U.S DEPARTMENT OF AGRICULTURE:					
		Direct Grants:			
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DATCP	4,256,394	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DNR	75,133	0
10.025	AP22VSSP 0000C024; AP21VSD& B000C078	Plant and Animal Disease, Pest Control, and Animal Care	UW-Madison	55,662	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care	UW-Madison	84,500	0
		Total Federal Program 10.025		4,471,689	0
10.028		Wildlife Services	DNR	204,912	0
10.093		Voluntary Public Access and Habitat Incentive Program	DNR	163,926	0
10.170		Specialty Crop Block Grant Program - Farm Bill	DATCP	651,361	432,462
10.170		Specialty Crop Block Grant Program - Farm Bill (from DATCP)	UW-Madison	149,100	62,349
10.170	AM200100XXXXG06 0	Specialty Crop Block Grant Program - Farm Bill (from DATCP)	UW-Whitewater	2,724	0
		Total Federal Program 10.170		803,185	494,811
10.171		Organic Certification Cost Share Programs	DATCP	497,391	482,633
10.174	21ACERWI1006-00	Acer Access Development Program	UW-Madison	85,394	0
10.175		Farmers Market and Local Food Promotion Program	UW System Administration	102,285	0
10.175	AM200100XXXX G143; 21FMPPWI1016-00; 21LFPPWI1032-00	Farmers Market and Local Food Promotion Program	UW-Madison	169,359	28,958
		Total Federal Program 10.175		271,644	28,958
10.176		Dairy Business Innovation Initiatives	UW-Madison	3,155,527	2,519,590
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	1,326,962	0
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	27,846	0
10.217		Higher Education - Institution Challenge Grants Program	UW-Milwaukee	7,894	7,894
10.304	2021-37624-35554	Homeland Security Agricultural	UW-Madison	225,439	0
10.310	2021-67011-35151	Agriculture and Food Research Initiative (AFRI)	UW-Madison	47,137	0
10.310	2021-67034-35170	Agriculture and Food Research Initiative (AFRI)	UW-Madison	58,959	0
10.310	2021-67034-35172	Agriculture and Food Research Initiative (AFRI)	UW-Madison	56,780	0
10.310		Agriculture and Food Research Initiative (AFRI)	UW-Madison	173,626	0
		Total Federal Program 10.310		336,502	0
10.311	2020-49400-32403	Beginning Farmer and Rancher Development Program	UW System Administration	11,310	0
10.311		Beginning Farmer and Rancher Development Program	UW System Administration	107,030	9,300
		Total Federal Program 10.311		118,340	9,300
10.326	2021-70001-34523	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	UW-River Falls	15,124	0
10.326		Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	UW-River Falls	60,472	5,545
		Total Federal Program 10.326		75,596	5,545
10.351		Rural Business Development Grant	UW-Madison	23,042	0
10.435	55-25-396006423	State Mediation Grants	DATCP	234,582	0
10.475	12-25-A-3306	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	DATCP	5,926,934	0
10.479	HHSF223 201810191C	Food Safety Cooperative Agreements	DATCP	311,756	0
10.500	2021-41520-35288	Cooperative Extension Service	UW-Madison	28,305	0
10.500		Cooperative Extension Service	UW-Madison	799,199	184,862
		Total Federal Program 10.500		827,504	184,862

STATE OF WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
10.511	NI19SLBCXXXXG056	Smith-Lever Funding (Various Programs)	UW-Madison	208	0
10.511	NI21SLBCXXXXG041	Smith-Lever Funding (Various Programs)	UW-Madison	1,858,281	0
10.511		Smith-Lever Funding (Various Programs)	UW-Madison	4,662,061	0
		Total Federal Program 10.511		6,520,550	0
10.514	NI21EFNEPXXXXG067	Expanded Food and Nutrition Education Program	UW-Madison	680,053	0
10.514	NI22EFNEPXXXXG043	Expanded Food and Nutrition Education Program	UW-Madison	22	0
10.514		Expanded Food and Nutrition Education Program	UW-Madison	165,954	0
		Total Federal Program 10.514		846,029	0
10.515	NI21RREAFXXXXG072	Renewable Resources Extension Act and National Focus Fund Projects	UW-Madison	50,185	0
10.515		Renewable Resources Extension Act and National Focus Fund Projects	UW-Madison	14,876	0
		Total Federal Program 10.515		65,061	0
10.525		Farm and Ranch Stress Assistance Network Competitive Grants Program	DATCP	119,731	0
10.525		Farm and Ranch Stress Assistance Network Competitive Grants Program (from UW System Administration)	DATCP	11,626	0
		Total Federal Program 10.525		131,357	0
10.527		New Beginnings for Tribal Students	UW-Madison	113,217	20,045
10.536		CACFP Training Grants	DPI	12,398	0
10.541		Child Nutrition-Technology Innovation Grant	DPI	246,677	0
10.542		COVID-19 - Pandemic EBT Food Benefits	DHS	312,520,738	0
10.545		Farmers' Market Supplemental Nutrition Assistance Program Support Grants	DHS	13,870	0
10.551		SNAP Cluster: COVID-19 - Supplemental Nutrition Assistance Program	DHS	816,375,799	0
10.551		Supplemental Nutrition Assistance Program	DHS	1,338,737,041	0
10.561		COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DHS	7,353,508	351,387
10.561		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DHS	82,680,568	53,830,898
10.561	435100-G20-SNAP_EDNutr-00; 435100-G19-SNAP_EDNutr-00; 435100-G21-SNAP_EDNutr-02M1; 435100-G21-SNAP_EDNutr-02	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (from DHS)	UW-Madison	7,665,843	0
		Total SNAP Cluster (Note 17)		2,252,812,759	54,182,285
10.553		Child Nutrition Cluster: COVID-19 - School Breakfast Program	DPI	109,963,443	109,963,443
10.553		School Breakfast Program	DPI	1,750,504	1,750,504
10.553		School Breakfast Program (from DPI)	DOC	50,515	0
10.555		COVID-19 - National School Lunch Program	DPI	395,247,257	395,243,452
10.555	SP 06-2021	COVID-19 - National School Lunch Program (from DPI)	DOC	15,494	0
10.555		National School Lunch Program	DOC	10,873	0
10.555		National School Lunch Program	DPI	27,204,837	9,333,671
10.555		National School Lunch Program (from DPI)	DOC	100,333	0
10.556		Special Milk Program for Children	DPI	515,402	515,402
10.559		COVID-19 - Summer Food Service Program for Children	DPI	14,239	14,239
10.559		Summer Food Service Program for Children	DPI	30,680,675	29,789,648
10.559		Summer Food Service Program for Children (from DPI)	UW-Stevens Point	1,082	0
10.582		Fresh Fruit and Vegetable Program	DPI	3,805,528	3,741,193
		Total Child Nutrition Cluster (Note 4)		569,360,182	550,351,552

STATE OF WISCONSIN
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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
10.557		COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	DHS	6,513,898	0
10.557		WIC Special Supplemental Nutrition Program for Women, Infants, and Children	DHS	59,475,997	22,843,751
Total Federal Program 10.557				65,989,895	22,843,751
10.558		Child and Adult Care Food Program	DPI	31,631,553	31,125,227
10.558		Child and Adult Care Food Program	UW-Stevens Point	15,269	0
10.558	756803	Child and Adult Care Food Program (from DPI)	UW-Eau Claire	44,744	0
10.558	Child Study Milk/Lunch Prgm	Child and Adult Care Food Program (from DPI)	UW-Stout	9,937	0
10.558	756809	Child and Adult Care Food Program (from DPI)	UW-Whitewater	15,679	0
10.558		COVID-19 - Child and Adult Care Food Program	DPI	3,230,437	3,230,437
Total Federal Program 10.558				34,947,619	34,355,664
10.560		State Administrative Expenses for Child Nutrition	DPI	4,123,461	0
Food Distribution Cluster:					
10.565		Commodity Supplemental Food Program	DHS	4,479,117	1,074,145
10.565		COVID-19 - Commodity Supplemental Food Program	DHS	42,009	0
10.568		COVID-19 - Emergency Food Assistance Program (Administrative Costs)	DHS	1,306,728	1,306,728
10.568		Emergency Food Assistance Program (Administrative Costs)	DHS	2,286,099	2,231,609
10.568	PO#435-14921	Emergency Food Assistance Program (Administrative Costs) (from DHS)	DPI	1,274,771	0
10.569		Emergency Food Assistance Program (Food Commodities)	DHS	3,019,583	3,019,583
10.569	MOU through DHS	Emergency Food Assistance Program (Food Commodities) (from DHS)	DPI	18,603,146	0
Total Food Distribution Cluster (Note 4)				31,011,453	7,632,065
10.572		WIC Farmers' Market Nutrition Program (FMNP)	DHS	733,136	0
10.574		Team Nutrition Grants	DPI	228,871	6,713
10.574	20-CO392	Team Nutrition Grants (from DPI)	UW-Madison	15,397	0
Total Federal Program 10.574				244,268	6,713
10.575		Farm to School Grant Program	DATCP	1,773	0
10.575		Farm to School Grant Program	DPI	8,644	0
Total Federal Program 10.575				10,417	0
10.576		Senior Farmers Market Nutrition Program	DHS	267,566	257,300
10.577		SNAP Partnership Grant	DHS	235,008	0
10.578		WIC Grants To States (WGS)	DHS	25	0
10.579		Child Nutrition Discretionary Grants Limited Availability	DHS	204,057	0
10.579		Child Nutrition Discretionary Grants Limited Availability	DPI	990,623	976,565
Total Federal Program 10.579				1,194,680	976,565
10.649		COVID-19 - Pandemic EBT Administrative Costs	DHS	15,054,557	0
10.649		COVID-19 - Pandemic EBT Administrative Costs	DPI	479,129	479,129
10.649		COVID-19 - Pandemic EBT Administrative Costs (from DHS)	DPI	24,676	0
Total Federal Program 10.649				15,558,362	479,129
10.664		Cooperative Forestry Assistance	DNR	715,332	127,381
Forest Service Schools and Roads Cluster:					
10.665		Schools and Roads - Grants to States	DNR	1,506,980	1,506,980
Total Forest Service Schools and Roads Cluster				1,506,980	1,506,980
10.675		Urban and Community Forestry Program	DNR	395,126	306,000
10.676		Forest Legacy Program	DNR	37,200	0
10.678		Forest Stewardship Program	DNR	350,222	0
10.680		Forest Health Protection	DNR	313,993	28,854
10.684		International Forestry Programs	UW-Madison	72,317	0
10.684	21-CA-11132762-403	International Forestry Programs	UW-Milwaukee	14,905	0
Total Federal Program 10.684				87,222	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
10.697		State & Private Forestry Hazardous Fuel Reduction Program	DNR	50,222	0
10.698		State & Private Forestry Cooperative Fire Assistance	DNR	580,376	164,076
10.699		Partnership Agreements	DNR	1,544	0
10.703		Cooperative Fire Protection Agreement	DNR	1,203,152	0
10.707		Research Joint Venture and Cost Reimbursable Agreements	DNR	47,560	0
10.771	RO 111520 65589	Rural Cooperative Development Grants	UW-Madison	89,905	0
10.771		Rural Cooperative Development Grants	UW-Madison	106,407	0
		Total Federal Program 10.771		196,312	0
10.902		Soil and Water Conservation	DATCP	131,621	21,669
10.902	NR215F48XXXXC01 2	Soil and Water Conservation	UW-Madison	24,050	0
10.902	NR215F48XXXXC01 4	Soil and Water Conservation	UW-Madison	10,014	0
10.902		Soil and Water Conservation	UW-Madison	1,005,639	39,917
		Total Federal Program 10.902		1,171,324	61,586
10.912		Environmental Quality Incentives Program	DATCP	6,342	0
10.912	NR215F48XXXXG00 1	Environmental Quality Incentives Program	UW-Madison	400	0
10.912		Environmental Quality Incentives Program	UW-Madison	289,457	241,274
		Total Federal Program 10.912		296,199	241,274
10.933		Wetland Mitigation Banking Program	DNR	13,703	0
10.950		Agricultural Statistics Reports	DATCP	34,112	0
		Other Federal Financial Assistance:			
10.N/A	20-CS-11091300-054	CNNF Quaternary Mapping	UW-Madison	29,468	0
10.N/A	20-DYXXX-WI-0001	Training Material Development for the Agricultural Marketing Service, Dairy Program	UW-Madison	15,936	0
10.N/A	21-CS-11091300-025	CNNF Groundwater	UW-Madison	44,134	0
10.N/A	Fund 199	Veterinary Diagnostic Laboratory	UW-Madison	286,549	0
10.N/A	G16PA00022	Algal Toxin Analysis	UW-Milwaukee	20,046	0
10.N/A	7012019	CACFP (from DPI)	UW-Oshkosh	268,884	0
		Subtotal Direct Grants		3,323,720,389	677,274,813
		Subgrants:			
10.001		Agricultural Research Basic and Applied Research (from Iowa State University)	UW-Madison	61,252	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care (from Gypsy Moth Slow the Spread Foundation, Inc.)	DATCP	40,400	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care (from Regents of the University of Minnesota)	DATCP	380	0
10.025	137809 SPC002456	Plant and Animal Disease, Pest Control, and Animal Care (from Washington State University)	UW-Madison	6,812	0
10.168		Farmers Market Promotion Program (from Hope & Main)	UW-Madison	406	0
10.172		Local Food Promotion Program (from Wisconsin Food Hub Cooperative)	UW-Madison	49,988	0
10.175		Farmers Market and Local Food Promotion Program (from Fairshare CSA Coalition)	UW-Madison	4,093	0
10.175		Farmers Market and Local Food Promotion Program (from Petaluma People Services Center)	UW-Madison	6,279	0
10.177		Regional Food System Partnerships (from Fairshare CSA Coalition)	UW-Madison	6,943	0
10.200		Grants for Agricultural Research, Special Research Grants (from CSU)	DNR	2,393	0
10.215		Sustainable Agriculture Research and Education (from Michigan State University)	UW-Madison	23,146	0
10.215	H009277420; H009187805	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	33,047	430
10.215		Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	68,033	5,373
10.229		Extension Collaborative on Immunization Teaching & Engagement (from Extension Foundation)	UW-Madison	9,096	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
10.309		Specialty Crop Research Initiative (from North Carolina State University)	UW-Madison	130,954	0
10.309		Specialty Crop Research Initiative (from University of Minnesota)	UW-Madison	35,412	0
10.309		Specialty Crop Research Initiative (from University of Minnesota)	UW-Madison	125,806	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Ohio State University)	UW-Madison	17,435	0
10.310		Agriculture and Food Research Initiative (AFRI) (from University of Florida)	UW-Madison	53,296	0
10.310	106174-18629	Agriculture and Food Research Initiative (AFRI) (from University of Illinois-Urbana-Champaign)	UW-Madison	16,367	0
10.311		Beginning Farmer and Rancher Development Program (from Easter Seals Wisconsin)	UW-Madison	30	0
10.328	024575K	National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program (from Iowa State University)	UW-Madison	3,292	0
10.328		National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program (from University Of California - Davis)	UW-La Crosse	9,013	0
10.443		Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers (from Easter Seals Wisconsin)	UW-Madison	33,789	0
10.500		Cooperative Extension Service (from North Dakota State University)	UW-Madison	22,265	0
10.500	25-6324-0187-316	Cooperative Extension Service (from University of Nebraska)	UW-Madison	3,064	0
10.525		Farm and Ranch Stress Assistance Network Competitive Grants Program (from University of Illinois-Urbana-Champaign)	UW-Madison	69,361	0
10.527	LCOOC 2021-70411-35731	New Beginnings for Tribal Students (from Lac Courte Oreilles Ojibwa College)	UW-Madison	21,495	0
10.557		WIC Special Supplemental Nutrition Program for Women, Infants, and Children (from Tufts University)	DHS	157,132	3,244
10.557		WIC Special Supplemental Nutrition Program for Women, Infants, and Children (from University of Nevada)	DHS	153,236	65,733
10.575		Farm to School Grant Program (from La Crosse County)	UW-Madison	39,853	0
10.575	CN-F2S-IMPL-21-WI	Farm to School Grant Program (from Rooted)	UW-Madison	15,472	0
10.664		Cooperative Forestry Assistance (from Golden Sands RC&D)	UW-Stevens Point	1,189	0
10.680		Forest Health Protection (from Gypsy Moth Slow the Spread Foundation, Inc.)	DATCP	843,513	0
10.871		Socially-Disadvantaged Groups Grant (from Cooperative Development Foundation)	UW-Madison	34,914	0
10.902	024638A	Soil and Water Conservation (from Iowa State University)	UW-Madison	32,148	0
10.912		Environmental Quality Incentives Program (from National Resources Conservation Service)	DNR	28,829	0
10.930		Regional Conservation Partnership Program (from National Resources Conservation Service)	DNR	18,408	0
Subtotal Subgrants				2,178,541	74,780
TOTAL U.S. DEPARTMENT OF AGRICULTURE				3,325,898,930	677,349,593
U.S. DEPARTMENT OF COMMERCE:					
Direct Grants:					
11.020		Cluster Grants	UW-Platteville	132,353	12,496
11.303	ED21CHI3030029	Economic Development Technical Assistance	UW-Madison	112,659	0
11.303		Economic Development Technical Assistance	UW-Madison	36,477	0
11.303		Economic Development Technical Assistance	UW-Platteville	22,003	0
11.303		Economic Development Technical Assistance	UW-Stout	38,740	0
Total Federal Program 11.303				209,879	0
Economic Development Cluster:					
11.307		COVID-19 - Economic Adjustment Assistance	UW-Madison	98,570	0
11.307		COVID-19 - Economic Adjustment Assistance	UW-Stout	183,358	0
11.307		COVID-19 - Economic Adjustment Assistance (from DOA)	Tourism	1,701,297	0
Total Economic Development Cluster				1,983,225	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
11.407		Interjurisdictional Fisheries Act of 1986	DNR	14,469	0
11.417	NA21OAR4170267; NA21OAR4170156	Sea Grant Support	UW-Madison	51,678	0
11.417		Sea Grant Support (from UW-Green Bay)	UW-Madison	15,851	0
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	64,524	0
11.417		Sea Grant Support (from UW-Madison)	UW-Stevens Point	56,933	0
11.417		Sea Grant Support (from UW-Madison)	UW-Superior	6,854	0
Total Federal Program 11.417				195,840	0
11.419		Coastal Zone Management Administration Awards	DOA	1,511,273	973,913
11.419		Coastal Zone Management Administration Awards (from DOA)	DNR	373,232	0
11.419		Coastal Zone Management Administration Awards (from DOA)	UW-Madison	188,411	0
Total Federal Program 11.419				2,072,916	973,913
11.420	NA20NOS4200171	Coastal Zone Management Estuarine Research Reserves	UW-Madison	2,128	0
11.420		Coastal Zone Management Estuarine Research Reserves	UW-Madison	715,380	0
Total Federal Program 11.420				717,508	0
11.429	NA21NOS4290005	Marine Sanctuary Program	UW-Madison	39,904	0
11.429		Marine Sanctuary Program	UW-Madison	14,672	0
Total Federal Program 11.429				54,576	0
11.473		Office for Coastal Management	DOA	144,619	144,613
11.N/A	IPA	Other Federal Financial Assistance: Intergovernmental Personnel Assignment	UW-Milwaukee	80,968	0
		Subtotal Direct Grants		5,606,353	1,131,022
Subgrants:					
11.008		NOAA Mission-Related Education Awards (from Fond du Lac Tribal & Community College)	UW-Madison	(2,658)	0
11.012	IOOS_AUV_OBS_03	Integrated Ocean Observing System (IOOS) (from Great Lakes Observing System)	UW-Milwaukee	85,135	0
11.012	IOOS025/SGL-20	Integrated Ocean Observing System (IOOS) (from Great Lakes Observing System)	UW-Milwaukee	19,995	0
11.012	IOOS098/HABON-01	Integrated Ocean Observing System (IOOS) (from Great Lakes Observing System)	UW-Milwaukee	7,403	0
11.012	IOOS098/YR2-NBN-13	Integrated Ocean Observing System (IOOS) (from Great Lakes Observing System)	UW-Milwaukee	3,391	0
11.417		Sea Grant Support (from Purdue University)	UW-Madison	36,097	0
11.417	097126-17814	Sea Grant Support (from University of Illinois-Urbana-Champaign)	UW-Madison	5,900	0
11.417		Sea Grant Support (from University of Illinois-Urbana-Champaign)	UW-Madison	3,021	0
11.417		Sea Grant Support (from University of Minnesota)	UW-Madison	9,904	0
11.417		Sea Grant Support (from University of Minnesota)	UW-Stevens Point	5,065	0
11.419	SUBK00016384	Coastal Zone Management Administration Awards (from University of Michigan)	UW-Madison	10,173	0
11.419		Coastal Zone Management Administration Awards (from University of Michigan)	UW-Madison	67,947	0
11.473	NA18NOS4730204	Office for Coastal Management (from Natural Resources Foundation of Wisconsin)	DNR	38,198	0
11.611		COVID-19 - Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing & Productivity Inc)	UW-Stout	77,935	0
11.611		Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing & Productivity Inc)	UW-Stout	884,369	0
11.N/A	MSN235399	Northeast Coastal Resiliency Study (from Bay-Lake Regional Planning Commission)	UW-Madison	5,072	0
Subtotal Subgrants				1,256,947	0
TOTAL U.S. DEPARTMENT OF COMMERCE				6,863,300	1,131,022
U.S. DEPARTMENT OF DEFENSE:					
Direct Grants:					
12.113		State Memorandum of Agreement Program for the Reimbursement of Technical Services	DNR	31,373	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
12.300		Basic and Applied Scientific Research	UW-Milwaukee	39,291	0
12.357		ROTC Language and Culture Training Grants	UW-Madison	353,446	0
12.401		National Guard Military Operations and Maintenance (O&M) Projects	DMA	47,115,066	0
12.404		National Guard Challenge Program	DMA	4,347,778	0
12.550		The Language Flagship Grants to Institutions of Higher Education	UW-Madison	1,211,953	178,010
12.617		Economic Adjustment Assistance for State Governments	UW-Whitewater	280,293	4,484
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	293	0
12.800		Air Force Defense Research Sciences Program	UW-Madison	177,037	0
12.900		Language Grant Program	UW-Madison	66,390	0
12.902		Information Security Grants	UW-Stout	8,910	0
12.905		CyberSecurity Core Curriculum	UW-Stout	111,290	0
12.N/A	12.012; 22/06/01	Other Federal Financial Assistance: BF133/BBF51 Screening	UW-La Crosse	362	0
12.N/A	IPA	Interagency Personnel Agreement	UW-Madison	287,693	0
		Subtotal Direct Grants		54,031,175	182,494
12.431		Subgrants: Basic Scientific Research (from University of Maryland)	UW-Madison	40,867	0
12.550		The Language Flagship Grants to Institutions of Higher Education (from Institute of International Education)	UW-Madison	445,883	79,397
		Subtotal Subgrants		486,750	79,397
		TOTAL U.S. DEPARTMENT OF DEFENSE		54,517,925	261,891
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
14.228		Direct Grants: Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	DOA	75,682,748	75,008,087
14.228		COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	DOA	5,640,400	5,502,671
		Total Federal Program 14.228 (Notes 3 and 6)		81,323,148	80,510,758
14.231		COVID-19 - Emergency Solutions Grant Program	DOA	16,156,404	16,025,570
14.231		Emergency Solutions Grant Program	DOA	3,085,102	2,946,241
		Total Federal Program 14.231		19,241,506	18,971,811
14.239		COVID-19 - Home Investment Partnerships Program	DOA	21,352	0
14.239		Home Investment Partnerships Program	DOA	12,163,628	11,617,473
		Total Federal Program 14.239		12,184,980	11,617,473
14.241		COVID-19 - Housing Opportunities for Persons with AIDS	DOA	41,564	41,564
14.241		Housing Opportunities for Persons with AIDS	DOA	731,555	710,734
		Total Federal Program 14.241		773,119	752,298
14.275		Housing Trust Fund	DOA	30,298	0
14.N/A	WILHD0458-20	Other Federal Financial Assistance: HUD LEAD CONTROL OLHCHH	DHS	47,874	47,653
14.N/A	Award# DU100K900016680	State Administrative Agency Cooperative Agreement	DSPS	72,436	0
		Subtotal Direct Grants		113,673,361	111,899,993
14.218		Subgrants: Community Development Block Grants/Entitlement Grants (from City of Wausau)	UW System Administration	13,310	0
14.218	Tower Hill West Side NRSA	Community Development Block Grants/Entitlement Grants (from Tower Hill Neighborhood Association Inc)	UW-Madison	7,155	0
14.218		Community Development Block Grants/Entitlement Grants (from Tower Hill Neighborhood Association Inc)	UW-Madison	3,520	0
14.218		Community Development Block Grants/Entitlement Grants (from Waukesha County)	UW-Madison	10,456	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
14.218		COVID-19 - Community Development Block Grants/Entitlement Grants (from City of Wausau)	UW System Administration	29,969	0
14.N/A	AD22029	West Side NRSA SP CDBG (from Waukesha County)	UW-Madison	10,084	0
		Subtotal Subgrants		74,494	0
		TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		113,747,855	111,899,993
U.S. DEPARTMENT OF THE INTERIOR:					
		Direct Grants:			
15.035		Forestry on Indian Lands	DNR	194,386	0
15.226		Payments in Lieu of Taxes	DNR	3,810,187	3,810,187
		Fish and Wildlife Cluster:			
15.605		Sport Fish Restoration Program	DNR	13,134,699	789,323
15.605	AR3-114-20	Sport Fish Restoration Program (from DNR)	UW-Madison	392	0
15.611		Wildlife Restoration and Basic Hunter Education	DNR	23,125,826	690,880
15.626		Enhanced Hunter Education and Safety Program	DNR	150,293	0
		Total Fish and Wildlife Cluster		36,411,210	1,480,203
15.608		Fish and Wildlife Management Assistance	DNR	176,138	0
15.614		Coastal Wetlands Planning, Protection and Restoration	DNR	7,448	7,448
15.615		Cooperative Endangered Species Conservation Fund	DNR	846,158	0
15.616		Clean Vessel Act	DNR	4,382	0
15.622		Sportfishing and Boating Safety Act	DNR	190,680	184,100
15.623		North American Wetlands Conservation Fund	DNR	1,485,341	1,000,000
15.630		Coastal Program	DNR	1,541	0
15.631		Partners for Fish and Wildlife	DNR	13,688	0
15.634		State Wildlife Grants	DNR	1,272,926	22,318
15.662		Great Lakes Restoration	DNR	941,204	0
15.662	37000-0000017744	Great Lakes Restoration (from DNR)	UW-Madison	909	0
		Total Federal Program 15.662		942,113	0
15.665		National Wetlands Inventory	DNR	18,226	0
15.678		Cooperative Ecosystem Studies Units	UW-La Crosse	5,725	0
15.684		White-nose Syndrome National Response Implementation	DNR	34,372	0
15.808	G21AC10500; G21AC10682	U.S. Geological Survey Research and Data Collection	UW-Madison	122,032	0
15.810	G21AC10700	National Cooperative Geologic Mapping	UW-Madison	261,274	5,509
15.814	G21AP10569	National Geological and Geophysical Data Preservation	UW-Madison	38,386	0
15.814		National Geological and Geophysical Data Preservation	UW-Madison	12,785	0
		Total Federal Program 15.814		51,171	0
15.904		Historic Preservation Fund Grants-In-Aid	WHS	931,113	64,741
15.916		Outdoor Recreation Acquisition, Development and Planning	DNR	3,477,314	2,319,652
15.922	P21AP11619	Native American Graves Protection and Repatriation Act	UW-Madison	5,502	0
15.926		American Battlefield Protection	UW-River Falls	20,641	0
15.944		Natural Resource Stewardship	DNR	907,487	0
15.978		Upper Mississippi River Restoration Long Term Resource Monitoring	DNR	760,414	0
15.980		National Ground-Water Monitoring Network	UW-Madison	157,880	0
		Subtotal Direct Grants		52,109,349	8,894,158
		Subgrants:			
15.623	F19AP00328	North American Wetlands Conservation Fund (from F&W/Ducks Unlimited)	DNR	220,249	0
15.634		State Wildlife Grants (from South Dakota Department of Game Fish & Parks)	UW-La Crosse	41,825	0
15.653	F18AC00145	National Outreach and Communication (from F&W/Recreational Boating and Fishing Foundation)	DNR	15,304	0
15.662		Great Lakes Restoration (from Wisconsin Lakes)	UW-Madison	12,938	0
15.808	G22AC00074-00	U.S. Geological Survey Research and Data Collection (from Upper Midwest Environmental Science Center)	UW-La Crosse	76,726	0
		Subtotal Subgrants		367,042	0
		TOTAL U.S. DEPARTMENT OF THE INTERIOR		52,476,391	8,894,158

STATE OF WISCONSIN
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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
U.S. DEPARTMENT OF JUSTICE:					
16.017		Direct Grants: Sexual Assault Services Formula Program	DOJ	457,526	448,532
16.034		COVID-19 - Coronavirus Emergency Supplemental Funding Program	DOJ	5,116,430	4,919,259
16.034		COVID-19 - Coronavirus Emergency Supplemental Funding Program (from DOJ)	PDB	122,631	0
Total Federal Program 16.034				5,239,061	4,919,259
16.320		Services for Trafficking Victims	DOJ	92,276	0
16.321		Antiterrorism Emergency Reserve	DOJ	76,906	0
16.525		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	UW-Oshkosh	61,761	0
16.528		Enhanced Training and Services to End Violence and Abuse of Women Later in Life	DOJ	311,752	180,058
16.540		Juvenile Justice and Delinquency Prevention	DOJ	192,725	90,286
16.543		Missing Children's Assistance	DOJ	432,998	20,132
16.550		State Justice Statistics Program for Statistical Analysis Centers	DOJ	90,233	0
16.554		National Criminal History Improvement Program (NCHIP)	DOJ	1,498,416	420,960
16.575		Crime Victim Assistance	DOJ	41,614,666	40,564,407
16.575		Crime Victim Assistance (from DOJ)	DOC	127,000	0
16.575	2019-VO-01-16132	Crime Victim Assistance (from DOJ)	UW-Madison	33,027	0
Total Federal Program 16.575				41,774,693	40,564,407
16.576		Crime Victim Compensation	DOJ	1,560,006	1,528,480
16.582		Crime Victim Assistance/Discretionary Grants	DOJ	489,372	350,170
16.585		Drug Court Discretionary Grant Program	DOJ	342	0
16.585		Drug Court Discretionary Grant Program (from DOJ)	Courts	26,545	0
Total Federal Program 16.585				26,887	0
16.588		Violence Against Women Formula Grants	DOJ	1,822,222	1,479,504
16.588		Violence Against Women Formula Grants (from DOJ)	Courts	89,604	0
16.588		Violence Against Women Formula Grants (from DOJ)	DOC	43,600	0
Total Federal Program 16.588				1,955,426	1,479,504
16.590		Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	DOJ	115,230	23,970
16.593		Residential Substance Abuse Treatment for State Prisoners	DOJ	121,285	111,670
16.593		Residential Substance Abuse Treatment for State Prisoners (from DOJ)	DOC	182,907	0
Total Federal Program 16.593				304,192	111,670
16.609		Project Safe Neighborhoods	DOJ	470,176	448,837
16.710		Public Safety Partnership and Community Policing Grants	DOJ	907,858	487,141
16.734		Special Data Collections and Statistical Studies	DOJ	6,797	6,797
16.735		PREA Program: Strategic Support for PREA Implementation	DOC	79,058	0
16.735		PREA Program: Strategic Support for PREA Implementation	DOJ	12,506	12,506
16.735		PREA Program: Strategic Support for PREA Implementation (from DOJ)	DOC	12,506	0
Total Federal Program 16.735				104,070	12,506
16.738	Operation Legend Task Force with FBI	Edward Byrne Memorial Justice Assistance Grant Program	DOJ	9,079	0
16.738		Edward Byrne Memorial Justice Assistance Grant Program	DOJ	3,545,537	2,473,477
16.738	2017-DJ-06-16438	Edward Byrne Memorial Justice Assistance Grant Program	UW-La Crosse	14,760	0
16.738		Edward Byrne Memorial Justice Assistance Grant Program (from DOJ)	Courts	58,493	0
Total Federal Program 16.738				3,627,869	2,473,477
16.741		DNA Backlog Reduction Program	DOJ	979,643	0
16.742		Paul Coverdell Forensic Sciences Improvement Grant Program	DOJ	207,689	37,654

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
16.745		Criminal and Juvenile Justice and Mental Health Collaboration Program	DOC	83,964	83,964
16.745		Criminal and Juvenile Justice and Mental Health Collaboration Program (from DOC)	DHS	133,788	0
Total Federal Program 16.745				217,752	83,964
16.751		Edward Byrne Memorial Competitive Grant Program	DOJ	18,388	18,388
16.751		Edward Byrne Memorial Competitive Grant Program (from DOJ)	DOC	61,169	0
Total Federal Program 16.751				79,557	18,388
16.754		Harold Rogers Prescription Drug Monitoring Program	DOJ	158,243	98,717
16.754		Harold Rogers Prescription Drug Monitoring Program	DSPS	616,500	0
Total Federal Program 16.754				774,743	98,717
16.812		Second Chance Act Reentry Initiative	DOC	342,986	103,875
16.825		Smart Prosecution Initiative	DOJ	89,746	82,866
16.827		Justice Reinvestment Initiative	DOJ	92,100	0
16.833		National Sexual Assault Kit Initiative	DOJ	535,248	0
16.836		Indigent Defense	PDB	196,400	0
16.838		Comprehensive Opioid, Stimulant, and Substance Abuse Program	DOJ	211,044	121,925
16.839		STOP School Violence	DOJ	746,718	0
16.841		VOCA Tribal Victim Services Set-Aside Program	UW-Milwaukee	684,032	483,154
16.922		Equitable Sharing Program	DMA	26,267	0
16.922		Equitable Sharing Program	DOJ	78,108	0
Total Federal Program 16.922				104,375	0
Other Federal Financial Assistance:					
16.N/A	281C-HQ-A5635578-MW	Central WI Narcotics Task Force	DOJ	14,064	0
16.N/A	ATF Task Force Agreement	ATF Task Force Agreement	DOJ	7,501	0
16.N/A	CEASE 2021-113 & CEASE 2022-115	Domestic Cannabis Eradication/Suppression Program	DOJ	110,812	73,608
16.N/A	Drug Enforcement Adm.-State and Local TF Agr	Drug Enforcement Adm.-State and Local TF Agr	DOJ	87,535	0
16.N/A	Organized Crime Drug Enforcement Task Force	Organized Crime Drug Enforcement Task Force	DOJ	3,679	0
16.N/A	USMS MOU	US Marshalls Fugitive Task Force	DOJ	9,951	0
16.N/A	WI DOJ-FBI MOU	FBI Joint Terrorism	DOJ	16,830	0
16.N/A	WI DOJ-ICE MOU	Immigration & Customs Enforcement	DOJ	15,202	0
16.N/A	2020-CX-75-J600000-2590	NIJ Fellowship Agreement Extension (Extra YR and Money)	UW-Madison	35,016	0
16.N/A	2020-CX-75-J600000-	NIJ Research Assistantship Agreement	UW-Madison	11,119	0
16.N/A	WI Contraband Parcel Task Force	WI Contraband Parcel Task Force with United States Postal Inspection Service.	DOJ	11,770	0
Subtotal Direct Grants				65,381,742	54,670,337
Subgrants:					
16.817	21000738-00	Byrne Criminal Justice Innovation Program (from City of Madison)	UW-Madison	35,415	0
16.817		Byrne Criminal Justice Innovation Program (from City of Madison)	UW-Madison	38,057	0
16.838		Comprehensive Opioid, Stimulant, and Substance Abuse Program (from Milwaukee County)	UW-Milwaukee	30,635	0
16.889	2019-UD-AX-0007	Grants for Outreach and Services to Underserved Populations (from Disability Rights WI)	BPDD	712	0
16.N/A	PO 20000945	Comprehensive Opioid Absue Site-Based Program (from City of Madison)	UW-Madison	33,690	0
16.N/A	MIL118150	Year 3 Process & Outcome Evaluation (from Milwaukee County)	UW-Milwaukee	25,711	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
16.N/A		Cooperative Agreement (from West Central Drug Task Force)	UW-Stout	524	0
		Subtotal Subgrants		164,744	0
		TOTAL U.S. DEPARTMENT OF JUSTICE		65,546,486	54,670,337
U.S. DEPARTMENT OF LABOR:					
17.002		Direct Grants: Labor Force Statistics	DWD	1,485,699	0
17.005	OS-36089-22-75-J-55 22 P/Q	Compensation and Working Conditions	UW-Madison	147,482	0
17.207		Employment Service Cluster: Employment Service/Wagner-Peyser Funded Activities	DWD	10,709,052	0
17.801		Jobs for Veterans State Grants	DWD	3,123,512	0
		Total Employment Service Cluster		13,832,564	0
17.225		ARRA - Unemployment Insurance	DWD	1,483,088	0
17.225		COVID-19 - Unemployment Insurance	DWD	339,681,289	0
17.225		Unemployment Insurance	DWD	439,534,947	0
		Total Federal Program 17.225 (Note 7)		780,699,324	0
17.235		Senior Community Service Employment Program	DHS	1,945,670	1,822,950
17.245		Trade Adjustment Assistance	DWD	3,759,937	0
17.258		WIOA Cluster: WIOA Adult Program	DWD	8,970,047	7,849,662
17.259		WIOA Youth Activities	DWD	7,892,529	7,532,200
17.278		WIOA Dislocated Worker Formula Grants	DWD	11,763,045	8,011,098
		Total WIOA Cluster		28,625,621	23,392,960
17.261		WIOA Pilots, Demonstrations, and Research Projects	DWD	384,143	0
17.268		H-1B Job Training Grants	UW-Whitewater	328,812	4,662
17.270		Reentry Employment Opportunities	DWD	4,500	0
17.271		Work Opportunity Tax Credit Program (WOTC)	DWD	341,178	0
17.273		Temporary Labor Certification for Foreign Workers	DWD	91,019	0
17.277		COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	DWD	2,052,033	1,884,287
17.277		WIOA National Dislocated Worker Grants / WIA National Emergency Grants	DWD	1,172,009	914,382
		Total Federal Program 17.277		3,224,042	2,798,669
17.282		Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	WTCS	17,440	0
17.285		Apprenticeship USA Grants	DWD	2,496,363	800,263
17.285		Apprenticeship USA Grants (from DWD)	DOC	60,528	0
17.285		Apprenticeship USA Grants (from DWD)	WTCS	435,346	370,020
		Total Federal Program 17.285		2,992,237	1,170,283
17.504	CS-36925CS2	Consultation Agreements	UW-Madison	1,159,287	0
17.504	CS-36926CS2	Consultation Agreements	UW-Madison	1,213,607	0
17.504		Consultation Agreements	UW-Madison	1,721,986	0
		Total Federal Program 17.504		4,094,880	0
		Subtotal Direct Grants		841,974,548	29,189,524
		TOTAL U.S. DEPARTMENT OF LABOR		841,974,548	29,189,524
U.S. DEPARTMENT OF STATE:					
19.009	05.25.2021	Direct Grants: Academic Exchange Programs - Undergraduate Programs	UW-La Crosse	9,751	0
19.017		Environmental and Scientific Partnerships and Programs	UW-Madison	89,515	0
19.300	SLMAQM21GR3352	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	UW-Madison	35,807	0
		Subtotal Direct Grants		135,073	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
		Subgrants:			
19.009	CBPSA20-UWM01	Academic Exchange Programs - Undergraduate Programs (from World Learning)	UW-Milwaukee	7,600	0
19.022		Educational and Cultural Exchange Programs Appropriation Overseas Grants (from International Research & Exchanges Board Inc)	UW-Stout	55,928	0
19.022	Pakistan	Educational and Cultural Exchange Programs Appropriation Overseas Grants (from International Research & Exchanges Board Inc)	UW-Stout	56,150	0
19.415	S-ECAGD-20-CA-0027	Professional and Cultural Exchange Programs - Citizen Exchanges (from American Councils for International Education)	UW-Madison	17,362	0
19.415		Professional and Cultural Exchange Programs - Citizen Exchanges (from American Councils for International Education)	UW-Madison	11,839	0
19.415	S-ECAGD-20-CA-0027	Professional and Cultural Exchange Programs - Citizen Exchanges (from American Councils for International Education)	UW-Madison	21,767	0
		Subtotal Subgrants		170,646	0
		TOTAL U.S. DEPARTMENT OF STATE		305,719	0
U.S. DEPARTMENT OF TRANSPORTATION:					
		Direct Grants:			
20.106		Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	DOT	49,647,178	21,638,502
20.106		COVID-19 - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	DOT	4,508,737	953,864
		Total Federal Program 20.106		54,155,915	22,592,366
20.200	0406-4121; 0092-19-17	Highway Research and Development Program (from DOT)	UW-Madison	55,336	0
		FMCSA Cluster:			
20.218		Motor Carrier Safety Assistance Program	DOT	6,072,537	0
		Total FMCSA Cluster		6,072,537	0
		Highway Planning and Construction Cluster:			
20.205		COVID-19 - Highway Planning and Construction	DOT	48,829,856	0
20.205		Highway Planning and Construction	DOT	865,094,645	7,780,723
20.219		Recreational Trails Program	DNR	2,010,628	1,383,882
20.224		Federal Lands Access Program	DOT	244,077	0
		Total Highway Planning and Construction Cluster (Note 8)		916,179,206	9,164,605
20.232		Commercial Driver's License Program Implementation Grant	DOT	245,052	78,195
20.314		Railroad Development	DOT	715,971	0
20.325		Consolidated Rail Infrastructure and Safety Improvements	DOT	336,003	0
20.326		Federal-State Partnership for State of Good Repair	DOT	6,998,769	0
20.505		Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	DOT	237,932	117,266
20.509		COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	DOT	23,035,990	13,938,922
20.509		Formula Grants for Rural Areas and Tribal Transit Program	DOT	1,324,625	0
		Total Federal Program 20.509		24,360,615	13,938,922
		Transit Services Programs Cluster:			
20.513		COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	DOT	1,097,393	137,125
20.513		Enhanced Mobility of Seniors and Individuals with Disabilities	DOT	2,030,076	285,490
		Total Transit Services Programs Cluster		3,127,469	422,615
		Federal Transit Cluster:			
20.526		Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	DOT	852,415	852,415
		Total Federal Transit Cluster		852,415	852,415

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
20.528		Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	DOT	141,165	0
20.600		Highway Safety Cluster: State and Community Highway Safety	DOT	5,553,706	1,541,082
20.600		State and Community Highway Safety (from DOT)	DOJ	356,809	0
20.600	FG-2022-UWPHI-05898	State and Community Highway Safety (from DOT)	UW-Madison	18,180	0
20.616		National Priority Safety Programs	DOT	2,609,899	1,095,924
20.616		National Priority Safety Programs (from DOT)	DHS	12,034	0
20.616	FG-2021-UWPHI-05721; FG-2022-UW-TOPS-05852; FG-2022-UW-TOPS-05851	National Priority Safety Programs (from DOT)	UW-Madison	38,531	0
20.616	FG-2021-UW-WHI-05634	National Priority Safety Programs (from DOT)	UW-Whitewater	31,095	0
Total Highway Safety Cluster				8,620,254	2,637,006
20.614		National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	DMA	2,189,542	1,922,611
20.614		National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	DOT	68,233	0
Total Federal Program 20.614				2,257,775	1,922,611
20.700		Pipeline Safety Program State Base Grant	PSC	687,461	0
20.703		Interagency Hazardous Materials Public Sector Training and Planning Grants	DMA	324,188	60,004
20.703		Interagency Hazardous Materials Public Sector Training and Planning Grants (from DMA)	WTCS	78,320	78,320
Total Federal Program 20.703				402,508	138,324
20.933		National Infrastructure Investments	DOT	13,749	0
Subtotal Direct Grants				1,025,460,132	51,864,325
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				1,025,460,132	51,864,325
U.S. DEPARTMENT OF THE TREASURY:					
Direct Grants:					
21.009	22VITA0084	Volunteer Income Tax Assistance (VITA) Matching Grant Program	UW-Oshkosh	4,005	0
21.019		COVID-19 - Coronavirus Relief Fund	DOA	118,024,495	3,240,856
21.019		COVID-19 - Coronavirus Relief Fund (from DCF)	UW-Platteville	168,434	0
21.019	P000018267	COVID-19 - Coronavirus Relief Fund (from DCF)	UW-River Falls	144,660	0
21.019	R000018922	COVID-19 - Coronavirus Relief Fund (from DCF)	UW-River Falls	14,658	0
21.019		COVID-19 - Coronavirus Relief Fund (from DCF)	UW-Stout	37,166	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	BALTC	12,311	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	Courts	107,822	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DATCP	8,505	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DCF	417,747	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DFI	25,173	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DHS	47,400,301	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DNR	875,916	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DOC	113,718	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DOJ	189,171	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DOR	270,782,664	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DOT	711,877	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DPI	560,223	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DSPS	314,186	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DVA	224,699	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	DWD	25,908,259	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	ECB	50,269	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	ETF	28,973	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	Gov	3,593	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	KRMB	16,103	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	OST	2,511	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	PSC	54,095	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	SOS	2,779	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	SWIB	13,641	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	UW System Administration	150,656	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	UW-La Crosse	(5,018)	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	UW-Madison	(70,465)	46,525
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	UW-Milwaukee	1,300,243	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	UW-Oshkosh	(19,577)	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	UW-Parkside	(9,951)	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	WERC	1,076	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	WHS	314,005	0
21.019		COVID-19 - Coronavirus Relief Fund (from DOA)	WTCS	33,073	0
21.019		COVID-19 - Coronavirus Relief Fund (from UW System Administration)	UW-Stout	602,320	0
21.019		COVID-19 - Coronavirus Relief Fund (from UW System Administration)	UW-Whitewater	596,114	0
Total Federal Program 21.019 (Note 18)				469,106,425	3,287,381
21.023		COVID-19 - Emergency Rental Assistance Program (Note 3)	DOA	162,277,413	27,163,331
21.026		COVID-19 - Homeowner Assistance Fund	DOA	7,385,302	218,408
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	DOA	185,232,241	79,493,670
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DA	636,898	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DATCP	4,777,993	4,775,031
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DCF	505	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DHS	173,574,008	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DMA	701,747	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DOJ	1,402,243	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DOR	126,983,921	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DOT	25,000,000	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DSPS	4,447,152	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	DWD	11,454,903	2,058,552
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	PDB	729,761	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	PSC	3,413,406	3,108,211
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	Tourism	2,806,069	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	WHS	1,181,791	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW System Administration	1,272,278	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-Eau Claire	317,889	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-Green Bay	972,800	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-Green Bay	41,458	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-La Crosse	383,092	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-Milwaukee	4,876,300	0

STATE OF WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-Platteville	1,583,000	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-River Falls	925,300	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-Stout	1,172,300	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-Superior	539,600	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-Whitewater	920,138	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from UW System Administration)	UW-Eau Claire	649,897	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from UW System Administration)	UW-Madison	1,270,038	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DHS)	UW-Madison	152,489	3,546
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from DOA)	UW-River Falls	352,660	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from UW System Administration)	UW-Stevens Point	504,270	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from UW System Administration)	UW-Oshkosh	543,213	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from UW System Administration)	UW-Platteville	8,430	0
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from UW System Administration)	UW-Superior	348,128	0
Total Federal Program 21.027 (Note 18)				559,175,918	89,439,010
Subtotal Direct Grants				1,197,949,063	120,108,130
Subgrants:					
21.027		COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (from Barron County)	UW-Stevens Point	3,025	0
Subtotal Subgrants				3,025	0
TOTAL U.S. DEPARTMENT OF THE TREASURY				1,197,952,088	120,108,130
OFFICE OF PERSONNEL MANAGEMENT:					
Direct Grants:					
27.N/A	24362018D0016	Other Federal Financial Assistance: WI Birth Verification Searches	DHS	1,900	0
Subtotal Direct Grants				1,900	0
TOTAL OFFICE OF PERSONNEL MANAGEMENT				1,900	0
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:					
Direct Grants:					
30.002		Employment Discrimination-State and Local Fair Employment DWD Practices Agency Contracts		300,213	0
Subtotal Direct Grants				300,213	0
TOTAL U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				300,213	0
FEDERAL COMMUNICATIONS COMMISSION:					
Direct Grants:					
32.N/A	Under 47 U.S.C. 620	Other Federal Financial Assistance: National Deaf-Blind Equipment Distribution Program	DHS	151,537	130,655
Subtotal Direct Grants				151,537	130,655
TOTAL FEDERAL COMMUNICATIONS COMMISSION				151,537	130,655
U.S. GENERAL SERVICES ADMINISTRATION:					
Direct Grants:					
39.003		Donation of Federal Surplus Personal Property (Note 9)	DOA	112,807	0
Subtotal Direct Grants				112,807	0
TOTAL U.S. GENERAL SERVICES ADMINISTRATION				112,807	0

STATE OF WISCONSIN
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FOR THE YEAR ENDED JUNE 30, 2022

ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Direct Grants: Science	UW-Madison	45,108	0
		Subtotal Direct Grants		45,108	0
		Subgrants:			
43.001	CI-112118	Science (from Conservation International)	UW-Madison	75,072	0
43.008	CRL22_8-0	Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-Milwaukee	908	0
43.008		Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-Milwaukee	(138)	0
43.008	OPP22_2-0	Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-Milwaukee	2,400	0
43.008		Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-Platteville	6,770	0
43.008	80NSSC20M0123	Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-River Falls	975	0
43.008		Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-River Falls	27	0
43.008	HEI21_3-0	Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-Whitewater	1,864	0
		Subtotal Subgrants		87,878	0
		TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		132,986	0
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES:					
		Direct Grants:			
45.024	1864581-55-21	Promotion of the Arts Grants to Organizations and Individuals	UW-Milwaukee	10,007	0
45.024		Promotion of the Arts Grants to Organizations and Individuals	UW-Milwaukee	(63)	0
45.024		Promotion of the Arts Grants to Organizations and Individuals	UW-Whitewater	1,022	0
		Total Federal Program 45.024		10,966	0
45.025		COVID-19 - Promotion of the Arts Partnership Agreements	Tourism	828,200	786,000
45.025		Promotion of the Arts Partnership Agreements	Tourism	245,213	74,698
		Total Federal Program 45.025		1,073,413	860,698
45.129	SO-267495-20	Promotion of the Humanities Federal/State Partnership	Wisconsin Humanities Council	5,000	5,000
45.129	ZSO-283167-21	Promotion of the Humanities Federal/State Partnership	Wisconsin Humanities Council	549,695	446,887
45.129		Promotion of the Humanities Federal/State Partnership	Wisconsin Humanities Council	1,012,290	154,082
45.129	FY21-032-20	Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	10,492	0
45.129		Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	UW-Milwaukee	3,317	0
45.129	FYR21-039-WHRG	Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	UW-Stevens Point	4,370	0
45.129		Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	UW-Stevens Point	5,601	0
45.129	FYR21-047-WHRG	Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	UW-Whitewater	630	0
45.129		Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	UW-Whitewater	6,290	0
45.129	FYR21-048_WHRG	Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	WHS	9,864	0
		Total Federal Program 45.129		1,607,549	605,969
45.149	PG-280670-21	Promotion of the Humanities Division of Preservation and Access	UW-Madison	6,417	0
45.149	PW-51309-13	Promotion of the Humanities Division of Preservation and Access	UW-Milwaukee	100	0
45.149		Promotion of the Humanities Division of Preservation and Access	WHS	64,616	0
		Total Federal Program 45.149		71,133	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
45.161		Promotion of the Humanities Research	UW-Milwaukee	57,933	0
45.164	GE-280424-21	Promotion of the Humanities Public Programs	UW-Oshkosh	1,895	36
45.169	DR-278085-21	Promotion of the Humanities Office of Digital Humanities	UW-Madison	5,874	0
45.310		COVID-19 - Grants to States	DPI	237,088	237,088
45.310		Grants to States	DPI	3,561,321	1,651,635
Total Federal Program 45.310				3,798,409	1,888,723
45.312		National Leadership Grants	UW-Madison	63,150	42,624
45.313		Laura Bush 21st Century Librarian Program	DPI	198,751	183,972
Other Federal Financial Assistance:					
45.N/A	#22-C0261	DPI Phase 4 Database Development (from DPI)	UW-Madison	30,450	0
45.N/A	FY22-1914	WI Arts Rescue Grant Program (from Tourism)	UW-Green Bay	3,250	0
Subtotal Direct Grants				6,922,773	3,582,022
Subgrants:					
45.025		Promotion of the Arts Partnership Agreements (from Arts Midwest)	UW-Whitewater	2,500	0
45.162	2005406	Promotion of the Humanities Teaching and Learning Resources and Curriculum Development (from The Teagle Foundation)	UW-Platteville	9,964	0
Subtotal Subgrants				12,464	0
TOTAL NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES				6,935,237	3,582,022
U.S. SMALL BUSINESS ADMINISTRATION:					
Direct Grants:					
59.037		COVID-19 - Small Business Development Centers	UW System Administration	797,024	0
59.037		COVID-19 - Small Business Development Centers (from UW System Administration)	UW-Eau Claire	91,139	0
59.037		COVID-19 - Small Business Development Centers (from UW System Administration)	UW-La Crosse	53,383	0
59.037		COVID-19 - Small Business Development Centers (from UW System Administration)	UW-Milwaukee	10,471	0
59.037		COVID-19 - Small Business Development Centers (from UW System Administration)	UW-Oshkosh	201,011	19,980
59.037		COVID-19 - Small Business Development Centers (from UW System Administration)	UW-River Falls	30,580	0
59.037		COVID-19 - Small Business Development Centers (from UW System Administration)	UW-Superior	18,011	0
59.037	SBAHQ22B0013	Small Business Development Centers	UW System Administration	41,991	0
59.037	SBAHQ22B0014	Small Business Development Centers	UW System Administration	56,607	0
59.037		Small Business Development Centers	UW System Administration	782,962	0
59.037		Small Business Development Centers (from UW System Administration)	UW-Eau Claire	128,422	0
59.037	Transfer Agreement #0000000761	Small Business Development Centers (from UW System Administration)	UW-Green Bay	26,509	0
59.037	Transfer Agreement #0000000783	Small Business Development Centers (from UW System Administration)	UW-Green Bay	62,605	0
59.037		Small Business Development Centers (from UW System Administration)	UW-Green Bay	88,976	0
59.037		Small Business Development Centers (from UW System Administration)	UW-La Crosse	53,337	0
59.037		Small Business Development Centers (from UW System Administration)	UW-La Crosse	101,333	0
59.037	723	Small Business Development Centers (from UW System Administration)	UW-Madison	177,990	0
59.037		Small Business Development Centers (from UW System Administration)	UW-Madison	112,383	0
59.037		Small Business Development Centers (from UW System Administration)	UW-Milwaukee	208,067	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
59.037		Small Business Development Centers (from UW System Administration)	UW-Oshkosh	89,976	0
59.037		Small Business Development Centers (from UW System Administration)	UW-Parkside	94,658	0
59.037	12312021	Small Business Development Centers (from UW System Administration)	UW-River Falls	53,894	0
59.037		Small Business Development Centers (from UW System Administration)	UW-River Falls	95,093	0
59.037		Small Business Development Centers (from UW System Administration)	UW-Stevens Point	47,953	0
59.037		Small Business Development Centers (from UW System Administration)	UW-Superior	120,867	0
59.037		Small Business Development Centers (from UW System Administration)	UW-Whitewater	124,963	0
Total Federal Program 59.037				3,670,205	19,980
59.058	SBAOIIFT210026-01-00	Federal and State Technology Partnership Program	UW System Administration	17,699	9,416
59.058		Federal and State Technology Partnership Program (from UW System Administration)	DMA	21,413	0
Total Federal Program 59.058				39,112	9,416
59.075	SBAHQ21SV003310	COVID-19 - Shuttered Venue Operators Grant Program	UW-Madison	995,531	0
59.075		COVID-19 - Shuttered Venue Operators Grant Program	WHS	456,802	0
59.075	SBAHQ21SV009754	Shuttered Venue Operators Grant Program	UW-Green Bay	471,566	0
59.075	SBAHQ21SV012881	Shuttered Venue Operators Grant Program	UW-Green Bay	57,960	0
Total Federal Program 59.075				1,981,859	0
Subtotal Direct Grants				5,691,176	29,396
Subgrants:					
59.061	CMAG FY20-24979	State Trade Expansion (from Wisconsin Economic Development Corporation)	DATCP	(54)	0
59.061	SBAHQ-19-IT-0029	State Trade Expansion (from Wisconsin Economic Development Corporation)	DATCP	16,533	0
59.061	SBAHQ-20-IT-0049	State Trade Expansion (from Wisconsin Economic Development Corporation)	DATCP	114,043	0
Subtotal Subgrants				130,522	0
TOTAL U.S. SMALL BUSINESS ADMINISTRATION				5,821,698	29,396
U.S. DEPARTMENT OF VETERANS AFFAIRS:					
Direct Grants:					
64.015		Veterans State Nursing Home Care	DVA	41,048,767	0
64.015	ARP Section 8004, PL117-2	COVID-19 - Veterans State Nursing Home Care	DVA	4,865,365	0
Total Federal Program 64.015				45,914,132	0
64.024		COVID-19 - VA Homeless Providers Grant and Per Diem Program	DVA	452,097	0
64.024		VA Homeless Providers Grant and Per Diem Program	DVA	1,381,958	0
Total Federal Program 64.024				1,834,055	0
64.101		Burial Expenses Allowance for Veterans	DVA	1,068,948	0
64.203		Veterans Cemetery Grants Program	DVA	235,391	0
Other Federal Financial Assistance:					
64.N/A	V101 223B	Reimbursement Contract - State Approving Agency	DVA	334,051	0
64.N/A	1IK2HX003080-01A2	Interagency Personnel Agreement	UW-Madison	1,787	0
64.N/A	IPA	Interagency Personnel Agreement	UW-Madison	1,814,848	0
64.N/A	IPA	Intergovernmental Personnel Assignment	UW-Madison	735,928	0
64.N/A	IPA	Interagency Personnel Agreement	UW-Milwaukee	23,476	0
64.N/A	AAG3447	Veteran Student Services	UW-River Falls	426	0
Subtotal Direct Grants				51,963,042	0
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS				51,963,042	0

STATE OF WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
		Direct Grants:			
66.032		State Indoor Radon Grants	DHS	244,289	128,357
66.032	435100-G21-IndAirRadon-00	State Indoor Radon Grants (from DHS)	UW-Madison	55,448	0
66.032	435100-G22-IndAirRadon-00	State Indoor Radon Grants (from DHS)	UW-Madison	42,163	0
Total Federal Program 66.032				341,900	128,357
66.034		Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	DNR	742,159	0
66.040		Diesel Emissions Reduction Act (DERA) State Grants	DNR	271,660	253,080
66.204		Multipurpose Grants to States and Tribes	DNR	285,271	0
66.204		Multipurpose Grants to States and Tribes (from DNR)	DHS	10,050	0
Total Federal Program 66.204				295,321	0
66.419		Water Pollution Control State, Interstate, and Tribal Program Support	DNR	337,286	0
66.419	Stream Discharge	Water Pollution Control State, Interstate, and Tribal Program Support (from DNR)	UW-Oshkosh	(1,410)	0
Total Federal Program 66.419				335,876	0
66.436		Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	DNR	86,268	0
66.436	83675401-0	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	UW-Madison	13,398	0
66.436	840321010X7	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	UW-Madison	486	0
66.436		Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	UW-Madison	15,709	8
Total Federal Program 66.436				115,861	8
66.442		Assistance for Small and Disadvantaged Communities Drinking Water Grant Program (SDWA 1459A)	DNR	317,116	317,116
66.444		Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	DHS	18,641	7,000
66.454		Water Quality Management Planning	DNR	405,954	184,600
		Clean Water State Revolving Fund Cluster:			
66.458		Capitalization Grants for Clean Water State Revolving Funds	DNR	2,875,138	0
66.458	CS-55000121-0	Capitalization Grants for Clean Water State Revolving Funds (from DNR)	DOA	40,340,243	40,340,243
Total Clean Water State Revolving Fund Cluster (Note 10)				43,215,381	40,340,243
66.460		Nonpoint Source Implementation Grants	DNR	1,910,056	1,206,308
66.460		Nonpoint Source Implementation Grants (from DNR)	DATCP	201,154	0
Total Federal Program 66.460				2,111,210	1,206,308
66.461		Regional Wetland Program Development Grants	DNR	151,696	0
		Drinking Water State Revolving Fund Cluster:			
66.468		Capitalization Grants for Drinking Water State Revolving Funds	DNR	5,117,184	0
66.468	FS-98597719-1	Capitalization Grants for Drinking Water State Revolving Funds (from DNR)	DOA	173,000	173,000
66.468	FS-98597721-0	Capitalization Grants for Drinking Water State Revolving Funds (from DNR)	DOA	13,203,083	13,203,083
66.468	37000-0000019142	Capitalization Grants for Drinking Water State Revolving Funds (from DNR)	UW-Stevens Point	22,278	0
Total Drinking Water State Revolving Fund Cluster (Note 10)				18,515,545	13,376,083

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
66.469		Great Lakes Program	DHS	32,514	0
66.469		Great Lakes Program	DNR	5,347,802	1,478,254
66.469	2021-0838	Great Lakes Program (from DNR)	UW-Milwaukee	947	0
Total Federal Program 66.469				5,381,263	1,478,254
66.472		Beach Monitoring and Notification Program Implementation Grants	DNR	190,811	0
66.475	01D00921	Gulf of Mexico Program	UW-Madison	40,012	8,213
66.605		Performance Partnership Grants	DATCP	674,447	0
66.605		Performance Partnership Grants	DHS	329,328	0
66.605		Performance Partnership Grants	DNR	18,333,253	0
66.605		Performance Partnership Grants (from DNR)	UW-Madison	127,042	0
Total Federal Program 66.605				19,464,070	0
66.707		TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	DHS	276,804	0
66.802		Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	DNR	598,306	0
66.804		Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	DATCP	437,916	0
66.805		Leaking Underground Storage Tank Trust Fund Corrective Action Program	DNR	1,222,374	0
66.809		Superfund State and Indian Tribe Core Program Cooperative Agreements	DNR	76,335	0
66.817		State and Tribal Response Program Grants	DNR	873,797	0
66.818		Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	DNR	205,751	0
66.N/A	MSN235225	Other Federal Financial Assistance: Southwest Wisconsin Geology & Groundwater Project	UW-Madison	18,701	0
Subtotal Direct Grants				95,624,460	57,299,262
Subgrants:					
66.475		Gulf of Mexico Program (from Mississippi State University)	UW-Madison	65,548	0
66.950	NT-84019001 / ee	National Environmental Education Training Program (from North American Association for Environmental Education)	UW-Stevens Point	14,095	0
66.951	Year 1 U-Wisc	Environmental Education Grants (from West Central Wisconsin Regional Planning Commission)	UW-Madison	1,968	0
Subtotal Subgrants				81,611	0
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				95,706,071	57,299,262
U.S. DEPARTMENT OF ENERGY:					
Direct Grants:					
81.041		ARRA - State Energy Program	PSC	1,252,825	1,252,825
81.041		State Energy Program	PSC	1,327,806	555,809
81.041		State Energy Program (from PSC)	DOA	500,000	500,000
81.041		State Energy Program (from PSC)	UW-Platteville	4,319	0
Total Federal Program 81.041				3,084,950	2,308,634
81.042		Weatherization Assistance for Low-Income Persons	DOA	11,645,254	9,468,025
81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	UW-Milwaukee	12,291	0
81.119		State Energy Program Special Projects	PSC	26,675	11,241
81.121		Nuclear Energy Research, Development and Demonstration	UW-Madison	87,150	0
81.N/A	DE-EE0009728	Other Federal Financial Assistance: IAC	UW-Milwaukee	51,097	0
Subtotal Direct Grants				14,907,417	11,787,900
TOTAL U.S. DEPARTMENT OF ENERGY				14,907,417	11,787,900
U.S. DEPARTMENT OF EDUCATION:					
Direct Grants:					
84.002		Adult Education - Basic Grants to States	WTCS	7,426,355	5,971,912

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
84.002		Adult Education - Basic Grants to States (from WTCS)	DOC	39,340	0
		Total Federal Programs 84.002		7,465,695	5,971,912
84.010		Title I Grants to Local Educational Agencies	DPI	209,509,365	205,085,705
84.011		Migrant Education State Grant Program	DPI	813,982	188,712
84.011	2022-759464-DPI-TIC -142	Migrant Education State Grant Program (from DPI)	UW-Eau Claire	34,065	0
		Total Federal Programs 84.011		848,047	188,712
84.013		Title I State Agency Program for Neglected and Delinquent Children and Youth (from DPI)	DOC	325,496	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	3,960,353	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	428,002	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 UW-Madison)	UW-La Crosse	27,171	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 UW-Madison)	UW-Milwaukee	138,296	0
		Total Federal Program 84.015		4,553,822	0
84.022	P022A200007	Overseas Programs - Doctoral Dissertation Research Abroad	UW-Madison	34,257	0
84.022	P022A210013	Overseas Programs - Doctoral Dissertation Research Abroad	UW-Madison	49,444	0
		Total Federal Program 84.022		83,701	0
84.027		Special Education Cluster (IDEA):			
84.027		Special Education Grants to States	DPI	222,150,750	206,481,719
84.027		Special Education Grants to States (from DPI)	BPDD	27,331	27,331
84.027		Special Education Grants to States (from DPI)	DHS	61,403	0
84.027		Special Education Grants to States (from DPI)	DOC	239,035	0
84.173		Special Education Preschool Grants	DPI	11,110,562	10,422,709
84.173		Special Education Preschool Grants (from DPI)	DHS	460	0
		Total Special Education Cluster (IDEA)		233,589,541	216,931,759
84.031	P031A210017	Higher Education Institutional Aid	UW-Parkside	102,136	0
		TRIO Cluster:			
84.042		TRIO Student Support Services	UW-Eau Claire	697,024	0
84.042		TRIO Student Support Services	UW-La Crosse	394,957	0
84.042		TRIO Student Support Services	UW-La Crosse	45,419	0
84.042		TRIO Student Support Services	UW-Madison	522,923	0
84.042		TRIO Student Support Services	UW-Milwaukee	630,320	0
84.042		TRIO Student Support Services	UW-Oshkosh	659,196	0
84.042		TRIO Student Support Services	UW-Parkside	344,620	0
84.042	P042A200355	TRIO Student Support Services	UW-Platteville	94,957	0
84.042		TRIO Student Support Services	UW-Platteville	637,697	0
84.042		TRIO Student Support Services	UW-River Falls	352,923	0
84.042		TRIO Student Support Services	UW-Stout	691,982	0
84.042		TRIO Student Support Services	UW-Superior	349,766	0
84.042	P042A170547-21	TRIO Student Support Services	UW-Whitewater	201,412	0
84.042		TRIO Student Support Services	UW-Whitewater	36,025	0
84.044		TRIO Talent Search	DPI	265,141	0
84.044		TRIO Talent Search	UW-Milwaukee	329,448	0
84.047		TRIO Upward Bound	DPI	256,739	0
84.047		TRIO Upward Bound	UW-Eau Claire	447,414	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
84.047		TRIO Upward Bound	UW-Green Bay	535,181	0
84.047	P047A170785-21	TRIO Upward Bound	UW-La Crosse	335,156	0
84.047		TRIO Upward Bound	UW-La Crosse	159,479	0
84.047		TRIO Upward Bound	UW-Milwaukee	963,832	0
84.047		TRIO Upward Bound	UW-River Falls	276,887	0
84.047	P047A220535	TRIO Upward Bound	UW-Stevens Point	36,316	0
84.047		TRIO Upward Bound	UW-Stevens Point	588,542	0
84.047		TRIO Upward Bound	UW-Superior	370,117	0
84.047	P047A220401	TRIO Upward Bound	UW-Whitewater	14,612	0
84.047		TRIO Upward Bound	UW-Whitewater	280,356	0
84.047	21-CO466	TRIO Upward Bound (from DPI)	UW-Stevens Point	25,593	0
84.047	22-C0920	TRIO Upward Bound (from DPI)	UW-Stevens Point	10,520	0
84.066		TRIO Educational Opportunity Centers	UW-Milwaukee	262,727	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Eau Claire	294,216	0
84.217	P217A180042-21	TRIO McNair Post-Baccalaureate Achievement	UW-La Crosse	204,755	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-La Crosse	81,864	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Madison	350,988	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Milwaukee	322,534	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Oshkosh	143	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-River Falls	264,417	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Stout	298,764	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Whitewater	234,094	0
Total TRIO Cluster				12,869,056	0
84.048		Career and Technical Education -- Basic Grants to States	WTCS	13,423,340	11,371,028
84.048		Career and Technical Education -- Basic Grants to States (from DPI)	DOC	25,000	0
84.048		Career and Technical Education -- Basic Grants to States (from WTCS)	DPI	8,721,711	7,484,289
Total Federal Program 84.048				22,170,051	18,855,317
84.116		Fund for the Improvement of Postsecondary Education	UW-Milwaukee	(251)	0
84.116		Fund for the Improvement of Postsecondary Education (from DPI)	UW-La Crosse	12,952	0
Total Federal Program 84.116				12,701	0
84.126		Rehabilitation Services Vocational Rehabilitation Grants to States	DWD	63,626,514	0
84.126		Rehabilitation Services Vocational Rehabilitation Grants to States (from DWD)	DHS	63,259	63,259
Total Federal Program 84.126				63,689,773	63,259
84.129		Rehabilitation Long-Term Training	UW-Madison	231,200	0
84.129		Rehabilitation Long-Term Training	UW-Stout	191,033	0
Total Federal Program 84.129				422,233	0
84.144		Migrant Education Coordination Program	DPI	81,278	0
84.161		Rehabilitation Services Client Assistance Program	DATCP	50,061	0
84.177		Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	DWD	627	0
84.177		Rehabilitation Services Independent Living Services for Older Individuals Who are Blind (from DWD)	DHS	487,448	104,378
Total Federal Program 84.177				488,075	104,378
84.181		COVID-19 - Special Education-Grants for Infants and Families	DHS	100,480	0
84.181		Special Education-Grants for Infants and Families	DHS	7,532,187	6,085,789
84.181	435400-G22-ChildMentHI-00	Special Education-Grants for Infants and Families (from DHS)	UW-Madison	9,734	0
Total Federal Program 84.181				7,642,401	6,085,789
84.184		School Safety National Activities	DPI	872,554	0
84.184	22-C0813	School Safety National Activities (from DPI)	UW-La Crosse	26,177	0
84.184	22-C0213	School Safety National Activities (from DPI)	UW-Madison	108,655	0
84.184	22-C0722	School Safety National Activities (from DPI)	UW-Milwaukee	20,937	0
84.184	PO#5578	School Safety National Activities (from DPI)	UW-Milwaukee	36,946	0
Total Federal Program 84.184				1,065,269	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
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	1,017,020	828,813
84.263		Innovative Rehabilitation Training	UW-Stout	12,383	12,383
84.264	H264K200003	Rehabilitation Training Technical Assistance Centers	UW-Madison	1,569,423	974,245
84.264		Rehabilitation Training Technical Assistance Centers	UW-Madison	1,590,835	1,202,386
84.264		Rehabilitation Training Technical Assistance Centers	UW-Milwaukee	50,875	0
84.264		Rehabilitation Training Technical Assistance Centers (from UW-Madison)	UW-Stout	156,620	0
Total Federal Program 84.264				3,367,753	2,176,631
84.282		Charter Schools	DPI	7,710,384	6,230,050
84.283		Comprehensive Centers	UW-Madison	1,705,302	929,342
84.287		Twenty-First Century Community Learning Centers	DPI	14,632,092	13,683,053
84.299	S299B210025	Indian Education -- Special Programs for Indian Children	UW-Milwaukee	34,153	0
84.299	S299B210026	Indian Education -- Special Programs for Indian Children	UW-Milwaukee	18,247	0
84.299		Indian Education -- Special Programs for Indian Children	UW-Milwaukee	218,629	0
Total Federal Program 84.299				271,029	0
84.305		Education Research, Development and Dissemination	UW-Madison	291,788	0
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-La Crosse	253,078	0
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-Madison	226,148	0
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-Milwaukee	812	0
Total Federal Program 84.325				480,038	0
84.326		Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	DPI	165,429	0
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	DPI	3,835,345	2,416,000
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Green Bay	424,323	0
Total Federal Program 84.334				4,259,668	2,416,000
84.335		Child Care Access Means Parents in School	UW-Eau Claire	72,471	0
84.335		Child Care Access Means Parents in School	UW-Green Bay	58,879	0
84.335	P335A210092	Child Care Access Means Parents in School	UW-Milwaukee	206,466	0
84.335		Child Care Access Means Parents in School	UW-Milwaukee	93,940	0
84.335	P335A190301	Child Care Access Means Parents in School	UW-Oshkosh	60,177	0
84.335	P335A210085	Child Care Access Means Parents in School	UW-Whitewater	17,795	0
Total Federal Program 84.335				509,728	0
84.342		Preparing Tomorrow's Teachers to Use Technology	UW-Madison	393,309	0
84.358		Rural Education	DPI	347,675	339,672
84.365		English Language Acquisition State Grants	DPI	7,322,093	7,010,843
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	DPI	32,763,797	31,299,728
84.369		Grants for State Assessments and Related Activities	DPI	5,806,443	0
84.372		Statewide Longitudinal Data Systems	DPI	1,294,680	0
84.377		School Improvement Grants	DPI	1,968,089	1,968,089
84.421		Disability Innovation Fund (DIF)	DWD	156,043	0
84.422		American History and Civics Education	UW-Parkside	239,774	0
84.423		Supporting Effective Educator Development Program	UW-Milwaukee	(14,816)	0
84.424		Student Support and Academic Enrichment Program	DPI	18,854,937	17,905,694
84.425C		Education Stabilization Fund: COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	DPI	23,295,216	23,295,216
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW System Administration	1,137,799	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-Eau Claire	675,931	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-Green Bay	104,610	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-La Crosse	365,295	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-Oshkosh	525,920	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-Parkside	563,943	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-Platteville	531,581	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-River Falls	469,988	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-Stevens Point	432,868	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-Superior	296,915	0
84.425C		COVID-19 - Governor's Emergency Education Relief (GEER) Fund (from Gov)	UW-Whitewater	51	0
84.425D	ESSER I	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	DPI	54,032,827	48,656,018
84.425D	ESSER II	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	DPI	185,438,646	185,016,726
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Eau Claire	10,077,284	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Green Bay	6,208,312	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-La Crosse	8,841,205	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Madison	26,464,929	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Milwaukee	25,198,937	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Oshkosh	10,526,843	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Parkside	5,788,143	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Platteville	6,441,915	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-River Falls	6,066,746	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Stevens Point	9,035,647	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Stout	6,720,622	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Superior	2,484,521	0
84.425E		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	UW-Whitewater	11,422,892	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Eau Claire	5,530,346	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Green Bay	8,853,111	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-La Crosse	2,058,820	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Madison	26,367,643	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Milwaukee	24,501,130	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Oshkosh	322,897	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Parkside	5,701,443	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Platteville	7,368,201	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-River Falls	6,231,085	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Stevens Point	7,883,453	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Stout	6,561,423	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Superior	2,422,056	0
84.425F		COVID-19 - HEERF Institutional Portion	UW-Whitewater	11,249,547	0
84.425M		COVID-19 - HEERF Strengthening Institutions Program (SIP)	UW-Eau Claire	50,978	0
84.425M		COVID-19 - HEERF Strengthening Institutions Program (SIP)	UW-Green Bay	827,470	0
84.425M		COVID-19 - HEERF Strengthening Institutions Program (SIP)	UW-Parkside	478,807	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
84.425M		COVID-19 - HEERF Strengthening Institutions Program (SIP)	UW-Stout	582,038	0
84.425M		COVID-19 - HEERF Strengthening Institutions Program (SIP)	UW-Superior	199,831	0
84.425R		COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance for Non-Public Schools (CRRSA EANS) program (from GOV)	DPI	45,052,643	0
84.425U		COVID-19 - American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	DPI	30,968,857	30,932,825
84.425V		COVID-19 - American Rescue Plan–Emergency Assistance to Non-Public Schools (ARP EANS) (from GOV)	DPI	3,326,681	0
84.425W		COVID-19 - American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	DPI	213,666	210,915
84.425W		COVID-19 - American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth (from DPI)	DHS	2,553	0
Total Education Stabilization Fund				599,904,265	288,111,700
84.426		Randolph-Sheppard – Financial Relief and Restoration Payments	DWD	249,292	0
84.N/A	22-C0247	Other Federal Financial Assistance: School-Based Mental Health (SBMH) Professionals Program (from DPI)	UW-Green Bay	94,299	0
84.N/A	22-C0622	Helen Bader School of Social Work (from DPI)	UW-Milwaukee	32,395	0
84.N/A	22-C0621	SBMH-Social Work (from DPI)	UW-Whitewater	65,014	0
84.N/A	22-C0679	SBMH-School Psych (from DPI)	UW-Whitewater	92,328	0
84.N/A	22-C0690	SBMH-School Counseling (from DPI)	UW-Whitewater	95,219	0
Subtotal Direct Grants				1,269,356,151	826,198,829
84.015	GR124392 / SPC-1000004898	Subgrants: 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 Ohio State University)	UW-Madison	7,300	0
84.015	1269 G YA044	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of California-Los Angeles)	UW-Madison	6,930	0
84.015	5121158	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of North Carolina-Chapel Hill)	UW-Madison	13,730	0
84.015	SASLI FLAS 2021	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program (from University of Pennsylvania)	UW-Madison	2,500	0
84.264		Rehabilitation Training Technical Assistance Centers (from Southern University & A&M College)	UW-Stout	16,878	20,000
84.295	35173-EDU	Ready-To-Learn Television (from Corporation for Public Broadcasting)	UW-Madison	175,376	25,000
84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) (from National Writing Project)	UW-Madison	2,982	0
84.411		Education Innovation and Research (formerly Investing in Innovation (i3) Fund) (from National Writing Project)	UW-Madison	36,063	0
84.N/A	MSN254008	SEASSI 2021 FLAS Cornell (from Cornell University)	UW-Madison	22,500	0
84.N/A	AGMT 09-23-19	Cognitive Strategies Approach to Text-Based Academic Writing to Improve Educational Outcomes for Secondary English Learners (from University of California-Irvine)	UW-Milwaukee	140,743	0
Subtotal Subgrants				425,002	45,000
TOTAL U.S. DEPARTMENT OF EDUCATION				1,269,781,153	826,243,829

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
CONSUMER PRODUCT SAFETY COMMISSION:					
		Direct Grants:			
		Other Federal Financial Assistance:			
87.N/A	CPS-21342-22-0004	Recall Effectiveness Checks Program	DATCP	5,761	0
87.N/A	CPS-61320618K0018	Consumer Product Safety Comm	DHS	2,040	0
		Subtotal Direct Grants		7,801	0
		TOTAL CONSUMER PRODUCT SAFETY COMMISSION		7,801	0
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
		Direct Grants:			
89.003		National Historical Publications and Records Grants	WHS	1,933	0
		Subtotal Direct Grants		1,933	0
		TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		1,933	0
ELECTION ASSISTANCE COMMISSION:					
		Direct Grants:			
90.404	EAC-ELSEC18WI	2018 HAVA Election Security Grants	Elections	1,970,771	52,879
		Subtotal Direct Grants		1,970,771	52,879
		TOTAL ELECTION ASSISTANCE COMMISSION		1,970,771	52,879
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
		Direct Grants:			
93.041		Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DHS	117,745	4,150
93.042		COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	DHS	172,131	0
93.042		Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	DHS	109,889	0
		Total Federal Program 93.042		282,020	0
93.043		COVID-19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	DHS	2,942	2,942
93.043		Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	DHS	611,587	611,587
		Total Federal Program 93.043		614,529	614,529
		Aging Cluster:			
93.044		COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	DHS	537,581	484,673
93.044		Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	DHS	7,656,757	7,350,118
93.045		COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	DHS	1,114,443	913,764
93.045		Special Programs for the Aging, Title III, Part C, Nutrition Services	DHS	19,021,755	18,459,588
93.045	435100-A22-PopHeaFelPro-00 X	Special Programs for the Aging, Title III, Part C, Nutrition Services (from DHS)	UW-Madison	10,534	0
93.053		Nutrition Services Incentive Program	DHS	2,483,215	2,483,215
		Total Aging Cluster		30,824,285	29,691,358
93.048		COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	DHS	90,899	89,433
93.048		Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	DHS	78,531	78,419
		Total Federal Program 93.048		169,430	167,852
93.052		COVID-19 - National Family Caregiver Support, Title III, Part E	DHS	74,278	48,485
93.052		National Family Caregiver Support, Title III, Part E	DHS	3,863,247	3,737,247
		Total Federal Program 93.052		3,937,525	3,785,732

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.060		Sexual Risk Avoidance Education	DHS	402,779	402,537
93.061	1T32GM130550-01	Innovations in Applied Public Health Research	UW-Madison	361,281	0
93.061		Innovations in Applied Public Health Research	UW-Madison	(59,278)	0
		Total Federal Program 93.061		302,003	0
93.069		Public Health Emergency Preparedness	DHS	11,265,119	5,706,277
93.069		Public Health Emergency Preparedness (from DHS)	DMA	38,000	0
		Total Federal Program 93.069		11,303,119	5,706,277
93.070		Environmental Public Health and Emergency Response	DHS	1,410,172	224,029
93.070		Environmental Public Health and Emergency Response (from DHS)	UW-Madison	37,109	0
		Total Federal Program 93.070		1,447,281	224,029
93.071		Medicare Enrollment Assistance Program	DHS	556,422	469,664
93.072		Lifespan Respite Care Program	DHS	244,275	244,238
93.079		Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	DPI	102,747	0
93.090		COVID-19 - Guardianship Assistance	DCF	462,220	0
93.090		Guardianship Assistance	DCF	6,247,993	0
		Total Federal Program 93.090		6,710,213	0
93.092		Affordable Care Act (ACA) Personal Responsibility Education Program	DHS	637,221	632,133
93.092	435100-A22-PREPSRAE-0	Affordable Care Act (ACA) Personal Responsibility Education Program (from DHS)	UW-Madison	286,147	0
		Total Federal Program 93.092		923,368	632,133
93.103		Food and Drug Administration Research	DATCP	1,212,596	0
93.103	1U18FD007520-01; 1U19FD007067-01	Food and Drug Administration Research	UW-Madison	303,207	0
		Total Federal Program 93.103		1,515,803	0
93.107	U77HP03045	Area Health Education Centers	UW-Madison	532,585	532,585
93.107		Area Health Education Centers	UW-Madison	424,997	424,997
		Total Federal Program 93.107		957,582	957,582
93.110		Maternal and Child Health Federal Consolidated Programs	DHS	757,668	546,031
93.110	2 H6MMC30387-04-00; 2 T73MC00044-29-00	Maternal and Child Health Federal Consolidated Programs	UW-Madison	1,027,618	0
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Milwaukee	110,996	0
93.110		Maternal and Child Health Federal Consolidated Programs (from DHS)	DPI	9,713	0
93.110		Maternal and Child Health Federal Consolidated Programs (from UW-Madison)	UW-Milwaukee	18,497	0
		Total Federal Program 93.110		1,924,492	546,031
93.113	2T32ES007015-41	Environmental Health	UW-Madison	535,748	0
93.116		Project Grants and Cooperative Agreements for Tuberculosis Control Programs	DHS	452,940	7,752
93.127		Emergency Medical Services for Children	DHS	129,920	129,920
93.130		Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	DHS	226,919	106,698
93.136		COVID-19 - Injury Prevention and Control Research and State and Community Based Programs	DHS	89,759	89,759
93.136		COVID-19 - Injury Prevention and Control Research and State and Community Based Programs (from DHS)	CANPB	6,568	0
93.136		Injury Prevention and Control Research and State and Community Based Programs	DHS	5,432,831	3,498,063
93.136		Injury Prevention and Control Research and State and Community Based Programs (from DHS)	DOJ	113,051	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.136	NU17CE925003	Injury Prevention and Control Research and State and Community Based Programs (from DHS)	DSPS	105,047	0
93.136	435100-A22	Injury Prevention and Control Research and State and Community Based Programs (from DHS)	UW-La Crosse	8,957	0
93.136	435100-A22-INJPREV-00	Injury Prevention and Control Research and State and Community Based Programs (from DHS)	UW-Madison	82,259	0
93.136	435100-G23-23236646-380	Injury Prevention and Control Research and State and Community Based Programs (from DHS)	UW-Madison	24,812	0
Total Federal Program 93.136				5,863,284	3,587,822
93.150		Projects for Assistance in Transition from Homelessness (PATH)	DHS	817,386	786,141
93.155	1 H3LRH42250-01-00	Rural Health Research Centers	UW-Madison	6,602,963	6,592,782
93.165	2 H56HP17262-10-00	Grants to States for Loan Repayment	UW-Madison	297,573	0
93.172	2T32HG002760-16	Human Genome Research	UW-Madison	886,318	0
93.173	1F31DC018726-01A1; 1F31DC018716-01; 2T32DC009401-11	Research Related to Deafness and Communication Disorders	UW-Madison	923,460	35,880
93.186	2T32HP10010-29-00	National Research Service Award in Primary Care Medicine	UW-Madison	479,377	0
93.186		National Research Service Award in Primary Care Medicine	UW-Madison	21,321	0
Total Federal Program 93.186				500,698	0
93.197		Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	DHS	391,674	64,700
93.217		Family Planning Services	DHS	4,979,032	3,812,783
93.235		Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	DHS	528,609	322,632
93.235	48045	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program (from DHS)	UW-Madison	54,703	0
Total Federal Program 93.235				583,312	322,632
93.236		Grants to States to Support Oral Health Workforce Activities	DHS	432,660	61,706
93.236	435100-G21-ORALHEA-00 X1	Grants to States to Support Oral Health Workforce Activities (from DHS)	UW-Madison	15,105	0
Total Federal Program 93.236				447,765	61,706
93.240		COVID-19 - State Capacity Building	DHS	80,545	0
93.240		State Capacity Building	DHS	462,615	0
Total Federal Program 93.240				543,160	0
93.242	2T32MH018931-29	Mental Health Research Grants	UW-Madison	1,103,231	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	DCF	375,204	243,711
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	DHS	1,091,418	1,047,140
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	DPI	1,662,678	1,152,491
93.243	1H79SP081002-01; 1H79TI080207-01; 1H79SM081733-01	Substance Abuse and Mental Health Services Projects of Regional and National Significance	UW-Madison	2,986,765	618,247
93.243	435200-G21-23236646-180 X1; 435200-G21-23236646-180; 435200-G21-23236646-180 X; 435100-G21-H79SP0022112-00	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from DHS)	UW-Madison	52,071	0

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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 (from DHS)	UW-Whitewater	114,251	0
		Total Federal Program 93.243		6,282,387	3,061,589
93.251		Early Hearing Detection and Intervention	DHS	225,212	175,112
93.251	435100-G22-SOUND-00; 435100-A22-NIOSH-00	Early Hearing Detection and Intervention (from DHS)	UW-Madison	47,578	0
		Total Federal Program 93.251		272,790	175,112
93.262		Occupational Safety and Health Program	DHS	170,068	61,083
93.262		Occupational Safety and Health Program	UW-Stout	121,933	0
93.262	435100-G22-SOUND-00; 435100-A22-NIOSH-00	Occupational Safety and Health Program (from DHS)	UW-Madison	78,981	0
		Total Federal Program 93.262		370,982	61,083
93.268		COVID-19 - Immunization Cooperative Agreements	DHS	36,373,762	15,455,266
93.268	435100-A22-IncenProg-00	COVID-19 - Immunization Cooperative Agreements (from DHS)	UW System Administration	844,000	0
93.268	435100-A22-VaxProg-00	COVID-19 - Immunization Cooperative Agreements (from DHS)	UW System Administration	712,453	0
93.268		Immunization Cooperative Agreements	DHS	58,441,458	1,421,957
93.268	435100-G21-IMMUNE_PROG-08	Immunization Cooperative Agreements (from DHS)	UW System Administration	112,352	0
93.268	435100-A21-IMMPRO-00; 435100-A22-IMMPRO-02; 435100-A22-IMMPRO-00	Immunization Cooperative Agreements (from DHS)	UW-Madison	118,577	0
		Total Federal Program 93.268 (Note 11)		96,602,602	16,877,223
93.270		Viral Hepatitis Prevention and Control	DHS	219,680	0
93.270	435100-G22-BCDHEP-0	Viral Hepatitis Prevention and Control (from DHS)	UW-Madison	9,769	0
		Total Federal Program 93.270		229,449	0
93.283		Centers for Disease Control and Prevention Investigations and Technical Assistance (from DHS)	UW-Milwaukee	2	0
93.301	5 H3HRH00007-21	Small Rural Hospital Improvement Grant Program	UW-Madison	1,834	0
93.301		Small Rural Hospital Improvement Grant Program	UW-Madison	626,921	593,435
		Total Federal Program 93.301		628,755	593,435
93.307		Minority Health and Health Disparities Research	UW-Madison	61,552	0
93.319	1NU58DP006560-01-00	Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	UW-Madison	249,029	0
93.319		Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	UW-Madison	167,896	68,503
		Total Federal Program 93.319		416,925	68,503
93.323		COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	DHS	296,613,634	29,336,437
93.323		COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (from DHS)	UW-Madison	463,504	0
93.323		Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	DHS	4,754,170	39,902
93.323		Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (from DHS)	DATCP	30,313	0
93.323		Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (from DHS)	UW-Madison	202,824	0
		Total Federal Program 93.323		302,064,445	29,376,339
93.324		State Health Insurance Assistance Program	DHS	932,777	582,546

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.332	NAVCA210387-01-00	Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	UW-Madison	1,185,904	300,566
93.332		Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	UW-Madison	75,574	13,264
Total Federal Program 93.332				1,261,478	313,830
93.334		The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	DHS	62,749	8,797
93.334	435100-G21-285932-180 X1; 435100-G22-285932-280-X1	The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels (from DHS)	UW-Madison	16,528	0
Total Federal Program 93.334				79,277	8,797
93.336		Behavioral Risk Factor Surveillance System	DHS	589,379	0
93.336		COVID-19 - Behavioral Risk Factor Surveillance System	DHS	25,000	0
Total Federal Program 93.336				614,379	0
93.350	1TL1TR002375-01	National Center for Advancing Translational Sciences	UW-Madison	1,008,500	0
93.350		National Center for Advancing Translational Sciences	UW-Madison	(14,129)	0
Total Federal Program 93.350				994,371	0
93.351	2T35OD011078-11 2T32OD010423-11	Research Infrastructure Programs	UW-Madison	446,249	0
93.351		Research Infrastructure Programs	UW-Milwaukee	94,711	0
Total Federal Program 93.351				540,960	0
93.354		COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	DHS	4,237,353	1,145,008
93.354		Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (from DHS)	UW-Madison	78,841	0
Total Federal Program 93.354				4,316,194	1,145,008
93.358	435200-G21-138446-180 X	Advanced Education Nursing Traineeships	UW-Green Bay	163,085	0
93.358	435200-G21-138446-180 X1	Advanced Education Nursing Traineeships	UW-Green Bay	106,389	0
Total Federal Program 93.358				269,474	0
93.367		Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	DATCP	622,669	0
93.369		ACL Independent Living State Grants	DHS	433,680	433,680
93.387		National and State Tobacco Control Program	DHS	1,253,306	33,420
93.387	48165	National and State Tobacco Control Program (from DHS)	UW-Madison	(6,107)	0
93.387	MSN251150	National and State Tobacco Control Program (from DHS)	UW-Madison	273,561	32,050
Total Federal Program 93.387				1,520,760	65,470
93.391	435100-A22-HealthEq-01 435100-A22-JustRecov-00	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises (from DHS)	UW-Madison	621,823	286,964
93.391		COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	DHS	969,068	132,195
Total Federal Program 93.391				1,590,891	419,159
93.393		Cancer Cause and Prevention Research	UW-Madison	312,783	0
93.395		Cancer Treatment Research	UW-Madison	3,713	0
93.396		Cancer Biology Research	UW-Madison	248,255	0
93.398		Cancer Research Manpower	UW-Madison	1,352,628	0

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INDIVIDUAL PROGRAMS AND OTHER CLUSTERS					
93.413	PRPPR210163-01-00	The State Flexibility to Stabilize the Market Grant Program	OCI	87,779	0
93.421		COVID-19 - Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health (from UW-Madison)	UW-Milwaukee	8,809	0
93.423	SIWIW190008-01-00	1332 State Innovation Waivers	OCI	141,955,242	0
93.426		Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	DHS	2,014,680	1,270,871
93.426		Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke (from DHS)	UW-Madison	90,804	0
Total Federal Program 93.426				2,105,484	1,270,871
93.433		ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from UW-Madison)	UW-Stout	43,032	0
93.434		Every Student Succeeds Act/Preschool Development Grants	DCF	7,702,135	3,344,892
93.434		Every Student Succeeds Act/Preschool Development Grants (from DCF)	CANPB	498,817	0
93.434	437002-A21-0001800-000-01	Every Student Succeeds Act/Preschool Development Grants (from DCF)	DPI	313,328	247,290
93.434		Every Student Succeeds Act/Preschool Development Grants (from DCF)	UW-Whitewater	486,932	0
93.434		Every Student Succeeds Act/Preschool Development Grants (from UW-Madison)	UW-Milwaukee	(17)	0
Total Federal Program 93.434				9,001,195	3,592,182
93.435		Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke-	DHS	1,776,189	1,073,723
93.435		Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke- (from DHS)	UW-Madison	202,682	0
Total Federal Program 93.435				1,978,871	1,073,723
93.436		Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	DHS	447,553	428,699
93.464		ACL Assistive Technology	DHS	463,917	396,228
93.464		ACL Assistive Technology (from DHS)	DOC	25,500	0
Total Federal Program 93.464				489,417	396,228
93.470		Alzheimer's Disease Program Initiative (ADPI)	DHS	214,973	214,973
93.478		Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	DHS	70,989	0
93.495		Community Health Workers for Public Health Response and Resilient	DHS	69,627	62,605
93.495	435100-A22-ChronDisPre-02; 435100-A22-ChronDisPre-00	Community Health Workers for Public Health Response and Resilient (from DHS)	UW-Madison	302,639	0
93.495		COVID-19 - Community Health Workers for Public Health Response and Resilient	DHS	718,127	527,578
93.495	MSN258432	COVID-19 - Community Health Workers for Public Health Response and Resilient (from DHS)	UW-Madison	43,946	0
Total Federal Program 93.495				1,134,339	590,183
93.497		COVID-19 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	DCF	244,128	244,128
93.498		COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	DVA	1,875,228	0
93.499		COVID-19 - Low Income Household Water Assistance Program	DOA	1,524,070	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.500		Pregnancy Assistance Fund Program	DPI	90,396	89,694
93.500	437003-A21-1640-R1-3	Pregnancy Assistance Fund Program (from DCF)	UW-Milwaukee	385,116	0
Total Federal Program 93.500				475,512	89,694
93.556		COVID-19 - MaryLee Allen Promoting Safe and Stable Families Program	DCF	634,297	634,297
93.556		COVID-19 - MaryLee Allen Promoting Safe and Stable Families Program	DVA	2,971,153	0
93.556		MaryLee Allen Promoting Safe and Stable Families Program	DCF	5,734,061	4,429,240
93.556	437003-A18-0001035-R03-01; MSN260849	MaryLee Allen Promoting Safe and Stable Families Program (from DCF)	UW-Madison	4,851,362	0
93.556	2022 WI Child Welfare Training	MaryLee Allen Promoting Safe and Stable Families Program (from UW-Madison)	UW-Milwaukee	1,184,246	0
93.556		MaryLee Allen Promoting Safe and Stable Families Program (from UW-Madison)	UW-Milwaukee	1,263,764	0
Total Federal Program 93.556				16,638,883	5,063,537
93.558		COVID-19 - Temporary Assistance for Needy Families	DCF	14,212,360	248,230
93.558		Temporary Assistance for Needy Families	DCF	95,924,450	24,647,417
93.558		Temporary Assistance for Needy Families (from DCF)	DOA	1,354,592	1,305,261
93.558		Temporary Assistance for Needy Families (from DCF)	DOR	53,850,000	0
93.558	TANF2021	Temporary Assistance for Needy Families (from DCF)	UW-Oshkosh	409,073	0
93.558	TANF2020	Temporary Assistance for Needy Families (from DHS)	UW-Oshkosh	26	0
Total Federal Program 93.558				165,750,501	26,200,908
93.563		Child Support Enforcement	DCF	68,919,408	58,395,701
93.566		Refugee and Entrant Assistance State/Replacement Designee Administered Programs	DCF	4,824,374	3,472,208
93.566	437003-A18-1035-R2-1	Refugee and Entrant Assistance State/Replacement Designee Administered Programs (from DCF)	UW-Madison	(16,487)	0
Total Federal Program 93.566				4,807,887	3,472,208
93.568		COVID-19 - Low-Income Home Energy Assistance	DOA	109,083,014	0
93.568		Low-Income Home Energy Assistance	DOA	96,489,109	17,155,002
Total Federal Program 93.568				205,572,123	17,155,002
93.569		Community Services Block Grant	DCF	8,108,466	7,975,687
93.569		COVID-19 - Community Services Block Grant	DCF	4,325,120	4,325,120
Total Federal Program 93.569				12,433,586	12,300,807
CCDF Cluster:					
93.575		Child Care and Development Block Grant	DCF	155,640,647	17,475,058
93.575		Child Care and Development Block Grant	UW-La Crosse	106,210	0
93.575	437002-A20-0001432-000-01	Child Care and Development Block Grant (from DCF)	DPI	63,990	0
93.575		Child Care and Development Block Grant (from DCF)	UW-Stevens Point	86,347	0
93.575	YoungStar MicroG PreSch	Child Care and Development Block Grant (from DCF)	UW-Stout	62	0
93.575		Child Care and Development Block Grant (from DCF)	UW-Stout	38,585	0
93.575		Child Care and Development Block Grant (from DCF)	UW-Whitewater	11,333	0
93.575		COVID-19 - Child Care and Development Block Grant	DCF	161,711,870	15,589,226
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund	DCF	71,730,698	11,485,910
Total CCDF Cluster				389,389,742	44,550,194
93.576	0-2010-RS1	Refugee and Entrant Assistance Discretionary Grants	UW-La Crosse	5,354	0
93.583		Refugee and Entrant Assistance Wilson/Fish Program	DCF	351,573	157,700
93.586		COVID-19 - State Court Improvement Program	Courts	122,941	0
93.586		State Court Improvement Program	Courts	493,181	0
Total Federal Program 93.586				616,122	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.590		Community-Based Child Abuse Prevention Grants	CANPB	426,822	285,063
93.590		COVID-19 - Community-Based Child Abuse Prevention Grants	CANPB	364,672	306,606
Total Federal Program 93.590				791,494	591,669
93.597		Grants to States for Access and Visitation Programs	DCF	126,533	126,533
93.599		Chafee Education and Training Vouchers Program (ETV)	DCF	577,709	577,709
93.599		COVID-19 - Chafee Education and Training Vouchers Program (ETV)	DCF	452,972	452,972
Total Federal Program 93.599				1,030,681	1,030,681
93.600		Head Start Cluster: COVID-19 - Head Start	UW-Oshkosh	25,733	0
93.600		Head Start	DCF	189,596	0
93.600		Head Start	UW-Oshkosh	6,066,403	0
93.600		Head Start (from DCF)	DPI	20,657	0
Total Head Start Cluster				6,302,389	0
93.603		Adoption and Legal Guardianship Incentive Payments	DCF	816,573	483,126
93.630		COVID-19 - Developmental Disabilities Basic Support and Advocacy Grants	BPDD	62,873	56,751
93.630		Developmental Disabilities Basic Support and Advocacy Grants	BPDD	1,341,596	352,454
Total Federal Program 93.630				1,404,469	409,205
93.631		Developmental Disabilities Projects of National Significance	BPDD	464,441	238,645
93.632	90DDC50025-01-00; 90DDCI0005-01-00; 90DDUC0072-01-00	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UW-Madison	671,632	0
93.632	90DDCI000-01-00	University Centers for Excellence in Developmental Disabilities Education, Research, and Service (from UW-Madison)	UW-Whitewater	13,654	0
Total Federal Program 93.632				685,286	0
93.639		COVID-19 - Section 9813: State Planning Grants for Qualifying Community-Based Mobile Crisis Intervention Services	DHS	337,567	0
93.639	435200-G22-138446-280 X2	Section 9813: State Planning Grants for Qualifying Community-Based Mobile Crisis Intervention Services (from DHS)	UW-Green Bay	30,453	0
Total Federal Program 93.639				368,020	0
93.643		Children's Justice Grants to States	DOJ	151,540	30,927
93.645		COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program	DCF	41,706	41,706
93.645		Stephanie Tubbs Jones Child Welfare Services Program	DCF	4,476,658	3,875,214
Total Federal Program 93.645				4,518,364	3,916,920
93.658		COVID-19 - Foster Care Title IV-E	DCF	1,973,138	0
93.658		Foster Care Title IV-E	DCF	78,118,957	50,533,358
93.658	437003-A21-0001640-000-04	Foster Care Title IV-E (from DCF)	UW-Eau Claire	97	0
93.658	437003-A21-0001640-R01-04	Foster Care Title IV-E (from DCF)	UW-Eau Claire	188,797	0
93.658	437003-A21-0001640-000-01; 437003-A21-0001640-R01-01	Foster Care Title IV-E (from DCF)	UW-Madison	(31,109)	0
93.658		Foster Care Title IV-E (from DCF)	UW-Madison	1,260,014	0
93.658		Foster Care Title IV-E (from DCF)	UW-Milwaukee	150	0
Total Federal Program 93.658				81,510,044	50,533,358
93.659		Adoption Assistance	DCF	50,522,326	2,524,236
93.659		COVID-19 - Adoption Assistance	DCF	4,801,074	0
Total Federal Program 93.659				55,323,400	2,524,236

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.665		COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	DHS	2,356,418	2,356,418
93.665		COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19 (from DHS)	UW-Madison	25,991	0
93.665	435200-G23-23236646-380; 435200-G22-23236646-280	Emergency Grants to Address Mental and Substance Use Disorders During COVID-19 (from DHS)	UW-Madison	174,966	0
Total Federal Program 93.665				2,557,375	2,356,418
93.667		Social Services Block Grant	DHS	33,423,922	0
93.667		Social Services Block Grant (from DHS)	DCF	9,515,880	7,404,180
Total Federal Program 93.667				42,939,802	7,404,180
93.669		Child Abuse and Neglect State Grants	DCF	874,597	527,797
93.671		COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	DCF	485,894	485,894
93.671		Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	DCF	2,346,573	2,231,259
Total Federal Program 93.671				2,832,467	2,717,153
93.674		COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood	DCF	4,115,121	4,111,975
93.674		John H. Chafee Foster Care Program for Successful Transition to Adulthood	DCF	2,196,543	1,680,971
Total Federal Program 93.674				6,311,664	5,792,946
93.732	1 UK8HP42519-01-00	Mental and Behavioral Health Education and Training Grants	UW-Madison	1,152,022	467,399
93.732	1 M01HP420040100	Mental and Behavioral Health Education and Training Grants	UW-Milwaukee	347,758	0
Total Federal Program 93.732				1,499,780	467,399
93.747		COVID-19 - Elder Abuse Prevention Interventions Program	DHS	717,591	576,354
93.767		Children's Health Insurance Program	DHS	228,327,442	10,826,693
93.767		COVID-19 - Children's Health Insurance Program	DHS	13,630,215	0
Total Federal Program 93.767				241,957,657	10,826,693
Medicaid Cluster:					
93.775		State Medicaid Fraud Control Units	DOJ	1,217,796	0
93.777		COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	DHS	631,496	0
93.777		State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	DHS	12,225,239	0
93.778		ARRA - Medical Assistance Program	DHS	3,157,324	0
93.778		COVID-19 - Medical Assistance Program	DHS	965,150,225	0
93.778		Medical Assistance Program	DHS	6,949,612,138	65,559,671
93.778	Civil Money Penalties (CMP)	Medical Assistance Program	UW-Whitewater	25,474	0
93.778		Medical Assistance Program	UW-Whitewater	48,407	0
93.778	435200-G21-138446-180	Medical Assistance Program (from DHS)	UW-Green Bay	3,490	0
93.778	435200-G22-138446-280	Medical Assistance Program (from DHS)	UW-Green Bay	236,395	0
93.778	435400-A20-UW_OUTREA-00; 435400-G21-UW_OUTREA-00; 435400-G21-MedicaidACA-00; 435400-G22-MedicaidACA-00	Medical Assistance Program (from DHS)	UW-Madison	819,406	202,665
93.778		Medical Assistance Program (from DHS)	UW-Oshkosh	260	0
93.778	213405511	Medical Assistance Program (from UW-Milwaukee)	UW-Madison	28,586	0
Total Medicaid Cluster (Note 3)				7,933,156,236	65,762,336

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.779		Centers for Medicare and Medicaid Services (CMS) Research, DHS Demonstrations and Evaluations		101,820	0
93.788		Opioid STR	DHS	14,385,382	13,837,229
93.788	1H79TI083277-01	Opioid STR	UW-Madison	109,013	0
93.788		Opioid STR	UW-Madison	28,215	0
93.788	435500-G20-MIL115772-00	Opioid STR	UW-Milwaukee	226,231	0
93.788		Opioid STR	UW-Milwaukee	152,655	0
93.788		Opioid STR (from DHS)	UW-Madison	955,439	504,917
Total Federal Program 93.788				15,856,935	14,342,146
93.791		Money Follows the Person Rebalancing Demonstration	DHS	3,884,710	80,733
93.810		Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion	DHS	552,295	236,011
93.817		Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	DHS	36,546	36,546
93.837	1F31HL162492-01; 2T32HL007936-21A1	Cardiovascular Diseases Research	UW-Madison	895,492	0
93.839	2T32HL007899-21	Blood Diseases and Resources Research	UW-Madison	37,011	0
93.839		Blood Diseases and Resources Research	UW-Madison	285,739	0
Total Federal Program 93.839				322,750	0
93.846	1F31AR079866-01; P30 AR066524-01; R01AR057347	Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	27,262	0
93.847	2T35DK062709-14; 2T32DK077586-11A1; 2T32DK007665-26A1	Diabetes, Digestive, and Kidney Diseases Extramural Research	UW-Madison	1,113,363	0
93.853	1F99NS125824-01	Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	29,997	0
93.853	1T32NS105602-01A1	Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	337,042	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	44,591	0
Total Federal Program 93.853				411,630	0
93.855	2T32AI007414-26A1; 2T32AI007635-21; 2T32AI055397-16	Allergy and Infectious Diseases Research	UW-Madison	1,202,657	10,708
93.859		Biomedical Research and Research Training	UW-Madison	4,386,796	5,078
93.859	1R25 GM142031-01	Biomedical Research and Research Training	UW-Milwaukee	31,436	0
93.859		Biomedical Research and Research Training	UW-Milwaukee	200,716	0
Total Federal Program 93.859				4,618,948	5,078
93.865		Child Health and Human Development Extramural Research	UW-Madison	1,089,769	0
93.866		Aging Research	UW-Madison	1,424,383	0
93.867		Vision Research	UW-Madison	214,727	0
93.870		COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant	DCF	211,788	131,650
93.870		Maternal, Infant and Early Childhood Home Visiting Grant	DCF	9,126,555	7,303,708
93.870		Maternal, Infant and Early Childhood Home Visiting Grant (from DCF)	UW-Milwaukee	439,175	0
Total Federal Program 93.870				9,777,518	7,435,358
93.877	1465	Autism Collaboration, Accountability, Research, Education, and Support (from UW-Madison)	UW-Milwaukee	46,520	0
93.879		Medical Library Assistance	UW-Madison	1,090,120	0
93.879		Medical Library Assistance	UW-Madison	8,612	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.879		Medical Library Assistance	UW-Madison	140,347	0
		Total Federal Program 93.879		1,239,079	0
93.884		Primary Care Training and Enhancement	UW-Madison	235,378	0
93.884		Primary Care Training and Enhancement	UW-Madison	6,483	0
		Total Federal Program 93.884		241,861	0
93.889		COVID-19 - National Bioterrorism Hospital Preparedness Program	DHS	112,653	102,147
93.889		National Bioterrorism Hospital Preparedness Program	DHS	2,971,869	1,923,931
		Total Federal Program 93.889		3,084,522	2,026,078
93.898		Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	DHS	3,042,256	1,473,318
93.898		Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations (from DHS)	UW-Madison	419,665	0
		Total Federal Program 93.898		3,461,921	1,473,318
93.913	2 H95RH00131-31-00	Grants to States for Operation of State Offices of Rural Health	UW-Madison	223,411	0
93.913		Grants to States for Operation of State Offices of Rural Health	UW-Madison	2,484	0
		Total Federal Program 93.913		225,895	0
93.917		COVID-19 - HIV Care Formula Grants	DHS	120,103	117,703
93.917		HIV Care Formula Grants	DHS	8,951,077	8,042,515
93.917		HIV Care Formula Grants (from DHS)	UW-Madison	850,396	0
93.917	Ryan White Part B 2022-2023	HIV Care Formula Grants (from DHS)	UW-Madison	114,975	0
		Total Federal Program 93.917		10,036,551	8,160,218
93.918	2 H76HA00204-25-00	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	(909,517)	0
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	591,056	119,462
		Total Federal Program 93.918		(318,461)	119,462
93.940		HIV Prevention Activities Health Department Based	DHS	2,480,467	1,447,748
93.940		HIV Prevention Activities Health Department Based (from DHS)	UW-Madison	345,508	0
		Total Federal Program 93.940		2,825,975	1,447,748
93.941	435100-G22-9210477-280	HIV Demonstration, Research, Public and Professional Education Projects (from DHS)	UW-Milwaukee	156,816	0
93.945		Assistance Programs for Chronic Disease Prevention and Control (from DHS)	UW-Madison	7,274	0
93.946		Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	DHS	160,020	0
93.958		Block Grants for Community Mental Health Services	DHS	14,651,771	12,300,918
93.958		Block Grants for Community Mental Health Services (from DHS)	DPI	5,000	0
93.958		Block Grants for Community Mental Health Services (from DHS)	UW-Madison	774,393	36,410
93.958		Block Grants for Community Mental Health Services (from DHS)	UW-Whitewater	1,944,021	1,635,000
93.958		COVID-19 - Block Grants for Community Mental Health Services	DHS	3,899,020	3,660,676
		Total Federal Program 93.958		21,274,205	17,633,004
93.959		Block Grants for Prevention and Treatment of Substance Abuse	DHS	23,423,750	21,010,828
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from DCF)	UW-Milwaukee	9,388	0
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from DHS)	DCF	3,226,213	3,226,213

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from DHS)	DOC	609,675	173,580
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from DHS)	DOJ	168,315	0
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from DHS)	UW-Madison	683,874	20,318
93.959	435500-A21-EMERGLED-00	Block Grants for Prevention and Treatment of Substance Abuse (from DHS)	UW-Stevens Point	8,807	0
93.959	435500-A22-EMERGLED-00	Block Grants for Prevention and Treatment of Substance Abuse (from DHS)	UW-Stevens Point	104,549	0
93.959		COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	DHS	5,669,212	5,629,155
Total Federal Program 93.959				33,903,783	30,060,094
93.970	D911IHS0009-06-00	Health Professions Recruitment Program for Indians	UW-Madison	195,936	0
93.977		COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	DHS	63,446	0
93.977		Sexually Transmitted Diseases (STD) Prevention and Control Grants	DHS	1,555,124	903,622
Total Federal Program 93.977				1,618,570	903,622
93.982		Mental Health Disaster Assistance and Emergency Mental Health	DHS	1,033,162	1,033,162
93.991		Preventive Health and Health Services Block Grant	DHS	3,189,454	1,304,221
93.991	435100-A22-PopHeaFelPro-0	Preventive Health and Health Services Block Grant (from DHS)	UW-Madison	48,482	0
Total Federal Program 93.991				3,237,936	1,304,221
93.994		Maternal and Child Health Services Block Grant to the States	DHS	8,409,326	5,642,948
93.994		Maternal and Child Health Services Block Grant to the States (from DHS)	DPI	85,443	0
93.994		Maternal and Child Health Services Block Grant to the States (from DHS)	UW-Madison	429,620	0
Total Federal Program 93.994				8,924,389	5,642,948
93.998	1NU53DD000002-01-00	Autism and Other Developmental Disabilities, Surveillance, Research, and Prevention	UW-Madison	238,633	0
93.998		Autism and Other Developmental Disabilities, Surveillance, Research, and Prevention	UW-Madison	249,981	0
Total Federal Program 93.998				488,614	0
Other Federal Financial Assistance:					
93.N/A	72120	COVID-19 - Child Care (from DCF)	UW-Eau Claire	189,412	0
93.N/A	January 2022 Payments	COVID-19 - January 2022 Payments (from DCF)	UW-Madison	20,790	0
93.N/A	MSN245556	COVID-19 - SPP Payments (from DCF)	UW-Madison	65,250	0
93.N/A	MSN245556	COVID-19 - Spring 2021 Program A (from DCF)	UW-Madison	20,690	0
93.N/A	MSN245556	COVID-19 - Spring 2021 Program B (from DCF)	UW-Madison	30,051	0
93.N/A	MSN245556	COVID-19 - Summer 2021 Part A (from DCF)	UW-Madison	16,980	0
93.N/A	MSN245556	COVID-19 - Summer 2021 Part B (from DCF)	UW-Madison	33,498	0
93.N/A	MSN245556	COVID-19 - Waisman Early Childhood Program (from DCF)	UW-Madison	10,086	0
93.N/A	MSN245603	COVID-19 - Child Care Counts (from DCF)	UW-Madison	20,312	0
93.N/A	MSN245603	COVID-19 - Fall November 2021 payments (from DCF)	UW-Madison	15,046	0
93.N/A	MSN245603	COVID-19 - Spring 2021, Round 3, Part A (from DCF)	UW-Madison	19,450	0
93.N/A	MSN245603	COVID-19 - Spring 2021, Round 3, Part B (from DCF)	UW-Madison	27,580	0
93.N/A	MSN245603	COVID-19 - Summer 2021, Round 4, Prog A (from DCF)	UW-Madison	14,755	0
93.N/A	MSN245603	COVID-19 - Summer 2021, Round 4, Prog B (from DCF)	UW-Madison	26,268	0
93.N/A	MSN245603	COVID-19 - Support Closed Care April (from DCF)	UW-Madison	5,000	0
93.N/A	MSN245603	COVID-19 - Support Closed Child Care May (from DCF)	UW-Madison	1,250	0
93.N/A	P000017512; R000017720	COVID-19 - Child Care Counts (from DCF)	UW-Madison	18,347	0
93.N/A	P000017512; R000017720	COVID-19 - SPP Payments (from DCF)	UW-Madison	74,085	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.N/A	P000017512; R000017720	COVID-19 - Summer 2021, Part A, Round 3 (from DCF)	UW-Madison	17,040	0
93.N/A	P000017512; R000017720	COVID-19 - Summer 2021, Part B, Round 3 (from DCF)	UW-Madison	31,602	0
93.N/A	P000017512; R000017720	COVID-19 - WI DCF Part A-Spring 2021-kids (from DCF)	UW-Madison	20,050	0
93.N/A	SPP, April 2022 Payment	COVID-19 - SPP Payments (from DCF)	UW-Madison	37,600	0
93.N/A	SPP, December 2021 Payment	COVID-19 - SPP Payments (from DCF)	UW-Madison	20,216	0
93.N/A	SPP, February 2022 Payment	COVID-19 - SPP Payments (from DCF)	UW-Madison	40,789	0
93.N/A	SPP, March 2022 Payment	COVID-19 - SPP Payments (from DCF)	UW-Madison	40,354	0
93.N/A	200-2017-92549	Vital Statis Coop Program	DHS	780,221	0
93.N/A	75D30121P10334	Workers Comp Claims Analysis	DHS	8,300	0
93.N/A	75D30122D13018	Vital Statis Coop Program	DHS	34,157	0
93.N/A	75F40121C00009	Tobacco Retail Inspections	DHS	85,692	0
93.N/A	HHSF2232010097C	Mammography Inspections	DHS	263,488	0
93.N/A	UTA20-001237	EMSC Telehealth Collab - UTA	DHS	50,000	50,000
93.N/A	FAIN NU50CK000581	CoVAC Initiative	UW-Oshkosh	1,017	0
93.N/A	044LW21	Living Well Project Evaluation (from BPDD)	UW-Madison	12,461	0
93.N/A	060LW22	Living Well YR4 (from BPDD)	UW-Madison	30,489	0
93.N/A	433001-A22- 0001851-000-01	Evaluation Services for Fam144 (from CANPB)	UW-Madison	73,955	0
93.N/A	MSN245603	Child Care Counts (from DCF)	UW-Madison	(62)	0
93.N/A	2022 Home Visiting	2022 Home Visiting Prof Dvl (from DCF)	UW-Milwaukee	364,654	0
93.N/A	437003-A18- 0001208-R04-01	Trauma and Recovery Project YR (from DCF)	UW-Milwaukee	21,407	0
93.N/A	437003-A22- 0001860-000-01	2021 Home Visiting ARP (from DCF)	UW-Milwaukee	88,521	0
93.N/A	TARP	Trauma and Recovery Project (from DCF)	UW-Milwaukee	37,118	0
93.N/A	010121	Monthly Stabilization Payments (from DCF)	UW-Oshkosh	531,697	0
93.N/A	010122	DCF Monthly Stabilization Payments (from DCF)	UW-Oshkosh	80,458	0
93.N/A	111121	UWO Childcare Center DCF Stabilization Program (from DCF)	UW-Oshkosh	67,944	0
93.N/A	435100-G20-COVID- 19RES-03	COVID-19 SHOW Serologic Survey (from DHS)	UW-Madison	(1,530)	0
93.N/A	435100-G21- TOBCONPRO-03	State Tobacco Retail Compliance Inspections (from DHS)	UW-Madison	956,856	0
93.N/A	435100-G21- TOBCONPRO-05	Wisconsin Tobacco Prevention and Control Program (from DHS)	UW-Madison	164,107	0
93.N/A	437003-A20- 0001463-000-01	Prevention Scan (from DHS)	UW-Madison	73	0
93.N/A	44009:435100-A20	Wisconsin Tobacco Prevention and Control Program (from DHS)	UW-Madison	(2,209)	0
93.N/A	CYSHCN-WI Sound Beginning	Newborn Hear Screen Outreach (from DHS)	UW-Madison	16,961	0
93.N/A	Fiore CDC QL Supp 2022-23	Wisconsin Tobacco Quit Line (from DHS)	UW-Madison	19,562	0
93.N/A	TPCP CDC 2022-23	TPCP CDC 2022-23 (from DHS)	UW-Madison	23,406	0
93.N/A	TPCP FDA Renewal 22-23	State Tobacco Retail Compliance Inspections (from DHS)	UW-Madison	56,099	0
93.N/A	WI 988 YR1	WI 988 YR1 (from DHS)	UW-Madison	4,768	0
93.N/A	20-21 WWW/435100-G20- 9210477	Wisconsin Well Woman Program (from DHS)	UW-Milwaukee	8,896	0
93.N/A	22-C0235	Project AWARE 2021-2022 (from DPI)	UW-Madison	84,221	0
		Subtotal Direct Grants		10,060,181,983	535,650,471
Subgrants:					
93.092		Affordable Care Act (ACA) Personal Responsibility Education Program (from Great Lakes Inter-Tribal Council Inc)	UW-Madison	40,936	0
93.103		Food and Drug Administration Research (from US-DHHS)	DATCP	18,250	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.110		Maternal and Child Health Federal Consolidated Programs (from Children's Hospital of Wisconsin)	UW-Madison	1,430	0
93.145	17693 MOD 4	HIV-Related Training and Technical Assistance (from University of Illinois-Chicago)	UW-Madison	349,052	0
93.145		HIV-Related Training and Technical Assistance (from University of Illinois-Chicago)	UW-Madison	5,954	0
93.225		COVID-19 - National Research Service Awards Health Services Research Training (from University of New Mexico)	DVA	24,000	0
93.231		Epidemiology Cooperative Agreements (from Great Lakes Inter-Tribal Council Inc)	UW-Milwaukee	73,107	0
93.241		State Rural Hospital Flexibility Program (from CDC Foundation)	DHS	10,956	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Community Advocates Public Policy Institute)	UW-Madison	15,637	0
93.243	BHD-PCS31-82017	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Milwaukee County)	UW-Milwaukee	21,770	0
93.243	BHDPSC67052019	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Milwaukee County)	UW-Milwaukee	8,711	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Milwaukee County)	UW-Milwaukee	164,370	0
93.243	00102369/00070224	Substance Abuse and Mental Health Services Projects of Regional and National Significance (from University of Missouri-Kansas City)	UW-Madison	138,570	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance (from University of Missouri-Kansas City)	UW-Madison	62,397	0
93.247		Advanced Nursing Education Workforce Grant Program (from Medical College of Wisconsin)	UW-Milwaukee	1	0
93.350	MCW TL1	National Center for Advancing Translational Sciences (from Medical College of Wisconsin)	UW-Milwaukee	(240)	0
93.350		National Center for Advancing Translational Sciences (from Medical College of Wisconsin)	UW-Milwaukee	24,913	0
93.398		Cancer Research Manpower (from Medical College of Wisconsin)	UW-Milwaukee	3,315	0
93.421		Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health (from Association of University Centers on Disabilities)	UW-Madison	24,761	0
93.470		Alzheimer's Disease Program Initiative (ADPI) (from Fox Valley Memory Project)	UW-Madison	30,731	0
93.470		Alzheimer's Disease Program Initiative (ADPI) (from United Community Center)	UW-Milwaukee	5,945	0
93.516	SUBK00008850	Public Health Training Centers Program (from University of Michigan)	UW-Madison	14,499	0
93.558		Temporary Assistance for Needy Families (from Community Advocates)	UW-Milwaukee	12,381	0
93.558		Temporary Assistance for Needy Families (from Great Lakes Inter-Tribal Council Inc)	UW-Madison	13,989	0
93.575		Child Care and Development Block Grant (from Wisconsin Early Childhood Association)	UW-Whitewater	378	0
93.701	MIL117217	CTSI TL1 (Janson) (from Medical College of Wisconsin)	UW-Milwaukee	33,584	0
93.763		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	16,953	0
93.788	00109811/00077332 AMD 1	Opioid STR (from University of Missouri-Kansas City)	UW-Madison	410,930	0
93.834	CDC Midwest CBA - PrEP	Capacity Building Assistance (CBA) for High-Impact HIV Prevention (from Washington University)	UW-Madison	852	0
93.834		Capacity Building Assistance (CBA) for High-Impact HIV Prevention (from Washington University)	UW-Madison	23,487	0
93.837	114117	Cardiovascular Diseases Research (from Brigham & Women's Hospital)	UW-Madison	0	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Mayo Clinic Jacksonville)	UW-Madison	872	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Cincinnati)	UW-Madison	2,177	0
93.859		Biomedical Research and Research Training (from Boston University)	UW-Madison	29,094	0
93.859		Biomedical Research and Research Training (from Purdue University)	UW-Madison	862	0
93.859		Biomedical Research and Research Training (from Rensselaer Polytechnic Institute)	UW-Madison	29,049	0
93.933		Demonstration Projects for Indian Health (from Menominee Indian Tribe of Wisconsin)	UW-Milwaukee	48,639	0
93.959	435200-G22-148197-290	Block Grants for Prevention and Treatment of Substance Abuse (from Medical College of Wisconsin)	UW-Madison	8,691	0
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from Portage County)	UW-Stevens Point	10,350	0
93.997	BHD-PCS103-72020	Assisted Outpatient Treatment (from Milwaukee County)	UW-Milwaukee	62,873	0
93.997		Assisted Outpatient Treatment (from Milwaukee County)	UW-Milwaukee	19,457	0
93.N/A	FAIN	CoVAC Initiative (from American College Health Foundation)	UW-Oshkosh	1,769	0
93.N/A	NU50CK000581				
93.N/A	2019 AUCD	Wisconsin Act Early Ambassador (from Association of University Centers on Disabilities)	UW-Milwaukee	8,814	0
93.N/A	C1510AAAWM21	Health Literacy and COVID-19 (from City of Milwaukee)	UW-Madison	56,714	0
93.N/A	ReCast	ReCast Milwaukee (from City of Milwaukee)	UW-Milwaukee	34,393	0
93.N/A	20BCSK0119	C3I Coordinating Center Coordination, Communication, and Support of C3I COVID + Smoking Project (from ICF International Inc)	UW-Madison	101,761	0
93.N/A	MSN256654	PFS Evaluation 2021-2022 (from Lac du Flambeau Tribe)	UW-Madison	37,913	0
93.N/A	90ZJ0055-01-01	Preparing for Parenthood (from Rush University Medical Center)	UW-Milwaukee	364,675	0
		Subtotal Subgrants		2,369,722	0
		TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		10,062,551,705	535,650,471
U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:					
		Direct Grants:			
94.003		AmeriCorps State Commissions Support Grant	DOA	416,470	0
94.006		AmeriCorps State and National	DOA	5,712,512	5,712,512
94.006		AmeriCorps State and National	UW-Eau Claire	74,191	0
94.006	Agreement NO 21AFEWI001	AmeriCorps State and National (from DOA)	DPI	217,691	0
94.006	21AFEWI001-21AC237216	AmeriCorps State and National (from DOA)	UW-Eau Claire	67,985	0
94.006		COVID-19 - AmeriCorps State and National	DOA	166,253	166,253
		Total Federal Program 94.006		6,238,632	5,878,765
94.009		Training and Technical Assistance	DOA	136,743	0
94.011		Foster Grandparent/Senior Companion Cluster:			
		Foster Grandparent Program	DOC	79,034	0
		Total Foster Grandparent/Senior Companion Cluster		79,034	0
94.013		Volunteers In Service to America (Note 3)	DOA	37,078	0
94.021		Volunteer Generation Fund	DOA	307,575	0
		Subtotal Direct Grants		7,215,532	5,878,765
		TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		7,215,532	5,878,765
EXECUTIVE OFFICE OF THE PRESIDENT:					
		Direct Grants:			
95.001		High Intensity Drug Trafficking Areas Program	DOJ	92,833	28,970
95.001		High Intensity Drug Trafficking Areas Program	DOT	24,890	0
95.001	G22ML0013A	High Intensity Drug Trafficking Areas Program	UW-Milwaukee	1,071,478	0
95.001		High Intensity Drug Trafficking Areas Program	UW-Milwaukee	1,012,197	0
		Total Federal Program 95.001		2,201,398	28,970
		Subtotal Direct Grants		2,201,398	28,970
		TOTAL EXECUTIVE OFFICE OF THE PRESIDENT		2,201,398	28,970

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
SOCIAL SECURITY ADMINISTRATION:					
		Direct Grants:			
		Disability Insurance/SSI Cluster:			
96.001		Social Security Disability Insurance	DHS	25,698,017	0
		Total Disability Insurance/SSI Cluster		25,698,017	0
96.007		Social Security Research and Demonstration (from UW-Madison)	UW-La Crosse	129,694	78,530
		Other Federal Financial Assistance:			
96.N/A	SS00-14-61084 28321319 P00050129	Social Security Administration Birth	DHS	465,445	0
96.N/A	SS00-12-60059 28321318 P00051252	Social Security Death Record Data	DHS	185,180	0
96.N/A	SSA ss. 222(d) and 1615	Social Security Reimbursements for Vocational Rehabilitation (from DWD)	DHS	600,000	600,000
96.N/A	SSA ss. 222(d) and 1615	Social Security Reimbursements for Vocational Rehabilitation	DWD	3,551,997	0
		Subtotal Direct Grants		30,630,333	678,530
		TOTAL SOCIAL SECURITY ADMINISTRATION		30,630,333	678,530
U.S. DEPARTMENT OF HOMELAND SECURITY:					
		Direct Grants:			
97.008		Non-Profit Security Program	DMA	735,099	735,099
97.012		Boating Safety Financial Assistance	DNR	3,471,983	223,598
97.023		Community Assistance Program State Support Services Element (CAP-SSSE)	DNR	180,595	0
97.036		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DMA	6,930,786	5,991,619
97.036		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DOT	321,063	0
97.036		COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DMA	18,181,127	18,029,698
97.036		COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) (from DMA)	DOA	174,486,737	0
97.036		COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) (from DMA)	DHS	154,370,138	0
		Total Federal Program 97.036		354,289,851	24,021,317
97.039		Hazard Mitigation Grant	DMA	4,822,360	4,687,805
97.039		COVID-19 - Hazard Mitigation Grant	DMA	152,742	4,845
		Total Federal Program 97.039		4,975,102	4,692,650
97.041		National Dam Safety Program	DNR	79,467	0
97.042		COVID-19 - Emergency Management Performance Grants	DMA	662,019	0
97.042		COVID-19 - Emergency Management Performance Grants	UW-Eau Claire	3,592	0
97.042		Emergency Management Performance Grants	DMA	6,473,257	4,202,160
		Total Federal Program 97.042		7,138,868	4,202,160
97.043		State Fire Training Systems Grants	WTCS	10,811	10,811
97.044		Assistance to Firefighters Grant	WTCS	188,630	185,277
97.044		COVID-19 - Assistance to Firefighters Grant	WTCS	1,018	1,018
		Total Federal Program 97.044		189,648	186,295
97.045		Cooperating Technical Partners	DNR	797,495	0
97.047		BRIC: Building Resilient Infrastructure and Communities	DMA	3,126,043	2,982,458
97.050		COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	DWD	6,409,745	0
97.056		Port Security Grant Program	DNR	441	0

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<i>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</i>					
97.067		Homeland Security Grant Program	DMA	2,455,285	1,176,250
97.067		Homeland Security Grant Program (from DMA)	DOA	352,958	0
97.067		Homeland Security Grant Program (from DMA)	DOJ	851,049	0
		Total Federal Program 97.067		<u>3,659,292</u>	<u>1,176,250</u>
97.091		Homeland Security Biowatch Program	DNR	331,914	0
97.N/A	Phase 38	Other Federal Financial Assistance: Emergency Food and Shelter National Board Program	UW-Superior	790	0
		Subtotal Direct Grants		<u>385,397,144</u>	<u>38,230,638</u>
		TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		<u>385,397,144</u>	<u>38,230,638</u>
		TOTAL INDIVIDUAL PROGRAMS AND OTHER CLUSTERS		<u>\$ 18,620,534,052</u>	<u>\$ 2,534,962,290</u>

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
U.S. DEPARTMENT OF AGRICULTURE:					
		Direct Research and Development Grants:			
10.001		Agricultural Research Basic and Applied Research	UW-Madison	3,063,152	56,421
10.001		Agricultural Research Basic and Applied Research	UW-Milwaukee	222,731	0
10.001		Agricultural Research Basic and Applied Research	UW-Platteville	115,297	0
10.001		Agricultural Research Basic and Applied Research	UW-Stevens Point	25,212	0
		Total Federal Program 10.001		3,426,392	56,421
10.025	AP21PPQFO000C298; AP21PPQFO000C482	Plant and Animal Disease, Pest Control, and Animal Care	UW-Madison	101,733	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care	UW-Madison	134,026	0
10.025	37000-0000016611	Plant and Animal Disease, Pest Control, and Animal Care (from DNR)	UW-Madison	26,895	0
		Total Federal Program 10.025		262,654	0
10.028		Wildlife Services	UW-Stevens Point	4,714	0
10.072		Wetlands Reserve Program	UW-Madison	27,510	0
10.130		Coronavirus Food Assistance Program 1	UW-Madison	218,221	0
10.155		Marketing Agreements and Orders	UW-Madison	(158)	0
10.164	21-TMMSD-WI-0011	Wholesale Farmers and Alternative Market Development	UW-Madison	1,428	0
10.167	AM21TMATRD00C003	Transportation Services	UW-Madison	40,486	484
10.167		Transportation Services	UW-Madison	67,376	55,991
		Total Federal Program 10.167		107,862	56,475
10.170		Specialty Crop Block Grant Program - Farm Bill (from DATCP)	UW-Madison	985,333	126,414
10.200	2021-38624-35738	Grants for Agricultural Research, Special Research Grants	UW-Madison	20,037	6,638
10.202		Cooperative Forestry Research	UW-Madison	1,195,400	0
10.202		Cooperative Forestry Research (from UW-Madison)	UW-Stevens Point	163,958	0
		Total Federal Program 10.202		1,359,358	0
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	6,782,214	0
10.207		Animal Health and Disease Research	UW-Madison	136,384	0
10.215		Sustainable Agriculture Research and Education	UW-Platteville	10,503	0
10.217		Higher Education - Institution Challenge Grants Program	UW-Madison	145,874	63,072
10.250	58-3000-1-0111; 58-6000-1-0077	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	UW-Madison	84,052	0
10.303	2021-51106-35492; 2021-51106-35490	Integrated Programs	UW-Madison	72,936	13,797
10.307	2021-51300-34898; 59-5090-1-009; 2021-51300-34912	Organic Agriculture Research and Extension Initiative	UW-Madison	671,092	205,229
10.309		Specialty Crop Research Initiative	UW-Madison	546,523	306,423
10.310		Agriculture and Food Research Initiative (AFRI)	UW-Madison	8,404,005	510,657
10.310	2022-67013-36294	Agriculture and Food Research Initiative (AFRI)	UW-Milwaukee	25,690	7,117
10.310		Agriculture and Food Research Initiative (AFRI)	UW-Platteville	4,475	0
10.310	2022-67016-36344	Agriculture and Food Research Initiative (AFRI)	UW-River Falls	14,315	0
10.310	2021-2022-01	Agriculture and Food Research Initiative (AFRI)	UW-Madison	15,807	0
		Total Federal Program 10.310		8,464,292	517,774
10.311		Beginning Farmer and Rancher Development Program	UW-Madison	10,824	0
10.326	20217000134522	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	UW-Platteville	2,909	0
10.326		Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	UW-Platteville	30,405	10,600
10.326		Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	UW-River Falls	51,510	4,178
10.326		Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA) (from UW-Platteville)	UW-Stevens Point	11,989	0
		Total Federal Program 10.326		96,813	14,778

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
10.329	2021-70006-35318	Crop Protection and Pest Management Competitive Grants Program	UW-Madison	40,601	0
10.329	2021-70006-35346	Crop Protection and Pest Management Competitive Grants Program	UW-Madison	148,487	0
10.329		Crop Protection and Pest Management Competitive Grants Program	UW-Madison	141,311	12,075
10.329		Crop Protection and Pest Management Competitive Grants Program	UW-Milwaukee	63,237	11,781
Total Federal Program 10.329				393,636	23,856
10.330	2021-70005-35694	Alfalfa and Forage Research Program	UW-Madison	80,898	9,459
10.330		Alfalfa and Forage Research Program	UW-Madison	94,450	33,683
Total Federal Program 10.330				175,348	43,142
10.519	2021-70410-35294	Equipment Grants Program (EGP)	UW-Madison	496,719	0
10.525	FRSAN-SDA 2021-70035-35569	Farm and Ranch Stress Assistance Network Competitive Grants Program (from DATCP)	UW-Madison	36,998	0
10.600		Foreign Market Development Cooperator Program	UW-Madison	1,801	0
10.652		Forestry Research	UW-Madison	96,603	0
10.674		Wood Utilization Assistance	UW-Madison	63,356	0
10.675		Urban and Community Forestry Program	UW-Madison	70,738	0
10.680		Forest Health Protection	UW-Madison	41,135	0
10.691	15-GN-11091300-1096 phase 2	Good Neighbor Authority (from DNR)	UW-Madison	110,705	0
10.698		State & Private Forestry Cooperative Fire Assistance (from DNR)		20,969	0
10.699		Partnership Agreements	UW-Madison	1,285,942	32,301
10.699		Partnership Agreements (from UW-Madison)	UW-Stevens Point	9,580	0
Total Federal Program 10.699				1,295,522	32,301
10.707	21-CR-11242300-052	Research Joint Venture and Cost Reimbursable Agreements	UW-Madison	99,831	0
10.707		Research Joint Venture and Cost Reimbursable Agreements	UW-Madison	318,159	0
10.707		Research Joint Venture and Cost Reimbursable Agreements	UW-Milwaukee	15,651	0
Total Federal Program 10.707				433,641	0
10.902		Soil and Water Conservation	UW-Green Bay	190,371	0
10.902	NR215F48XXXXX013	Soil and Water Conservation	UW-La Crosse	24,378	0
10.902		Soil and Water Conservation	UW-Madison	106,550	0
10.902		Soil and Water Conservation	UW-Stevens Point	24	0
Total Federal Program 10.902				321,323	0
10.903		Soil Survey	UW-Stevens Point	136,722	0
10.912	NR215F48XXXXG002	Environmental Quality Incentives Program	UW-Madison	14,941	0
10.931	NR205F48XXXXC018	Agricultural Conservation Easement Program	UW-Madison	56	0
10.931		Agricultural Conservation Easement Program	UW-Madison	10,260	0
10.931		Agricultural Conservation Easement Program	UW-Stevens Point	37,575	5,505
Total Federal Program 10.931				47,891	5,505
10.961		Scientific Cooperation and Research	UW-Madison	17,827	0
10.N/A	1050725, 12444822P0031	Other Federal Financial Assistance: R&D from Forest Service	UW-Madison	460	0
10.N/A	18-JV-11111126-044	R&D from Forest Service	UW-Madison	44,793	0
10.N/A	18-JV-11111129-036	R&D from Forest Service	UW-Madison	45,003	0
10.N/A	19-JV-11242307-078	R&D from Forest Service	UW-Madison	26,093	0
10.N/A	20-JV-11242308-089	R&D from Forest Service	UW-Madison	4,130	0
10.N/A	AG-5680-C-16-0009	R&D from Forest Service	UW-Madison	41,678	0
10.N/A		R&D from Forest Service	UW-Madison	176,222	0
10.N/A	18-JV-11272136-048	R&D from Forest Service	UW-Milwaukee	9,142	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
10.N/A	19-JV-11242313-069	R&D from Forest Service	UW-Stevens Point	8,831	0
		Subtotal Direct Research and Development Grants		27,567,085	1,471,825
Research and Development Subgrants:					
10.001		Agricultural Research Basic and Applied Research (from CRDF Global)	UW-Madison	23,691	0
10.001		Agricultural Research Basic and Applied Research (from Texas A&M Agrilife Research)	UW-Madison	38,985	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care (from International Alliance for Phytobiomes Research)	UW-Madison	2,068	0
10.025		Plant and Animal Disease, Pest Control, and Animal Care (from University of Georgia)	UW-Madison	20,945	0
10.028	RC113415 - UW	Wildlife Services (from Michigan State University)	UW-Madison	7,911	0
10.028	22-11-200	Wildlife Services (from Tennessee Wildlife Resources Foundation)	UW-Madison	84,509	0
10.069	RC113193	Conservation Reserve Program (from Michigan State University)	UW-Madison	3,717	0
10.170		Specialty Crop Block Grant Program - Farm Bill (from University of Nebraska)	UW-Madison	103	0
10.175		Farmers Market and Local Food Promotion Program (from Brix Cider LLC)	UW-Madison	55,007	0
10.175		Farmers Market and Local Food Promotion Program (from Wood County Health Department)	UW-Madison	20,684	0
10.200	022798G	Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Madison	5,538	0
10.200		Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Milwaukee	17,803	0
10.200		Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Milwaukee	1,898	0
10.200		Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Milwaukee	(104)	0
10.200		Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Stevens Point	1,693	0
10.200	RC112679C	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Madison	157,937	0
10.200		Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Madison	29,281	0
10.212		Small Business Innovation Research (from Nutrient Recovery & Upcycling LLC)	UW-Madison	450	0
10.212	USDA-NIFA_SBIR 2021-2022	Small Business Innovation Research (from Pan Genome Systems Inc)	UW-Madison	32,757	0
10.215		Sustainable Agriculture Research and Education (from Practical Farmers of Iowa)	UW-Madison	98	0
10.215		Sustainable Agriculture Research and Education (from Purdue University)	UW-Madison	40,797	0
10.215		Sustainable Agriculture Research and Education (from Sand County Foundation)	UW-Madison	30,846	0
10.215	H008568318; H008917121 GNC21-329; H008917134	Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	15,011	0
10.215		Sustainable Agriculture Research and Education (from University of Minnesota)	UW-Madison	172,975	0
10.220	2020-33610-31519	A Graphene-based Handheld Device for Rapid Detection of Escherichia coli Bacteria in Water (from Nanoaffix Science LLC)	UW-Milwaukee	10,456	0
10.227		1994 Institutions Research Program (from Lac Courte Oreilles Ojibwa Community College)	UW-Madison	39,257	0
10.227		1994 Institutions Research Program (from Southwestern Indian Polytechnic Institute)	UW-Madison	17,058	0
10.290		Agricultural Market and Economic Research (from University of Minnesota)	UW-Madison	13,089	0
10.304	RC112910H	Homeland Security Agricultural (from Michigan State University)	UW-Madison	23,645	0
10.304		Homeland Security Agricultural (from Michigan State University)	UW-Madison	7,897	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
10.307	92406-20534	Organic Agriculture Research and Extension Initiative (from Cornell University)	UW-Madison	17,281	0
10.307		Organic Agriculture Research and Extension Initiative (from Cornell University)	UW-Madison	186,240	0
10.307		Organic Agriculture Research and Extension Initiative (from Iowa State University)	UW-Madison	18,552	0
10.307	C0519A-C; C0566B-C	Organic Agriculture Research and Extension Initiative (from Oregon State University)	UW-Madison	1,249	0
10.307		Organic Agriculture Research and Extension Initiative (from Oregon State University)	UW-Madison	128,548	0
10.307		Organic Agriculture Research and Extension Initiative (from Purdue University)	UW-Madison	14,040	0
10.309		Specialty Crop Research Initiative (from Colorado State University)	UW-Madison	(890)	0
10.309		Specialty Crop Research Initiative (from Pennsylvania State University)	UW-Madison	69,270	0
10.309		Specialty Crop Research Initiative (from Texas A&M Agrilife Research)	UW-Madison	50,704	0
10.309		Specialty Crop Research Initiative (from University of Florida)	UW-Madison	299,440	0
10.309	A009428505	Specialty Crop Research Initiative (from University of Minnesota)	UW-Madison	58,332	0
10.309		Specialty Crop Research Initiative (from University of Minnesota)	UW-Madison	349,934	0
10.309		Specialty Crop Research Initiative (from University of Minnesota)	UW-Stevens Point	16,072	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Auburn University)	UW-Madison	33,175	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Illinois State University)	UW-Madison	993	0
10.310	024806E	Agriculture and Food Research Initiative (AFRI) (from Iowa State University)	UW-Madison	799	0
10.310	A21-0341-S001	Agriculture and Food Research Initiative (AFRI) (from Kansas State University)	UW-Madison	53,506	0
10.310	RC112167A	Agriculture and Food Research Initiative (AFRI) (from Michigan State University)	UW-Madison	3,366	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Michigan State University)	UW-Madison	253,532	0
10.310		Agriculture and Food Research Initiative (AFRI) (from North Carolina State University)	UW-Madison	33,768	0
10.310	SPC-1000006206 GR126491	Agriculture and Food Research Initiative (AFRI) (from Ohio State University)	UW-Madison	11,323	0
10.310	F0016295202047	Agriculture and Food Research Initiative (AFRI) (from Purdue University)	UW-Madison	60,801	0
10.310	F9000315202085	Agriculture and Food Research Initiative (AFRI) (from Purdue University)	UW-Madison	743	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Purdue University)	UW-Madison	33,336	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Purdue University)	UW-Platteville	14,679	0
10.310	A22-1483-S021	Agriculture and Food Research Initiative (AFRI) (from University of California-Davis)	UW-Madison	2,212	0
10.310		Agriculture and Food Research Initiative (AFRI) (from University of Florida)	UW-Madison	48,261	0
10.310	SUB00002318	Agriculture and Food Research Initiative (AFRI) (from University of Georgia)	UW-Madison	20,855	0
10.310	USDA0007-07	Agriculture and Food Research Initiative (AFRI) (from University of Maryland)	UW-Madison	5,879	0
10.310		Agriculture and Food Research Initiative (AFRI) (from University of Maryland-Baltimore County)	UW-Stevens Point	7,971	0
10.310	H008208107	Agriculture and Food Research Initiative (AFRI) (from University of Minnesota)	UW-Madison	1,948	0
10.310	H009416801	Agriculture and Food Research Initiative (AFRI) (from University of Minnesota)	UW-Madison	3,616	0
10.310		Agriculture and Food Research Initiative (AFRI) (from University of Minnesota)	UW-Madison	265,918	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
10.310		Agriculture and Food Research Initiative (AFRI) (from University of Vermont)	UW-Madison	2,480	0
10.310		Agriculture and Food Research Initiative (AFRI) (from Washington State University)	UW-Madison	16,594	0
10.310		Agriculture and Food Research Initiative (AFRI) (from West Virginia University)	UW-Madison	65,146	0
10.311	2021-49400-35592	Beginning Farmer and Rancher Development Program (from Michael Fields Agricultural Institute)	UW-Madison	4,317	0
10.311	AWD00000679SUB0000278	Beginning Farmer and Rancher Development Program (from University of Vermont)	UW-Madison	11,373	0
10.320	105868-18673	Sun Grant Program (from University of Illinois-Urbana-Champaign)	UW-Madison	19,871	0
10.320	105889-18672	Sun Grant Program (from University of Illinois-Urbana-Champaign)	UW-Madison	19,962	0
10.328		National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program (from Iowa State University)	UW-Madison	3,182	0
10.329	023867A	Crop Protection and Pest Management Competitive Grants Program (from Iowa State University)	UW-Madison	9,642	0
10.329	RC110844UW	Crop Protection and Pest Management Competitive Grants Program (from Michigan State University)	UW-Madison	8,999	0
10.330	139701-21224	Alfalfa and Forage Research Program (from Cornell University)	UW-Madison	14,698	0
10.330	139728-21198	Alfalfa and Forage Research Program (from Cornell University)	UW-Madison	2,277	0
10.330		Alfalfa and Forage Research Program (from University of Minnesota)	UW-Madison	8,367	0
10.500	25-6324-0187-119	Cooperative Extension Service (from University of Nebraska)	UW-Madison	47,088	0
10.561		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (from Healthfirst Network)	UW-Madison	58,997	0
10.600	21-00288	Foreign Market Development Cooperator Program (from US Endowment for Forestry & Communities)	UW-Madison	17,689	0
10.600		Foreign Market Development Cooperator Program (from US Endowment for Forestry & Communities)	UW-Madison	82,509	0
10.652		Forestry Research (from University of Kentucky Research Foundation)	UW-Madison	(3,215)	0
10.N/A	ENC19-177	Modernizing Grazing Resources for the Next Generation of Agriculture & Natural Resources Professionals (from Grassworks Inc)	UW-Madison	11,198	0
Subtotal Research and Development Subgrants				3,342,629	0
TOTAL R&D FROM U.S. DEPARTMENT OF AGRICULTURE				30,909,714	1,471,825
U.S. DEPARTMENT OF COMMERCE:					
Direct Research and Development Grants:					
11.022	NA19OAR0220090	Bipartisan Budget Act of 2018	UW-Madison	55,957	0
11.022		Bipartisan Budget Act of 2018	UW-Madison	88,634	0
Total Federal Program 11.022				144,591	0
11.417		Sea Grant Support	UW-Madison	1,811,138	89,830
11.417		Sea Grant Support (from UW System Administration)	UW-Platteville	22,608	0
11.417		Sea Grant Support (from UW-Green Bay)	UW-Milwaukee	6,448	0
11.417		Sea Grant Support (from UW-Madison)	UW-Green Bay	189,857	0
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	479,758	12,090
11.417		Sea Grant Support (from UW-Madison)	UW-Oshkosh	12,208	0
11.417		Sea Grant Support (from UW-Madison)	UW-Stevens Point	168,372	4,765
11.417		Sea Grant Support (from UW-Madison)	UW-Superior	74,284	0
11.417		Sea Grant Support (from UW-Madison)	WHS	60,932	0
11.417		Sea Grant Support (from UW-Milwaukee)	UW-Green Bay	7,893	0
Total Federal Program 11.417				2,833,498	106,685
11.419	AD209127-021.01	Coastal Zone Management Administration Awards (from DOA)	UW-Green Bay	574	0
11.419	Grant Agreement #AD219129-022.22	Coastal Zone Management Administration Awards (from DOA)	UW-Green Bay	38,741	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
11.419	AD209127-021.42; AD209127-021.07; AD219129-022.43; AD209127-021.17; AD209149-020PSM	Coastal Zone Management Administration Awards (from DOA)	UW-Madison	194,472	0
11.419	IIA #1802, SUBK00016384	Coastal Zone Management Administration Awards (from UW-Madison)	UW-Superior	16,757	0
Total Federal Program 11.419				250,544	0
11.420		Coastal Zone Management Estuarine Research Reserves	UW-Green Bay	28,361	0
11.420		Coastal Zone Management Estuarine Research Reserves	UW-Madison	128,196	114,812
Total Federal Program 11.420				156,557	114,812
11.429		Marine Sanctuary Program	UW-Superior	1,343	0
11.431	NA22OAR4310111	Climate and Atmospheric Research	UW-Madison	42,817	0
11.431		Climate and Atmospheric Research	UW-Madison	82,092	0
Total Federal Program 11.431				124,909	0
11.432		National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	UW-Madison	10,476,541	51,277
11.459	NA21OAR4590367; NA21OAR4590168; NA21OAR4590372	Weather and Air Quality Research	UW-Madison	634,866	1,775
11.459		Weather and Air Quality Research	UW-Milwaukee	49,829	0
Total Federal Program 11.459				684,695	1,775
11.460	NA20OAR4600286	Special Oceanic and Atmospheric Projects	UW-Madison	10,895	0
11.468		Applied Meteorological Research	UW-Madison	19,813	0
11.468		Applied Meteorological Research	UW-Milwaukee	14,704	0
Total Federal Program 11.468				34,517	0
11.473	37000-0000013210	Office for Coastal Management (from DNR)	UW-Milwaukee	8,436	0
11.473	AD179144-017.CR10	Office for Coastal Management (from DOA)	UW-Madison	51,911	0
Total Federal Program 11.473				60,347	0
11.609	70NANB21H108; 70NANB21H039; 70NANB21H043	Measurement and Engineering Research and Standards	UW-Madison	842,055	47,776
11.N/A	723932-712683	Other Federal Financial Assistance: J. Philip Keillor Wisconsin Coastal Management-Sea Grant Fellowship (from DOA)	UW-Madison	21,812	0
11.N/A		Coastal Management Program (from DOA)	UW-Oshkosh	1,530	0
Subtotal Direct Research and Development Grants				15,643,834	322,325
11.008	723932-712683	Research and Development Subgrants: NOAA Mission-Related Education Awards (from Virginia Institute of Marine Science)	UW-Madison	9,220	0
11.012		Integrated Ocean Observing System (IOOS) (from Great Lakes Observing System)	UW-Milwaukee	180,032	0
11.307	21/08/06	Economic Adjustment Assistance (from Vierbicher)	UW-La Crosse	4,952	0
11.307	2006976	Economic Adjustment Assistance (from Wisconsin Paper Council)	UW-Stevens Point	61,453	0
11.417		Sea Grant Support (from Ohio State University)	UW-Madison	24,732	0
11.417	KR 705232	Sea Grant Support (from University of California-San Diego)	UW-Milwaukee	2,493	0
11.417		Sea Grant Support (from University of Maryland)	UW-Stevens Point	10,243	0
11.431	UW 20220124-01	Climate and Atmospheric Research (from Nature Conservancy)	UW-Madison	6,000	0
11.431	SUBK00013011 PO 3006275952	Climate and Atmospheric Research (from University of Michigan)	UW-Madison	25,010	0
11.431	SUBK00014893	Climate and Atmospheric Research (from University of Michigan)	UW-Madison	24,951	0

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RESEARCH AND DEVELOPMENT (R&D) CLUSTER					
11.431		Climate and Atmospheric Research (from University of Michigan)	UW-Madison	46,620	0
11.432		National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Milwaukee	75,639	0
11.432	SUBK00016593	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes (from University of Michigan)	UW-Milwaukee	6,000	0
11.451		Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology (from Louisiana State University)	UW-Madison	114,432	0
11.611	WMEP-UWEBI PARTNERSHIP 2021-22	Manufacturing Extension Partnership (from Wisconsin Manufacturing Extension Partnership Inc)	UW-Madison	122,488	0
11.N/A	100121	Marine Debris (from Great Lakes Commission)	UW-Oshkosh	29,932	0
11.N/A	AMS-22-009	TBD L3Harris Renewal (from L3 Harris Technologies Inc.)	UW-Madison	1,862	0
Subtotal Research and Development Subgrants				746,059	0
TOTAL R&D FROM U.S. DEPARTMENT OF COMMERCE				16,389,893	322,325
U.S. DEPARTMENT OF DEFENSE:					
12.114	W911NF-08-2-0014	Direct Research and Development Grants: Collaborative Research and Development	UW-Milwaukee	(30,373)	0
12.300	N00244-22-2-0002	Basic and Applied Scientific Research	UW-Madison	11,167,364	2,354,599
12.300		Basic and Applied Scientific Research	UW-Milwaukee	68,671	0
12.300		Basic and Applied Scientific Research	UW-Milwaukee	109,538	0
Total Federal Program 12.300				11,345,573	2,354,599
12.351	HDTRA1-16-1-0049	Scientific Research - Combating Weapons of Mass Destruction	UW-Madison	11,574	0
12.351		Scientific Research - Combating Weapons of Mass Destruction	UW-Madison	46,998	0
Total Federal Program 12.351				58,572	0
12.420		Military Medical Research and Development	UW-Madison	7,863,325	953,375
12.431	W911NF-15-2-0005	Basic Scientific Research	UW-Madison	9,725,282	1,298,106
12.431		Basic Scientific Research	UW-Milwaukee	(30,976)	0
12.431		Basic Scientific Research	UW-Milwaukee	8,342	5,488
Total Federal Program 12.431				9,702,648	1,303,594
12.630	22-871-037	Basic, Applied, and Advanced Research in Science and Engineering	UW-La Crosse	15,027	0
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	101,286	0
Total Federal Program 12.630				116,313	0
12.740	FA9550-18-1-0340; FA9550-21-1-0305; FA9550-21-1-0341	Past Conflict Accounting	UW-Madison	257,526	140,308
12.800		Air Force Defense Research Sciences Program	UW-Madison	2,205,760	310,938
12.910		Research and Technology Development	UW-Madison	1,170,107	742,813
Other Federal Financial Assistance:					
12.N/A	12.012; 20/11/01	COE VE719 Monitor	UW-La Crosse	150	0
12.N/A	DOD, DEFENSE ADVANCED RESEARCH PROJECTS	R&D from Defense Advanced Research Projects	UW-Madison	81,633	88,180
12.N/A	DOD, NAVY	R&D (from Navy)	UW-Madison	2,195	0
12.N/A	GRANT13469361	Identifying Risks and Opportun	UW-Madison	24,573	0
12.N/A	HR00112190107	DARPA N-MODFET	UW-Madison	683,828	119,670
12.N/A		R&D (from Navy)	UW-Madison	237,695	0
12.N/A	ER20-C2-1098	Development of a Novel PFAS Passive Sample	UW-Milwaukee	744	0
Subtotal Direct Research and Development Grants				33,720,269	6,013,477
Research and Development Subgrants:					
12.300		Basic and Applied Scientific Research (from California Institute of Technology)	UW-Madison	34,832	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
12.300		Basic and Applied Scientific Research (from Colorado State University)	UW-Madison	49,670	0
12.300		Basic and Applied Scientific Research (from Dartmouth College)	UW-Whitewater	24,458	0
12.300	R000002960	Basic and Applied Scientific Research (from Florida State University)	UW-Milwaukee	45,944	0
12.300		Basic and Applied Scientific Research (from Intraband)	UW-Madison	36,412	0
12.300		Basic and Applied Scientific Research (from Michigan State University)	UW-Madison	(2,890)	0
12.300		Basic and Applied Scientific Research (from New York University)	UW-Madison	385,966	0
12.300		Basic and Applied Scientific Research (from Northeastern University)	UW-Madison	(18,946)	0
12.300		Basic and Applied Scientific Research (from Northwestern University)	UW-Madison	42,290	0
12.300		Basic and Applied Scientific Research (from Princeton University)	UW-Madison	78,734	0
12.300		Basic and Applied Scientific Research (from Rice University)	UW-Madison	175,731	0
12.300		Basic and Applied Scientific Research (from Silatronix)	UW-Madison	54,505	0
12.300	AWD00003971 (417688-5)	Basic and Applied Scientific Research (from University of Pittsburgh)	UW-Madison	194,159	0
12.300	141252568	Basic and Applied Scientific Research (from University of Southern California)	UW-Madison	53,786	0
12.300		Basic and Applied Scientific Research (from University of Southern California)	UW-Madison	31,165	0
12.420		Military Medical Research and Development (from Aeovian Pharmaceuticals Inc)	UW-Madison	80,056	0
12.420	ABRUPT2	Military Medical Research and Development (from American Burn Association)	UW-Madison	2,263	0
12.420		Military Medical Research and Development (from American Burn Association)	UW-Madison	5,562	0
12.420		Military Medical Research and Development (from Johns Hopkins University)	UW-Madison	29,164	0
12.420		Military Medical Research and Development (from Kiio Inc)	UW-Madison	25,184	0
12.420		Military Medical Research and Development (from Medical College of Wisconsin)	UW-Madison	36,037	0
12.420		Military Medical Research and Development (from University of Colorado-Denver)	UW-Madison	197,282	0
12.420	SUB00002622	Military Medical Research and Development (from University of Georgia)	UW-Madison	8,494	0
12.420	17222	Military Medical Research and Development (from University of Illinois-Chicago)	UW-Madison	25,013	0
12.420		Military Medical Research and Development (from University of Miami)	UW-Madison	78,166	0
12.431		Basic Scientific Research (from Boydston Chemical Innovations)	UW-Madison	11,866	0
12.431		Basic Scientific Research (from Carnegie Mellon University)	UW-Madison	9,804	0
12.431		Basic Scientific Research (from PPG Industries)	UW-Madison	41,067	0
12.431		Basic Scientific Research (from University of California-San Diego)	UW-Madison	375,883	0
12.431		Basic Scientific Research (from University of Illinois-Urbana-Champaign)	UW-Madison	24,278	0
12.431	110185-Z8470202	Basic Scientific Research (from University of Maryland)	UW-Madison	1,283	0
12.431		Basic Scientific Research (from University of Maryland)	UW-Madison	86,477	0
12.431		Basic Scientific Research (from University of Rochester)	UW-Madison	341,052	0
12.431		Basic Scientific Research (from University of Southern California)	UW-Madison	330,620	0
12.431		Basic Scientific Research (from University of Washington)	UW-Madison	29,326	0
12.630	940018	Basic, Applied, and Advanced Research in Science and Engineering (from Drexel University)	UW-Madison	31,635	0
12.740		Past Conflict Accounting (from Jackson (Henry M) Foundation)	UW-Madison	64,383	0
12.740	5861 PO#1037274 HJF#65544	Past Conflict Accounting (from Jackson (Henry M.) Foundation)	UW-Madison	930	0
12.740	704556	Past Conflict Accounting (from University of California-San Diego)	UW-Madison	38,541	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
12.800	MIL117959	Air Force Defense Research Sciences Program (from Badger Technology Group Inc)	UW-Milwaukee	5,000	0
12.800	S5601 PO#714796	Air Force Defense Research Sciences Program (from Massachusetts Institute of Technology)	UW-Madison	119	0
12.800	RC112835D	Air Force Defense Research Sciences Program (from Michigan State University)	UW-Madison	301,208	0
12.800	62696832-227888	Air Force Defense Research Sciences Program (from Stanford University)	UW-Madison	47,723	0
12.800	S-111-083-001	Air Force Defense Research Sciences Program (from UES)	UW-Madison	66,086	0
12.800		Air Force Defense Research Sciences Program (from University of New Mexico)	UW-Madison	164,877	0
12.800	UTA20-001224	Air Force Defense Research Sciences Program (from University of Texas-Austin)	UW-Madison	80,638	0
12.910		Research and Technology Development (from Arizona State University)	UW-Madison	421,466	0
12.910		Research and Technology Development (from Michigan State University)	UW-Madison	120,331	0
12.910		Research and Technology Development (from Stanford University)	UW-Madison	90,973	0
12.910		Research and Technology Development (from University of Southern California)	UW-Madison	172,082	0
12.N/A	ASUB00001014	COCHON (from Arizona State University)	UW-Madison	20,583	0
12.N/A	MSN242195	Cost Effective Linear-ROMP (from Boydston Chemical Innovations)	UW-Madison	22,281	0
12.N/A	1990684-437084, 1990677-437084	AI-Assisted Detection and Target Recognition (from Carnegie Mellon University)	UW-Madison	214,641	0
12.N/A	MSN257817	AIDTR Year III (from Carnegie Mellon University)	UW-Madison	246,761	0
12.N/A	MSN259178	AIDTR November Supplement (from Carnegie Mellon University)	UW-Madison	555	0
12.N/A	7043-SC-UW-P1	QAOA for Max-Cut on a 2D Neutral Atom Processor (from Coldquanta Inc)	UW-Madison	150,894	0
12.N/A	G-28683-01	CIRA Research Support of the U.S. Air Force Electro-Optical (EO) / Infrared (IR) Weather System Program (CREWS) (from Colorado State University)	UW-Madison	209,538	0
12.N/A	21004-213645-QS	HRL MIRO (from HRL Laboratories LLC)	UW-Madison	82,017	0
12.N/A	A10a-T007	Long-Term Reliable, High-Power Midwave-Infrared Quantum Cascade Lasers (from Intraband)	UW-Madison	5,716	0
12.N/A	N6893620C0084	Application of Machine Learning to Quantum Cascade Laser Design (from Intraband)	UW-Madison	49,816	0
12.N/A	W911NF-16-C-0116-UWS	Quantum Cascade Lasers (from Intraband)	UW-Stevens Point	1,333	0
12.N/A	2004666891	The Major Extremity Trauma and Rehabilitation Research Consortium (from Johns Hopkins University)	UW-Madison	1,475	0
12.N/A	7000373072	Time-Resolved Observations of Precipitation Structure & Storm Intensity with a Constallation of Smallsats (from Massachusetts Institute of Technology)	UW-Madison	92,407	0
12.N/A	7000374781	Time-Resolved Observations of Precipitation Structure & Storm Intensity with a Constallation of Smallsats(from Massachusetts Institute of Technology)	UW-Madison	245,948	0
12.N/A	DHP16C-004	Integrated System for Field, Clinic & Laboratory Preparation of Biological Specimens for Microscopy (from Microscopy Innovations)	UW-Madison	55,166	0
12.N/A	060803-361354-01	Vehicle Simulations (from Mississippi State University)	UW-Madison	312,564	0
12.N/A	DodContrUWGB	A Highly Portable Device for Assessment of Mild Traumatic Brain Injury in Deployed and Far-Forward Settings (from Oculogica Inc)	UW-Green Bay	14,900	0
12.N/A	SC170222-007-8109-	Thermochromic Coatings for Emi (from Physical Sciences Inc)	UW-Madison	7,252	0
12.N/A	AGMT 06-26-18	Organosilicon Electrolytes to Enable Safe, High Energy Li-ion Batteries with Advanced Silicon Anodes (from Silatronix)	UW-Madison	(7,610)	0
12.N/A	MSN230093	Raman_New_Army_STTR Phase II (from Tierra Biosciences)	UW-Madison	34,859	0
12.N/A	S-001077	Treatment of Legacy & Emerging Fluoroalkyl Contaminants in Groundwater with Integrated Approaches (from University of California-Riverside)	UW-Milwaukee	81,667	0
12.N/A	20270-0462	Afshar M CHILL DOD Sub from UM (from University of Maryland)	UW-Madison	1,783	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
12.N/A	VEM-UW-2	Low-Visibility High-Efficiency HF/VHF/UHF Antenna that Utilizes Platform (from Virtual EM Inc)	UW-Madison	121,029	0
		Subtotal Research and Development Subgrants		6,496,260	0
		TOTAL R&D FROM U.S. DEPARTMENT OF DEFENSE		40,216,529	6,013,477
U.S. DEPARTMENT OF INTERIOR:					
15.066		Direct Research and Development Grants: Tribal Great Lakes Restoration Initiative	UW-Superior	8,499	0
15.232	L21AC10417	Joint Fire Science Program	UW-Madison	80,656	0
15.232		Joint Fire Science Program	UW-Madison	60,544	0
		Total Federal Program 15.232		141,200	0
15.506		Water Desalination Research and Development	UW-Milwaukee	76,199	0
15.560	Energetic Landscape-American Martens	SECURE Water Act – Research Agreements	UW-Madison	12,922	0
15.560	DNR WI Atlas Year 1	SECURE Water Act – Research Agreements	UW-Madison	65,996	0
		Total Federal Program 15.560		78,918	0
15.605	37000-0000015969	Sport Fish Restoration (from DNR)	UW-Madison	1,241	0
15.605	MSN250350	Sport Fish Restoration (from DNR)	UW-Madison	114,139	0
15.605		Sport Fish Restoration (from DNR)	UW-Stevens Point	102,573	0
		Total Federal Program 15.605		217,953	0
15.608		Fish and Wildlife Management Assistance	UW-Green Bay	46,287	0
15.608		Fish and Wildlife Management Assistance	UW-La Crosse	19,953	0
15.608	F21AP03525-00	Fish and Wildlife Management Assistance	UW-Stevens Point	13,017	0
15.608		Fish and Wildlife Management Assistance	UW-Stevens Point	66,196	4,372
		Total Federal Program 15.608		145,453	4,372
15.611		Wildlife Restoration and Basic Hunter Education (from DNR)	UW-Madison	512,003	0
15.611	37000-0000019135	Wildlife Restoration and Basic Hunter Education (from DNR)	UW-Madison	35,355	0
		Total Federal Program 15.611		547,358	0
15.614	C25L/F19AP00299	Coastal Wetlands Planning, Protection and Restoration (from DNR)	UW-Green Bay	4,465	0
15.615	37000-0000020835	Cooperative Endangered Species Conservation Fund (from DNR)	UW-Stevens Point	984	0
15.628	F22AP00582	Multistate Conservation Grant	UW-Madison	14,446	0
15.630	F21AC02168-00	Coastal	UW-Green Bay	38,023	0
15.631	37000-0000017819	Partners for Fish and Wildlife (from DNR)	UW-Stevens Point	16,448	0
15.637		Migratory Bird Joint Ventures	UW-Stevens Point	6,494	0
15.650		Research Grants (Generic)	UW-Madison	(1,089)	0
15.651		Central Africa Regional	UW-Madison	70,989	0
15.657	0501.21.071884	Endangered Species Recovery Implementation	UW-Green Bay	5,347	0
15.657		Endangered Species Recovery Implementation	UW-Madison	73,028	0
		Total Federal Program 15.657		78,375	0
15.658		Natural Resource Damage Assessment and Restoration	UW-Green Bay	72,721	0
15.662		Great Lakes Restoration	UW-Green Bay	39,403	0
15.662	F21AP02325	Great Lakes Restoration	UW-Madison	45,225	0
		Total Federal Program 15.662		84,628	0
15.664	F21AC02557	Fish and Wildlife Coordination and Assistance	UW-Madison	19,206	0
15.678		Cooperative Ecosystem Studies Units	UW-Madison	5,340	0
15.678		Cooperative Ecosystem Studies Units	UW-Stevens Point	54,963	0
		Total Federal Program 15.678		60,303	0
15.684		White-nose Syndrome National Response Implementation	UW-Madison	71,055	0

STATE OF WISCONSIN
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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
15.805	G22AP00017; G21AP10608	Assistance to State Water Resources Research Institutes	UW-Madison	223,343	9,559
15.805	1814	Assistance to State Water Resources Research Institutes (from UW-Madison)	UW-Milwaukee	30,000	0
15.805		Assistance to State Water Resources Research Institutes (from UW-Madison)	UW-Stevens Point	30,571	0
Total Federal Program 15.805				283,914	9,559
15.808		U.S. Geological Survey Research and Data Collection	UW-Madison	748,841	0
15.808		U.S. Geological Survey Research and Data Collection	UW-Platteville	8,457	0
Total Federal Program 15.808				757,298	0
15.810	G21AC10501-00	National Cooperative Geologic Mapping	UW-Green Bay	9,256	0
15.810	G21AC10693	National Cooperative Geologic Mapping	UW-Madison	6,242	0
15.810		National Cooperative Geologic Mapping	UW-Madison	100,867	0
Total Federal Program 15.810				116,365	0
15.812		Cooperative Research Units	UW-Madison	110,038	0
15.812	G21AC10241-00	Cooperative Research Units	UW-Stevens Point	35,567	0
15.812	G22AC00063	Cooperative Research Units	UW-Stevens Point	72,414	0
15.812		Cooperative Research Units	UW-Stevens Point	159,436	0
15.812	21-01 (STP100087)	Cooperative Research Units (from UW-Stevens Point)	UW-Madison	105,441	0
15.812	22-01 (STP100153)	Cooperative Research Units (from UW-Stevens Point)	UW-Madison	45,622	0
15.812		Cooperative Research Units (from UW-Stevens Point)	UW-Madison	65,006	0
Total Federal Program 15.812				593,524	0
15.814	0000001767	National Geological and Geophysical Data Preservation (from UW-Eau Claire UW-Madison)		1,371	0
15.944		Natural Resource Stewardship	UW-Madison	6,798	0
15.945		Cooperative Research and Training Programs – Resources of the National Park System	UW-Green Bay	10,334	0
15.945	P21AC10330	Cooperative Research and Training Programs – Resources of the National Park System	UW-Madison	46,445	0
15.945	P22AC00588	Cooperative Research and Training Programs – Resources of the National Park System	UW-Madison	1,836	0
15.945		Cooperative Research and Training Programs – Resources of the National Park System	UW-Madison	56,849	2,609
15.945	P19AC00045	Cooperative Research and Training Programs – Resources of the National Park System	UW-Milwaukee	3,193	0
15.945		Cooperative Research and Training Programs – Resources of the National Park System	UW-Milwaukee	151,129	0
Total Federal Program 15.945				269,786	2,609
Other Federal Financial Assistance:					
15.N/A	140G0118C0009	R&D from US Geological Survey	UW-Madison	257,073	0
15.N/A	521920-UWO	R&D from Bureau of Indian Affairs	UW-Oshkosh	7,779	996
Subtotal Direct Research and Development Grants				4,046,536	17,536
Research and Development Subgrants:					
15.017		Eastern Nevada Conservation, Recreation and Development (from Great Lakes Fishery Commission)	UW-Milwaukee	14,525	2,471
15.066		Tribal Great Lakes Restoration Initiative (from Red Cliff Band of Lake Superior Chippewa)	UW-Madison	22,355	0
15.066	PRIME No. A18AV00364, Mod. #02	Tribal Great Lakes Restoration Initiative (from Red Cliff Band of Lake Superior Chippewa)	UW-Superior	700	0
15.248	2021-A508.001	National Landscape Conservation System (from University of Pennsylvania)	UW-Oshkosh	981	0
15.560		SECURE Water Act – Research Agreements (from Desert Research Institute)	UW-Madison	24,469	0
15.608		Fish and Wildlife Management Assistance (from State of Minnesota Dept of Natural Resources)	UW-Stout	3,270	0
15.634	Q2180104	State Wildlife Grants (from California Department of Fish & Wildlife)	UW-Madison	138,791	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
15.658		Natural Resource Damage Assessment and Restoration (from Ducks Unlimited)	UW-Green Bay	(319)	0
15.660	0809.22.073630	Candidate Species Conservation (from National Fish & Wildlife Foundation)	UW-Madison	8,477	0
15.662		Great Lakes Restoration (from Door County, WI)	UW-Green Bay	1,027	0
15.662		Great Lakes Restoration (from Ducks Unlimited)	UW-Green Bay	42,854	0
15.663	0807.20.070642	NFWF-USFWS Conservation Partnership (from National Fish & Wildlife Foundation)	UW-Madison	188,343	0
15.670	F20AC11132	Adaptive Science (from City of Racine)	UW-Parkside	6,686	0
15.805	A009549402	Assistance to State Water Resources Research Institutes (from University of Minnesota)	UW-Madison	8,483	0
15.808		U.S. Geological Survey Research and Data Collection (from Great Lakes Commission)	UW-Milwaukee	(23,183)	0
15.808	21-016109-A-00 / A001124544	U.S. Geological Survey Research and Data Collection (from University of Massachusetts-Amherst)	UW-Madison	111,539	99,429
15.808	H008634001	U.S. Geological Survey Research and Data Collection (from University of Minnesota)	UW-Madison	90,710	0
15.808		U.S. Geological Survey Research and Data Collection (from Upper Midwest Environmental Science Center)	UW-La Crosse	389,762	0
15.815	AV18-WI-01	National Land Remote Sensing Education Outreach and Research (from Americaview Inc)	UW-Madison	22,487	0
15.815	AV18-WI-02	National Land Remote Sensing Education Outreach and Research (from Americaview Inc)	UW-Madison	12,054	0
15.815		National Land Remote Sensing Education Outreach and Research (from Americaview Inc)	UW-Madison	19,613	0
15.820		National and Regional Climate Adaptation Science Centers (from University of Massachusetts-Amherst)	UW-Madison	95,529	0
15.820	P009481407	National and Regional Climate Adaptation Science Centers (from University of Minnesota)	UW-Madison	18,273	0
15.945	P18AC00990	Cooperative Research and Training Programs – Resources of the National Park System (from University of Tennessee)	UW-Platteville	3,624	0
15.N/A	US-WI-428-1	Green Bay Coastal Conservation (from Ducks Unlimited)	UW-Green Bay	58,837	0
Subtotal Research and Development Subgrants				1,259,887	101,900
TOTAL R&D FROM U.S. DEPARTMENT OF INTERIOR				5,306,423	119,436
U.S. DEPARTMENT OF JUSTICE:					
Direct Research and Development Grants:					
16.560	15PNIJ-21-GG-04171-COAP	National Institute of Justice Research, Evaluation, and Development Project Grants	UW-Madison	11,530	0
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants	UW-Madison	340,343	0
Total Federal Program 16.560				351,873	0
16.582		Crime Victim Assistance/Discretionary Grants	UW-Madison	61,953	0
16.812	2016-SR-01-12288	Second Chance Act Reentry Initiative (from DOA)	UW-Milwaukee	(1)	0
16.841		VOCA Tribal Victim Services Set-Aside Program (from UW-Milwaukee)	UW-Madison	24,476	0
Subtotal Direct Research and Development Grants				438,301	0
Research and Development Subgrants:					
16.754		Harold Rogers Prescription Drug Monitoring Program (from Medical College of Wisconsin)	UW-Milwaukee	33,359	0
16.838		Comprehensive Opioid, Stimulant, and Substance Abuse Program (from Waukesha County)	UW-Milwaukee	180	0
Subtotal Research and Development Subgrants				33,539	0
TOTAL R&D FROM U.S. DEPARTMENT OF JUSTICE				471,840	0
U.S. DEPARTMENT OF LABOR:					
Direct Research and Development Grants:					
Other Federal Financial Assistance:					
17.268		H-1B Job Training Grants	UW-Whitewater	5,139	0
Subtotal Direct Research and Development Grants				5,139	0
TOTAL R&D FROM U.S. DEPARTMENT OF LABOR				5,139	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
U.S. DEPARTMENT OF STATE:					
		Direct Research and Development Grants:			
19.040	S-NI014-21-GR-3075	Public Diplomacy Programs	UW-Madison	5,796	0
19.300		Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	UW-Madison	64,355	0
		Subtotal Direct Research and Development Grants		70,151	0
		Research and Development Subgrants:			
19.017	349-0682	Environmental and Scientific Partnerships and Programs (from Duke University)	UW-Madison	27,545	0
19.017		Environmental and Scientific Partnerships and Programs (from Great Lakes Fishery Commission)	UW-Milwaukee	12,281	0
		Subtotal Research and Development Subgrants		39,826	0
		TOTAL R&D FROM U.S. DEPARTMENT OF STATE		109,977	0
U.S. DEPARTMENT OF TRANSPORTATION:					
		Direct Research and Development Grants:			
20.106	2019-815	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (from DOT)	UW-Milwaukee	1,695	0
20.109		Air Transportation Centers of Excellence	UW-Madison	1,711	0
20.200		Highway Research and Development Program	DOT	56,188	0
20.200		Highway Research and Development Program	UW-Madison	184,831	0
20.200	0406-4121; 0092-19-17 WO#10; 0072-39-28	Highway Research and Development Program (from DOT)	UW-Madison	268,015	15,966
		Total Federal Program 20.200		509,034	15,966
20.205	0092-18-07; 0092-19-26; 0097-2208	Highway Planning and Construction (from DOT)	UW-Madison	330,699	0
20.205	1000-00-25	Highway Planning and Construction (from DOT)	UW-Milwaukee	34,894	0
20.205		Highway Planning and Construction (from DOT)	UW-Platteville	46,547	34,868
		Total Federal Program 20.205		412,140	34,868
20.215		Highway Training and Education	UW-Madison	295,753	0
20.215	0092-18-16	Highway Training and Education (from DOT)	UW-Madison	7,500	6,522
		Total Federal Program 20.215		303,253	6,522
20.505	Transit Planning; section 5304	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research (from DOT)	UW-Milwaukee	10,819	0
20.614	2021-210	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements (from DMA)	UW-Madison	12,836	0
20.616	FG-2022-UW-TOPS-05852; FG-2022-UW-TOPS-05851; FG-2022-UW-TOPS-05847; FG-2022-UW-TOPS-005848; FG-2021-UW-TOPS-05571	National Priority Safety Programs (from DOT)	UW-Madison	152,400	0
20.616	FG-2021-UW-MILWA-05584	National Priority Safety Programs (from DOT)	UW-Milwaukee	7,675	0
20.616	FG-2021-UW-MILWA-05662	National Priority Safety Programs (from DOT)	UW-Milwaukee	30,918	0
20.616	2022-25-09-M2	National Priority Safety Programs (from DOT)	UW-Whitewater	41,999	0
		Total Federal Program 20.616		232,992	0
20.819	693JF72250002	Ballast Water Treatment Technologies	UW-Superior	18,449	0
20.819	DTMA9117H00002, Mod #16	Ballast Water Treatment Technologies	UW-Superior	29,545	0
20.819	DTMA9117H00002-13, T4 RA3 P1	Ballast Water Treatment Technologies	UW-Superior	70,005	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
20.819	DTMA9117H00002-14, T1 P3	Ballast Water Treatment Technologies	UW-Superior	15,000	0
20.819		Ballast Water Treatment Technologies	UW-Superior	220,567	0
		Total Federal Program 20.819		353,566	0
Other Federal Financial Assistance:					
20.N/A	0072-39-28	WisTransPortal Traffic Data Management (from DOT)	UW-Madison	46,029	0
20.N/A	0092-17-15	RMRC-4G Admin Contract (from DOT)	UW-Madison	77,691	0
20.N/A	0092-19-14	Long-Term Drainage Performance of Mechanically Stabilized Earth Retaining Walls with Recycled Backfill (from DOT)	UW-Madison	(559)	0
20.N/A	0092-19-15	Suitability of Using Recycled Concrete Aggregate as Backfill in Mechanically Stabilized Earth Walls Reinforced with Geotextiles (from DOT)	UW-Madison	77,117	67,058
20.N/A	0092-19-16	Use of Concrete Grinding Residue as Concrete & Soil Amendment (from DOT)	UW-Madison	(53)	0
20.N/A	0092-19-18	North Carolina State-wide Life Cycle Benefits of Recycled Materials (from DOT)	UW-Madison	(914)	0
20.N/A	0092-19-19	Use of Recycled Materials as Mechanically Stabilized Earth (MSE) Retaining Wall Reinforced Backfills (from DOT)	UW-Madison	17,805	0
20.N/A	0092-19-34	Truck Parking Information Management System (from DOT)	UW-Madison	111,880	0
20.N/A	0092-22-26	WHRP 22-24 Admin Support (from DOT)	UW-Madison	125,989	0
20.N/A	0600-01-32	WO 12.18_WisDOT Work Zone (from DOT)	UW-Madison	32,931	0
20.N/A	1000-99-75, 0072-39-28	Highway Safety Improvement Program (from DOT)	UW-Madison	63,555	0
20.N/A	2020 Crash Database	Crash Database and Resolve (from DOT)	UW-Madison	54,368	0
20.N/A	395-0092-19-30 WO 10	COVID-19 Disruptions: Freight System and Agency Operational Changes Affecting Freight Planning (from DOT)	UW-Madison	125,021	0
20.N/A		Traffic Operations & Safety (from DOT)	UW-Madison	405,615	0
20.N/A	MSN237079	Material Specifications for Longitudinal Joint Construction, Remediation and Maintenance (from DOT)	UW-Madison	63,872	0
20.N/A	Proj ID: 395-0092-19-30 WO11	MAFC WO11_Member Services Yr 4 (from DOT)	UW-Madison	30,166	0
20.N/A	5069	Crash Analysis (from DOT)	UW-Milwaukee	35,265	0
20.N/A	5070	Crash Analysis (from DOT)	UW-Milwaukee	14,060	0
20.N/A	0092-22-01	Bridge Concrete Overlay (from DOT)	UW-Milwaukee	5,753	0
		Subtotal Direct Research and Development Grants		3,123,637	124,414
Research and Development Subgrants:					
20.200		Highway Research and Development Program (from National Academy of Sciences)	UW-Madison	15,125	0
20.200	50804	Highway Research and Development Program (from Toole Design Group LLC)	UW-Milwaukee	15,207	0
20.200	57490	Highway Research and Development Program (from University of Delaware)	UW-Madison	19,947	0
20.205	C2019-646	Highway Planning and Construction (from Gremmer & Associates Inc)	UW-Milwaukee	4,165	0
20.205	21/02/10	Highway Planning and Construction (from Minnesota Department of Transportation)	UW-La Crosse	8,616	0
20.205		Highway Planning and Construction (from Mi-Tech Services Inc)	UW-Milwaukee	347	0
20.205	00110396/00074319	Highway Planning and Construction (from University of Missouri-Kansas City)	UW-Platteville	2,987	0
20.237		Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements (from Texas A&M University Research Foundation)	UW-Madison	6,964	0
20.600	80084.01	State and Community Highway Safety (from Toole Design Group LLC)	UW-Milwaukee	7,531	0
20.614	S523210006	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements (from City of Milwaukee)	UW-Milwaukee	8,767	0
20.701	021-16; CTEDD 021-11	University Transportation Centers Program (from University of Texas-Arlington)	UW-Madison	46,579	0
20.N/A	806583 / US001-0000806583	SHRP2 Speeding Data (from Battelle Memorial Institute)	UW-Madison	4,492	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
20.N/A		2021-0106 Central Wisconsin Ai (from Becher-Hoppe Associates Inc)	UW-Milwaukee	13,544	0
20.N/A	DTMA9117H00002	Evaluation & Verification of Ballast Water Treatment Technologies and Other Green Shipping Initiatives (from Great Lakes Maritime Research Institute)	UW-Superior	2,930,365	0
20.N/A	1036345	Expanding Application Rate Guidance for Salt Brine Blends for UW-Madison Direct Liquid Application & Anti-Icing (from Minnesota Department of Transportation)		74,471	0
20.N/A	537560	Parking Utilization & Site Level VMT Database (from University of Arizona)	UW-Madison	27,486	0
20.N/A	W000966673	Safety Research Using Simulation (from University of Iowa)	UW-Madison	18,717	0
20.N/A	W000966673 / 1001828772	Safety Research Using Simulation (from University of Iowa)	UW-Madison	99,656	0
20.N/A	020-04	E-bike Sharing (from University of Texas-Arlington)	UW-Madison	34,440	0
20.N/A	021-01	Modeling Transportation Outcomes Using Accessibility Analysis (from University of Texas-Arlington)	UW-Madison	61,463	0
20.N/A	19-25	Institute of Transportation Engineers (from University of Texas-UW-Madison Arlington)		1,788	0
Subtotal Research and Development Subgrants				3,402,657	0
TOTAL R&D FROM U.S. DEPARTMENT OF TRANSPORTATION				6,526,294	124,414
U.S. DEPARTMENT OF THE TREASURY:					
21.027		Direct Research and Development Grants: Coronavirus State and Local Fiscal Recovery Funds (from DHS)	UW-Whitewater	19,333	0
21.027		Coronavirus State and Local Fiscal Recovery Funds (from UW System Administration)	UW-Whitewater	318,362	0
Subtotal Direct Research and Development Grants				337,695	0
21.N/A	MSN256830	Research and Development Subgrants: Eviction Defense Clinic (from Tenant Resource Center)	UW-Madison	103,445	0
Subtotal Research and Development Subgrants				103,445	0
TOTAL R&D FROM U.S. DEPARTMENT OF THE TREASURY				441,140	0
LIBRARY OF CONGRESS:					
Direct Research and Development Grants:					
42.N/A	MSN241494	Other Federal Financial Assistance: Larson Fellowship	UW-Madison	50,255	0
Subtotal Direct Research and Development Grants				50,255	0
42.N/A	A08-0002-S043	Research and Development Subgrants: Teaching about 9/11 and the War on Terror through Inquiry and Sources (from Illinois State University)	UW-Madison	9,308	0
Subtotal Research and Development Subgrants				9,308	0
TOTAL R&D FROM LIBRARY OF CONGRESS				59,563	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
Direct Research and Development Grants:					
43.001		Science	UW-Madison	8,958,710	1,086,393
43.001	80NSSC21K1830	Science	UW-Milwaukee	86,502	0
43.001	80NSSC21K1839	Science	UW-Milwaukee	36,922	0
43.001		Science	UW-Milwaukee	74,469	4,243
43.001		Science	UW-Whitewater	6,039	0
Total Federal Program 43.001				9,162,642	1,090,636
43.002		Aeronautics	UW-Madison	863,257	90,022
43.003	80NSSC22K0029	Exploration	UW-Madison	4,434	0
43.003		Exploration	UW-Madison	209,575	102,295
Total Federal Program 43.003				214,009	102,295
43.007		Space Operations	UW-Madison	247,230	0
43.009		Safety, Security and Mission Services	UW-Madison	316,635	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
43.012	80NSSC22K0761	Space Technology	UW-Madison	8,253	0
43.012		Space Technology	UW-Madison	344,802	0
Total Federal Program 43.012				353,055	0
Other Federal Financial Assistance:					
43.N/A	1638464	R&D from Jet Propulsion Laboratory	UW-Madison	151,317	0
43.N/A	21-DSI-21-0031; NASA 19-ICAR19	R&D from Goddard Space Flight Center	UW-Madison	181,626	0
43.N/A	G07-8102X; GO8-9031X	R&D from Smithsonian Astrophysical Observatory	UW-Madison	1,410	0
43.N/A		R&D from Smithsonian Astrophysical Observatory	UW-Madison	106,842	0
Subtotal Direct Research and Development Grants				11,598,023	1,282,953
Research and Development Subgrants:					
43.001		Science (from Carbonplan)	UW-Madison	23,011	0
43.001		Science (from East-West Center)	UW-Madison	7,483	0
43.001		Science (from Florida International University)	UW-Madison	(7,312)	0
43.001		Science (from Science & Technology Corporation)	UW-Madison	24,969	0
43.001		Science (from Stanford University)	UW-Green Bay	49,447	0
43.001		Science (from Universities Space Research Association)	UW-Madison	(762)	0
43.001		Science (from University of California-Berkeley)	UW-Madison	57,674	0
43.001	A21-1679-S001	Science (from University of California-Davis)	UW-Madison	77,671	0
43.001		Science (from University of California-Los Angeles)	UW-Madison	41,704	0
43.001		Science (from University of Colorado-Boulder)	UW-Madison	28,049	0
43.001	R-21-0014	Science (from University of Houston)	UW-Madison	10,447	0
43.001		Science (from University of Houston)	UW-Madison	28,684	0
43.001		Science (from University of Maryland-Baltimore)	UW-Madison	528,070	0
43.001	P008776701	Science (from University of Minnesota)	UW-Madison	4,648	0
43.001	P363209 / 1004683-UWS	Science (from University of Wyoming)	UW-Madison	17,303	0
43.002		Aeronautics (from Ohio State University)	UW-Madison	391,058	0
43.003	7000001285 / T0502	Exploration (from Baylor College of Medicine)	UW-Madison	32,904	0
43.003	TRISH P0603, 7000001428	Exploration (from Baylor College of Medicine)	UW-Madison	62,567	0
43.003		Exploration (from Colorado State University)	UW-Madison	2	0
43.007		Space Operations (from University of Florida)	UW-Madison	29,265	0
43.008		Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-La Crosse	9,453	0
43.008	RIP22_5-0	Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-La Crosse	1,177	0
43.008	RIP23_3.0	Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-Milwaukee	2,154	0
43.008	P#80NSSC20M0123, S #HEI22_2-0	Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-Superior	1,470	0
43.008		Office of Stem Engagement (OSTEM) (from Wisconsin Space Grant Consortium)	UW-Whitewater	7,597	0
43.N/A	G-39690-1; G-3969-1	CloudSat Science (from Colorado State University)	UW-Madison	64,840	0
43.N/A	80NSSC18C0106	NASA Biological & Biochemical (from Photonic Cleaning Technologies, LLC)	UW-Platteville	14,879	0
43.N/A	21606-16-033	CERES FM 1-5 Science & Technical Support (from Science Systems & Applications Inc)	UW-Madison	56,545	0
43.N/A	21606-16-033	SSAI TDN L.003 CY4 & CY5 (from Science Systems & Applications Inc)	UW-Madison	24,819	0
43.N/A	21606-16-033	SSAI TDN M.001.0I CY6&7 (from Science Systems & Applications Inc)	UW-Madison	19,947	0
43.N/A	SC 3230	WFIRST Starshade Evaluation (from Search for Extraterrestrial Intelligence)	UW-Madison	23,148	0
43.N/A	HST-AR-16158.001-A	The Metallicity of High and Intermediate-velocity Clouds (from Space Telescope Science Institute)	UW-Madison	184,342	0
43.N/A	HST-AR-16363.001-A	Searching for the LMC Corona (from Space Telescope Science Institute)	UW-Madison	124,624	0
43.N/A	HST-AR-16602.006-A	ULLYSES LMC Winds (from Space Telescope Science Institute)	UW-Madison	831	0
43.N/A	HST-AR-16607.002-A	139 CGMcloudy (from Space Telescope Science Institute)	UW-Madison	2,743	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
43.N/A	HST-GO-15112-002-A	The Low-Metallicity Starburst NGC346 (from Space Telescope Science Institute)		13,889	0
43.N/A	HST-GO-15860.003-A	Accretion-Triggered Starbursts in Tadpole Galaxies (from Space Telescope Science Institute)	UW-Madison	9,465	0
43.N/A	HST-GO-15887-004-A	The Nature and Origin of Compact High-Velocity Clouds (from Space Telescope Science Institute)	UW-Madison	12,688	0
43.N/A	HST-GO-16057-004-A	Dark Vortex Disruption (from Space Telescope Science Institute)	UW-Madison	11,264	0
43.N/A	HST-GO-16084.004-A	The Disruption of a Dark Vortex on Neptune (from Space Telescope Science Institute)	UW-Madison	18,771	0
43.N/A	HST-GO-16219.003-A	Exploring the origin of the M3 (from Space Telescope Science Institute)	UW-Madison	5,989	0
43.N/A	HST-GO-16244.001-A	Blue Lurkers (from Space Telescope Science Institute)	UW-Madison	10,064	0
43.N/A	HST-GO-16291.001-A	Spatially Resolving Outflows in a z1 Extremely Red Quasar to Observe a Short-Lived Blowout Phase in Galaxy Evolution (from Space Telescope Science Institute)	UW-Madison	39,659	0
43.N/A	HST-GO-16316.010-A	JSG HST proposal July 2020 (from Space Telescope Science Institute)	UW-Madison	2,441	0
43.N/A	HST-GO-16454.004-A	Death Throes of a Neptune Vort (from Space Telescope Science Institute)	UW-Madison	8,084	0
43.N/A	HST-HF2-51493.001	Soares Hubble Fellowship Stipend (from Space Telescope Science Institute)	UW-Madison	59,544	0
43.N/A	JWST-ERS-01373-008-A	ERS Observations of the Jovian System (from Space Telescope Science Institute)	UW-Madison	4,596	0
43.N/A	STScI 51782	ISM around Galactic Center (from Space Telescope Science Institute)	UW-Madison	8,131	0
43.N/A	43.HST-GO-1493.003-A	Stellar Populations in a Lensed Galaxy (from Space Telescope Science Institute)	UW-Milwaukee	5,150	0
43.N/A	HST-GO-15467.001-A	The Brightest Lens in the Sky: Stellar Populations (from Space Telescope Science Institute)	UW-Milwaukee	23,661	0
43.N/A	2021-1388	Integrated Space Systems and M (from University of Alabama-Huntsville)	UW-Milwaukee	17,784	0
43.N/A	UFDSP00011818	Landscapes in Flux in Rural India (from University of Florida)	UW-Madison	2,679	0
43.N/A	RIP21_4.0	Basaltic lava tubes: analog (from Wisconsin Space Grant Consortium)	UW-Milwaukee	9,965	0
Subtotal Research and Development Subgrants				2,209,275	0
TOTAL R&D FROM NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				13,807,298	1,282,953
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:					
Direct Research and Development Grants:					
45.024	1879912-38-C-21	Promotion of the Arts Grants to Organizations and Individuals	UW-Madison	21,433	0
45.129		Promotion of the Humanities Federal/State Partnership	UW-Whitewater	6,221	0
45.129	FY21-034-20	Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	1,149	0
45.129	FYR22-029-WHRG	Promotion of the Humanities Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	4,736	0
Total Federal Program 45.129				12,106	0
45.149	PW-277395-21	Promotion of the Humanities Division of Preservation and Access	UW-Madison	145,856	0
45.149		Promotion of the Humanities Division of Preservation and Access	UW-Madison	(2,199)	0
Total Federal Program 45.149				143,657	0
45.160	FEL-272983-21; FEL-273380-21; FEL-268149-20	Promotion of the Humanities Fellowships and Stipends	UW-Madison	94,630	0
45.161	RQ-279683-21	Promotion of the Humanities Research	UW-Madison	41,347	0
45.161		Promotion of the Humanities Research	UW-Madison	100,263	0
Total Federal Program 45.161				141,610	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
45.312		National Leadership Grants	UW-Madison	111,575	3,058
45.312		National Leadership Grants	UW-Milwaukee	(1,665)	0
Total Federal Program 45.312				109,910	3,058
Other Federal Financial Assistance:					
45.N/A	FY21-1520	Women and Water (from Tourism)		1,300	0
Subtotal Direct Research and Development Grants				524,646	3,058
Research and Development Subgrants:					
45.163	D8493-02 SA00 5A644A 7802	Promotion of the Humanities Professional Development (from San Diego State University Foundation)	UW-Madison	1,572	0
45.169	99960-Z9654201	Promotion of the Humanities Office of Digital Humanities (from University of Maryland)	UW-Madison	8,744	0
45.301		Museums for America (from Milwaukee Public Museum)	UW-Milwaukee	32,935	0
45.312		National Leadership Grants (from University at Buffalo)	UW-Madison	3,307	0
Subtotal Research and Development Subgrants				46,558	0
TOTAL R&D FROM NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				571,204	3,058
NATIONAL SCIENCE FOUNDATION:					
Direct Research and Development Grants:					
47.041		Engineering	UW-Eau Claire	8,950	0
47.041		Engineering	UW-Madison	7,335,322	230,209
47.041	1450386	Engineering	UW-Milwaukee	7,005	0
47.041	1540032	Engineering	UW-Milwaukee	8,911	0
47.041	2133337	Engineering	UW-Milwaukee	178,060	125,067
47.041	CMMI-2100801	Engineering	UW-Milwaukee	50,604	0
47.041	ECCS-2103560	Engineering	UW-Milwaukee	20,414	0
47.041	IIP-2113791	Engineering	UW-Milwaukee	4,708	0
47.041	IIP-2113857	Engineering	UW-Milwaukee	51,165	0
47.041		Engineering	UW-Milwaukee	662,421	5,972
47.041		Engineering	UW-Platteville	16,738	0
Total Federal Program 47.041				8,344,298	361,248
47.049	2128590	Mathematical and Physical Sciences	UW-Eau Claire	4,231	0
47.049		Mathematical and Physical Sciences	UW-Eau Claire	165,653	0
47.049		Mathematical and Physical Sciences	UW-La Crosse	132,487	0
47.049		Mathematical and Physical Sciences	UW-Madison	28,180,088	5,452,702
47.049	AST-2108269	Mathematical and Physical Sciences	UW-Milwaukee	5,298	0
47.049	PHY-2110594	Mathematical and Physical Sciences	UW-Milwaukee	408,271	348,375
47.049		Mathematical and Physical Sciences	UW-Milwaukee	3,538,169	1,155,436
47.049		Mathematical and Physical Sciences	UW-River Falls	24,630	0
47.049		Mathematical and Physical Sciences	UW-Stevens Point	86,144	0
47.049		Mathematical and Physical Sciences (from UW-Madison)	UW-Milwaukee	346,250	0
Total Federal Program 47.049				32,891,221	6,956,513
47.050	2120033	Geosciences	UW-Eau Claire	10,985	0
47.050		Geosciences	UW-Eau Claire	92,039	22,159
47.050	2041315	Geosciences	UW-Green Bay	39,943	0
47.050		Geosciences	UW-Madison	6,655,413	132,318
47.050	ICER-2023212	Geosciences	UW-Milwaukee	3,600	0
47.050		Geosciences	UW-Milwaukee	425,311	2,910
47.050		Geosciences	UW-Oshkosh	550	0
47.050	AGS - 2112437	Geosciences	UW-River Falls	29,943	0
47.050		Geosciences	UW-River Falls	15,188	0
47.050		Geosciences	UW-Superior	27,884	0
47.050	2119178	Geosciences	UW-Whitewater	13,289	0
47.050		Geosciences (from UW-Madison)	UW-Milwaukee	6,304	0
47.050	AGS-2050072; 0000001201 (sub)	Geosciences (from UW-Madison)	UW-Oshkosh	10,639	0
Total Federal Program 47.050				7,331,088	157,387
47.070	21550191	Computer and Information Science and Engineering	UW-Eau Claire	874	0
47.070	2107488	Computer and Information Science and Engineering	UW-Eau Claire	7,263	0
47.070		Computer and Information Science and Engineering	UW-Madison	13,092,186	1,321,415
47.070	OAC-2126229	Computer and Information Science and Engineering	UW-Milwaukee	400,000	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
47.070		Computer and Information Science and Engineering	UW-Milwaukee	1,051,970	945,539
47.070		Computer and Information Science and Engineering	UW-River Falls	5,307	0
47.070		Computer and Information Science and Engineering	UW-Stout	2,921	0
47.070		Computer and Information Science and Engineering (from UW-Madison)	UW-La Crosse	22,340	0
Total Federal Program 47.070				14,582,861	2,266,954
47.074		Biological Sciences	UW-Madison	13,162,402	697,869
47.074	CHE-2032265	Biological Sciences	UW-Milwaukee	129,091	0
47.074	DRL-2115637	Biological Sciences	UW-Milwaukee	345,988	225,937
47.074		Biological Sciences	UW-Milwaukee	914,203	70,950
47.074	2110053	Biological Sciences	UW-Oshkosh	9,135	0
47.074		Biological Sciences	UW-Platteville	63,243	0
47.074		Biological Sciences (from UW-Madison)	UW-Parkside	16,301	0
Total Federal Program 47.074				14,640,363	994,756
47.075	1853406	Social, Behavioral, and Economic Sciences	UW-La Crosse	97	0
47.075		Social, Behavioral, and Economic Sciences	UW-La Crosse	24,424	0
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	2,512,215	126,742
47.075		Social, Behavioral, and Economic Sciences	UW-Milwaukee	257,149	0
47.075		Social, Behavioral, and Economic Sciences	UW-Parkside	116,851	0
47.075		Social, Behavioral, and Economic Sciences	UW-Stout	35,808	0
Total Federal Program 47.075				2,946,544	126,742
47.076		Education and Human Resources	UW-Madison	12,253,428	708,992
47.076		Education and Human Resources	UW-Milwaukee	485,749	42,725
47.076		Education and Human Resources	UW-Oshkosh	204,862	146,402
47.076	2050265	Education and Human Resources	UW-Platteville	90,557	0
47.076		Education and Human Resources	UW-Platteville	14,604	0
47.076	DUE 2050071	Education and Human Resources	UW-River Falls	10,061	0
47.076		Education and Human Resources	UW-River Falls	92,978	14,320
47.076		Education and Human Resources (from UW-Madison)	UW-Eau Claire	9,300	0
47.076	Transfer Agreement #0000000278	Education and Human Resources (from UW-Madison)	UW-Green Bay	18,761	0
47.076		Education and Human Resources (from UW-Madison)	UW-La Crosse	3,000	0
47.076		Education and Human Resources (from UW-Madison)	UW-Milwaukee	196,364	0
47.076		Education and Human Resources (from UW-Madison)	UW-Oshkosh	5,877	0
47.076		Education and Human Resources (from UW-Madison)	UW-Parkside	2,400	0
47.076		Education and Human Resources (from UW-Madison)	UW-Platteville	2,000	0
47.076	0000000280/1911284	Education and Human Resources (from UW-Madison)	UW-Stevens Point	12,500	0
47.076		Education and Human Resources (from UW-Madison)	UW-Stout	2,500	0
47.076		Education and Human Resources (from UW-Madison)	UW-Superior	10,911	0
47.076		Education and Human Resources (from UW-Madison)	UW-Whitewater	12,771	0
47.076		Education and Human Resources (from UW-River Falls)	UW-Milwaukee	29,980	0
Total Federal Program 47.076				13,458,603	912,439
47.078	2137152 - OPP	Polar Programs	UW-Madison	201,647	0
47.078	OPP-2048315	Polar Programs	UW-Madison	2,632	0
47.078		Polar Programs	UW-Madison	6,806,726	660,518
47.078	OPP-2037598	Polar Programs	UW-Milwaukee	17,003	0
Total Federal Program 47.078				7,028,008	660,518
47.079		Office of International Science and Engineering	UW-Eau Claire	21,737	0
47.079	2035519	Office of International Science and Engineering	UW-Madison	24,643	0
47.079	2108223	Office of International Science and Engineering	UW-Madison	39,824	0
47.079		Office of International Science and Engineering	UW-Madison	45,949	0
47.079	2106454	Office of International Science and Engineering	UW-Milwaukee	72,952	0
47.079		Office of International Science and Engineering	UW-Milwaukee	43,554	0
Total Federal Program 47.079				248,659	0
47.083	2128865 -OIA	Integrative Activities	UW-Madison	21,214	0
47.083	2137724-OIA	Integrative Activities	UW-Madison	180,605	0
47.083		Integrative Activities	UW-Madison	376,776	0
Total Federal Program 47.083				578,595	0
Other Federal Financial Assistance:					
47.N/A	2132026	EAGER	UW-Madison	78,989	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
47.N/A	2034997	The Role of Ecosystem Management on Boundary Layer Development and Precipitation in the Northern Plains	UW-Madison	23,759	0
47.N/A	2150225 IPA	Intergovernmental Personnel Assignment	UW-Madison	223,130	0
47.N/A	DEB-1942256	CAREER	UW-Madison	175,727	0
47.N/A	020122	IODP Expedition 392	UW-Oshkosh	23,134	0
47.N/A	IPA Wenner 2020-21	Interagency Personnel Agreement	UW-Oshkosh	136,450	0
		Subtotal Direct Research and Development Grants		102,711,429	12,436,557
Research and Development Subgrants:					
47.041		Engineering (from Boydston Chemical Innovations)	UW-Madison	743	0
47.041		Engineering (from Chlois Water Inc)	UW-Madison	46,668	0
47.041		Engineering (from CLC Global USA)	UW-Milwaukee	21,387	0
47.041	RJ375-G3	Engineering (from Georgia Institute of Technology)	UW-Madison	318	0
47.041		Engineering (from Georgia Institute of Technology)	UW-Madison	666,471	0
47.041	Q02301	Engineering (from New Mexico State University)	UW-Madison	4,643	0
47.041		Engineering (from Purdue University)	UW-Madison	54,255	0
47.041		Engineering (from Saint Jude Children's Hospital)	UW-Madison	49,376	0
47.041	Agr Dtd 3/27/22	Engineering (from Synvivia Inc.)	UW-Madison	7,466	0
47.041	AWD101499	Engineering (from University of Chicago)	UW-Madison	2,052	0
	(SUB00000350)				
47.041		Engineering (from University of Chicago)	UW-Madison	77,114	0
47.041		Engineering (from University of Chicago)	UW-Milwaukee	9,591	0
47.041	SUBK00012987	Engineering (from University of Michigan)	UW-Milwaukee	4,556	0
47.041	20200878-02-UWI	Engineering (from University of North Carolina-Charlotte)	UW-Madison	4,601	0
47.041		Engineering (from West Virginia University)	UW-Milwaukee	117,893	0
47.049		Mathematical and Physical Sciences (from AURA)	UW-Madison	7,550	0
47.049		Mathematical and Physical Sciences (from Barnard College)	UW-Madison	68,392	0
47.049		Mathematical and Physical Sciences (from Cornell University)	UW-Madison	70,126	0
47.049		Mathematical and Physical Sciences (from Emory University)	UW-Madison	276,397	0
47.049		Mathematical and Physical Sciences (from Georgia Institute of Technology)	UW-Madison	38,670	0
47.049	200104-UWRF	Mathematical and Physical Sciences (from Macalester College)	UW-River Falls	19,029	0
47.049		Mathematical and Physical Sciences (from Michigan Technological University)	UW-Madison	61,092	0
47.049	2139004-WISC	Mathematical and Physical Sciences (from New York Institute of Technology)	UW-Madison	26,405	0
47.049	S2270B-P	Mathematical and Physical Sciences (from Oregon State University)	UW-Milwaukee	151,667	0
47.049	S001410-NSF	Mathematical and Physical Sciences (from Pennsylvania State University)	UW-Madison	16,586	0
47.049		Mathematical and Physical Sciences (from Princeton University)	UW-Madison	498,513	0
47.049	N	Mathematical and Physical Sciences (from Union College)	UW-Stevens Point	2,422	0
47.049		Mathematical and Physical Sciences (from University of California-San Diego)	UW-Madison	407,683	0
47.049		Mathematical and Physical Sciences (from University of Chicago)	UW-Madison	142,311	0
47.049	100918-18051	Mathematical and Physical Sciences (from University of Illinois Urbana-Champaign)	UW-Madison	57,539	0
47.049		Mathematical and Physical Sciences (from University of Illinois Urbana-Champaign)	UW-Madison	1,905,417	0
47.049		Mathematical and Physical Sciences (from University of Massachusetts-Amherst)	UW-Madison	(1,264)	0
47.049	25-0521-0244-020	Mathematical and Physical Sciences (from University of Nebraska)	UW-Madison	101,607	0
47.049		Mathematical and Physical Sciences (from University of Nebraska)	UW-Madison	(5,562)	0
47.049	202789UW	Mathematical and Physical Sciences (from University of Notre Dame)	UW-Madison	10,000	0
47.049	2018-2019-015	Mathematical and Physical Sciences (from University of Puerto Rico)	UW-Madison	17,171	0
47.049		Mathematical and Physical Sciences (from University of Puerto Rico)	UW-Madison	156,509	0
47.049	SUB00000135/UR FAO GR531227	Mathematical and Physical Sciences (from University of Rochester)	UW-Madison	24,851	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
47.050		Geosciences (from Central Michigan University)	UW-Madison	69,053	0
47.050	41C(GG009393)	Geosciences (from Columbia University)	UW-Madison	9,944	0
47.050	R1149	Geosciences (from Dartmouth College)	UW-Madison	749	0
47.050		Geosciences (from Dartmouth College)	UW-Madison	1,973,278	0
47.050	ESR 2019-254	Geosciences (from Earth & Space Research)	UW-Madison	11,111	0
47.050		Geosciences (from Field Museum of Natural History)	UW-Madison	3,755	0
47.050		Geosciences (from Louisiana State University)	UW-Madison	438	0
47.050		Geosciences (from New Mexico Institute of Mining & Technology)	UW-Madison	30,338	0
47.050		Geosciences (from Pennsylvania State University)	UW-Madison	20,264	0
47.050		Geosciences (from Pennsylvania State University)	UW-Milwaukee	519	0
47.050		Geosciences (from University Corporation for Atmospheric Research)	UW-Madison	111,068	0
47.050	SCON-00002597	Geosciences (from University of Southern California)	UW-Madison	34,050	0
47.050		Geosciences (from University of Washington)	UW-Madison	36,309	0
47.050	1004823-UW-M	Geosciences (from University of Wyoming)	UW-Madison	7,184	0
47.070		Computer and Information Science and Engineering (from Clemson University)	UW-Madison	21,878	0
47.070	2021CIF-WisconsinMadison-67	Computer and Information Science and Engineering (from Computing Research Association)	UW-Madison	54,368	0
47.070		Computer and Information Science and Engineering (from Computing Research Association)	UW-Madison	11,629	0
47.070	140451-21443	Computer and Information Science and Engineering (from Cornell University)	UW-Madison	59,291	0
47.070	333-2828	Computer and Information Science and Engineering (from Duke University)	UW-Madison	160,423	0
47.070		Computer and Information Science and Engineering (from Indiana University)	UW-Madison	297,220	0
47.070		Computer and Information Science and Engineering (from Maine Mathematics & Science Alliance)	UW-Madison	38,924	0
47.070	SPC-1000005586 / GR124633	Computer and Information Science and Engineering (from Ohio State University)	UW-Madison	45,078	0
47.070	SPC-1000005609 / GR124843	Computer and Information Science and Engineering (from Ohio State University)	UW-Madison	118,535	0
47.070		Computer and Information Science and Engineering (from Ohio State University)	UW-Madison	7,981	0
47.070		Computer and Information Science and Engineering (from Pennsylvania State University)	UW-Madison	(754)	0
47.070	MSN261336	Computer and Information Science and Engineering (from Princeton University)	UW-Madison	35,646	0
47.070		Computer and Information Science and Engineering (from Princeton University)	UW-Madison	453,261	0
47.070		Computer and Information Science and Engineering (from University of Central Florida)	UW-La Crosse	39,738	0
47.070		Computer and Information Science and Engineering (from University of Florida)	UW-Madison	6,942	0
47.070	088575-18569	Computer and Information Science and Engineering (from University of Illinois-Urbana-Champaign)	UW-Madison	4,800	0
47.070	106097-18645	Computer and Information Science and Engineering (from University of Illinois-Urbana-Champaign)	UW-Madison	9,497	0
47.070	S01937-01	Computer and Information Science and Engineering (from University of Iowa)	UW-Madison	12,183	0
47.070	S52100000036953	Computer and Information Science and Engineering (from University of Massachusetts-Lowell)	UW-Madison	47,052	0
47.070		Computer and Information Science and Engineering (from University of Southern California)	UW-Madison	109,848	0
47.070	10056678-WISC	Computer and Information Science and Engineering (from University of Utah)	UW-Madison	898,324	0
47.070		Computer and Information Science and Engineering (from University of Utah)	UW-Madison	59,428	0
47.070	UWSC13246, BPO 61860	Computer and Information Science and Engineering (from University of Washington)	UW-Madison	71,611	0
47.074	UW2134725	Biological Sciences (from American Society for Cell Biology)	UW-Madison	18,564	0
47.074	N	Biological Sciences (from Bird Conservancy of the Rockies)	UW-Stevens Point	14,830	0

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
47.074	NEON-2022-Univ of Wisc.	Biological Sciences (from Bird Conservancy of the Rockies)	UW-Stevens Point	1,950	0
47.074		Biological Sciences (from Boston University)	UW-Madison	115,456	0
47.074		Biological Sciences (from Cary Institute of Ecosystem Studies)	UW-Madison	96,357	0
47.074		Biological Sciences (from Cornell University)	UW-Madison	21,830	0
47.074	91827-20469	Biological Sciences (from Cornell University)	UW-Milwaukee	15,755	0
47.074		Biological Sciences (from Field Museum of Natural History)	UW-Madison	617	0
47.074	S5128	Biological Sciences (from Massachusetts Institute of Technology)	UW-Madison	821	0
47.074	s5348, PO#606602	Biological Sciences (from Massachusetts Institute of Technology)	UW-Madison	96,660	0
47.074		Biological Sciences (from Massachusetts Institute of Technology)	UW-Madison	55,286	0
47.074	RC112400A	Biological Sciences (from Michigan State University)	UW-Madison	5,382	0
47.074		Biological Sciences (from Michigan State University)	UW-Madison	106,505	0
47.074	MIRC-002487	Biological Sciences (from Morgridge Institute for Research)	UW-Madison	23,369	0
47.074		Biological Sciences (from New Mexico State University)	UW-Madison	(16,592)	0
47.074		Biological Sciences (from New York University)	UW-Madison	170,996	0
47.074		Biological Sciences (from Northern Arizona University)	UW-Madison	44,899	0
47.074	N	Biological Sciences (from Purdue University)	UW-Stevens Point	5,595	0
47.074		Biological Sciences (from State University of New York-Buffalo)	UW-Milwaukee	480,400	0
47.074		Biological Sciences (from University of Alabama-Tuscaloosa)	UW-Madison	59,149	0
47.074	UCHC7-144810810	Biological Sciences (from University of Connecticut)	UW-Madison	8,374,302	0
47.074		Biological Sciences (from University of Georgia)	UW-Madison	158,931	0
47.074		Biological Sciences (from University of Minnesota)	UW-Madison	823,148	0
47.074		Biological Sciences (from Washington State University)	UW-Madison	(302)	0
47.075		Social, Behavioral, and Economic Sciences (from American Political Science Association)	UW-Madison	319	0
47.075		Social, Behavioral, and Economic Sciences (from American Political Science Association)	UW-Milwaukee	15,000	0
47.075		Social, Behavioral, and Economic Sciences (from Arizona State University)	UW-Madison	8,611	0
47.075	2021-1	Social, Behavioral, and Economic Sciences (from Decision Research)	UW-Madison	4,757	0
47.075		Social, Behavioral, and Economic Sciences (from Johns Hopkins University)	UW-Madison	675	0
47.075	A008152501	Social, Behavioral, and Economic Sciences (from University of Minnesota)	UW-Madison	68,388	0
47.075		Social, Behavioral, and Economic Sciences (from University of Minnesota)	UW-Madison	18,033	0
47.076		Education and Human Resources (from American Chemical Society)	UW-Madison	30,060	0
47.076		Education and Human Resources (from American Physical Society)	UW-Madison	92,596	0
47.076		Education and Human Resources (from Association of Public & Land-Grant Universities)	UW-Madison	2,310	0
47.076		Education and Human Resources (from Bellevue College)	UW-Madison	35,564	0
47.076		Education and Human Resources (from Carthage College)	UW-Milwaukee	39,419	0
47.076	G00148	Education and Human Resources (from Madison College)	UW-Madison	23,595	0
47.076	S2272A-A	Education and Human Resources (from Oregon State University)	UW-Madison	12,803	0
47.076		Education and Human Resources (from Teachers College at Columbia University)	UW-Madison	109,848	0
47.076		Education and Human Resources (from TERC)	UW-Madison	2,103	0
47.076		Education and Human Resources (from The California State University-Chico Research Foundation)	UW-River Falls	32,700	0
47.076	0011108/00074106	Education and Human Resources (from University of Missouri-Kansas City)	UW-Milwaukee	12,199	0
47.076		Education and Human Resources (from University of Colorado Boulder)	UW-Madison	100,053	0
47.076		Education and Human Resources (from University of Texas-Austin)	UW-Madison	10,441	0
47.076		Education and Human Resources (from Women in Engineering Proactive Network)	UW-Madison	13,416	0
47.078		Polar Programs (from University of Chicago)	UW-Madison	6,880	0

STATE OF WISCONSIN
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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
47.079		Office of International Science and Engineering (from CRDF Global)	UW-Madison	1,700,700	560,893
47.083	2070	Integrative Activities (from Rutgers University)	UW-Madison	34,385	0
47.083		Integrative Activities (from University of Connecticut)	UW-Madison	23,284	0
47.N/A	MSN251479	Isabel Anadon ABF Fellowship (from American Bar Foundation)	UW-Madison	28,001	0
47.N/A	MSN254282	Graduate student award (from American Educational Research Association)	UW-Madison	18,865	0
47.N/A	MSN254454	AERA - Elise Marifian (from American Educational Research Association)	UW-Madison	26,554	0
47.N/A	MSN245520	APSA Doctoral Dissertation Research Improvement Grant (from American Political Science Association)	UW-Madison	5,170	0
47.N/A	2(GG014809-01)	Misdemeanor Charges among Pers (from Columbia University)	UW-Milwaukee	19,885	0
47.N/A	2021CIF-WisconsinMadison-30	CIFellows Sub Ilias and Karmal (from Computing Research Association)	UW-Madison	92,564	0
47.N/A	MIL117066	WATER EQUIPMENT & POLICY (WEP) NSF I/UCR (from Marquette University)	UW-Milwaukee	16,703	0
47.N/A	SUB00002172	Disentangling Cross-Scale Influences on Tree Species, Traits, and Diversity from Individual Trees to Continental Scales (from University of Florida)	UW-Madison	26,584	0
47.N/A	MSN258957	AAD & Swift NSF CSR Sub UT Aus (from University of Texas-Austin)	UW-Madison	110,892	0
Subtotal Research and Development Subgrants				23,408,473	560,893
TOTAL R&D FROM NATIONAL SCIENCE FOUNDATION				126,119,902	12,997,450
SMALL BUSINESS ADMINISTRATION:					
59.037	769	Direct Research and Development Grants: Small Business Development Centers (from UW System Administration)	UW-Madison	43,064	0
Subtotal Research and Development Subgrants				43,064	0
TOTAL R&D FROM SMALL BUSINESS ADMINISTRATION				43,064	0
U.S. DEPARTMENT OF VETERANS AFFAIRS:					
64.N/A	IPA	Direct Research and Development Grants: Other Federal Financial Assistance: Interagency Personnel Agreement	UW-Madison	10,863	0
64.N/A	IPA	Intergovernmental Personnel Assignment	UW-Madison	24,278	0
64.N/A	IPA	Interagency Personnel Agreement	UW-Milwaukee	13,676	0
64.N/A	MIL118458	SWIFT: mechanism for Non-COIN	UW-Milwaukee	5,000	0
64.N/A	VA Merit	VA MERIT TransKinect	UW-Milwaukee	19,947	0
Subtotal Direct Research and Development Grants				73,764	0
64.N/A	MSN257673	Research and Development Subgrants TechWerks-VHA Whole Health Edu (from Techwerks)	UW-Madison	10,526	0
64.N/A	VHA Whole Health	Whole Health Education Program (from Techwerks)	UW-Madison	2,871	0
Subtotal Research and Development Subgrants				13,397	0
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS				87,161	0
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
66.419	37000-0000019751	Direct Research and Development Grants: Water Pollution Control State, Interstate, and Tribal Program Support (from DNR)	UW-Madison	5,861	0
66.419	37000-0000006807	Water Pollution Control State, Interstate, and Tribal Program Support (from DNR)	UW-Oshkosh	(386)	0
66.419		Water Pollution Control State, Interstate, and Tribal Program Support (from DNR)	UW-Superior	4,911	0
Total Federal Program 66.419				10,386	0
66.432	37000-0000020995	State Public Water System Supervision (from DNR)	UW-Stevens Point	6,426	0
66.460	MOA Executed 2/18/20	Nonpoint Source Implementation Grants (from DNR)	UW-Green Bay	8,751	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
66.468	37000-0000012214	Capitalization Grants for Drinking Water State Revolving Funds (from DNR)	UW-Madison	(30,131)	16,250
66.468		Capitalization Grants for Drinking Water State Revolving Funds (from DNR)	UW-Madison	197,221	0
Total Federal Program 66.468				167,090	16,250
66.469	GL00E02998	Great Lakes Program	UW-Oshkosh	219,883	0
66.469	435100-G21-GREATLAKE-00	Great Lakes Program (from DHS)	UW-Madison	55,398	0
66.469	435100-G22-GREATLAKE-00	Great Lakes Program (from DHS)	UW-Madison	89,261	0
66.469	PO #37000-000011216	Great Lakes Program (from DNR)	UW-Green Bay	1,338	0
66.469	CHABs Phase 2	Great Lakes Program (from DNR)	UW-Milwaukee	15,458	0
66.469	PO# 37000-0000014399	Great Lakes Program (from DNR)	UW-Milwaukee	46,799	0
66.469	PO 37000-6580, GL-00E0288	Great Lakes Program (from DNR)	UW-Superior	2,974	0
66.469	SUB, PRIME #GL-00E02490	Great Lakes Program (from DNR)	UW-Superior	74,769	0
66.469		Great Lakes Program (from DNR)	UW-Superior	42,712	0
Total Federal Program 66.469				548,592	0
66.472		Beach Monitoring and Notification Program Implementation Grants	UW-Oshkosh	17,903	0
66.472	2021-0189	Beach Monitoring and Notification Program Implementation Grants (from DNR)	UW-Milwaukee	4,434	0
66.472	CU-00E52812-0	Beach Monitoring and Notification Program Implementation Grants (from DNR)	UW-Superior	3,788	0
66.472		Beach Monitoring and Notification Program Implementation Grants (from DNR)	UW-Superior	9,588	0
Total Federal Program 66.472				35,713	0
66.509	84000601, G19C112888367	Science To Achieve Results (STAR) Research Program	UW-Madison	1,065	0
66.509		Science To Achieve Results (STAR) Research Program	UW-Madison	89,994	0
Total Federal Program 66.509				91,059	0
66.511		Office of Research and Development Consolidated Research/Training/Fellowships	UW-Madison	272,171	0
66.605		Performance Partnership Grants (from DNR)	UW-Platteville	4,521	0
66.605	37000-0000017862	Performance Partnership Grants (from DNR)	UW-Stevens Point	33,203	0
66.605	37000-0000019750	Performance Partnership Grants (from DNR)	UW-Stevens Point	58,593	0
Total Federal Program 66.605				96,317	0
66.708		Pollution Prevention Grants Program	UW-Madison	172,098	0
66.951		Environmental Education Grants	UW-Madison	33,886	0
66.N/A	68HERC20P0031(P O# EP18C000016)	Other Federal Financial Assistance: Systems Approaches and Strategies for Integrated Nutrient Management, Minimizing Nutrient Pollution & Harmful Algal Blooms	UW-Green Bay	161,430	0
Subtotal Direct Research and Development Grants				1,603,919	16,250
66.066		Research and Development Subgrants: Congressionally Mandated Projects (from Great Lakes Indian Fish & Wildlife Commission)	UW-Superior	24,377	0
66.469	Subaward #: F64661	Great Lakes Program (from Central Michigan University)	UW-Green Bay	66,142	0
66.469		Great Lakes Program (from Great Lakes Indian Fish & Wildlife Commission)	UW-Superior	3,239	0
66.469	Memorandum of Agreement 8/25/21	Great Lakes Program (from Lakeshore Natural Resource Partnership)	UW-Green Bay	5,000	0
66.469		Great Lakes Program (from University of Minnesota)	UW-Superior	59,494	0
66.469	Sub-D009530501, Prime-00E02956	Great Lakes Program (from University of Minnesota)	UW-Superior	2,805	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
66.469	GL-00E02956	Great Lakes Program (from University of Windsor)	UW-River Falls	39,765	0
66.605		Performance Partnership Grants (from Red Lake Band of Chippewa Indians)	UW-Superior	2,900	0
66.716	SA-2021-60	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies (from Extension Foundation)	UW-Madison	18,400	0
66.716		Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies (from Extension Foundation)	UW-Madison	1,181	0
66.N/A	GL00E01450	Managed Grazing - Paired Field Monitoring (from Green Bay Metropolitan Sewerage District)	UW-Green Bay	5,939	0
66.N/A	PDM-45816-20-PO, PDM-53962-21-PO	Macroinvertebrate Identification from Three Years of Samples (from Oneida Tribe of Indians of Wisconsin)	UW-Superior	735	0
66.N/A	1028019	Farmer Geology Grants (from West Central Wisconsin Regional Planning Commission)	UW-Eau Claire	308	0
Subtotal Research and Development Subgrants				230,285	0
TOTAL R&D FROM U.S. ENVIRONMENTAL PROTECTION AGENCY				1,834,204	16,250
U.S. NUCLEAR REGULATORY COMMISSION:					
Direct Research and Development Grants:					
77.008	31310021M0012	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	UW-Madison	75,000	0
77.008	31310021M0022	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	UW-Madison	56,261	0
77.008		U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	UW-Madison	486,488	0
Total Federal Program 77.008				617,749	0
Other Federal Financial Assistance:					
77.008		U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program (from Virginia Polytechnic Institute & State University)	UW-Madison	8,396	0
Subtotal Direct Research and Development Grants				8,396	0
TOTAL R&D FROM U.S. NUCLEAR REGULATORY COMMISSION				626,145	0
U.S. DEPARTMENT OF ENERGY:					
Direct Research and Development Grants:					
81.042	265040	Weatherization Assistance for Low-Income Persons	UW-Milwaukee	8,488	0
81.049		Office of Science Financial Assistance Program	UW-Eau Claire	51,424	0
81.049		Office of Science Financial Assistance Program	UW-Madison	50,563,632	8,736,046
81.049	DE-SC0021971	Office of Science Financial Assistance Program	UW-Milwaukee	53,463	0
81.049		Office of Science Financial Assistance Program	UW-Milwaukee	191,159	0
Total Federal Program 81.049				50,859,678	8,736,046
81.086	DE-EE0009138	Conservation Research and Development	UW-Madison	33,135	21,241
81.086	DE-EE0009655	Conservation Research and Development	UW-Madison	210,179	112,796
81.086	DE-EE0009879	Conservation Research and Development	UW-Madison	2,508	0
81.086		Conservation Research and Development	UW-Madison	1,885,394	445,326
81.086		Conservation Research and Development	UW-Milwaukee	251,107	0
Total Federal Program 81.086				2,382,323	579,363
81.087	DE-EE0009285	Renewable Energy Research and Development	UW-Madison	203,966	0
81.087	DE-EE0009305	Renewable Energy Research and Development	UW-Madison	144,238	0
81.087	DE-EE0009352	Renewable Energy Research and Development	UW-Madison	78,118	0
81.087		Renewable Energy Research and Development	UW-Madison	2,088,851	322,840
Total Federal Program 81.087				2,515,173	322,840
81.089		Fossil Energy Research and Development	UW-Madison	129,400	65,044
81.112		Stewardship Science Grant Program	UW-Madison	389,755	0
81.121		Nuclear Energy Research, Development and Demonstration	UW-Madison	3,371,352	251,379
81.128		Energy Efficiency and Conservation Block Grant Program (EECBG)	UW-Madison	111,560	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
81.135		Advanced Research Projects Agency - Energy	UW-Madison	2,835,441	119,325
81.135		Advanced Research Projects Agency - Energy	UW-Milwaukee	661,069	520,144
		Total Federal Program 81.135		3,496,510	639,469
Other Federal Financial Assistance:					
81.N/A	213056	R&D from SLAC National Accelerator Laboratory	UW-Madison	44,706	0
81.N/A	4000164398	R&D from Oak Ridge National Laboratory	UW-Madison	511,376	0
81.N/A		R&D from Fermi National Accelerator Laboratory	UW-Madison	4,096,981	0
81.N/A	7356090; 7419048; 7309198	R&D from Lawrence Berkeley National Laboratory	UW-Madison	274,884	0
81.N/A	19072; 618265; 627234	R&D from Los Alamos National Laboratory	UW-Madison	196,436	0
81.N/A	2294882; 2226108 and Revision 1	R&D from Sandia National Laboratories	UW-Madison	141,734	0
81.N/A	402174; 402130; 370199 ; 94688	R&D from Brookhaven National Laboratory	UW-Madison	441,855	124,421
81.N/A		R&D from Pacific Northwest National Laboratory	UW-Madison	1,128,346	0
81.N/A	75N93020C00009	R&D from National Institutes of Health	UW-Madison	317,391	0
81.N/A		R&D from Argonne National Laboratories	UW-Madison	48,422	0
81.N/A		R&D from Argonne National Laboratory	UW-Madison	2,326,515	0
81.N/A	B648264; B646995; B638266; B644065	R&D from Lawrence Livermore National Laboratory	UW-Madison	349,154	0
81.N/A	RD	R&D from Princeton Plasma Physics Laboratory	UW-Madison	68,767	0
81.N/A	SC-19-500	R&D from Ames Laboratory	UW-Madison	11,805	0
81.N/A		R&D from National Renewable Energy Laboratory	UW-Madison	171,787	0
81.N/A	287906	R&D from Brookhaven National Laboratory	UW-Milwaukee	230,694	0
81.N/A	495957	R&D from Pacific Northwest National Laboratory	UW-Milwaukee	161,414	0
81.N/A	B637058	R&D from Lawrence Livermore National Laboratory	UW-Milwaukee	123,138	0
81.N/A		R&D from Pacific Northwest National Laboratory	UW-Milwaukee	154,001	0
		Subtotal Direct Research and Development Grants		74,063,645	10,718,562
Research and Development Subgrants:					
81.041		State Energy Program (from Wisconsin Office of Energy Innovation)	UW-Stevens Point	9,979	0
81.041		State Energy Program (from Wisconsin Public Service Foundation)	UW-Stevens Point	1,619	0
81.049		Office of Science Financial Assistance Program (from Cornell University)	UW-Madison	81,119	0
81.049	R1461	Office of Science Financial Assistance Program (from Dartmouth College)	UW-Madison	16,597	0
81.049	R1554	Office of Science Financial Assistance Program (from Dartmouth College)	UW-Madison	1,526	0
81.049		Office of Science Financial Assistance Program (from Duke University)	UW-Madison	92,858	0
81.049		Office of Science Financial Assistance Program (from Georgia Institute of Technology)	UW-Madison	95,552	0
81.049		Office of Science Financial Assistance Program (from Kansas State University)	UW-Madison	27,702	0
81.049		Office of Science Financial Assistance Program (from New York University)	UW-Madison	147,816	0
81.049		Office of Science Financial Assistance Program (from Northwestern University)	UW-Madison	470,411	0
81.049		Office of Science Financial Assistance Program (from Ohio State University)	UW-Madison	43,779	0
81.049		Office of Science Financial Assistance Program (from Old Dominion University)	UW-Madison	22,428	0
81.049		Office of Science Financial Assistance Program (from Ozark Integrated Circuits Inc)	UW-Madison	(2,226)	0
81.049		Office of Science Financial Assistance Program (from Powdermet)	UW-Madison	109,121	0
81.049		Office of Science Financial Assistance Program (from Safeli LLC)	UW-Milwaukee	69,085	0
81.049		Office of Science Financial Assistance Program (from Stanford University)	UW-Madison	25,019	0
81.049		Office of Science Financial Assistance Program (from University of California-Berkeley)	UW-Madison	(4,948)	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
81.049		Office of Science Financial Assistance Program (from University of Florida)	UW-Madison	357,033	11,527
81.049	090634-16928	Office of Science Financial Assistance Program (from University of Illinois-Urbana-Champaign)	UW-Madison	256,954	0
81.049		Office of Science Financial Assistance Program (from University of Illinois-Urbana-Champaign)	UW-Madison	227,165	0
81.049		Office of Science Financial Assistance Program (from University of Oklahoma)	UW-Madison	8,001	0
81.049	SCON-00002229	Office of Science Financial Assistance Program (from University of Southern California)	UW-Madison	28,236	0
81.049		Office of Science Financial Assistance Program (from University of Utah)	UW-Madison	67,909	0
81.049		Office of Science Financial Assistance Program (from UT-Battelle LLC)	UW-Madison	142,155	0
81.049	OSA00000065	Office of Science Financial Assistance Program (from Vanderbilt University)	UW-Madison	62,969	0
81.049		Office of Science Financial Assistance Program (from Vanderbilt University)	UW-Madison	135,302	0
81.086	34813551.2	Conservation Research and Development (from Achates Power)	UW-Madison	305,213	0
81.086		Conservation Research and Development (from Johnson Controls)	UW-Milwaukee	(14,882)	0
81.086		Conservation Research and Development (from Magna International of America Inc)	UW-Madison	30,670	0
81.086		Conservation Research and Development (from University of Florida)	UW-Madison	54,896	0
81.086		Conservation Research and Development (from University of Minnesota)	UW-Madison	85,615	0
81.087		Renewable Energy Research and Development (from Compex LLC)	UW-Madison	59,661	0
81.087		Renewable Energy Research and Development (from GE Global Research)	UW-Madison	108,790	0
81.087		Renewable Energy Research and Development (from Respec Company)	UW-Madison	150,416	0
81.087		Renewable Energy Research and Development (from The Remade Institute)	UW-Milwaukee	98,628	0
81.087		Renewable Energy Research and Development (from University of Arizona)	UW-Madison	25,748	0
81.087		Renewable Energy Research and Development (from University of Tennessee)	UW-Madison	(14)	0
81.087		Renewable Energy Research and Development (from University of Utah)	UW-Madison	99,076	0
81.089		Fossil Energy Research and Development (from Gas Technology Institute)	UW-Madison	67,489	0
81.089		Fossil Energy Research and Development (from Respec Company)	UW-Madison	(9,204)	0
81.100	207168	Miniature Scale Liquid Metal Oxygen Purification and Measurement System (from Battelle Energy Alliance)	UW-Madison	28,552	0
81.113		Defense Nuclear Nonproliferation Research (from Georgia Institute of Technology)	UW-Madison	814,916	0
81.113		Defense Nuclear Nonproliferation Research (from University of Michigan)	UW-Madison	64,846	0
81.121		Nuclear Energy Research, Development and Demonstration (from Auburn University)	UW-Madison	54,476	0
81.121		Nuclear Energy Research, Development and Demonstration (from Electric Power Research Institute)	UW-Madison	42,504	0
81.121	4500093436	Nuclear Energy Research, Development and Demonstration (from General Atomics)	UW-Madison	64,515	0
81.121		Nuclear Energy Research, Development and Demonstration (from Kansas State University)	UW-Madison	2,107	0
81.121		Nuclear Energy Research, Development and Demonstration (from Massachusetts Institute of Technology)	UW-Madison	10,393	0
81.121		Nuclear Energy Research, Development and Demonstration (from Texas A&M Engineering Experiment Station)	UW-Madison	124,042	0
81.121		Nuclear Energy Research, Development and Demonstration (from Texas A&M University Health Science Center)	UW-Madison	(1,612)	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
81.121	SUB00002875	Nuclear Energy Research, Development and Demonstration (from University of Florida)	UW-Madison	61,207	0
81.121		Nuclear Energy Research, Development and Demonstration (from University of Michigan)	UW-Madison	151,629	0
81.121		Nuclear Energy Research, Development and Demonstration (from Virginia Commonwealth University)	UW-Madison	30,324	0
81.121		Nuclear Energy Research, Development and Demonstration (from Virginia Polytechnic Institute & State University)	UW-Madison	82,267	0
81.135	PO# 401155150	Advanced Research Projects Agency - Energy (from GE Global Research)	UW-Madison	135,886	0
81.135		Advanced Research Projects Agency - Energy (from Innio Waukesha Gas Engines Inc.)	UW-Madison	13,503	0
81.135		Advanced Research Projects Agency - Energy (from Pennsylvania State University)	UW-Madison	114,163	0
81.135	1261770	Advanced Research Projects Agency - Energy (from Raytheon Technologies)	UW-Madison	191,016	0
81.135		Advanced Research Projects Agency - Energy (from Type One Energy Group)	UW-Madison	22,149	0
81.135		Advanced Research Projects Agency - Energy (from University of Nebraska)	UW-Platteville	17,949	0
81.135	UWSC13211	Advanced Research Projects Agency - Energy (from University of Washington)	UW-Madison	62,550	0
81.214	UNIV62381	Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis (from Vanderbilt University)	UW-Madison	116,285	1,535
81.N/A	SUB-2022-10014	Direct with Sandia - O-ring v2 (from Alliance for Sustainable Energy LLC)	UW-Madison	11,645	0
81.N/A	261662	Fission fragment behavior anal (from Battelle Energy Alliance)	UW-Madison	31,474	0
81.N/A	177808	INL Joint Appointment (from Battelle Energy Alliance)	UW-Madison	11,108	0
81.N/A	230262	Mitigating Irradiation Assisted Stress Corrosion Cracking by Rapid Alloy Design (from Battelle Energy Alliance)	UW-Madison	32,446	0
81.N/A	230415	Computation of Materials Parameters Needed for MARMOT Modeling of Sintering of UZr fuel (from Battelle Energy Alliance)	UW-Madison	18,795	0
81.N/A	232160	Degradation of Mechanical Properties in Monolithic UMo Fuel (from Battelle Energy Alliance)	UW-Madison	96,761	0
81.N/A	236949	Atomic Kinetic Monte Carlo Simulations of Gas Bubble Superlattices (from Battelle Energy Alliance)	UW-Madison	3,000	0
81.N/A	DE-AC07-05ID14517	Miniature Scale Liquid Metal Oxygen Purification and Measurement System (from Battelle Energy Alliance)	UW-Madison	19,735	0
81.N/A	P010263562 Task order 1	RFP Task Release 1 Leidos-NETL (from Leidos ASC)	UW-Madison	25,031	0
81.N/A	AGMT 06/30/00	Fusion Energy Sciences Graduate Fellowship (from Oak Ridge Institute for Science & Education)	UW-Madison	(24,565)	0
81.N/A	MSN260234	Bothfeld Stipend (from Oak Ridge Institute for Science & Education)	UW-Madison	1,117	0
81.N/A	R19521	Extending HPC Toolkit to Measure and Analyze Code Performance on Exascale Platforms (from Rice University)	UW-Madison	105,992	0
81.N/A	LMS7536	Post-doc for groundwater trace (from RSI Entech LLC)	UW-Milwaukee	24,974	0
81.N/A	UWMSN# 243366	ADR TP1 with TerraPower (from Terrapower LLC)	UW-Madison	132,213	0
81.N/A	P-300-621, 2606992	Additive, Topology-Optimized Ultra-Compact Heat Exchanger (from United Technologies Research Center)	UW-Madison	167,522	0
81.N/A	4000170348	Mesh-based Shutdown Dose Rate Workflow for SNS (from UT-Battelle LLC)	UW-Madison	62,322	0
81.N/A	4000177915	Reducing Uncertainties in Biogeochemical Interactions (from UT-Battelle LLC)	UW-Madison	7,632	0
81.N/A	4000179486	Collaborative Physics Research (from UT-Battelle LLC)	UW-Madison	(1,581)	0
81.N/A	17-579-UWM	Visualizing Intertwined Quantum Phases in Epitaxial Fe-chalcogenide Films (from West Virginia University Research Corporation)	UW-Milwaukee	45,719	0
81.N/A	PO 4500838744	WEC Phase 2C - New (from Westinghouse Electric Company)	UW-Madison	67	0
		Subtotal Research and Development Subgrants		6,530,337	13,062
		TOTAL R&D FROM U.S. DEPARTMENT OF ENERGY		80,593,982	10,731,624

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ASSISTANCE LISTING NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL PROGRAM	STATE AGENCY OR UW INSTITUTION	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
U.S. DEPARTMENT OF EDUCATION:					
84.015		Direct Research and Development Grants: 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	583,058	0
84.017		International Research and Studies	UW-Madison	54,789	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Oshkosh	286,193	0
84.217		TRIO McNair Post-Baccalaureate Achievement	UW-Superior	272,821	0
		Total Federal Program 84.217		559,014	0
84.305		Education Research, Development and Dissemination	UW-Madison	1,892,299	432,452
84.324	R324R210013	Research in Special Education	UW-Madison	218,441	143,331
84.324		Research in Special Education	UW-Madison	494,863	11,964
		Total Federal Program 84.324		713,304	155,295
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-Madison	1,177,997	0
84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	UW-Milwaukee	467,476	0
		Total Federal Program 84.325		1,645,473	0
84.335	P335A210031	Child Care Access Means Parents in School	UW-Madison	149,633	0
84.335		Child Care Access Means Parents in School	UW-Madison	57,960	0
		Total Federal Program 84.335		207,593	0
84.336		Teacher Quality Partnership Grants	UW-Madison	814,244	0
84.365	T365Z210124	English Language Acquisition State Grants	UW-Madison	196,504	0
84.372	DPI Log #21-CO174	Statewide Longitudinal Data Systems (from DPI)	UW-Madison	151,019	0
84.372	PO 25500-0000003667	Statewide Longitudinal Data Systems (from DPI)	UW-Madison	162	0
		Total Federal Program 84.372		151,181	0
84.418		Promoting Readiness of Minors in Supplemental Security Income	UW-Madison	(107)	0
		Subtotal Direct Research and Development Grants		6,817,352	587,747
Research and Development Subgrants:					
84.206		Javits Gifted and Talented Students Education (from East Tennessee State University)	UW-Whitewater	16,180	0
84.206		Javits Gifted and Talented Students Education (from East Tennessee State University)	UW-Whitewater	105,520	0
84.305		Education Research, Development and Dissemination (from Lehigh University)	UW-Madison	152,240	0
84.305		Education Research, Development and Dissemination (from Southern Methodist University)	UW-Madison	186,684	0
84.305		Education Research, Development and Dissemination (from Technical Education Research Centers Inc)	UW-Madison	81,004	27,677
84.305	A18-0600-S003	Education Research, Development and Dissemination (from University of California-Davis)	UW-Madison	74,904	0
84.305		Education Research, Development and Dissemination (from University of California-Davis)	UW-Madison	5,462	0
84.305		Education Research, Development and Dissemination (from University of Connecticut)	UW-Whitewater	32,380	0
84.305		Education Research, Development and Dissemination (from University of Connecticut)	UW-Whitewater	25,641	0
84.305	1776-1082-00-B	Education Research, Development and Dissemination (from University of South Florida)	UW-Madison	125,716	0
84.324		Research in Special Education (from University of Missouri-Columbia)	UW-Madison	77,949	0
84.324	24-1714-0254-002	Research in Special Education (from University of Nebraska)	UW-Madison	21,389	0
84.324	5121571	Research in Special Education (from University of North Carolina-Chapel Hill)	UW-Madison	48,929	0
84.324		Research in Special Education (from University of Oregon)	UW-Madison	117,794	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
84.365	390081/1800585 / 717106	English Language Acquisition State Grants (from Lower Kuskokwim School District)	UW-Madison	87,363	0
84.368		Competitive Grants for State Assessments (from Minnesota Department of Education)	UW-Madison	1,119,042	0
84.411		Education Innovation and Research (formerly Investing in Innovation (i3) Fund) (from Education Analytics Inc)	UW-Milwaukee	217,156	0
84.N/A	C029714/CR051562	Scaling-Up Expanding Excellence for Underrepresented Students (from Milwaukee Public Schools)	UW-Madison	66,417	0
		Subtotal Research and Development Subgrants		<u>2,561,770</u>	<u>27,677</u>
		TOTAL R&D FROM U.S. DEPARTMENT OF EDUCATION		<u>9,379,122</u>	<u>615,424</u>
SCHOLARSHIP FOUNDATIONS:					
		Direct Research and Development Grants:			
		Other Federal Financial Assistance:			
85.N/A	MSN240595	Big Ten Academic Alliance Smithsonian Institution Pre-doctoral Fellow	UW-Madison	(6,893)	0
		Subtotal Direct Research and Development Grants		<u>(6,893)</u>	<u>0</u>
		TOTAL R&D FROM SCHOLARSHIP FOUNDATIONS		<u>(6,893)</u>	<u>0</u>
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
		Direct Research and Development Grants:			
89.003	PD-103330-22	National Historical Publications and Records Grants	UW-Madison	77,160	0
89.003	PL-103343-22	National Historical Publications and Records Grants	UW-Madison	31	0
89.003		National Historical Publications and Records Grants	UW-Madison	91,128	0
		Subtotal Direct Research and Development Grants		<u>168,319</u>	<u>0</u>
		TOTAL R&D FROM NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		<u>168,319</u>	<u>0</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
		Direct Research and Development Grants:			
93.070		Environmental Public Health and Emergency Response (from DHS)	UW-Madison	669,103	0
93.073	1U01DD001291-01	Birth Defects and Developmental Disabilities - Prevention and Surveillance	UW-Madison	105,786	0
93.077	1R01HL139331-01A1	Family Smoking Prevention and Tobacco Control Act Regulatory Research	UW-Madison	390,367	0
93.077		Family Smoking Prevention and Tobacco Control Act Regulatory Research	UW-Madison	534,778	0
		Total Federal Program 93.077		<u>925,145</u>	<u>0</u>
93.084	1U01CK000630-01	Prevention of Disease, Disability, and Death by Infectious Diseases	UW-Madison	896,171	0
93.084		Prevention of Disease, Disability, and Death by Infectious Diseases	UW-Madison	1,954,812	707,023
		Total Federal Program 93.084		<u>2,850,983</u>	<u>707,023</u>
93.092	435100-G20-PERRESEDU-00	Affordable Care Act (ACA) Personal Responsibility Education Program (from DHS)	UW-Madison	51,943	0
93.103		Food and Drug Administration Research	UW-Madison	27,195	0
93.113	1R01ES033345-01A1	Environmental Health	UW-Madison	21,922	0
93.113	1R03ES033304-01A1	Environmental Health	UW-Madison	14,361	0
93.113		Environmental Health	UW-Madison	1,874,909	68,970
93.113	1R21ES033748-01	Environmental Health	UW-Milwaukee	37,694	0
93.113		Environmental Health	UW-Milwaukee	225,966	136,762
		Total Federal Program 93.113		<u>2,174,852</u>	<u>205,732</u>
93.121		Oral Diseases and Disorders Research	UW-Madison	1,769,678	0
93.130	435100-A21-PrimCare-00	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices (from DHS)	UW-Madison	4,777	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.135	U48DP006383-01	Centers for Research and Demonstration for Health Promotion UW-Madison and Disease Prevention		481,598	0
93.135		Centers for Research and Demonstration for Health Promotion UW-Madison and Disease Prevention		585,299	0
Total Federal Program 93.135				1,066,897	0
93.136	435100-A21-WIOverdose-03	Injury Prevention and Control Research and State and Community Based Programs (from DHS)	UW System Administration	57,410	0
93.136		Injury Prevention and Control Research and State and Community Based Programs (from DHS)	UW-Madison	723,075	0
Total Federal Program 93.136				780,485	0
93.172	1R21HG012281-01; 1U01HG012039 - 01	Human Genome Research	UW-Madison	1,285,499	160,460
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	7,161,167	102,824
93.178		Nursing Workforce Diversity	UW-Madison	303,826	0
93.197	435100-G21-LeadPrev-00; 435100-A22-WICHILeadPr-00	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children (from DHS)	UW-Madison	346,268	0
93.213	1U24AT011289-01; 1R01AT011202-01A1	Research and Training in Complementary and Integrative Health	UW-Madison	320,373	0
93.217	435100-G22-285932-280	Family Planning Services (from DHS)	UW-Madison	119,784	0
93.217	DHA-Title X Training & Tech As	Family Planning Services (from DHS)	UW-Madison	29,005	0
Total Federal Program 93.217				148,789	0
93.226		Research on Healthcare Costs, Quality and Outcomes	UW-Madison	4,555,228	511,202
93.233	5 R01 HL075035-04	National Center on Sleep Disorders Research	UW-Madison	(6,425)	0
93.233		National Center on Sleep Disorders Research	UW-Madison	909,504	0
Total Federal Program 93.233				903,079	0
93.236		Grants to States to Support Oral Health Workforce Activities (from DHS)	UW-Madison	114,240	0
93.239	1H79AE000058-01	Policy Research and Evaluation Grants	UW-Madison	1,399,775	304,180
93.241	1 U2WRH33303-01-00	State Rural Hospital Flexibility Program	UW-Madison	922,669	233,256
93.242		Mental Health Research Grants	UW-Eau Claire	70,839	0
93.242		Mental Health Research Grants	UW-Madison	9,865,591	1,108,906
93.242	1R01MH128982-01A1	Mental Health Research Grants	UW-Milwaukee	44,893	0
93.242		Mental Health Research Grants	UW-Milwaukee	1,149,869	64,920
93.242		Mental Health Research Grants (from UW-Milwaukee)	UW-Madison	40,906	0
Total Federal Program 93.242				11,172,098	1,173,826
93.243	1H79SM084020	Substance Abuse and Mental Health Services Projects of Regional and National Significance	UW-Eau Claire	67,137	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance	UW-Eau Claire	31,193	0
Total Federal Program 93.243				98,330	0
93.262	435100-A22-OCCHLTHSURV-00	Occupational Safety and Health Program (from DHS)	UW-Madison	270,919	0
93.268	435100-A22-HealthEq-00	Immunization Cooperative Agreements (from DHS)	UW-Madison	8,266	0
93.273	1R21AA029144-01A1; 1 R01 AA029804-01	Alcohol Research Programs	UW-Madison	1,856,506	188,366
93.273	1R21AA028553-01A1	Alcohol Research Programs	UW-Milwaukee	27,727	152

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.273		Alcohol Research Programs	UW-Milwaukee	427,153	200,047
		Total Federal Program 93.273		2,311,386	388,565
93.279		Drug Abuse and Addiction Research Programs	UW-Madison	4,805,376	861,412
93.279	1F31DA051140-01A1	Drug Abuse and Addiction Research Programs	UW-Milwaukee	33,295	0
93.279	1F31DA054761-01	Drug Abuse and Addiction Research Programs	UW-Milwaukee	38,054	0
93.279	2U01DA041025-04	Drug Abuse and Addiction Research Programs	UW-Milwaukee	264,787	0
93.279		Drug Abuse and Addiction Research Programs	UW-Milwaukee	1,044,272	61,334
		Total Federal Program 93.279		6,185,784	922,746
93.283	1U01DD001215-01	Centers for Disease Control and Prevention Investigations and Technical Assistance	UW-Madison	476,455	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health	UW-Madison	3,828,469	648,238
93.296	435100-G20-HIVPARTNERS-00	State Partnership Grant Program to Improve Minority Health (from DHS)	UW-Madison	166	0
93.307	1R21MD016495-01	Minority Health and Health Disparities Research	UW-Milwaukee	135,239	9,501
93.307	R01MD016388-01	Minority Health and Health Disparities Research	UW-Milwaukee	414,920	28,989
		Total Federal Program 93.307		550,159	38,490
93.310		Trans-NIH Research Support	UW-Madison	35,583,450	12,026,676
93.323		Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (from DHS)	UW-Madison	179,226	0
93.323	MIL117316	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (from UW-Madison)	UW-Milwaukee	(7,888)	0
		Total Federal Program 93.323		171,338	0
93.334		The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels (from DHS)	UW-Madison	106,084	0
93.350		National Center for Advancing Translational Sciences	UW-Madison	7,528,522	996,636
93.351		Research Infrastructure Programs	UW-Madison	12,265,465	96,752
93.353	1U01CA233102-01	21st Century Cures Act - Beau Biden Cancer Moonshot	UW-Madison	683,559	0
93.353		21st Century Cures Act - Beau Biden Cancer Moonshot	UW-Madison	491,894	136,876
		Total Federal Program 93.353		1,175,453	136,876
93.361		Nursing Research	UW-Madison	347,702	0
93.361	1R21NR019707-01A1	Nursing Research	UW-Milwaukee	127,786	33,752
		Total Federal Program 93.361		475,488	33,752
93.393		Cancer Cause and Prevention Research	UW-Madison	13,978,310	4,064,633
93.393		Cancer Cause and Prevention Research	UW-Milwaukee	342,172	113,979
		Total Federal Program 93.393		14,320,482	4,178,612
93.394		Cancer Detection and Diagnosis Research	UW-Madison	3,906,970	763,523
93.395		Cancer Treatment Research	UW-Madison	8,236,585	13,062
93.396		Cancer Biology Research	UW-Madison	3,857,836	116,225
93.396	1R03CA248684-01A1	Cancer Biology Research	UW-Milwaukee	44,223	0
		Total Federal Program 93.396		3,902,059	116,225
93.397		Cancer Centers Support Grants	UW-Madison	6,555,143	0
93.398		Cancer Research Manpower	UW-Madison	460,435	0
93.399	1UG1CA242635-01A1	Cancer Control	UW-Madison	431,360	61,567
93.399		Cancer Control	UW-Madison	40,072	3,784
		Total Federal Program 93.399		471,432	65,351

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.421	435100-G21-MATERNAL-03	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health (from DHS)	UW-Madison	7,406	0
93.433		ACL National Institute on Disability, Independent Living, and Rehabilitation Research	UW-Milwaukee	1,027,638	301,343
93.434	437002-G21-0001778-000-01	Every Student Succeeds Act/Preschool Development Grants (from DCF)	UW-Madison	134,863	0
93.478	435100-A22-Maternal 00; 48105	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees (from DHS)	UW-Madison	337,074	0
93.564	437004-A21-0001659-000-01	Child Support Enforcement Research (from DCF)	UW-Madison	2,225,327	1,790
93.575	90YE0217-01-00	Child Care and Development Block Grant	UW-Madison	263,983	0
93.575		Child Care and Development Block Grant	UW-Madison	72,707	0
Total Federal Program 93.575				336,690	0
93.586	UWMSN:246457	State Court Improvement Program (from Courts)	UW-Madison	80,658	0
93.632	UCPH22000006	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UW-Madison	5,439	0
93.632		University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UW-Madison	27,470	0
Total Federal Program 93.632				32,909	0
93.658		Foster Care Title IV-E (from DCF)	UW-Milwaukee	114,560	0
93.778	435600-G19-NHINFECPREV-01; 435400-G21-MERTA-00; 435400-G22-MERTA-00	Medical Assistance Program (from DHS)	UW-Madison	968,690	531,435
93.778		Medical Assistance Program (from UW-Madison)	UW-Milwaukee	147,939	0
Total Federal Program 93.778				1,116,629	531,435
93.788	435200-G21-23236646-180 X5; 435200-G22-2236646-280 X	Opioid STR (from DHS)	UW-Madison	799,566	587,059
93.837		Cardiovascular Diseases Research	UW-Madison	14,995,936	1,283,124
93.837		Cardiovascular Diseases Research (from UW-Madison)	UW-Milwaukee	18,162	0
Total Federal Program 93.837				15,014,098	1,283,124
93.838	1UG1HL139118-01	Lung Diseases Research	UW-Madison	387,419	98,673
93.838		Lung Diseases Research	UW-Madison	947,671	103,417
Total Federal Program 93.838				1,335,090	202,090
93.839	80117	Blood Diseases and Resources Research	UW-La Crosse	102,550	0
93.839	1F32HL158171-01	Blood Diseases and Resources Research	UW-Madison	70,360	0
93.839	1R01HL153721-01A1	Blood Diseases and Resources Research	UW-Madison	371,255	11,026
93.839		Blood Diseases and Resources Research	UW-Madison	2,416,349	4,329
Total Federal Program 93.839				2,960,514	15,355
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	1,626,106	4,668
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research	UW-Madison	15,521,426	2,286,941
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	19,318,834	1,222,084
93.855		Allergy and Infectious Diseases Research	UW-Madison	45,811,933	11,417,558
93.855		Allergy and Infectious Diseases Research	UW-Milwaukee	(11,118)	0
93.855		Allergy and Infectious Diseases Research (from UW-Oshkosh)	UW-Milwaukee	31,833	0
Total Federal Program 93.855				45,832,648	11,417,558

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.859		Biomedical Research and Research Training	UW-Eau Claire	95,907	0
93.859		Biomedical Research and Research Training	UW-Madison	37,154,881	1,844,026
93.859	1R15GM144859-01	Biomedical Research and Research Training	UW-Milwaukee	52,398	0
93.859		Biomedical Research and Research Training	UW-Milwaukee	379,441	0
93.859		Biomedical Research and Research Training	UW-Oshkosh	73,597	0
93.859		Biomedical Research and Research Training	UW-Parkside	6,312	0
Total Federal Program 93.859				37,762,536	1,844,026
93.865		Child Health and Human Development Extramural Research	UW-Green Bay	82,365	0
93.865		Child Health and Human Development Extramural Research	UW-Madison	10,634,025	782,800
93.865	1R01HD096085-01A1	Child Health and Human Development Extramural Research	UW-Milwaukee	198,887	28,183
93.865		Child Health and Human Development Extramural Research	UW-Milwaukee	1,028,948	378,990
93.865		Child Health and Human Development Extramural Research (from UW-Milwaukee)	UW-Madison	102,512	0
Total Federal Program 93.865				12,046,737	1,189,973
93.866		Aging Research	UW-Madison	42,259,814	4,511,645
93.866	1U19AG051426-01A1	Aging Research	UW-Madison	1,760,104	487,325
93.866		Aging Research	UW-Milwaukee	38,496	0
Total Federal Program 93.866				44,058,414	4,998,970
93.867		Vision Research	UW-Madison	8,147,251	349,207
93.870	437003-A22-0001911-000-01	Maternal, Infant and Early Childhood Home Visiting Grant (from DCF)	UW-Milwaukee	88,880	0
93.870		Maternal, Infant and Early Childhood Home Visiting Grant (from DCF)	UW-Milwaukee	102,775	0
Total Federal Program 83.870				191,655	0
93.879		Medical Library Assistance	UW-Madison	256,535	0
93.940		HIV Prevention Activities Health Department Based (from DHS)	UW-Madison	251,294	0
93.958		Block Grants for Community Mental Health Services (from DHS)	UW-Whitewater	5,104	0
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from DHS)	UW-Madison	124,042	0
93.959		Block Grants for Prevention and Treatment of Substance Abuse (from DHS)	UW-Stevens Point	(52)	0
Total Federal Program 93.959				123,990	0
93.989	1R21TW011891-01	International Research and Research Training	UW-Madison	71,902	910
93.991	435100-A21-NewPubHlth-00	Preventive Health and Health Services Block Grant (from DHS)	UW-Madison	30,819	0
93.994	435100-A22-QIEvalLead-00; 435100-G21-MCHHEALTH-00; 435100-G21-35236646-180	Maternal and Child Health Services Block Grant to the States (from DHS)	UW-Madison	2,088	0
93.994		Maternal and Child Health Services Block Grant to the States (from DHS)	UW-Madison	372,749	0
93.994	435100-A22-QIEvalLead-00	Maternal and Child Health Services Block Grant to the States (from DHS)	UW-Madison	73,951	0
Total Federal Program 93.994				448,788	0
93.N/A	75F40120C00111, 1232957	Other Federal Financial Assistance: Andes_FDA_FDABAA-20-00123N_DUE	UW-Madison	310,454	75,200

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.N/A	75N93021C00006; HHSN271201800022 C; HHSN272201600007 C; HHSN261201200033 I	R&D from National Institutes of Health	UW-Madison	2,624,416	997,589
93.N/A	HHSN272201600007 C	Nonhuman Primate Major Histocompatibility Complex Gene Discovery and Typing Technology Development	UW-Madison	140,958	0
93.N/A	MSN247330	STAC Prog Support	UW-Madison	1,234	0
93.N/A		R&D from Centers for Disease Control & Prevention	UW-Madison	479,175	0
93.N/A	09012021	NIH Year 4	UW-Oshkosh	48,616	0
93.N/A		R&D from National Institute of Infectious Disease	UW-Oshkosh	242,700	112,399
93.N/A	201PA2014136	Interagency Personnel Agreement	UW-Whitewater	44,574	0
93.N/A	435100-A22- AsthmaCare-00	Asthma Care Program (from DHS)	UW-Madison	91,126	0
93.N/A	435100-A22- LEADSAFEPRO-00	DPH/BEOH LSHP (from DHS)	UW-Madison	951,789	0
93.N/A	435100-G21- LeadSafe-05	Lead Safe Homes Program (from DHS)	UW-Madison	3,591	0
93.N/A	DHS- NP Colp Rural Training	Clinical Skills Training for Colposcopy Procedures and Continued Colposcopy Services (from DHS)	UW-Madison	2,396	0
93.N/A	PFS15 2021	Prescription Drug Use (from DHS)	UW-Madison	11,261	0
93.N/A	435100-A21- WiWinsTrack-00	WI Wins Data Tracking Expansion (from DHS)	UW-Milwaukee	254,230	226,317
93.N/A	AGMT 12-18-19	Tobacco Prevention & Control Program (from DHS)	UW-Milwaukee	1,615	0
93.N/A	MIL117779	Wisconsin Wastewater SAVRS-CoV-2 Surveillance (from UW-Madison)	UW-Milwaukee	322,709	0
		Subtotal Direct Research and Development Grants		364,696,600	51,472,045
93.073	53390	Research and Development Subgrants: Birth Defects and Developmental Disabilities - Prevention and Surveillance (from University of Arkansas for Medical Sciences)	UW-Madison	8,032	0
93.073		Birth Defects and Developmental Disabilities - Prevention and Surveillance (from University of Arkansas for Medical Sciences)	UW-Madison	1,600	0
93.077	6644-00-S003	Family Smoking Prevention and Tobacco Control Act Regulatory Research (from Westat)	UW-Madison	16,247	0
93.077		Family Smoking Prevention and Tobacco Control Act Regulatory Research (from Westat)	UW-Madison	4,032	0
93.080	6NU58DD000013-02	Blood Disorder Program: Prevention, Surveillance, and Research (from Medical College of Wisconsin)	UW-Madison	4,570	0
93.103		Food and Drug Administration Research (from Indiana University)	UW-Madison	57,781	0
93.103	102139-Z0440201	Food and Drug Administration Research (from University of Maryland)	UW-Madison	55,157	0
93.110		Maternal and Child Health Federal Consolidated Programs (from University of Colorado-Denver)	UW-Madison	3,570	0
93.110	5121961	Maternal and Child Health Federal Consolidated Programs (from University of North Carolina)	UW-Madison	28,661	0
93.113		Environmental Health (from Nanoaffix Science LLC)	UW-Milwaukee	10,742	0
93.113		Environmental Health (from Neurosetta LLC)	UW-Madison	106,060	0
93.121	10044863-05; 10044863-19 U000223847	Oral Diseases and Disorders Research (from University of Utah)	UW-Madison	22,346	0
93.136	WU-22- 0219/ST00004386	Injury Prevention and Control Research and State and Community Based Programs (from Washington University)	UW-Madison	32,133	0
93.172		Human Genome Research (from University of Oklahoma)	UW-Green Bay	12,215	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 Columbia University)	UW-Milwaukee	40,218	0
93.173		Research Related to Deafness and Communication Disorders (from National Institute for Health Care Management)	UW-Whitewater	101,923	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.173		Research Related to Deafness and Communication Disorders (from University of California-San Francisco)	UW-Madison	183,997	0
93.173	UDR0000014	Research Related to Deafness and Communication Disorders (from University of Delaware)	UW-Madison	65,004	0
93.173		Research Related to Deafness and Communication Disorders (from University of Iowa)	UW-Madison	132,422	0
93.173		Research Related to Deafness and Communication Disorders (from University of Texas-Dallas)	UW-Madison	195,763	0
93.211	5122885	Telehealth Programs (from University of North Carolina)	UW-Madison	23,696	0
93.213	PU_UWM_2021_009841	Research and Training in Complementary and Integrative Health (from Pacific University)	UW-Madison	6,564	0
93.226	37199-1	Research on Healthcare Costs, Quality and Outcomes (from Augusta University)	UW-Madison	98,252	0
93.226	GENFD0001959260, 0002094308	Research on Healthcare Costs, Quality and Outcomes (from Children's Hospital of Boston)	UW-Madison	35,476	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Children's Hospital of Boston)	UW-Madison	10,302	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Cincinnati Children's Hospital Medical Center)	UW-Madison	(10,746)	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Johns Hopkins University)	UW-Madison	(378)	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Michigan State University)	UW-Madison	58,035	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Northwestern University)	UW-Madison	31,968	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Oregon State University)	UW-Madison	31,280	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Purdue University)	UW-Madison	37,407	0
93.226	SCON-00000086(9920180023)	Research on Healthcare Costs, Quality and Outcomes (from Rand Corporation)	UW-Madison	12,205	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Rand Corporation)	UW-Madison	4,357	0
93.226	21062906-Sub01	Research on Healthcare Costs, Quality and Outcomes (from Rush University Medical Center)	UW-Madison	8,316	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from University of Georgia)	UW-Madison	120,642	0
93.226	GR107693 (CON-80001945)	Research on Healthcare Costs, Quality and Outcomes (from Yale University)	UW-Madison	24,806	0
93.226		Research on Healthcare Costs, Quality and Outcomes (from Yale University)	UW-Madison	5,061	0
93.233		National Center on Sleep Disorders Research (from University of Florida)	UW-Madison	27,948	0
93.233		National Center on Sleep Disorders Research (from Utah State University)	UW-Madison	128,630	0
93.242		Mental Health Research Grants (from California Institute of Technology)	UW-Madison	71,217	0
93.242	2(GG014809-02)	Mental Health Research Grants (from Columbia University)	UW-Milwaukee	19,924	0
93.242		Mental Health Research Grants (from Columbia University)	UW-Milwaukee	30,402	0
93.242		Mental Health Research Grants (from Inscopix Inc)	UW-Madison	49,163	0
93.242	SubawardMH129023-01	Mental Health Research Grants (from MBF Bioscience)	UW-Madison	10,543	0
93.242		Mental Health Research Grants (from Medical University of South Carolina)	UW-Madison	10,509	0
93.242	20-00-00-1005730	Mental Health Research Grants (from New York University)	UW-Madison	41,223	0
93.242		Mental Health Research Grants (from Nous Imaging Inc)	UW-Madison	91,488	0
93.242	1017296_UWISCONSIN	Mental Health Research Grants (from Oregon Health & Science University)	UW-Madison	93,903	0
93.242		Mental Health Research Grants (from Oregon Health & Science University)	UW-Madison	(10,453)	0
93.242		Mental Health Research Grants (from Research Foundation for Mental Hygiene)	UW-Madison	(5,572)	0
93.242	OSP2018098	Mental Health Research Grants (from University of Massachusetts-Worcester)	UW-Madison	4,817	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.242		Mental Health Research Grants (from University of Massachusetts-Worcester)	UW-Madison	63,307	0
93.242		Mental Health Research Grants (from University of Michigan)	UW-Milwaukee	76,390	0
93.242	5119313	Mental Health Research Grants (from University of North Carolina-Chapel Hill)	UW-Madison	32,796	0
93.242	VUMC71059	Mental Health Research Grants (from Vanderbilt University Medical Center)	UW-Madison	85,556	0
93.242	VUMC84681	Mental Health Research Grants (from Vanderbilt University Medical Center)	UW-Madison	357,101	0
93.242		Mental Health Research Grants (from Vanderbilt University Medical Center)	UW-Madison	453	0
93.242	412617-19E63	Mental Health Research Grants (from Virginia Polytechnic Institute & State University)	UW-Milwaukee	26,845	0
93.243		Substance Abuse and Mental Health Services Projects of Regional and National Significance (from Community Advocates Public Policy Institute)	UW-Madison	41,321	0
93.262	18600	Occupational Safety and Health Program (from University of Illinois-Chicago)	UW-Madison	21,770	0
93.262		Occupational Safety and Health Program (from University of Minnesota)	UW-Madison	(119)	0
93.273		Alcohol Research Programs (from The Mind Research Network)	UW-Madison	107,702	0
93.273	FY22.580.006	Alcohol Research Programs (from University of Colorado-Denver)	UW-Madison	17,042	0
93.273		Alcohol Research Programs (from University of Illinois-Chicago)	UW-Parkside	27,399	0
93.273		Alcohol Research Programs (from University of Mississippi Medical Center)	UW-Milwaukee	46,081	0
93.273	C00058432-1	Alcohol Research Programs (from University of Missouri-Columbia)	UW-Madison	38,937	0
93.279	13(GG015428-03)	Drug Abuse and Addiction Research Programs (from Columbia University)	UW-Madison	3,570	0
93.279		Drug Abuse and Addiction Research Programs (from Columbia University)	UW-Madison	11,402	0
93.279	E2048971	Drug Abuse and Addiction Research Programs (from George Mason University)	UW-Madison	387,945	0
93.279		Drug Abuse and Addiction Research Programs (from George Mason University)	UW-Madison	78,350	0
93.279	15260-12	Drug Abuse and Addiction Research Programs (from Hennepin Healthcare Research Institute)	UW-Madison	189,002	0
93.279		Drug Abuse and Addiction Research Programs (from RTI International)	UW-Madison	45,740	0
93.279	18112701-Sub08	Drug Abuse and Addiction Research Programs (from Rush University Medical Center)	UW-Madison	62,638	0
93.279	62758643-181406	Drug Abuse and Addiction Research Programs (from Stanford University)	UW-Madison	74,586	0
93.279		Drug Abuse and Addiction Research Programs (from Stanford University)	UW-Madison	29	0
93.279	KR 705037	Drug Abuse and Addiction Research Programs (from University of California-San Diego)	UW-Madison	2,809	0
93.279		Drug Abuse and Addiction Research Programs (from University of California-San Diego)	UW-Milwaukee	14,668	0
93.279	AWD066228 (SUB00000348)	Drug Abuse and Addiction Research Programs (from University of Chicago)	UW-Madison	13,919	0
93.279		Drug Abuse and Addiction Research Programs (from University of Chicago)	UW-Madison	42,900	0
93.279		Drug Abuse and Addiction Research Programs (from University of Mississippi Medical Center)	UW-Milwaukee	36,951	0
93.279		Drug Abuse and Addiction Research Programs (from University of North Carolina-Chapel Hill)	UW-Madison	(19)	0
93.279		Drug Abuse and Addiction Research Programs (from University of North Carolina-Chapel Hill)	UW-Milwaukee	17,301	0
93.279		Drug Abuse and Addiction Research Programs (from University of Pittsburgh)	UW-Madison	3,879	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health (from Calimetrix)	UW-Madison	144,117	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.286	314370	Discovery and Applied Research for Technological Innovations to Improve Human Health (from Cincinnati Children's Hospital Medical Center)	UW-Madison	46,823	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health (from Massachusetts General Hospital)	UW-Milwaukee	713	0
93.286		Discovery and Applied Research for Technological Innovations to Improve Human Health (from University of Illinois-Urbana-Champaign)	UW-Madison	28,701	0
93.286	SUB00000194 / GR531938	Discovery and Applied Research for Technological Innovations to Improve Human Health (from University of Rochester)	UW-Madison	73,881	0
93.307	S-001565	Minority Health and Health Disparities Research (from University of California-Riverside)	UW-Madison	3,821	0
93.307		Minority Health and Health Disparities Research (from University of Central Florida)	UW-Eau Claire	28,241	0
93.307	134649 SPC003272	Minority Health and Health Disparities Research (from Washington State University)	UW-Madison	149,643	0
93.310		Trans-NIH Research Support (from Duke University)	UW-Madison	53,577	0
93.310	282	Trans-NIH Research Support (from Florida International University)	UW-Madison	87,249	0
93.310		Trans-NIH Research Support (from Florida International University)	UW-Madison	88,031	0
93.310	277590-00 Mod 4	Trans-NIH Research Support (from Marshfield Clinic Research Foundation)	UW-Madison	2,970,816	0
93.310	3-OT2-OD026555	Trans-NIH Research Support (from Marshfield Clinic Research Foundation)	UW-Madison	14	0
93.310		Trans-NIH Research Support (from Marshfield Clinic Research Foundation)	UW-Madison	50,190	0
93.310		Trans-NIH Research Support (from Massachusetts General Hospital)	UW-Madison	141,476	0
93.310		Trans-NIH Research Support (from Medical College of Wisconsin)	UW-Madison	38,804	0
93.310	11425sc	Trans-NIH Research Support (from University of California-San Francisco)	UW-Madison	73,404	0
93.310		Trans-NIH Research Support (from University of California-San Francisco)	UW-Madison	0	0
93.310	U01GM132133	Trans-NIH Research Support (from University of Pittsburgh)	UW-Madison	30,000	0
93.310	1001440-1 UWMad	Trans-NIH Research Support (from Versiti Wisconsin)	UW-Madison	39,225	0
93.310		Trans-NIH Research Support (from Versiti Wisconsin)	UW-Madison	7,149	0
93.350		National Center for Advancing Translational Sciences (from GODX Inc)	UW-Madison	(14,038)	0
93.350		National Center for Advancing Translational Sciences (from Medical College of Wisconsin)	UW-Milwaukee	91,329	0
93.350	TUL-SCC-559618-21/22	National Center for Advancing Translational Sciences (from Tulane University)	UW-Madison	168,361	0
93.350		National Center for Advancing Translational Sciences (from University of Iowa)	UW-Madison	21,181	0
93.350		National Center for Advancing Translational Sciences (from University of Pittsburgh)	UW-Madison	(2,814)	0
93.350	UNIV60479	National Center for Advancing Translational Sciences (from Vanderbilt University)	UW-Madison	331,300	15,868
93.350		National Center for Advancing Translational Sciences (from Vanderbilt University)	UW-Madison	55,404	7,820
93.350	WU-21-75, PO# 2940799K	National Center for Advancing Translational Sciences (from Washington University)	UW-Madison	77,009	0
93.351		Research Infrastructure Programs (from Duke University)	UW-Madison	544,652	203,032
93.353		21st Century Cures Act - Beau Biden Cancer Moonshot (from Children's Hospital of Philadelphia)	UW-Madison	347,562	0
93.353	1042119	21st Century Cures Act - Beau Biden Cancer Moonshot (from Fred Hutchinson Cancer Center)	UW-Madison	45,699	0
93.353	A18-0134-S002	21st Century Cures Act - Beau Biden Cancer Moonshot (from University of California-Davis)	UW-Madison	647	0
93.353	A18-0134-S004	21st Century Cures Act - Beau Biden Cancer Moonshot (from University of California-Davis)	UW-Madison	38,844	0

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93.360	BOA-269899	Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development (from Mayo Clinic)	UW-Madison	17,900	0
93.393	1093034; 1090701	Cancer Cause and Prevention Research (from Fred Hutchinson Cancer Center)	UW-Madison	189,040	10,348
93.393	1093034; 1090701	Cancer Cause and Prevention Research (from Fred Hutchinson Cancer Research Center)	UW-Madison	79,199	37,412
93.393	SUB00000169	Cancer Cause and Prevention Research (from Rockefeller University)	UW-Madison	237,303	0
93.393		Cancer Cause and Prevention Research (from Rockefeller University)	UW-Madison	117,143	0
93.393		Cancer Cause and Prevention Research (from Tufts University)	UW-Madison	124,096	0
93.393		Cancer Cause and Prevention Research (from University of Alabama-Birmingham)	UW-Madison	505	0
93.393		Cancer Cause and Prevention Research (from University of California-Davis)	UW-Madison	35,220	0
93.393		Cancer Cause and Prevention Research (from University of Kentucky)	UW-Madison	26,281	0
93.393		Cancer Cause and Prevention Research (from University of Michigan)	UW-Madison	18,280	0
93.393	5123628	Cancer Cause and Prevention Research (from University of North Carolina-Chapel Hill)	UW-Madison	68,647	0
93.393		Cancer Cause and Prevention Research (from University of Vermont)	UW-Madison	26,284	0
93.394		Cancer Detection and Diagnosis Research (from AIQ Solutions)	UW-Madison	65,282	0
93.394	MIRC-002291	Cancer Detection and Diagnosis Research (from Morgridge Institute for Research)	UW-Madison	23,450	0
93.394		Cancer Detection and Diagnosis Research (from Morgridge Institute for Research)	UW-Madison	94,262	0
93.394	0255-D771-4609	Cancer Detection and Diagnosis Research (from Mount Sinai School of Medicine)	UW-Madison	161,945	0
93.394	K20-001	Cancer Detection and Diagnosis Research (from Onlume Inc)	UW-Madison	94,514	0
93.394		Cancer Detection and Diagnosis Research (from Onlume Inc)	UW-Madison	24,513	0
93.394		Cancer Detection and Diagnosis Research (from University of Illinois-Urbana-Champaign)	UW-Madison	94,771	0
93.394		Cancer Detection and Diagnosis Research (from University of Iowa)	UW-Madison	9,221	0
93.394	GMO: 210415, PO# 0000002323	Cancer Detection and Diagnosis Research (from University of Texas Southwestern)	UW-Madison	28,430	0
93.395	ACOSOG	Cancer Treatment Research (from Brigham & Women's Hospital)	UW-Madison	64	0
93.395		Cancer Treatment Research (from Brigham & Women's Hospital)	UW-Madison	675	0
93.395		Cancer Treatment Research (from Children's Hospital of Philadelphia)	UW-Madison	44,144	0
93.395		Cancer Treatment Research (from City of Hope National Medical Center)	UW-Madison	848	0
93.395		Cancer Treatment Research (from Colorado State University)	UW-Madison	15,232	0
93.395	R1615	Cancer Treatment Research (from Dartmouth College)	UW-Madison	8,556	0
93.395	27469-110	Cancer Treatment Research (from Gynecologic Oncology Group)	UW-Madison	225	0
93.395	NABTT0703	Cancer Treatment Research (from Johns Hopkins University)	UW-Madison	568	0
93.395		Cancer Treatment Research (from Johns Hopkins University)	UW-Madison	91,479	0
93.395		Cancer Treatment Research (from NRG Oncology Foundation Inc)	UW-Madison	2,794	0
93.395	U10CA180886	Cancer Treatment Research (from Public Health Institute)	UW-Madison	13,007	0
93.395		Cancer Treatment Research (from State University of New York-Stony Brook)	UW-Madison	7,333	0
93.395		Cancer Treatment Research (from University of Kentucky)	UW-Madison	13,257	0
93.396		Cancer Biology Research (from Albert Einstein College of Medicine)	UW-Madison	92,727	0
93.396	114237	Cancer Biology Research (from Brigham & Women's Hospital)	UW-Madison	42,964	0
93.396		Cancer Biology Research (from Brigham & Women's Hospital)	UW-Madison	115,930	0

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93.396		Cancer Biology Research (from Medical University of South Carolina)	UW-Madison	11,873	0
93.396		Cancer Biology Research (from Moffitt Cancer Center)	UW-Milwaukee	34,498	0
93.396		Cancer Biology Research (from Moffitt Cancer Center)	UW-Milwaukee	46,410	0
93.396		Cancer Biology Research (from University of California-San Diego)	UW-Madison	16,344	0
93.396	22-3214-UWM	Cancer Biology Research (from University of Tennessee Health Science Center)	UW-Madison	75,741	0
93.396		Cancer Biology Research (from Vanderbilt University)	UW-Madison	188,242	0
93.396		Cancer Biology Research (from Washington University)	UW-Madison	39,879	0
93.398	SUBK00015993	Cancer Research Manpower (from University of Michigan)	UW-Madison	30,981	0
93.399	202010101	Cancer Control (from Alliance NCTN Foundation)	UW-Madison	21,516	0
93.399		Cancer Control (from Alliance NCTN Foundation)	UW-Madison	2,019	0
93.433		ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from Miami University)	UW-Milwaukee	46,540	0
93.433	AWD00001322	ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from University of Pittsburgh)	UW-Madison	10,519	0
93.433	133957-1/135078-1	ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from University of Pittsburgh)	UW-Madison	5,549	0
93.433	FP00010584_SA003	ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from Virginia Commonwealth University)	UW-Madison	50,879	8,400
93.433	FP00010656-SA003	ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from Virginia Commonwealth University)	UW-Madison	15,682	0
93.433		ACL National Institute on Disability, Independent Living, and Rehabilitation Research (from Virginia Commonwealth University)	UW-Madison	326,601	94,056
93.530	5123433	Teaching Health Center Graduate Medical Education Payment (from University of North Carolina)	UW-Madison	30,495	0
93.575	B001037391	Child Care and Development Block Grant (from University of Massachusetts-Boston)	UW-Madison	15,169	0
93.583	A21-1324-S018	Refugee and Entrant Assistance Wilson/Fish Program (from University of California-Davis)	UW-Madison	47,800	0
93.788		Opioid STR (from University of Missouri-Kansas City)	UW-Madison	161,800	0
93.837		Cardiovascular Diseases Research (from Cellular Logistics)	UW-Madison	60,669	0
93.837		Cardiovascular Diseases Research (from Cincinnati Children's Hospital Medical Center)	UW-Madison	26,295	0
93.837	A034103	Cardiovascular Diseases Research (from Duke University)	UW-Madison	20,116	0
93.837		Cardiovascular Diseases Research (from Emory University)	UW-Madison	51,655	0
93.837		Cardiovascular Diseases Research (from Medical College of Wisconsin)	UW-Madison	118,230	0
93.837		Cardiovascular Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	10,133	0
93.837	17-J0039	Cardiovascular Diseases Research (from Morgridge Institute for Research)	UW-Madison	660,691	0
93.837	Tricuspid 0255-3108-4605	Cardiovascular Diseases Research (from Mount Sinai School of Medicine)	UW-Madison	4,004	0
93.837	60060791 UWM	Cardiovascular Diseases Research (from Northwestern University)	UW-Madison	209,033	0
93.837		Cardiovascular Diseases Research (from Northwestern University)	UW-Madison	17,195	0
93.837		Cardiovascular Diseases Research (from Ohio State University)	UW-Madison	24,022	0
93.837		Cardiovascular Diseases Research (from Princeton University)	UW-Madison	306,196	0
93.837	M2102980	Cardiovascular Diseases Research (from Texas A&M Engineering Experiment Station)	UW-Madison	71,249	0
93.837	000530812-SC024	Cardiovascular Diseases Research (from University of Alabama-Birmingham)	UW-Madison	22,480	0
93.837		Cardiovascular Diseases Research (from University of Alabama-Birmingham)	UW-Madison	356,953	640
93.837	2021-1552	Cardiovascular Diseases Research (from University of California-Irvine)	UW-Madison	51,930	0
93.837		Cardiovascular Diseases Research (from University of California-Los Angeles)	UW-Madison	87,225	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.837		Cardiovascular Diseases Research (from University of California-San Diego)	UW-Madison	2,470	0
93.837		Cardiovascular Diseases Research (from University of Kentucky)	UW-Madison	25,412	0
93.837	AWD00002464 (134768-2)	Cardiovascular Diseases Research (from University of Pittsburgh)	UW-Madison	6,466	0
93.837		Cardiovascular Diseases Research (from University of Pittsburgh)	UW-Madison	12,255	0
93.837		Cardiovascular Diseases Research (from University of Texas-Austin)	UW-Madison	0	0
93.837	GR107999 (CON-80002036)	Cardiovascular Diseases Research (from Yale University)	UW-Madison	6,098	0
93.838	122869	Lung Diseases Research (from Brigham & Women's Hospital)	UW-Madison	291,751	0
93.838		Lung Diseases Research (from Brigham & Women's Hospital)	UW-Madison	1,876	0
93.838	11(GG015835-01), PO# G14098	Lung Diseases Research (from Columbia University)	UW-Madison	0	0
93.838	35(GG015997-01) C4R G15271	Lung Diseases Research (from Columbia University)	UW-Madison	13,168	0
93.838		Lung Diseases Research (from Columbia University)	UW-Madison	33,137	0
93.838	A512326	Lung Diseases Research (from Emory University)	UW-Madison	36,203	0
93.838		Lung Diseases Research (from Emory University)	UW-Madison	(6,435)	0
93.838	1102536	Lung Diseases Research (from Fred Hutchinson Cancer Center)	UW-Madison	1,641	0
93.838		Lung Diseases Research (from Indiana University)	UW-Madison	1,694	0
93.838		Lung Diseases Research (from Rutgers University)	UW-Madison	16,796	0
93.838	334173	Lung Diseases Research (from University of Arizona)	UW-Madison	174,046	0
93.838		Lung Diseases Research (from University of Arizona)	UW-Madison	48,702	0
93.838	2022-1664	Lung Diseases Research (from University of California-Irvine)	UW-Madison	116,977	0
93.838		Lung Diseases Research (from University of California-San Francisco)	UW-Madison	156,148	0
93.838	5123236	Lung Diseases Research (from University of North Carolina-Chapel Hill)	UW-Madison	536,476	0
93.838		Lung Diseases Research (from University of North Carolina-Chapel Hill)	UW-Madison	452,056	0
93.838		Lung Diseases Research (from University of Oregon)	UW-Madison	108,290	0
93.838		Lung Diseases Research (from University of Washington)	UW-Madison	4,108	0
93.838		Lung Diseases Research (from Versiti Wisconsin)	UW-Madison	84,588	0
93.839		Blood Diseases and Resources Research (from Emory University)	UW-Madison	83,954	0
93.839		Blood Diseases and Resources Research (from Medical College of Wisconsin)	UW-Madison	153,316	0
93.839		Blood Diseases and Resources Research (from Stanford University)	UW-Madison	(16,134)	0
93.839		Blood Diseases and Resources Research (from University of Washington)	UW-Milwaukee	43,054	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Brigham & Women's Hospital)	UW-Madison	177	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Delve)	UW-Madison	215,387	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Design Concepts)	UW-Madison	(28,242)	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Dianomi Therapeutics Inc)	UW-Madison	36,721	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	41,981	0
93.846	1011396_UWI	Arthritis, Musculoskeletal and Skin Diseases Research (from Oregon Health & Science University)	UW-Madison	18,156	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research (from Oregon Health & Science University)	UW-Madison	40,920	0
93.846	34-5280-2000-201	Arthritis, Musculoskeletal and Skin Diseases Research (from University of Nebraska Medical Center)	UW-Madison	118,724	0
93.847	36305-4	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Augusta University)	UW-Madison	45,378	0
93.847	1063132	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Beth Israel Deaconess Medical Center)	UW-Madison	9,634	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Beth Israel Deaconess Medical Center)	UW-Madison	35,863	0
93.847	41546124	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Children's Mercy Hospitals & Clinics)	UW-Madison	300	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Children's Mercy Hospitals & Clinics)	UW-Madison	10,052	0
93.847	3(GG016477-03)	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Columbia University)	UW-Madison	14,512	0
93.847	SAPO G16150	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Duke University)	UW-Madison	32,130	0
93.847	303000250	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Duke University)	UW-Madison	44,670	0
93.847	A032714	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Duke University)	UW-Madison	78,753	0
93.847	A034909	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Duke University)	UW-Madison	278,512	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from George Washington University)	UW-Madison	9,682	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Loyola University-Chicago)	UW-Madison	40,309	0
93.847	3001369411	Diabetes, Digestive, and Kidney Diseases Extramural Research (from MD Anderson Cancer Center)	UW-Madison	10,000	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Medical College of Wisconsin)	UW-Madison	19,220	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Nationwide Children's Hospital)	UW-Madison	34,969	0
93.847	11854sc	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of California-San Francisco)	UW-Madison	23,831	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of California-San Francisco)	UW-Madison	179,526	0
93.847	AWD102333 (SUB00000587)	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Chicago)	UW-Madison	29,568	0
93.847	FY22.997.002, 2-5-B1021	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Colorado-Denver)	UW-Madison	131,173	0
93.847	CNVA00053105 (134789-2)	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Pittsburgh)	UW-Madison	44,531	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Pittsburgh)	UW-Madison	31,758	0
93.847	SCON-00002744	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Southern California)	UW-Madison	29,727	0
93.847	22-1557-UWMad	Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Tennessee Health Science Center)	UW-Madison	77,923	0
93.847	WU-19-3	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Washington University)	UW-Madison	52,422	0
93.847		Diabetes, Digestive, and Kidney Diseases Extramural Research (from Washington University)	UW-Madison	369,453	0
93.847	CON-80002935 (GR112264)	Diabetes, Digestive, and Kidney Diseases Extramural Research (from Yale University)	UW-Madison	30,544	0
93.853	4500004003	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Boston University)	UW-Madison	18,685	0
93.853	3202030620	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Children's Hospital of Philadelphia)	UW-Madison	42,874	0
93.853	R44NS120360	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Circumvent Pharmaceuticals Inc)	UW-Madison	149,804	0
93.853	CM00004650-00	Extramural Research Programs in the Neurosciences and Neurological Disorders (from City University of New York)	UW-Madison	221	0
93.853	EPPI-Net TO 1 EN20-01	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Massachusetts General Hospital)	UW-Madison	16,402	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Mayo Clinic Jacksonville)	UW-Madison	38,719	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Medical College of Wisconsin)	UW-Madison	26,411	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Michigan State University)	UW-Madison		

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Northwestern University)	UW-Madison	25,638	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Rutgers University)	UW-Madison	49,949	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Seattle Children's Hospital)	UW-Madison	21,599	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Stanford University)	UW-Madison	13,533	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Arizona)	UW-Madison	8,044	0
93.853	KR 704829	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of California-San Diego)	UW-Madison	17,019	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Cincinnati)	UW-Madison	4,189	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Illinois-Chicago)	UW-Madison	49,627	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Pennsylvania)	UW-Madison	79,335	0
93.853	AWD0001238 (133676-5)	Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Pittsburgh)	UW-Madison	3,391	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from University of Texas Health Science Center)	UW-Madison	142,299	0
93.853	WU-21-56	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Washington University)	UW-Madison	184,906	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders (from Washington University)	UW-Madison	25,054	0
93.855		Allergy and Infectious Diseases Research (from Benaroya Research Institute at Virginia Mason University)	UW-Madison	6,946	0
93.855		Allergy and Infectious Diseases Research (from Binghamton University)	UW-Madison	11,869	0
93.855		Allergy and Infectious Diseases Research (from Children's Hospital of Boston)	UW-Madison	8,622	0
93.855	62697.2009497.6693 01	Allergy and Infectious Diseases Research (from City of Hope National Medical Center)	UW-Madison	3,225	0
93.855	3(GG015374-01)	Allergy and Infectious Diseases Research (from Columbia University)	UW-Madison	101,451	0
93.855	A034820	Allergy and Infectious Diseases Research (from Duke University)	UW-Madison	54,177	0
93.855		Allergy and Infectious Diseases Research (from Emme Inc)	UW-Madison	32,979	0
93.855		Allergy and Infectious Diseases Research (from Emory University)	UW-Madison	80,094	0
93.855		Allergy and Infectious Diseases Research (from Federal University of Minas Gerais)	UW-Madison	24,583	0
93.855		Allergy and Infectious Diseases Research (from George Washington University)	UW-Madison	145,730	0
93.855	8937	Allergy and Infectious Diseases Research (from Indiana University)	UW-Madison	4,911	0
93.855	2004764341	Allergy and Infectious Diseases Research (from Johns Hopkins University)	UW-Madison	229,626	0
93.855	COVID19-TB-03 CPAT-ISR	Allergy and Infectious Diseases Research (from Johns Hopkins University)	UW-Madison	21,264	0
93.855	LDR 02 MOD 02	Allergy and Infectious Diseases Research (from Johns Hopkins University)	UW-Madison	33,576	0
93.855		Allergy and Infectious Diseases Research (from Johns Hopkins University)	UW-Madison	480,295	0
93.855		Allergy and Infectious Diseases Research (from La Jolla Institute for Allergy And Immunology)	UW-Madison	0	0
93.855		Allergy and Infectious Diseases Research (from Liverpool School of Tropical Medicine)	UW-Madison	(1,394)	0
93.855	213819-Wisconsin	Allergy and Infectious Diseases Research (from Loyola University Chicago)	UW-Madison	61,346	0
93.855	31663-UW	Allergy and Infectious Diseases Research (from Lundquist Institute for Biomedical Innov)	UW-Madison	37,749	0

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93.855	31663-UW	Allergy and Infectious Diseases Research (from Lundquist Institute for Biomedical Innovation)	UW-Madison	(7,212)	0
93.855	2 R42 AI155031-02 UWSUB	Allergy and Infectious Diseases Research (from Marpam Pharma LLC)	UW-Madison	4,498	0
93.855		Allergy and Infectious Diseases Research (from Medical College of Wisconsin)	UW-Madison	416,410	0
93.855		Allergy and Infectious Diseases Research (from Medical College of Wisconsin)	UW-Milwaukee	69,826	0
93.855		Allergy and Infectious Diseases Research (from Mount Sinai School of Medicine)	UW-Madison	(29,892)	0
93.855	19-A1-00-007002	Allergy and Infectious Diseases Research (from New York University)	UW-Madison	84,750	0
93.855		Allergy and Infectious Diseases Research (from New York University)	UW-Madison	81,330	0
93.855		Allergy and Infectious Diseases Research (from North Dakota State University)	UW-Madison	7,224	0
93.855		Allergy and Infectious Diseases Research (from Saint Jude Children's Research Hospital)	UW-Madison	0	0
93.855		Allergy and Infectious Diseases Research (from Saint Jude Medical)	UW-Madison	44,803	0
93.855	5-27437	Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	22,500	0
93.855	5-54307	Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	13,076	0
93.855	5-54573	Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	21,166	0
93.855	5-54664	Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	1,332	0
93.855		Allergy and Infectious Diseases Research (from Scripps Research Institute)	UW-Madison	478,051	0
93.855	112525040-8076983	Allergy and Infectious Diseases Research (from St Jude Medical)	UW-Madison	5,568	0
93.855		Allergy and Infectious Diseases Research (from Stanford University)	UW-Madison	7,634	0
93.855		Allergy and Infectious Diseases Research (from Texas A&M University Health Science Center)	UW-Madison	95,383	0
93.855		Allergy and Infectious Diseases Research (from University of California-San Diego)	UW-Madison	11,432	0
93.855		Allergy and Infectious Diseases Research (from University of California-Santa Cruz)	UW-Madison	(5,450)	0
93.855		Allergy and Infectious Diseases Research (from University of Cambridge)	UW-Madison	29,308	0
93.855		Allergy and Infectious Diseases Research (from University of Florida)	UW-Madison	114,985	0
93.855		Allergy and Infectious Diseases Research (from University of Georgia)	UW-Madison	125,806	0
93.855	18778	Allergy and Infectious Diseases Research (from University of Illinois-Chicago)	UW-Madison	64,595	0
93.855		Allergy and Infectious Diseases Research (from University of Illinois-Urbana-Champaign)	UW-Madison	83,828	0
93.855		Allergy and Infectious Diseases Research (from University of Iowa)	UW-Madison	44,785	0
93.855	3200003583-21-325	Allergy and Infectious Diseases Research (from University of Kentucky)	UW-Madison	64,526	0
93.855		Allergy and Infectious Diseases Research (from University of Louisville)	UW-Madison	0	0
93.855	103997-Z0447201	Allergy and Infectious Diseases Research (from University of Maryland)	UW-Madison	198,241	0
93.855		Allergy and Infectious Diseases Research (from University of Maryland)	UW-Oshkosh	(993)	0
93.855		Allergy and Infectious Diseases Research (from University of Miami)	UW-Madison	326,547	0
93.855	H008866201	Allergy and Infectious Diseases Research (from University of Minnesota)	UW-Madison	33,103	0
93.855	N007575101	Allergy and Infectious Diseases Research (from University of Minnesota)	UW-Madison	36,187	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.855		Allergy and Infectious Diseases Research (from University of Minnesota)	UW-Madison	707,980	0
93.855	U19_UNC_Baric_Avi DD	Allergy and Infectious Diseases Research (from University of North Carolina-Chapel Hill)	UW-Madison	26,336	0
93.855		Allergy and Infectious Diseases Research (from University of Pittsburgh)	UW-Madison	393,381	0
93.855	22-3304-UWM (prev.21-3266-UWM)	Allergy and Infectious Diseases Research (from University of Tennessee-Memphis)	UW-Madison	100,987	0
93.855		Allergy and Infectious Diseases Research (from University of Tennessee-Memphis)	UW-Madison	496,052	0
93.855		Allergy and Infectious Diseases Research (from University of Texas Health Science Center)	UW-Madison	1,154	0
93.855	21-84452-14; 22-85704-01	Allergy and Infectious Diseases Research (from University of Texas Medical Branch)	UW-Madison	460,767	0
93.855		Allergy and Infectious Diseases Research (from University of Texas-Dallas)	UW-Madison	0	0
93.855		Allergy and Infectious Diseases Research (from Wayne State University)	UW-Madison	31,710	0
93.859	5000941-5500001393	Biomedical Research and Research Training (from Broad Institute)	UW-Madison	634,112	0
93.859		Biomedical Research and Research Training (from Cincinnati Children's Hospital Medical Center)	UW-Madison	45,331	0
93.859		Biomedical Research and Research Training (from Concordia University)	UW-Milwaukee	50,098	0
93.859		Biomedical Research and Research Training (from Duke University)	UW-Madison	(9,690)	0
93.859		Biomedical Research and Research Training (from Jackson Laboratory)	UW-Madison	179,752	0
93.859		Biomedical Research and Research Training (from Mayo Clinic)	UW-Madison	26,136	0
93.859		Biomedical Research and Research Training (from Medical College of Wisconsin)	UW-Milwaukee	13,798	0
93.859		Biomedical Research and Research Training (from Morgridge Institute for Research)	UW-Madison	167,198	0
93.859		Biomedical Research and Research Training (from National Institute for Health Care Management)	UW-Oshkosh	168,224	121,262
93.859		Biomedical Research and Research Training (from Saint Jude Children's Hospital)	UW-Madison	5,436	0
93.859		Biomedical Research and Research Training (from Salus Discovery LLC)	UW-Madison	10,285	0
93.859		Biomedical Research and Research Training (from Science Communication Lab Inc)	UW-Madison	18,459	0
93.859	SCLR25GM139147-01	Biomedical Research and Research Training (from Science Communication Lab, Inc.)	UW-Madison	35,010	0
93.859		Biomedical Research and Research Training (from University of Georgia)	UW-Madison	80,096	0
93.859		Biomedical Research and Research Training (from University of Illinois-Urbana-Champaign)	UW-Madison	235,073	0
93.859	SUBK00010209	Biomedical Research and Research Training (from University of Michigan)	UW-Madison	123,675	0
93.859		Biomedical Research and Research Training (from University of Michigan)	UW-Madison	38,485	0
93.859		Biomedical Research and Research Training (from University of South Florida)	UW-Madison	78,229	0
93.859		Biomedical Research and Research Training (from University of Texas-Anderson Cancer Center)	UW-Madison	19,575	0
93.865		Child Health and Human Development Extramural Research (from Boston University)	UW-Madison	(1,374)	0
93.865	GENFD0001799842	Child Health and Human Development Extramural Research (from Children's Hospital of Boston)	UW-Madison	5,373	0
93.865		Child Health and Human Development Extramural Research (from Drexel University)	UW-Madison	14,428	0
93.865		Child Health and Human Development Extramural Research (from Marquette University)	UW-Madison	8,355	0
93.865		Child Health and Human Development Extramural Research (from Massachusetts General Hospital)	UW-Madison	195,148	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.865	6176333	Child Health and Human Development Extramural Research (from Medical College of Wisconsin)	UW-Madison	111,337	0
93.865		Child Health and Human Development Extramural Research (from Medical College of Wisconsin)	UW-Madison	13,156	0
93.865	2021-1093-01	Child Health and Human Development Extramural Research (from North Carolina State University)	UW-Madison	8,798	0
93.865		Child Health and Human Development Extramural Research (from Rutgers University)	UW-Madison	267,621	0
93.865	12574SUB	Child Health and Human Development Extramural Research (from Seattle Children's Hospital)	UW-Madison	19,897	0
93.865	2017-3506	Child Health and Human Development Extramural Research (from University of California-Irvine)	UW-Madison	267,795	0
93.865	2021-1553	Child Health and Human Development Extramural Research (from University of California-Irvine)	UW-Madison	41,215	0
93.865		Child Health and Human Development Extramural Research (from University of California-Irvine)	UW-Madison	109,159	13,819
93.865		Child Health and Human Development Extramural Research (from University of Massachusetts-Amherst)	UW-Milwaukee	13,232	0
93.865		Child Health and Human Development Extramural Research (from University of Michigan)	UW-Madison	69,688	0
93.865		Child Health and Human Development Extramural Research (from University of Minnesota)	UW-Madison	89,700	0
93.865		Child Health and Human Development Extramural Research (from University of North Carolina-Chapel Hill)	UW-Madison	36,365	0
93.865		Child Health and Human Development Extramural Research (from Vanderbilt University)	UW-Madison	208,984	0
93.865	412579-19126	Child Health and Human Development Extramural Research (from Virginia Polytechnic Institute & State University)	UW-Madison	5,804	0
93.865	WU-22-0311	Child Health and Human Development Extramural Research (from Washington University)	UW-Madison	56,961	0
93.866	1749	Aging Research (from Brown University)	UW-Madison	58,906	0
93.866		Aging Research (from Columbia University)	UW-Madison	93,166	0
93.866	A035574	Aging Research (from Duke University)	UW-Madison	14,526	0
93.866	A586917	Aging Research (from Emory University)	UW-Madison	8,900	0
93.866		Aging Research (from Emory University)	UW-Madison	80,224	0
93.866		Aging Research (from Generation Connect)	UW-Madison	18,193	0
93.866		Aging Research (from Indiana University)	UW-Madison	49,307	0
93.866		Aging Research (from Johns Hopkins University)	UW-Madison	302,857	0
93.866	RNG211394-UWISC, 2021444023	Aging Research (from Kaiser Permanente)	UW-Madison	16,121	0
93.866	RNG211400-UWISC	Aging Research (from Kaiser Permanente)	UW-Madison	55,360	0
93.866	BOA-234899/PO #67570814	Aging Research (from Mayo Clinic)	UW-Madison	176,263	0
93.866		Aging Research (from Mayo Clinic)	UW-Madison	20,555	10,408
93.866	0255-C944-4609; 0255-1891-4609	Aging Research (from Mount Sinai School of Medicine)	UW-Madison	369,432	0
93.866	60048330 UWS	Aging Research (from Northwestern University)	UW-Madison	68,132	0
93.866	60059377 WISC	Aging Research (from Northwestern University)	UW-Madison	10,355	0
93.866		Aging Research (from Northwestern University)	UW-Madison	22,373	0
93.866		Aging Research (from Oklahoma Medical Research Foundation)	UW-Madison	362,774	0
93.866		Aging Research (from Rutgers University)	UW-Milwaukee	11,169	0
93.866	70529-13581-UWM	Aging Research (from Sanford Burnham Presbys Med Disc Inst)	UW-Madison	3,796	0
93.866		Aging Research (from University of California-Irvine)	UW-Madison	64,645	0
93.866	1558 G ZA139	Aging Research (from University of California-Los Angeles)	UW-Madison	24,997	0
93.866		Aging Research (from University of California-San Diego)	UW-Madison	116,903	0
93.866	22-016527 A 00	Aging Research (from University of Massachusetts-Amherst)	UW-Madison	20,202	0
93.866	3004159774	Aging Research (from University of Michigan)	UW-Madison	80	0
93.866	D008541201	Aging Research (from University of Minnesota)	UW-Madison	504,040	0
93.866		Aging Research (from University of Minnesota)	UW-Madison	68,242	0
93.866		Aging Research (from University of North Texas)	UW-Madison	18,073	0
93.866	AWD00002130 (134286-4)	Aging Research (from University of Pittsburgh)	UW-Madison	530,401	0
93.866		Aging Research (from University of Pittsburgh)	UW-Madison	520,378	0
93.866	135398850	Aging Research (from University of Southern California)	UW-Madison	232,796	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.866	75696758	Aging Research (from University of Southern California)	UW-Madison	17,653	0
93.866	130501874/ PO #50889192 (A45)	Aging Research (from University of Southern California)	UW-Madison	4,643	0
93.866	SCON-00002231 TRC-PAD	Aging Research (from University of Southern California)	UW-Madison	17,835	0
93.866	SCON-00003143 TRC-PAD	Aging Research (from University of Southern California)	UW-Madison	12,651	0
93.866		Aging Research (from University of Southern California)	UW-Madison	276,078	0
93.866		Aging Research (from University of Southern California)	UW-Milwaukee	31,840	0
93.866		Aging Research (from University of Southern California)	UW-Milwaukee	192,284	0
93.866	762210 / UWSC7742	Aging Research (from University of Washington)	UW-Madison	2,150	0
93.866	UWSC13014/BPO 58715	Aging Research (from University of Washington)	UW-Madison	27,667	0
93.866		Aging Research (from University of Washington)	UW-Madison	13,430	0
93.866	VUMC95757	Aging Research (from Vanderbilt University Medical Center)	UW-Madison	11,857	0
93.866	1112-32841-11000000261	Aging Research (from Wake Forest University)	UW-Madison	1,223	0
93.866	R44AG074128	Aging Research (from Whiplash Technology Inc)	UW-Madison	33,239	0
93.866		Aging Research (from Whiplash Technology Inc)	UW-Madison	81,110	0
93.866	GR111285 (CON-80002793)	Aging Research (from Yale University)	UW-Madison	224,523	0
93.867		Vision Research (from Amebagone Inc)	UW-Madison	113,708	0
93.867		Vision Research (from Baylor College of Medicine)	UW-Madison	35,123	0
93.867	3201360820 / 3201360819	Vision Research (from Children's Hospital of Philadelphia)	UW-Madison	224,066	0
93.867		Vision Research (from Children's Hospital of Philadelphia)	UW-Madison	128,574	0
93.867	A034844	Vision Research (from Duke University)	UW-Madison	58,878	0
93.867	UR-K234	Vision Research (from Florida Atlantic University)	UW-Madison	6,509	0
93.867		Vision Research (from Illinois Institute of Technology)	UW-Madison	17,978	0
93.867		Vision Research (from Jaeb Center for Health Research)	UW-Madison	52	0
93.867	2005217254	Vision Research (from Johns Hopkins University)	UW-Madison	11,286	0
93.867		Vision Research (from New York University)	UW-Madison	6,786	0
93.867		Vision Research (from Northwestern University)	UW-Madison	50,760	5,842
93.867		Vision Research (from Pennsylvania State University)	UW-Madison	(13,041)	0
93.867		Vision Research (from University of California-Riverside)	UW-Madison	171,874	0
93.867	SUB00000164 / UR FAO GR531682	Vision Research (from University of Rochester)	UW-Madison	252,996	0
93.867		Vision Research (from University of Virginia)	UW-Madison	19,764	0
93.870		Maternal, Infant and Early Childhood Home Visiting Grant (from Great Lakes Inter-Tribal Council Inc)	UW-Madison	19,102	0
93.884		Primary Care Training and Enhancement (from University of Illinois-Chicago)	UW-Madison	6,750	0
93.939		HIV Prevention Activities Non-Governmental Organization Based (from Fred Hutchinson Cancer Center)	UW-Madison	44,622	0
93.958		Block Grants for Community Mental Health Services (from Mental Health America of Wisconsin)	UW-Green Bay	29,993	0
93.989		International Research and Research Training (from Columbia University)	UW-Madison	24,216	0
93.N/A	NMD 1801 / 17-CSIDE	PBMTC Study NMD 1801 (from Children's Hospital Los Angeles)	UW-Madison	2,520	0
93.N/A	FP00015898_SUB20 8_01	Cancer Trials Support Unit (from Children's Hospital of Philadelphia)	UW-Madison	71	0
93.N/A	R01AG058131	Family-based Methods for Analysis of Sequence Data to Elucidate AD Etiology (from Columbia University)	UW-Milwaukee	42,062	0
93.N/A	A032683	Pediatric Trials Network Down Syndrome Task Order Thought Leader (from Duke University)	UW-Madison	4,658	0
93.N/A	TO7 261574 NICHD-POP02 (from Duke University)		UW-Madison	3,197	0
93.N/A	Wau252507 7877-POP02 TO-06	Pediatric Trials Network (from Duke University)	UW-Madison	7,610	0
93.N/A	AGMT 03-01-14	Clinical Trials (from ECOG-ACRIN Cancer Research Group)	UW-Madison	674	0
93.N/A	AGMT 11-17-14	Clinical Trial (from ECOG-ACRIN Cancer Research Group)	UW-Madison	1,160	0
93.N/A	AGMT 11-17-14	Clinical Trials (from ECOG-ACRIN Cancer Research Group)	UW-Madison	33,061	0
93.N/A	ECOG-ACRIN	ECOG-ACRIN PSA_HEMATOLOGY (from ECOG-ACRIN Cancer Research Group)	UW-Madison	4	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.N/A	RADx *COVID-19-related*	Massively Parallel Centralized and Decentralized Ultrafast COVID-19 Infectiousness Testing (from Flambeau Diagnostics LLC)	UW-Madison	(5,497)	0
93.N/A	MSN256528	GLITC Tribal PREP YR 6 (from Great Lakes Inter-Tribal Council Inc)	UW-Madison	21,046	0
93.N/A	ABTC9606	ABTC9606_Phase 2 trial_Robins (from Johns Hopkins University)	UW-Madison	7,366	0
93.N/A	COTC028	P97 Inhibitor (from Leidos Biomedical Research)	UW-Madison	1,706	0
93.N/A	X20174	Biomedical Research Agreement (from Leidos Biomedical Research)	UW-Madison	20,795	0
93.N/A	X20174	Leidos Biomedical Option 2 (from Leidos Biomedical Research)	UW-Madison	3,493	0
93.N/A	406127-00	Prospective Assessment of Respiratory Diseases in a Community (from Marshfield Clinic)	UW-Madison	517,967	0
93.N/A	3001389558	Breast Density Study (from MD Anderson Cancer Center)	UW-Madison	1,152	0
93.N/A	MSN254354	Drolet and Shields: Rubella MC (from Medical College of Wisconsin)	UW-Madison	2,175	0
93.N/A	115780	Racial & Ethnic Differences (from Medical College of Wisconsin)	UW-Milwaukee	(4,491)	0
93.N/A	MIL117654	Implications of Mindfulness Pr (from Medical College of Wisconsin)	UW-Milwaukee	25,373	0
93.N/A	0258-A406-4609	CIVIC Yr 3 (from Mount Sinai School of Medicine)	UW-Madison	245,359	0
93.N/A	0258-A406-4609	Collaborative Influenza Vaccine Innovation Centers (CIVICs) Component A: Vaccine Center (from Mount Sinai School of Medicine)	UW-Madison	664,026	0
93.N/A	0258-A504-4609	CRIPIT SAVE Option 12 Character (from Mount Sinai School of Medicine)	UW-Madison	130,411	0
93.N/A	0258-A504-4609	CRIPIT SAVE Option 18 Transmiss (from Mount Sinai School of Medicine)	UW-Madison	165,041	0
93.N/A	0258-A504-4609	CRIPIT Yr 2 (from Mount Sinai School of Medicine)	UW-Madison	67,672	0
93.N/A	HHSN272201400008 C	NIAID Centers of Excellence for Influenza Research and Surveillance (from Mount Sinai School of Medicine)	UW-Madison	878,513	0
93.N/A	MSN236979	NIAID Centers of Excellence for Influenza Research and Response (from Mount Sinai School of Medicine)	UW-Madison	365,914	0
93.N/A	9012020	Merriman NIH-NEI Year 3 (from National Institute for Health Care Management)	UW-Oshkosh	2,893	0
93.N/A	BMT CTN 1401	Phase II Multicenter Trial of Single Autologous Hematopoietic Cell Transplant (from National Marrow Donor Program)	UW-Madison	149,504	0
93.N/A	BMTCTN 1703/1801	Clinical Study Protocol Rider (from National Marrow Donor Program)	UW-Madison	1,726	0
93.N/A	BMTCTN1704	Model to Predict (from National Marrow Donor Program)	UW-Madison	662	0
93.N/A	BMTCTN1705	BMTCTN1705 Phase III Trial of Alpha 1 Antitrypsin (AAT) W/Corticosteroids vs Corticosteroids Alone for the TX of High Risk aGVHD Following Allogeneic Hematopoietic Stem Cell Transplant (from National Marrow Donor Program)	UW-Madison	14,012	0
93.N/A	BMTCTN1902	BMTCTN1902 CTA- CAR-T Therapy (from National Marrow Donor Program)	UW-Madison	4,275	0
93.N/A	BEST-CLI	Clinical Trial Agreement (from New England Research Institutes)	UW-Madison	8,488	0
93.N/A	Exhibit A DO IT!	Pediatric Heart Network DO IT! (from New England Research Institutes)	UW-Madison	5,378	0
93.N/A	1112021	NDSU Sub-Contract (from North Dakota State University)	UW-Eau Claire	8,456	0
93.N/A	R10933-10987-COV-2066	A Master Protocol Assessing the Safety, Tolerability, and Efficacy of Anti-Spike(S) SARS-COV-2 Monoclonal Antibodies for the Treatment of Hospitalized Patients with COVID 19 (from Regeneron Pharmaceuticals Inc)	UW-Madison	1,269	0
93.N/A	R10933-10987-COV-2067	A Master Protocol Assessing the Safety, Tolerability, and Efficacy of Anti-Spike(S) SARS-COV-2 Monoclonal Antibodies for the Treatment of Ambulatory Patients with COVID 19 (from Regeneron Pharmaceuticals Inc)	UW-Madison	16,314	0
93.N/A	TTI-8681	Environmental Resistant Coding (from Trelleborg)	UW-Madison	21,425	0
93.N/A	MSN186787	Advanced Vaccination & Immunity Management Strategies to Protect from Influenza Virus Infection (from University of Cambridge)	UW-Madison	13,110	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
93.N/A	U01 subcontract_UChicago/Dr. L	The Role of Inflammation in Driving Leukemogenesis in Germline Predisposition Syndromes (from University of Chicago)	UW-Madison	4,608	0
93.N/A	Kurian UFL(Martins) R21sub	A Nonhuman Primate Model to Study the Immunological Effects of Feminizing Hormone Therapy in Transgender Women (from University of Florida)	UW-Madison	3,326	0
93.N/A	UFL (Farzan) U19sub (Core B: N	An AAV-mediated Functional Cure & its Impact on the Reservoir (from University of Florida)	UW-Madison	35,409	0
93.N/A	UFL (Valente) Evans R01sub	Evaluation of didydro-Cortistatin A as a Block-and-Lock Agent for a Functional HIV Cure in a Macaque Model (from University of Florida)	UW-Madison	5,743	0
93.N/A	75N93022F0001	Production & Distribution of Filarial Research Reagents (from University of Georgia)	UW-Oshkosh	85,604	0
93.N/A	HHSN272201700035 I	Production & Distribution of Filarial Research Reagents (from University of Georgia)	UW-Oshkosh	194,053	0
93.N/A	117406	Examination of Recovery Activities Used Among Firefighters (from University of Illinois-Chicago)	UW-Milwaukee	19,776	0
93.N/A	105487-18585	JJS Mixed Method Study (from University of Illinois-Urbana-Champaign)	UW-Milwaukee	20,035	0
93.N/A	ULRF 18-0016A-E-01	Andes-Louisville FDA-TSK 4 YR2 (from University of Louisville)	UW-Madison	12,168	0
93.N/A	ULRF 18-0016A-E-01	Andes-Louisville FDA-TSK 5 YR2 (from University of Louisville)	UW-Madison	6,953	0
93.N/A	97979-Z0340206	Characterization of Novel Botulinum Toxins (from University of Maryland)	UW-Madison	9,155	0
93.N/A	OSP29546-01	Identification of Human T-cell Epitopes of Pathogenic Fungi (from University of Massachusetts)	UW-Madison	42,782	0
93.N/A	OSP29546-01	Mass year 3 continuation (from University of Massachusetts)	UW-Madison	76,721	0
93.N/A	UTenn_Sub_2020	A Unified High Performance Web Service for Systems Genetics and Precision Medicine (from University of Tennessee)	UW-Madison	32,651	0
93.N/A	MSN254913	Stowe, Cisler sub, R33 (from University of Texas)	UW-Madison	182,662	0
93.N/A	MSN254530	Stowe, Cisler sub R01 (from University of Texas-Austin)	UW-Madison	383,864	0
93.N/A	R01HL129785	Development of Unimolecular Nanoparticle-Mediated Periadventitial Drug Delivery System for Sustained & Targeted Inhibition of Intimal Hyperplasia Following Open Vascular Reconstruction (from University of Virginia)	UW-Madison	(91)	0
93.N/A	R01-PERKS	Targeting the PERK Pathway for Endothelium-protective Mitigation of Restenosis after Vascular Surgery (from University of Virginia)	UW-Madison	180,679	0
93.N/A	Agr Dtd 3/1/22	Triad Clinical trial (from University of Washington)	UW-Madison	829	0
		Subtotal Research and Development Subgrants		40,717,978	528,907
		TOTAL R&D FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		405,414,578	52,000,952
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:					
94.006	21AFEWI001-21AC237213	Direct Research and Development Grants: AmeriCorps State and National (from DOA)	UW-Eau Claire	36	0
94.026		AmeriCorps National Service and Civic Engagement Research Competition	UW-Whitewater	105,801	81,284
		Subtotal Direct Research and Development Grants		105,837	81,284
		TOTAL R&D FROM CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		105,837	81,284
SOCIAL SECURITY ADMINISTRATION:					
96.007	0000001853	Direct Research and Development Grants: Social Security Research and Demonstration	UW-La Crosse	35,889	0
96.007	5RDR18000001-02	Social Security Research and Demonstration	UW-Madison	82,959	55,459
96.007	5RDR18000001-03	Social Security Research and Demonstration	UW-Madison	296,486	225,814
96.007	RDR18000001-04	Social Security Research and Demonstration	UW-Madison	720,926	79,625
96.007		Social Security Research and Demonstration	UW-Madison	976,342	586,552
96.007	10.01.2021	Social Security Research and Demonstration (from UW-Madison)	UW-La Crosse	32,078	0

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<i>RESEARCH AND DEVELOPMENT (R&D) CLUSTER</i>					
96.007		Social Security Research and Demonstration (from UW-Madison)	UW-La Crosse	12,266	0
		Total Federal Program 96.007		2,156,946	947,450
		Subtotal Direct Research and Development Grants		2,156,946	947,450
96.007		Research and Development Subgrants: Social Security Research and Demonstration (from Boston College)	UW-Madison	5,189	0
		Subtotal Research and Development Subgrants		5,189	0
		TOTAL R&D FROM SOCIAL SECURITY ADMINISTRATION		2,162,135	947,450
U.S. DEPARTMENT OF HOMELAND SECURITY:					
97.077		Direct Research and Development Grants: Homeland Security Research, Development, Testing, Evaluation and Demonstration of Technologies Related to Countering Weapons of Mass Destruction	UW-Madison	38	0
		Subtotal Direct Research and Development Grants		38	0
97.039		Research and Development Subgrants: Hazard Mitigation Grant (from Dane County)	UW-Madison	41,519	0
97.061		Centers for Homeland Security (from Texas A&M University)	UW-Madison	29,658	0
		Subtotal Research and Development Subgrants		71,177	0
		TOTAL R&D FROM U.S. DEPARTMENT OF HOMELAND SECURITY		71,215	0
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
98.001	2000012283	Research and Development Subgrants: USAID Foreign Assistance for Programs Overseas (from National Academy of Sciences)	UW-Madison	29,797	0
98.001	2000012479	USAID Foreign Assistance for Programs Overseas (from National Academy of Sciences)	UW-Madison	24,717	0
98.001		USAID Foreign Assistance for Programs Overseas (from National Academy of Sciences)	UW-Madison	108,983	0
98.009	SC2021-1	John Ogonowski Farmer-to-Farmer Program (from Partners of the Americas)	UW-Madison	24,380	0
		Subtotal Research and Development Subgrants		187,877	0
		TOTAL R&D FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT		187,877	0
		TOTAL RESEARCH AND DEVELOPMENT (R&D) CLUSTER		\$ 741,601,662	\$ 86,727,922

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<i>STUDENT FINANCIAL ASSISTANCE (SFA) CLUSTER</i>					
U.S. DEPARTMENT OF EDUCATION:					
84.007		Federal Supplemental Educational Opportunity Grants	UW-Eau Claire	1,186,507	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Green Bay	712,088	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-La Crosse	587,707	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Madison	2,707,770	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Milwaukee	2,168,197	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Oshkosh	819,738	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Parkside	443,461	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Platteville	672,000	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-River Falls	440,084	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stevens Point	831,111	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stout	674,854	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Superior	243,420	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Whitewater	836,433	0
Total Federal Program 84.007				12,323,370	0
84.033		Federal Work-Study Program	UW-Eau Claire	801,520	0
84.033		Federal Work-Study Program	UW-Green Bay	198,856	0
84.033		Federal Work-Study Program	UW-La Crosse	201,471	0
84.033		Federal Work-Study Program	UW-Madison	2,868,695	0
84.033		Federal Work-Study Program	UW-Milwaukee	643,095	0
84.033		Federal Work-Study Program	UW-Oshkosh	251,622	0
84.033		Federal Work-Study Program	UW-Parkside	98,013	0
84.033		Federal Work-Study Program	UW-Platteville	337,320	0
84.033		Federal Work-Study Program	UW-River Falls	261,414	0
84.033		Federal Work-Study Program	UW-Stevens Point	748,257	0
84.033		Federal Work-Study Program	UW-Stout	517,473	0
84.033		Federal Work-Study Program	UW-Superior	154,053	0
84.033		Federal Work-Study Program	UW-Whitewater	281,511	0
Total Federal Program 84.033				7,363,300	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Eau Claire	8,215,691	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Green Bay	2,695,068	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-La Crosse	2,984,767	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Madison	34,700,212	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Milwaukee	11,249,441	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Oshkosh	3,107,425	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Parkside	1,169,689	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Platteville	3,993,707	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-River Falls	3,261,487	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Stevens Point	8,809,796	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Stout	6,352,819	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Superior	700,012	0
84.038		Federal Perkins Loan Program – Federal Capital Contributions	UW-Whitewater	4,723,029	0
Total Federal Program 84.038 (Note 13)				91,963,143	0
84.063	P063P222446	Federal Pell Grant Program	UW-Eau Claire	8,712,100	0
84.063		Federal Pell Grant Program	UW-Green Bay	679,209	0
84.063		Federal Pell Grant Program	UW-Green Bay	9,053,293	0
84.063		Federal Pell Grant Program	UW-La Crosse	6,739,686	0
84.063		Federal Pell Grant Program	UW-Madison	25,671,948	0
84.063		Federal Pell Grant Program	UW-Milwaukee	28,681,686	0
84.063		Federal Pell Grant Program	UW-Oshkosh	9,798,723	0
84.063		Federal Pell Grant Program	UW-Parkside	5,698,976	0
84.063		Federal Pell Grant Program	UW-Platteville	5,868,593	0
84.063		Federal Pell Grant Program	UW-River Falls	4,854,575	0
84.063		Federal Pell Grant Program	UW-Stevens Point	10,179,920	0
84.063		Federal Pell Grant Program	UW-Stout	6,693,650	0
84.063		Federal Pell Grant Program	UW-Superior	3,431,013	0
84.063		Federal Pell Grant Program	UW-Whitewater	11,291,595	0
Total Federal Program 84.063				137,354,967	0
84.268		Federal Direct Student Loans	UW-Eau Claire	30,132,335	0
84.268		Federal Direct Student Loans	UW-Green Bay	22,299,539	0
84.268		Federal Direct Student Loans	UW-La Crosse	35,021,696	0
84.268		Federal Direct Student Loans	UW-Madison	155,852,757	0

STATE OF WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

ASSISTANCE LISTING 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-Milwaukee	92,190,982	0
84.268		Federal Direct Student Loans	UW-Oshkosh	33,780,758	0
84.268		Federal Direct Student Loans	UW-Parkside	12,964,632	0
84.268		Federal Direct Student Loans	UW-Platteville	20,130,246	0
84.268		Federal Direct Student Loans	UW-River Falls	17,702,458	0
84.268		Federal Direct Student Loans	UW-Stevens Point	27,918,165	0
84.268		Federal Direct Student Loans	UW-Stout	25,921,570	0
84.268		Federal Direct Student Loans	UW-Superior	10,745,835	0
84.268		Federal Direct Student Loans	UW-Whitewater	43,007,529	0
Total Federal Program 84.268 (Note 14)				527,668,502	0
84.379		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UW-Madison	11,316	0
84.379		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UW-Milwaukee	943	0
84.379		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UW-Superior	(2,216)	0
Total Federal Program 84.379				10,043	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-Eau Claire	190,250	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-Green Bay	85,823	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-Milwaukee	258,729	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-Parkside	35,831	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-Platteville	92,880	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-River Falls	89,716	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-Stevens Point	95,915	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-Stout	125,512	0
84.N/A	84.SFA	Administrative Cost Allowance	UW-Superior	12,425	0
Total Administrative Cost Allowance (Note 15)				987,081	0
TOTAL SFA FROM U.S. DEPARTMENT OF EDUCATION				777,670,406	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.264		Nurse Faculty Loan Program (NFLP)	UW-Madison	324,937	0
93.264		Nurse Faculty Loan Program (NFLP)	UW-Milwaukee	2,086,167	0
Total Federal Program 93.264 (Note 13)				2,411,104	0
93.342		Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (Note 13)	UW-Madison	5,521,491	0
93.364		Nursing Student Loans	UW-Madison	1,326,222	0
93.364		Nursing Student Loans	UW-Milwaukee	3,018,401	0
93.364		Nursing Student Loans	UW-Oshkosh	3,590,830	0
Total Federal Program 93.364 (Note 13)				7,935,453	0
TOTAL SFA FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				15,868,048	0
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				793,538,454	0
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 20,155,674,168	\$ 2,621,690,212

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose

The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin's expenditures funded by the federal government for the fiscal year ended June 30, 2022. 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 subawards 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 subawards received from other entities; and 3) the Student Financial Assistance (SFA) Cluster.

Direct federal awards and subawards are presented for each federal agency by the Assistance Listing number (ALN) when available in the grant agreements or determinable based on an award's source and purpose. For grants that did not clearly state an ALN, the schedule includes the award, or a total for several awards, with an ALN that ends in "N/A" for not available. An "other identifying number," when available, is required to be shown if the ALN is not available. In order to separately identify expenditures associated with the response to the Novel Coronavirus (COVID-19), the designation of "COVID-19" has been added as a prefix to the applicable grant program names for grants that were fully or partially funded by COVID-19 legislation. For grants that had both COVID-19 and non-COVID-19 related expenditures, the COVID-19 and non-COVID-19 related expenditures are presented on separate lines in the schedule.

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. Expenditures and amounts provided to subrecipients in the schedule are presented in accordance with the budgetary basis of accounting as described in this paragraph, except for amounts related to Unemployment Insurance (UI) (Assistance Listing number 17.225), which are reported on the accrual basis of accounting (Note 7), and the Supplemental Nutrition Assistance Program (SNAP) (Assistance Listing number 10.551), which are reported based on settlement and issuance data (Note 17).

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 pass-through entities.

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. Amounts provided to subrecipients on the schedule reflect subawards made by a state agency to another entity outside of the State's reporting entity.

To eliminate double counting of subawards between state agencies, the schedule includes expenditures reported by the state agency that received and ultimately expended the subawarded funds but does not include these expenditures in the reported totals of the pass-through state agency. For subawards between state agencies, the pass-through state agency is cited within parentheses after the program name.

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 2021-22 single audit are indicated in **bold**.

1. Board for People with Developmental Disabilities (BPDD)
2. Board on Aging and Long-Term Care (BALTC)
- 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 Financial Institutions (DFI)

9. Department of Health Services (DHS)

10. Department of Justice (DOJ)

11. Department of Military Affairs (DMA)

12. Department of Natural Resources (DNR)

13. Department of Public Instruction (DPI)

14. Department of Revenue (DOR)

15. Department of Safety and Professional Services (DSPS)

16. Department of Tourism (Tourism)

17. Department of Transportation (DOT)

18. Department of Veterans Affairs (DVA)

19. Department of Workforce Development (DWD)

20. District Attorney (DA)

21. Educational Communications Board (ECB)

22. Elections Commission (Elections)

23. Employee Trust Funds (ETF)

24. Employment Relations Commission (ERC)

25. Kickapoo Reserve Management Board (KRMB)

26. Office of the Commissioner of Insurance (OCI)

27. Office of the Governor (GOV)

28. Office of the State Treasurer (OST)

29. Public Defender Board (PDB)

30. Public Service Commission (PSC)

31. Secretary of State (SOS)

32. State of Wisconsin Investment Board (SWIB)

33. University of Wisconsin System

34. Wisconsin Court System (Courts)

35. Wisconsin Historical Society (WHS)

36. 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, as necessary.

2. USE OF DE MINIMIS COST RATE

DVA elected to use the 10 percent de minimis cost rate for indirect costs during FY 2021-22. No other state agencies elected to use the 10 percent de minimis cost rate permitted under 2 CFR s. 200.414 of Uniform Guidance.

3. FEDERAL SANCTIONS AND DISALLOWANCES

There are actual or potential federal sanctions and disallowances for the Medical Assistance (MA) Program (Assistance Listing number 93.778), the Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (CDBG) (Assistance Listing number 14.228) program, the E-Rate program from the federal Universal Service Fund (USF), the AmeriCorps Volunteers in Service to America (VISTA) program (Assistance Listing number 94.013), and the Emergency Rental Assistance (ERA) Program (Assistance Listing number 21.023).

A. 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 (DHHS) Office of Inspector General (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 in the amount of \$27.6 million. DHS partially disagreed with the report. The Centers for Medicare & Medicaid Services (CMS) reviewed the report and determined that the DHHS OIG underreported the settlement and requested that DHS refund \$31.0 million to the federal government. DHS submitted a formal objection letter to CMS in February 2021. On August 17, 2022, CMS issued a disallowance in the amount of \$24.9 million. DHS intends to appeal this disallowance.

B. 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 Cluster. 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. In FY 2018-19, HUD advised that it would require DOA to reimburse the State's local account with nonfederal funds in the amount of \$7.3 million, and to continue to collect \$2.2 million that is being repaid by the units of local government. In February 2020, 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. In January 2021, HUD notified the State of a grant reduction of \$3.7 million, which was applied to each of the federal fiscal year 2021 and 2022 grants and satisfied the reimbursement requirement.

C. E-Rate Federal Funds Disallowance

The federal e-rate program provides funding from the federal universal service fund (USF) to reimburse the state for a percentage of funds used to support telecommunications availability in schools and libraries, provided primarily through the state's Technology for Educational Achievement (TEACH) program administered by DOA. On December 30, 2022, the Universal Service Administrative Company ("USAC"), acting on behalf of the Federal Communications Commission (FCC or Commission), notified TEACH that it had received improper payments of \$1,206,542 from the Universal Service Fund and that the amount must be repaid by March 31, 2023. DOA intends to repay the amount as required.

D. Volunteers in Service to America Disallowance

Serve Wisconsin, the National and Community Service Board of the State of Wisconsin attached to the Department of Administration, sponsors the AmeriCorps Volunteers in Service to America (VISTA) program for the State of Wisconsin. The Corporation for National and Community Service, operating as AmeriCorps, notified Serve Wisconsin that it has disallowed \$46,846 of costs as a result of a pre-employment criminal history background check failing to meet the National Service Criminal History Checks (NSCHS) standards required by the National and Community Service Act of 1990, as amended by the Serve America Act (SAA). Serve Wisconsin has requested that AmeriCorps reduce a future grant by the amount of the disallowance in lieu of repayment.

E. Emergency Rental Assistance Excess Funds Determination

The ERA Program, a program of the U.S. Department of the Treasury (Treasury) established under the Consolidated Appropriations Act of 2021 and continued under the American Rescue Plan Act (ARPA) as "ERA2," is administered by DOA. In February 2023, Treasury provided notification to DOA of an ERA2 Quarter 3 (September 30, 2022) Assessment Excess Funds Determination of \$31,374,234, an amount equal to the balance undrawn from Treasury as of the notification date. In March 2023, DOA appealed the determination under the bases that Treasury was considering incomplete data and that the State would voluntarily reallocate any amount subject to an Excess Funds Determination. DOA provided additional information to Treasury and is awaiting its review of that information.

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, 2022, are shown in Table A for each program distributing food commodities.

Table A

Food Commodity Assistance

Assistance Listing Number	Federal Program	Distributed	Inventory Balance June 30, 2022
10.555	National School Lunch Program	\$ 17,871,166	\$ 35,429
10.559	Summer Food Service Program for Children	185,704	0
10.565	Commodity Supplemental Food Program	3,382,271	0
10.569	Emergency Food Assistance Program	21,622,729	1,545,942
Total		\$43,061,870	\$1,581,371

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

During FY 2021-22, DHS received \$18,604,682 in cash rebates from infant formula manufacturers from the sale of formula to participants in WIC Special Supplemental Nutrition Program for Women, Infants, and Children (Assistance Listing number 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 27,918 more people than could have been served during FY 2021-22 in the absence of the rebate contracts.

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

CDBG 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 \$2,520,240 that was supported by funds returned to the State.

7. UNEMPLOYMENT INSURANCE

UI is a joint federal-state program financed by federal taxes under the Federal Unemployment Tax Act and by state payroll taxes under the State Unemployment Tax Act. The underlying framework of the UI system is contained in the Social Security Act (SSA). Title III of the SSA authorizes grants to states for the administration of state UI laws; Title IX authorizes the various components of the federal Unemployment Trust Fund. All reserves must be held by the federal Unemployment Trust Fund and cannot be commingled with other state funds. With limited exceptions, reserves may be used only to pay unemployment benefits. For this reason, the Wisconsin Unemployment Reserve Fund is accounted for outside of the State's central accounting system, and expenditures for UI are reported on the accrual basis of accounting, which recognizes expenditures in the period incurred, regardless of when the payment is made.

FY 2021-22 expenditures in the Schedule of Expenditures of Federal Awards for UI (Assistance Listing number 17.225) include \$338,968,857 in benefits funded by the Wisconsin Unemployment Reserve Fund; \$1,857,811 in federally funded benefits; \$331,770,408 in COVID-19 federally funded benefits; \$98,708,279 in federally funded administrative costs; \$7,910,881 in COVID-19 federally funded administrative costs; and \$1,483,088 in American Recovery and Reinvestment Act (ARRA) federally funded costs.

8. HIGHWAY PLANNING AND CONSTRUCTION

Expenditures in the Schedule of Expenditures of Federal Awards for Highway Planning and Construction (Assistance Listing number 20.205) include \$276,786 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.

9. DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY

DOA is responsible for administration of the Donation of Federal Surplus Personal Property program (Assistance Listing number 39.003). DOA receives and distributes the federal surplus property. Reported federal expenditures of \$112,807 in the Schedule of Expenditures of Federal Awards for this program represent the fair market value of property distributed by DOA during FY 2021-22. During FY 2021-22, property with a fair market value of \$112,807 was received by DOA and, as of June 30, 2022, property with a fair market value of \$0 was on hand. The fair market value of the property is calculated at 23.34 percent of the property's original acquisition cost based on guidance provided by the U.S. General Services Administration.

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

The Environmental Improvement Fund (EIF) is an enterprise fund of the State of Wisconsin and is jointly administered by DNR and DOA. Included in the EIF is the Clean Water Fund Program, which is funded primarily by the federal government under the Capitalization Grants for Clean Water State Revolving Funds (Assistance Listing number 66.458), and the Safe Drinking Water Loan Program, which is funded primarily by the federal government under the Capitalization Grants for Drinking Water State Revolving Funds (Assistance Listing number 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 audited financial statements and other documents. New federally funded loans provided under these programs are included as expenditures in the Schedule of Expenditures of Federal Awards. Table B shows the balance of loans outstanding as of June 30, 2022.

Table B

Clean Water and Safe Drinking Water Revolving Loan Funds

Assistance Listing Number	Federal Program	Outstanding Balance ¹ June 30, 2022
66.458	Capitalization Grants for Clean Water State Revolving Funds	\$1,796,471,995
66.468	Capitalization Grants for Drinking Water State Revolving Funds	392,891,001

¹ Outstanding balance amounts shown are comprised of both federal and state funding.

11. IMMUNIZATION COOPERATIVE AGREEMENTS

The value of vaccines distributed on behalf of the Wisconsin Immunization Program during FY 2021-22 was \$53,770,891. This amount is included as expenditures in the Immunization Cooperative Agreements (Assistance Listing number 93.268) program in the Schedule of Expenditures of Federal Awards.

12. 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.

13. FEDERAL STUDENT LOAN PROGRAMS ADMINISTERED BY THE UNIVERSITY OF WISCONSIN SYSTEM

The federal student loan programs shown in Table C are administered by UW System, and balances and transactions related to these programs are included in the UW System Fund financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the expenditures presented in the Schedule of Expenditures of Federal Awards. The following table shows the balance of loans outstanding as of June 30, 2022.

Table C

Federal Student Loan Programs

Assistance Listing Number	Federal Program	Outstanding Balance June 30, 2022
84.038	Federal Perkins Loan Program—Federal Capital Contributions	\$ 65,349,895
93.264	Nurse Faculty Loan Program (NFLP)	1,930,482
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	4,776,211
93.364	Nursing Student Loans	6,311,567
Total		\$ 78,368,155

14. OTHER STUDENT LOAN PROGRAMS

UW System participates in Federal Direct Student Loans (Assistance Listing number 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. 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 2021-22 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.

15. 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 (Assistance Listing number 84.007), the Federal Work-Study Program (Assistance Listing number 84.033), the Federal Perkins Loan Program—Federal Capital Contributions (Assistance Listing number 84.038), and the Federal Pell Grant Program (Assistance Listing number 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.

16. 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.

17. SNAP EBT BENEFITS REPORTING

The total amount of Supplemental Nutrition Assistance Program (Assistance Listing number 10.551) benefits reported on the Schedule of Expenditures of Federal Awards is calculated from electronic benefits transfer (EBT) settlement data available to DHS. However, the amount reported for the COVID-19 portion of SNAP is based on EBT issuance data. Issuance data was used to approximate the relevant COVID-19 expenditures in the Schedule of Expenditures of Federal Awards due to the unavailability of SNAP EBT settlement data specific to the COVID-19 amounts.

18. COST SWAPS

In February 2021, a presidential memorandum was issued extending certain federal support to increase the reimbursement and other assistance provided by the Federal Emergency Management Agency (FEMA) to states in order to combat the COVID-19 pandemic. This memorandum allowed FEMA to pay 100 percent of the costs of activities that have previously been determined to be eligible, from the beginning of the pandemic in January 2020. During FY 2021-22, the State of Wisconsin received reimbursement from FEMA for expenditures that were previously covered using funding available through the Coronavirus Relief Fund

(Assistance Listing number 21.019), Immunization Cooperative Agreements (Assistance Listing number 93.268), and Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing number 93.323). During FY 2021-22, expenditures from prior fiscal years were transferred from the programs outlined in Table D to the Disaster Grants—Public Assistance (Assistance Listing number 97.036) and are reflected in the total expenditures reported for the Disaster Grants—Public Assistance on the FY 2021-22 Schedule of Expenditures of Federal Awards. The FY 2021-22 Schedule of Expenditures of Federal Awards does not reflect a reduction of the expenditures transferred out of the programs outlined in Table D.

Table D

Assistance Listing Number	Federal Program (FY Original Expenditures Incurred)	Total Swapped Expenditures
21.019	Coronavirus Relief Fund—(FY 2020) Coronavirus Relief Fund—(FY 2021)	\$ 43,355,058 197,917,569
93.268	Immunization Cooperative Agreements—(FY 2021)	92,711
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)—(FY 2021)	55,869,690
Total		\$ 297,235,028

During FY 2021-22, expenditures from a prior fiscal year were transferred from the Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing number 21.027) to the Coronavirus Relief Fund (Assistance Listing number 21.019) and are reflected in the total expenditures reported for the Coronavirus Relief Fund (Assistance Listing number 21.019) on the FY 2021-22 Schedule of Expenditures of Federal Awards. The FY 2021-22 Schedule of Expenditures of Federal Awards does not reflect a reduction of expenditures transferred out of the program as outlined in Table E.

Table E

Assistance Listing Number	Federal Program (FY Original Expenditures Incurred)	Total Swapped Expenditures
21.027	State and Local Fiscal Recovery Funds—(FY 2021)	\$ 192,064,782
Total		\$ 192,064,782

■ ■ ■ ■

Corrective Action Plans



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Karen E. Timberlake, Secretary

DATE: November 16, 2022

TO: Lisa Kasel, Assistant Financial Audit Director
Legislative Audit Bureau

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

SUBJECT: Corrective Action Plan – Medical Assistance Program Third-Party Liability

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Finding 2022-001: Medical Assistance Program Third-Party Liability. This is the department's Corrective Action Plan.

☒ **Recommendation (2022-001): Medical Assistance Program Third-Party Liability**

We recommend the Wisconsin Department of Health Services:

- Review and update the Medicaid Management Information System cost avoidance rules to properly identify and deny payment for claims that may be covered by third-party insurers.

Wisconsin Department of Health Services Planned Corrective Action:

DHS has completed an assessment of Medicaid Management Information System (MMIS) cost avoidance rules and will implement changes by December 31, 2022, necessary to properly identify and deny outpatient services when a participant is enrolled in Medicare or other third-party insurance at the time the service was provided.

We recommend the Wisconsin Department of Health Services:

- Identify payments made during FY 2021-22 that may have been improper due to inaccurate cost avoidance rules and seek to recover these amounts;
- Return to the federal government recovered payment that may have been improper; and

Memo to Lisa Kasel
November 16, 2022
Page 2

Wisconsin Department of Health Services Planned Corrective Action:

DHS will attempt to recover \$1,956 in improper payments for outpatient services not properly identified and denied under cost avoidance rules in MMIS by December 31, 2022, and return to the federal government the estimated federal share of \$1,293.

DHS will complete an assessment and identify paid claims by March 31, 2023, where cost avoidance rules were not appropriately applied for outpatient services when a participant was enrolled in Medicare or other third-party insurance with a date of service after July 1, 2021, and return to the federal government recovered payments that were improper.

We recommend the Wisconsin Department of Health Services:

- Perform an assessment and implement additional procedures to review changes to cost avoidance rules in the future.

Wisconsin Department of Health Services Planned Corrective Action:

DHS will implement processes and procedures by December 31, 2022, for conducting production validation on any configuration changes impacting cost avoidance rules.

Anticipated Completion Date: March 31, 2023

Person responsible for corrective action:

Nick Havens, Director
Bureau of System Management, Division of Medicaid Services
Nicholas.Havens@dhs.wisconsin.gov



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Trina Zanow, Division Administrator

Corrective Action Plan

Finding 2022-002: Department of Administration/Division of Enterprise Technology Information Security
Access Review Process

Planned Corrective Action:

LAB Recommendation	DOA/DET Planned Corrective Action	Anticipated Completion Date
We recommend the Department of Administration; Division of Enterprise Technology develop and complete a process by June 30, 2023, to perform access reviews in accordance with the State of Wisconsin IT Security Policy Handbook, including updating access based on the review and retaining documentation of the review and the updates made to access.	DOA/DET will develop a process to perform access reviews in accordance with the State of Wisconsin IT Security Policy Handbook, including updating access based on the reviews. The completed access review will include documentation on the reviews, updates to access based on the reviews and retention of the documentation.	March 31, 2023 June 30, 2023

Person responsible for corrective action:
Alan Greenberg, CISO
Division of Enterprise Technology
Alan.Greenberg@wisconsin.gov



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Trina Zanow, Division Administrator

Corrective Action Plan

Finding 2022-003: Department of Administration/Division of Enterprise Technology Information Security Policy Exception Process

Planned Corrective Action:

LAB Recommendation	DOA/DET Planned Corrective Action	Anticipated Completion Date
Complete by January 31, 2023, a review of its existing IT security exception process and make revisions to the process, including developing a procedure for escalating noncompliance with established policies to senior management within the Department of Administration and within the particular executive branch agency.	DOA/DET will complete a review of its existing IT security exception process and revise the process. The revised process will include developing an escalation procedure for escalating noncompliance with established policies to senior management within the Department of Administration as well as the noncompliant executive branch agency.	January 31, 2023
Develop an exception process training program and communicate the relevant training program and exception process procedures and responsibilities to its staff and executive branch agency staff by January 31, 2023.	DOA/DET will develop an exception process training program and communicate the relevant training program and exception process, procedures and responsibilities to DOA/DET and executive branch agency staff.	January 31, 2023
Complete and document its review and assessment of processes and configurations that do not comply with established policies, complete approvals of exceptions when changes to processes cannot be made timely, maintain documentation of discussions and meetings with agency staff as the review and assessment of exceptions are completed, and complete this review and approval of exceptions by March 31, 2023.	DOA/DET will complete and document a review and assessment of processes and configurations that do not comply with established policies, complete approvals of exceptions when changes to processes cannot be made timely, maintain documentation of discussions and meetings with agency staff as the review and assessment of exceptions are completed, and complete this review and approval of exceptions.	March 31, 2023

Person responsible for corrective action:
Alan Greenberg, CISO
Division of Enterprise Technology
Alan.Greenberg@wisconsin.gov



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Trina Zanow, Division Administrator

Corrective Action Plan

Finding 2022-004: Department of Administration Information Technology Oversight and Monitoring Responsibilities

Planned Corrective Action:

LAB Recommendation	DOA Planned Corrective Action	Anticipated Completion Date
We recommend the Wisconsin Department of Administration, Division of Enterprise Technology comply with its statutory responsibilities to provide oversight and monitoring of executive branch agency adherence to the State's IT policies by:	DOA/DET, provides direct support and monitoring to eleven executive branch agencies for compliance with multiple audits to meet federal regulatory requirements such as IRS Publication 1075, Criminal Justice Information Systems (CJIS), Centers for Medicare and Medicaid (CMS/HIPAA) and Social Security Administration (SSA). DOA/DET will continue to comply with its statutory responsibilities to provide oversight and monitoring of executive branch agencies by implementing the below recommendations.	March 31, 2023
Using its statutory authority to ensure executive branch agencies conform with the State's IT policies and standards or obtain an approved exception by March 31, 2023.	DOA/DET will work with executive branch agencies to ensure compliance with the State's Executive Branch IT policies and standards or obtain an approved exception.	March 31, 2023
Developing and communicating to executive branch agencies by March 31, 2023, a monitoring plan to review the effectiveness of agency-reported information in the dashboard, including how the Department of Administration will report results to the agency and expected timelines for agencies to correct the noncompliance with the State's IT policies and standards or obtain an approved exception.	DOA/DET will develop and communicate to executive branch agencies a monitoring plan to periodically review the effectiveness of agency-reported information in the IT Policies, Standards and Procedures (PSP) dashboard. DOA/DET will report results to the agency and will outline expected timelines for agencies to correct the noncompliance with the State's IT Executive Branch policies and standards or obtain an approved exception.	March 31, 2023 March 31, 2023

Enterprise Technology, PO Box 7844, Madison, WI 53707-7844
Phone: (608) 267-0627 | DOA.WI.GOV

Establishing detailed plans by June 30, 2023, for how it will perform ongoing vulnerability assessments with the new vulnerability management tool, respond to those assessments, and make changes to further strengthen the State's IT environment.	DOA/DET will establish plans for performing ongoing vulnerability assessments with the new vulnerability management tool. The plan will include the process to review the vulnerability assessment results and subsequent changes made in the environment to further strengthen the State's IT security posture.	June 30, 2023
Continuing to update its risk management program including considering the risks related to approved policy exceptions and remediating known vulnerabilities.	DOA/DET will continue to update its risk management program including considering the risks related to approved policy exceptions and remediating known vulnerabilities.	Ongoing

Person responsible for corrective action:

Alan Greenberg, CISO

Division of Enterprise Technology

Alan.Greenberg@wisconsin.gov



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Karen E. Timberlake, Secretary

DATE: December 5, 2022

TO: Lisa Kasel, Assistant Financial Audit Director
Legislative Audit Bureau

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

SUBJECT: Corrective Action Plan – Financial Reporting for the Medical Assistance Program

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Finding 2022-005: Financial Reporting for the Medical Assistance program. This is the department's Corrective Action Plan.

☑ Recommendation (2022-005): Financial Reporting for the Medical Assistance Program

We recommend the Wisconsin Department of Health Services:

- Develop and implement additional procedures to evaluate the potential effects of changes in the program that it administers; and

Wisconsin Department of Health Services Planned Corrective Action:

DHS staff responsible for preparing the financial statements will improve their current procedures by meeting in smaller groups with program accountants annually to identify significant new programs, changes to existing programs, and other notable changes. They will obtain a more complete understanding of the financial reporting process of new programs and ensure that all account balances, including fund balance, are appropriately reported and classified.

We recommend the Wisconsin Department of Health Services:

- Use the additional procedures to evaluate changes that may require further consideration and adjustments for financial reporting purposes.

Memo to Lisa Kasel
December 5, 2022
Page 2

Wisconsin Department of Health Services Planned Corrective Action:

Using the additional procedures put in place, DHS staff will critically analyze changes identified to ensure compliance with Federal and State accounting requirements. DHS staff will ensure all necessary adjustments are made.

Anticipated Completion Date: September 30, 2023

Person responsible for corrective action:

Emily Pape, Section Chief
Cost Allocation & GAAP Reporting Section, Bureau of Financial Services, Division of Enterprise Services

Emilya.Pape@dhs.wisconsin.gov



Managing Wisconsin's trust assets for public education

Douglas La Follette, *Secretary of State*
 Sarah Godlewski, *State Treasurer*
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Thomas P. German, *Executive Secretary*

Corrective Action Plan

Finding 2022-006: Common School Fund—Service Organization Internal Controls

Planned Corrective Action:

- BCPL has recognized the value of Service Organization Internal Control (“SOC”) Reports as BCPL first raised this issue with LAB.
- BCPL will annually request from Charles Schwab, a Type 1 and Type 2 SOC Report.
- BCPL staff have already considered their reliance on Schwab and have reviewed the Suggested “Complementary User Entity Control Considerations” identified in Schwab’s SOC Reports.
 - BCPL staff agree that these suggested controls are appropriate for BCPL’s use of Schwab’s services and reliance upon Schwab. BCPL staff asserts that they have been consistently exercising virtually all of these controls for an extended period of time.
 - The only suggested user control that had not been previously adopted by BCPL was a systematic analysis of the publicly traded asset pricing provided by Schwab. In order to obtain additional assurances that the pricing provided by Schwab (or it’s vendor) on such assets is accurate, BCPL will, on a quarterly basis, BCPL select a sampling of approximately 5% of the publicly traded assets custodied at Schwab and will compare the values of such assets as reported by Schwab against valuations provided by Bloomberg or another nationally recognized financial valuation entity. It should be noted that BCPL had already instituted quarterly pricing reviews of private investment funds custodied at Schwab.
- Annually upon receipt of such SOC Reports, BCPL will distribute copies of such reports to the members of BCPL’s Investment Committee and schedule a committee discussion regarding:
 - BCPL’s reliance upon the services provided by Schwab;
 - BCPL’s control processes compared with the suggested Complementary User Entity Control Considerations set forth in Schwab’s SOC report;
 - Any weaknesses identified in the SOC Reports and any subsequent actions which should be taken by BCPL.
- BCPL shall then document such review and any subsequent actions which should be taken.

Anticipated Completion Date:

- BCPL has already requested and received such latest SOC reports described above and provided copies of such Reports to LAB.
- BCPL has already considered their reliance on Schwab and has reviewed the Suggested User Complementary Controls identified in Schwab's SOC 1 Report and furthermore has had virtually all such suggested controls in place for an extended period of time.
- BCPL has already implemented the additional systematic valuation testing identified above for the fiscal quarters ended on June 30, 2022 and September 30, 2022 and shall continue such valuation testing within 15 days after fiscal quarters ending December 31, March 31, June 30 and September 30.
- BCPL has already emailed (and mailed) copies of such latest SOC reports to the members of the BCPL Investment Committee.
- Prior to January 10, 2023, BCPL will schedule the committee discussion described above. BCPL shall document the matters identified above on or before January 15, 2023.

Tom German, BCPL Executive Secretary shall be responsible for implementing this action. His contact information is as follows:

Tom.german@wisconsin.gov

(608) 267-2233



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 608-262-1313 | 608-262-5316 (fax)
 780 Regent Street
 Suite 255
 Madison, WI 53715
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Corrective Action Plan

Finding 2022-007: UW System Information Technology Internal Control Deficiencies

Planned Corrective Action: The UW System has adequate processes in place for reviewing access to ShopUW+ but agrees to better document these processes. UW System Administration (UWSA) has revised the disbursement internal control template, which all UW universities use in developing their internal control plans, to document the UW System's security reviews. UWSA will also update the language surrounding its weekly access reports, to explain their purpose and importance. To monitor this control, the UW System will add a statement to this effect in the universities' annual delegation agreement and certifications.

UWSA is actively taking steps to mature its third-party risk management practices, including the development of guidance and best practices for UW universities. Current efforts are focused on optimizing available resources to provide the highest return on value.

UWSA currently performs periodic reviews of cloud-based third-party internal controls during pre-contract evaluations and at the time of contract renewals. This includes obtaining and reviewing service organization audit reports, if available. UWSA will evaluate the efficacy of increasing the periodicity of these reviews to an annual basis. UWSA will also evaluate means for communicating identified expectations systemwide, up to and including the creation of a new policy.

Anticipated Completion Date: June 30, 2023

Person responsible for corrective action:
 Julie Gordon, Senior Associate Vice President
 Finance, UW System Administration
jgordon@uwsa.edu



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
Jana Steinmetz, Administrator

Corrective Action Plan

Finding 2022-100: Coronavirus State and Local Fiscal Recovery Fund—Unallowable Costs

Auditor Recommendation:

Develop and implement controls to identify when an applicant applies for funding under multiple programs and to assess the appropriateness of whether it would be making payments to an applicant that applies under multiple programs.

Planned Corrective Action:

The Wisconsin Department of Administration (DOA or Department) will develop and implement controls to identify when an applicant applies for funding under multiple programs and to assess the appropriateness of whether it would be making payments to an applicant that applies under multiple programs. The controls will be documented in the Department's *Grants Management Guide* and will consider, among other things, the purpose of the assistance being awarded and the criteria for the award.

As the auditors noted specific to this finding and recommendation, DOA implemented controls for certain programs where it was anticipated an applicant might apply under more than one program. For programs where the controls were not implemented prior to award, the Department has subsequently reviewed to verify that an applicant was not paid for the same losses under more than one program, and none aside from that which was the condition for this finding were identified.

Anticipated Completion Date: June 30, 2023

Auditor Recommendation:

Review the specific payments made to the organization we identified and seek repayment of the amount that was made inappropriately.

Planned Corrective Action:

DOA has reviewed the specific payments made to the organization identified by the auditors and sought repayment of the amount that was not properly paid.

Anticipated Completion Date: March 31, 2023

Person responsible for corrective action:

Colleen Holtan, Director
Bureau of Financial Management
Division of Enterprise Operations
colleen.holtan@wisconsin.gov



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
Susan Brown, Division Administrator

Corrective Action Plan

Finding 2022-101: Low-Income Home Energy Assistance Program—Heating Benefit Calculation

Auditor Recommendation:

Establish and implement written procedures for making updates to the benefit calculation parameters in the Home Energy (HE) Plus application.

Planned Corrective Action:

The Wisconsin Department of Administration (Department or DOA) will establish and implement written procedures for entering and updating the benefit calculation parameters related to the Wisconsin Home Energy Assistance Program (WHEAP) in the HE Plus (HE+) System. The Department's procedures will reflect that it incorporated a module for determining the LIHEAP heating maximum benefit in the HE+ System and eliminated the use of an external Microsoft Access database for that purpose subsequent to the period under audit (i.e., in state fiscal year [SFY] 2022-23).

Anticipated Completion Date: May 1, 2023

Auditor Recommendation:

Reassess its existing procedures for performing a review of the benefit calculation parameters entered into the Home Energy (HE) Plus application, make adjustments to its existing procedures as necessary, and document the performance of each review.

Planned Corrective Action:

The Department necessarily reassessed its procedures for reviewing the entry of benefit calculation parameters into the HE+ System when it incorporated a module for determining the LIHEAP heating maximum benefit in the HE+ System and eliminated the use of an external Microsoft Access database for that purpose subsequent to the period under audit (i.e., in state fiscal year [SFY] 2022-23). The development and implementation of the new system functionality, which was used for the determining the federal fiscal year (FFY) 2023 WHEAP program benefits, improved program integrity through the elimination of manual data entry of end result benefit factors and proxy values. Program integrity will be further strengthened through the creation of a form to document the review of the benefit calculation parameters entered into HE+. The form will be created by May 1, 2023, and implemented with the FFY24 benefit formula calculation scheduled to be completed in July 2023.

Anticipated Completion Date: May 1, 2023

Auditor Recommendation:

Complete its review of the 605 households that were underpaid heating benefits due to the error and issue supplemental heating benefit payments.

Planned Corrective Action:

DOA completed its review of the households that were underpaid heating benefits and will issue the supplemental heating benefit payments as soon as practical.

Anticipated Completion Date: June 30, 2023

Person responsible for corrective action:

Susan Brown, Administrator
Division of Energy, Housing and Community Resources
susan.brown@wisconsin.gov



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
Susan Brown, Division Administrator

Corrective Action Plan

Finding 2022-102: Emergency Rental Assistance Program—Documentation to Support Applicant Eligibility and Benefit Payments

Auditor Recommendation:

Obtain the required documentation for the 22 individuals we identified or seek to recoup improper benefit payments it made to these individuals.

Planned Corrective Action:

The Wisconsin Department of Administration (Department or DOA) will request from the auditors the cases identified, review available documentation in its eligibility and benefit determination system to determine that all of the applicants were eligible to receive benefits under the program or that the costs were allowable to be funded by the Wisconsin Emergency Rental Assistance (WERA) Program, and obtain the required supporting documentation. Should DOA determine that it provided rental and utility assistance to individuals who were ineligible to receive WERA Program benefits, it will identify alternate eligible Department funding sources or seek to recoup improper benefit payments made, as appropriate.

Anticipated Completion Date: June 30, 2023

Auditor Recommendation:

Closely monitor the documentation being accepted by the community action agencies and Energy Services, Inc., and provide further training to address individual instances of noncompliance with the *Wisconsin Emergency Rental Assistance Program Manual* and guidance from the U.S. Department of the Treasury.

Planned Corrective Action:

The Department will monitor the documentation accepted by the community action agencies and Energy Services, Inc. (ESI), and provide further training to address individual instances of noncompliance with the *WERA Program Manual* and guidance from the U.S. Department of the Treasury. As the auditors noted, DOA provided training to the community action agencies and ESI in June 2022, and updated the *WERA Program Manual* as of June 30, 2022. The Department further notes that, after serving nearly 40,000 households with close to \$250 million of assistance for rent, utilities and home internet bills, and preventing thousands of evictions across the state, the WERA Program closed to new applications as of January 31, 2023, but housing stability services remain available.

Anticipated Completion Date: June 30, 2023

Auditor Recommendation:

Regularly review and update its procedures to ensure that it is following the guidance from the U.S. Department of the Treasury in administering the Wisconsin Emergency Rental Assistance program.

Planned Corrective Action:

The Department will continue to review and update its procedures to ensure that it is following the guidance from the U.S. Department of Treasury in administering the WERA program. As the auditors noted, in response to its prior recommendation, DOA updated the *WERA Program Manual* as of June 30, 2022.

Anticipated Completion Date: June 30, 2023

Person responsible for corrective action:

Susan Brown, Administrator
Division of Energy, Housing and Community Resources
susan.brown@wisconsin.gov



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
Jana Steinmetz, Administrator

Corrective Action Plan

Finding 2022-103: Multiple Grants—Reporting in the Schedule of Expenditures of Federal Awards

Auditor Recommendation:

Further evaluate federal grant expenditures reported in the STAR General Ledger as it prepares its schedule of expenditures of federal awards and ensure it is adjusting expenditures for all prior-year transfers of expenditures in the current year.

Planned Corrective Action:

The Wisconsin Department of Administration (DOA or Department) Bureau of Financial Management (BFM) will evaluate federal grant expenditures reported in the STAR General Ledger as it prepares its schedule of expenditures of federal awards (SEFA) and ensure it is adjusting expenditures for material prior-year transfers of expenditures in the current year in a manner consistent with requirements of the Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance or Guidance) and additional guidance, if any, provided by the Department's State Controller's Office (SCO).

The Uniform Guidance requires the preparation of a SEFA for the period covered by the State's financial statements that includes total federal awards expended [ref. 2 CFR 200.510 (b)]; the determination of when a federal award is expended to be based on when the activity related to the federal award occurs [ref. 2 CFR 200.502]; and that the financial statements and SEFA are for the same audit period [ref. 2 CFR 200.514].

As the auditors noted, in preparing DOA's SEFA, DOA BFM sought to reflect the amount of federal awards expended for DOA's grant programs based on the amounts reported in the STAR general ledger. Together with reporting negative expenditures resulting from the transfers of FY 2019-20 and FY 2020-21 expenditures within the Notes to the SEFA, which are an integral part of the SEFA and required by 2 CFR 200.510 (b)(6), and absent OMB guidance that prescribes a uniform method for reporting a transfer of prior year grant expenditures, DOA BFM believed its approach was consistent with the requirements of 2 CFR 200.502 and 2 CFR 200.510 (b), more generally.

DOA BFM later modified its SEFA to exclude negative expenditures resulting from the transfers of FY 2019-20 and FY 2020-21 expenditures consistent with the manner in which a prior period adjustment would be reflected within current-year activity in financial statements prepared in accordance with generally accepted accounting principles (GAAP), as described in the criteria and recommended by the auditors. The increased expenditures for the Coronavirus Relief Fund (Assistance Listing number 21.019) and Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing number 21.027) in the SEFA of \$241.3 million and \$192.1 million, respectively, together with any future exclusions of negative expenditures resulting from the transfer of prior-year expenditures, will cause the lifetime expenditures

on the SEFA schedule for these programs to reflect more expenditures than federal funding received. The Notes to the SEFA were also modified to indicate that the SEFA does not reflect a reduction for the prior-year transferred expenditures.

Anticipated Completion Date: Concurrent with the submission of the FY 2022-23 SEFA, which is anticipated to be November 2023

Auditor Recommendation:

Carefully assess the transfer of prior-year expenditures in the current year to determine any potential effects on the total federal expenditures for the prior-year and the effect on the major program expenditures.

Planned Corrective Action:

DOA BFM will assess the transfer of prior-year expenditures in the current year to determine any potential effects on the total federal expenditures for the prior-year and the effect on the major program expenditures. It has been the practice of DOA BFM to assess the transfer of prior year expenditures in the current year and DOA BFM will continue to prioritize decisions with respect to the same to allow the Department to maximize the availability of federal funding for the purposes intended.

Anticipated Completion Date: June 30, 2023

Person responsible for corrective action:

Colleen Holtan, Director
Bureau of Financial Management
Division of Enterprise Operations
colleen.holtan@wisconsin.gov



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
Susan Brown, Division Administrator

Corrective Action Plan

Finding 2022-104: Low-Income Home Energy Assistance Program—Federal Funding Accountability and Transparency Act Reporting

Auditor Recommendation:

Improve Federal Funding Accountability and Transparency Act reporting procedures to ensure accurate award information, including the federal award identification number, is being used.

Planned Corrective Action:

The Wisconsin Department of Administration's (Department or DOA) Bureau of Financial Management (BFM) and Division of Energy, Housing and Community Resources (DEHCR) will work together to implement procedures to ensure the accuracy of the award information that is transmitted to the Division of Executive Budget and Finance (DEBF), Systems, Operations and Federal Funds Team (Federal Funds Team) for Federal Funding Accountability and Transparency Act (FFATA) reporting. The procedures may include, among other things, DEHCR's provision of the federal award document containing the federal award identification number (FAIN) to BFM concurrent with the request to establish the award for reporting.

Anticipated Completion Date: June 30, 2023

Auditor Recommendation:

Improve Federal Funding Accountability and Transparency Act reporting procedures to ensure rejected subaward information is reviewed and communicated to the appropriate program staff for investigation and resolution.

Planned Corrective Action:

The Department will improve FFATA reporting procedures to ensure rejected subaward information is reviewed and communicated to the appropriate program staff for investigation and resolution. DEBF's Federal Funds Team will communicate error messages it receives for rejected reports in a timely manner to agency and program staff originating the reports, and the error log received from the FFATA Subaward Reporting System (FSRS) will be made available electronically for agency program staff as well as maintained for documentation purposes.

Anticipated Completion Date: June 30, 2023

Auditor Recommendation:

Improve Federal Funding Accountability and Transparency Act reporting procedures to ensure documentation of rejected subaward information is maintained to demonstrate that the Department of Administration attempted to enter the subaward information; and

Planned Corrective Action:

The Department will improve FFATA reporting procedures to ensure documentation of rejected subaward information is maintained to demonstrate that the Department attempted to enter the subaward information in FSRS. As previously noted, the Federal Funds Team will communicate to agency and program staff the error messages received for rejected reports and make available and maintain for archival purposes error logs received from FSRS. Additionally, the Federal Funds Team will record in the Wisconsin FFATA reporting system if an upload of the subaward information cannot be completed during the intended reporting period due to reasons that are beyond its control, such as delays in the federal government's assignment of federal award identification numbers (FAINs) for new grant awards.

Anticipated Completion Date: June 30, 2023

Auditor Recommendation:

Improve Federal Funding Accountability and Transparency Act reporting procedures to ensure all required subawards of \$30,000 or more, including any amendments or modifications to a subaward, are identified and submitted to the Federal Funding Accountability and Transparency Act Subaward Reporting System in a timely manner.

Planned Corrective Action:

The Department takes seriously its responsibility to ensure all required subawards of \$30,000 or more, including any amendments or modifications to a subaward, are identified and submitted to FSRS in a timely manner. The Federal Funds Team in fulfilling its enterprise role related to FSRS reporting, delivered agency and program staff training on the requirements of 2 CFR s. 170, in February 2023, concurrent with the introduction of its new Wisconsin FFATA reporting system, and will highlight FFATA reporting requirements in its monthly reporting timeline communications.

As previously noted, BFM and DEHCR will work together to implement improved procedures to ensure the accuracy of the award information that is transmitted to DEBF. They will also implement procedures to verify the completeness of the data that is uploaded to FSRS, including confirming the availability of the data in USAspending.gov.

Anticipated Completion Date: June 30, 2023

Persons responsible for corrective action:

Susan Brown, Administrator
Division of Energy, Housing and Community Resources
susan.brown@wisconsin.gov

Colleen Holtan, Director
Bureau of Financial Management
Division of Enterprise Operations
colleen.holtan@wisconsin.gov

Dustin Trickle, Executive Policy and Budget Manager
Division of Executive Budget and Finance
dustin.trickle1@wisconsin.gov



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

DATE: March 20, 2023

TO: Erin Scharlau, Financial Audit Director
Legislative Audit Bureau

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

SUBJECT: Corrective Action Plan – Disaster Grants – Public Assistance
(Presidentially Declared Disasters) – Unallowable Costs

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Finding 2022-300: Disaster Grants – Public Assistance (Presidentially Declared Disasters) – Unallowable Costs. This is the department's Corrective Action Plan.

☒ **Recommendation (2022-300): Disaster Grants – Public Assistance (Presidentially Declared Disasters) – Unallowable Costs**

We recommend the Wisconsin Department of Health Services:

- Work with the federal government to resolve the \$855,368 in unallowable costs we identified.

Wisconsin Department of Health Services Planned Corrective Action:

DHS will reach out to the federal government as suggested to resolve this issue.

Anticipated Completion Date: June 30, 2023

Person responsible for corrective action:
Barry Kasten, Director
Bureau of Financial Services, Division of Enterprise Services
barry.kasten@dhs.wisconsin.gov



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

DATE: March 21, 2023

TO: Lisa Kasel, Assistant Financial Audit Director
Legislative Audit Bureau

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

SUBJECT: Corrective Action Plan – Medical Assistance Program – Home
and Community-Based Services Unallowable Costs

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Finding 2022-301: Medical Assistance Program – Home and Community-Based Services Unallowable Costs. This is the department's Corrective Action Plan.

☒ **Recommendation (2022-301): Medical Assistance Program – Home and Community-Based Services Unallowable Costs**

We recommend the Wisconsin Department of Health Services:

- work with the fiscal employer agency that improperly approved the payment we identified to determine how this payment was made, assess whether changes to current processes are needed, document its assessment, and implement corrective actions, as appropriate.

Wisconsin Department of Health Services Planned Corrective Action:

Based on the LAB findings, the DMS Bureau of Quality and Oversight (BQO) will implement a Corrective Action Plan (CAP) with the IRIS Fiscal Employer Agent (FEA), iLIFE. A review of the LAB findings indicates that iLIFE inadvertently issued a payment to an IRIS participant-hired worker (PHW) based on a service authorization associated with a participant that the PHW did not support.

The IRIS provider agreement indicates that FEA's are responsible for verifying invoices, timesheets, and other claims for payment for services and periods of time authorized by participants' service plans.

iLIFE indicated their system's optical character recognition (OCR) misread a PHW's employee identification number causing the payment to be sent to the wrong PHW resulting in an overpayment.

iLIFE will be required to fix their OCR and review process to complete the CAP. BQO will issue a CAP notification to iLIFE by March 27, 2023. BQO will work with iLIFE to ensure the system errors are corrected to prevent further occurrences and anticipates the CAP will remain open for approximately 6 months.

Anticipated Completion Date: September 2023

Person responsible for corrective action:
Ann Lamberg, Deputy Director
Bureau of Quality and Oversight, Division of Medicaid Services
ann.lamberg@dhs.wisconsin.gov



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

DATE: March 27, 2023

TO: Carolyn Stittleburg, Deputy State Auditor for
Financial Audit
Legislative Audit Bureau

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

SUBJECT: Corrective Action Plan – Multiple Grants – Reporting in the
Schedule of Expenditures of Federal Awards

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Finding 2022-302: Multiple Grants - Reporting in the Schedule of Expenditures of Federal Awards. This is the department's Corrective Action Plan.

☒ **Recommendation (2022-302): Multiple Grants – Reporting in the Schedule of Expenditures of Federal Awards**

We recommend the Wisconsin Department of Health Services further evaluate federal grant expenditures reported in the STAR General Ledger as it prepares its schedule of expenditures of federal awards and ensure it is:

- adjusting expenditures for prior-year transfers of expenditures in the current year.

Wisconsin Department of Health Services Planned Corrective Action:

DHS adjusted the expenditures for prior-year transfers of expenditures as recommended by LAB though DHS believes that there is no clearly defined direct authoritative guidance provided by OMB mandating a uniform method for reporting a transfer of prior year grant expenditures. Because of this, DHS believes it is prudent to seek confirmation of this treatment from the federal government going forward.

LAB, in describing the effect, indicates that “the State under-reported expenditures for the ELC grant by \$55.9 million.” These expenditures were previously reported in prior fiscal years. Upon approval of the State's FEMA project workbook, and in accordance with the compliance supplement, these previously reported expenditures were reported in FY 2021-22 under the Disaster Grants—Public Assistance (Presidentially Declared Disasters) (Assistance Listing number 97.036) grant. Without a matching reduction in expenditures to the ELC grant by \$55.9 million, DHS is concerned that the lifetime expenditures on the SEFA schedule for these grant programs are going to reflect more expenditures than

Memo to Carolyn Stittleburg
 March 27, 2023
 Page 2

federal funding received. Additionally, because there is not direct authoritative guidance currently provided by OMB mandating a uniform method for reporting a transfer of prior year grant expenditures,

DHS will work with DOA to seek clarification from the Federal Government on the proper treatment and reporting of transfers of prior year expenditures on the SEFA.

Anticipated Completion Date: November 1, 2023

We recommend the Wisconsin Department of Health Services further evaluate federal grant expenditures reported in the STAR General Ledger as it prepares its schedule of expenditures of federal awards and ensure it is:

- properly identifying applicable COVID-19 expenditures;
- reporting all federal expenditures for each federal grant program, regardless of whether the agency has received reimbursement from the pass-through entity; and
- removing repayments of prior-year overpayments of expenditures from current-year expenditures.

Wisconsin Department of Health Services Planned Corrective Action:

DHS will ensure that it reviews the instructions that are received from DOA and present the proper amounts in the SEFA. This will include a review of adjustments made to grants open in prior state fiscal years and verification that they have not already been reported on the SEFA in a prior year, such as the WIC adjustment identified.

Anticipated Completion Date: November 1, 2023

Person responsible for corrective action:
 Barry Kasten, Director
 Bureau of Fiscal Services, Division of Enterprise Services
barry.kasten@dhs.wisconsin.gov



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

DATE: March 21, 2023

TO: Lisa Kasel, Assistant Financial Audit Director
Legislative Audit Bureau

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

SUBJECT: Corrective Action Plan – Federal Funding Accountability and
Transparency Act Reporting – Immunization Cooperative
Agreements

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Finding 2022-303: Federal Funding Accountability and Transparency Act Reporting – Immunization Cooperative Agreements. This is the department's Corrective Action Plan.

☒ **Recommendation (2022-303): Federal Funding Accountability and Transparency Act Reporting – Immunization Cooperative Agreements**

We recommend the Wisconsin Department of Health Services:

- Update the queries used to identify subawards in the State's accounting system, STAR, that are subject to Federal Funding Accountability and Transparency Act reporting to ensure all required subawards are identified; and
- Ensure all required subawards of \$30,000 or more, including any amendments or modifications to a subaward, are identified and submitted to the Federal Fund Accountability and Transparency Act Subaward Reporting System in a timely manner.

Wisconsin Department of Health Services Planned Corrective Action:

BFS agrees that the circumstances shaped by the COVID emergency required BFS to prioritize tasks critical to essential functions over those with little to no financial impact. Furthermore, during this same period, there was turnover in this position. Lack of priority and new staffing led to late reporting. Additionally, procedural misunderstandings contributed to continued reporting delays of the correcting items identified in the first finding.

The summer and early Fall of 2022 allowed for additional research, clarification, and catching up. Since November of 2022 there have been timely monthly uploads of collected data and it has continued to be reported monthly.

BFS also agrees that LAB identified several contracts not yet reported. Upon discovery, BFS made it a priority to take steps necessary to immediately report the missing contracts on the FSRs site.

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Investigations into the missing contracts revealed that there was an issue with the query being used to pull the STAR data. Investigations into the CARS query led to discovery of the incorrect usage of the date parameters.

DHS will correct the query errors and modify the FFATA procedures for accurate, complete, and timely reporting.

Anticipated Completion Date: May 2023

Person responsible for corrective action:

Vanessa Salata, Section Chief

Expenditure Accounting Section Chief, Bureau of Fiscal Services, Division of Enterprise Services

vanessaa.salata@dhs.wisconsin.gov



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

DATE: March 23, 2023

TO: Carolyn Stittleburg, Deputy State Auditor
Legislative Audit Bureau

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

SUBJECT: Corrective Action Plan – Coronavirus State and Local Fiscal Recovery Funds – Monitoring of Local and Tribal Health Department Response and Recovery Support Program Expenditures

Department staff has reviewed the Legislative Audit Bureau's (LAB) interim audit memo for Finding 2022-304: Coronavirus State and Local Fiscal Recovery Funds – Monitoring of Local and Tribal Health Department Response and Recovery Support Program Expenditures. This is the department's Corrective Action Plan.

☑ **Recommendation (2022-304): Coronavirus State and Local Fiscal Recovery Funds – Monitoring of Local and Tribal Health Department Response and Recovery Support Program Expenditures**

We recommend the Wisconsin Department of Health Services:

- Develop and implement written policies and procedures for the review and tracking of the quarterly reports used to monitor expenditures under the Local and Tribal Health Department Response and Recovery Support program.

Wisconsin Department of Health Services Planned Corrective Action:

As beneficiaries, the Treasury Guidance indicates that Local and Tribal Health Departments are not subject to subrecipient monitoring and reporting requirements. The designation of beneficiary is unique to the CSLFRF and thus is not as familiar to DHS as the subrecipient designation and subsequent reporting requirements. The uncertainty surrounding this designation resulted in DPH not following the best practices described in the DPH Contract Management Manual.

DPH's Contract Management Manual outlines requirements and best practices for contract management. This Manual describes how to best review and track expenditures to monitor expenditures. The Manual encourages the best practice of requesting enhanced expenditure reporting from agencies, in addition to the reporting required for CARS payments. The Manual describes the role of the contract administrator in reviewing the expenditure information against the approved budget to ensure expenses are reasonable and allowable. The Manual also suggests maintaining copies of submitted reports and verifying the amounts in the submitted reports correspond to CARS reports. Examples of expenditure

Memo to Carolyn Stittleburg
 March 23, 2023
 Page 2

tracking are provided as is a description of how this tracking and other fiscal monitoring supports bureaus within DPH and DHS. DHS will review the existing policies and procedures in the Contract Management Manual to ensure that the level of detail is sufficient to prevent further non-compliance.

We recommend the Wisconsin Department of Health Services:

- Maintain the quarterly reports, document its review of the quarterly reports, and document its correspondence with the public health departments regarding resolution of reporting variances.

Wisconsin Department of Health Services Planned Corrective Action:

DPH hired a position in June 2022 to manage and track expenditures and reporting for its Coronavirus State and Local Fiscal Recovery Funds granted to locals and tribal public health departments. DPH will continue to review, track, and maintain quarterly reports, and document correspondence with the local and tribal public health departments per best practices in the DPH Contract Management Manual.

We recommend the Wisconsin Department of Health Services:

- Review the contracts with the public health departments and determine whether any revisions are needed to clarify expectations for documentation and timeliness of filing the quarterly reports; and

Wisconsin Department of Health Services Planned Corrective Action:

DPH will review its contracts with the local and tribal public health departments and ensure timely filing of quarterly reports. Specific areas of non-compliance have been identified and division staff will review and draft updated scope of work language to mitigate delays in reporting from our local partners.

We recommend the Wisconsin Department of Health Services:

- Ensure it obtains quarterly reports to support the payments it made to the City of Milwaukee Public Health Department.

Wisconsin Department of Health Services Planned Corrective Action:

DPH has now obtained quarterly reports from the City of Milwaukee Public Health Department and is in the process of reviewing them. Division staff will work with the City of Milwaukee Health Department to ensure future compliance.

Anticipated Completion Date: June 30, 2023

Person responsible for corrective action:
 Karen Drogsvold, Budget Section Manager
 Division of Public Health, Bureau of Operations
karen.drogsvold@dhs.wisconsin.gov



Jill K. Underly, PhD, State Superintendent

Corrective Action Plan

Finding 2022-400: Supporting Effective Instruction State Grants—Federal Funding Accountability and Transparency Act Reporting

Planned Corrective Action: The Department of Public Instruction (DPI) has implemented some new procedures related to FFATA reporting, while continuing to review and update for completeness. One change is within the WISEgrants system to help identify missing awards for FFATA reporting. If there is an issue with entering a specific subaward into Federal Funding Accountability and Transparency Subaward Reporting System (FSRS), DPI will add a note to the applicable Federal Award Identification Number (FAIN) in the WISEgrants system FFATA Reporting - Monthly screen and create an FSD.gov Incident (FSD - Help Desk Ticket). Once the subaward is successfully entered into FSRS, the previously entered FFATA Reporting - Monthly note, will be updated to show that the subawards have been successfully added to the FSRS.

Anticipated Completion Date: June 30, 2023

Person responsible for corrective action:

Angeline Gaster, Assistant Director
 School Financial Services Team
 Division for Finance and Management
 Department of Public Instruction
angeline.gaster@dpi.wi.gov

Department of Workforce Development
Secretary's Office
201 E. Washington Avenue
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Madison, WI 53707
Telephone: (608) 266-3131
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Email: sec@dwd.wisconsin.gov



Tony Evers, Governor
Amy Pechacek, Secretary-designee

Corrective Action Plan

Finding 2022-600: Unemployment Insurance Program—Reporting

1. **RECOMMENDATION:** Continue to make progress in developing and implementing adequate procedures for the preparation and review of the Unemployment Insurance program's performance reports to ensure the accuracy of the amounts reported to the federal government.

Planned Corrective Action: DWD developed and implemented adequate procedures for the preparation and review of the UI performance and special reports to ensure the accuracy of amounts reported to the federal government; and retains documentation to support the amounts included in each report it submits to the federal government.

Anticipated Completion Date: Completed before September 30, 2022

Name, Title: Jim Chiolino, Administrator
Division or Unit (If applicable): Unemployment Insurance Division
Email address: jim.chiolino@dwd.wisconsin.gov

CC: Pamela McGillivray
Lynda Jarstad
Jason Schunk



Corrective Action Plan

Finding 2022-700: Research and Development Cluster—Physical Inventory Requirements for Federal Equipment

Planned Corrective Action: The University agrees with the condition that we did not perform a physical inventory of all federal equipment during the period from July 1, 2020, through June 30, 2022, because of staffing issues and backlog in the FY 2020-21 physical inventories. Much of the staffing issues were related to Covid-19 both physical availability and turnover. As operations have since normalized, we do not believe a corrective action plan to our procedures is needed. However, we do recognize that we need to catch up on the backlog of inventory. Since June 30, 2022, Property Control has hired three new employees and is now fully staffed. We are in the middle of conducting the FY 2022-23 physical inventories. We selected 45 departments and a total of 6089 assets. Of the total asset count 5295 were federal equipment, which is 62% of all federal equipment for FY 2022-23. We have received 19 departments' inventory submissions and have completed 4 of them. The Property Control team along with campus staff are working diligently to get these inventories completed by year-end June 30, 2023. We have every confidence that rest of the 38% of federal equipment will be inventoried as required under 2 CFR s. 200.313 (d) (2) by fiscal year end 2024.

Anticipated Completion Date: 6/30/2024

Person responsible for corrective action:

Cha Ying Lor, Finance Associate Director
Division of Business Services
Accounting Services – Financial Information Management
chaying.lor@wisc.edu



Business Services

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Corrective Action Plan

Finding 2022-701: Higher Education Emergency Relief Fund—UW-La Crosse Institutional Aid Allowable Costs

Planned Corrective Action: All identified unallowable costs were removed from the federal grant award in December 2022. UW-La Crosse will implement the recommendation of the Legislative Audit Bureau to add a sign-off requirement by the HEERF Fund Manager to the monthly HEERF expense review process to indicate costs have been reviewed for proper placement.

Anticipated Completion Date: March 12, 2023

Person responsible for corrective action:

Spencer Wyman-Green
Assistant Controller
Business Services
UW-La Crosse
sgreen@uwlax.edu



UNIVERSITY OF WISCONSIN
PLATTEVILLE
 FINANCIAL SERVICES

DATE: March 15, 2023

TO: Sherry Haakenson
 Financial Audit Director
 780 Regent St
 Madison, WI 53708

FROM: AJ Cogan, Controller
 UW – Platteville
 2208 Ullsvik
 Platteville, WI 53818

Corrective Action Plan

**Finding 2022-702: Higher Education Emergency Relief Fund—UW Platteville
 Institutional Aid Allowable Costs**

Planned Corrective Action: UW-Platteville management agrees with the finding regarding the \$1,018 and in March 2023 a journal entry by the controller was made to reverse the expense and the funds have been refunded back. Though UW-Platteville continues to believe the \$23,500 video costs are allowable, to quickly resolve the issue, UW-Platteville will remove the LAB-identified costs from the federal funding and replace them with other allowable costs.

Anticipated Completion Date: 3/31/23

Person responsible for corrective action:
 Lynsey Schwabrow, Chief Business Officer
 Administrative Services
 schwabrowl@uwplatt.edu



Corrective Action Plan

Finding 2022-703: Higher Education Emergency Relief Fund—UW-Superior Institutional Aid Allowable Costs

Planned Corrective Action: UW-Superior will review all HEERF Institutional and Strengthening Institutions Program expenses and ensure there is adequate documentation and that all expenses are allowable. The review will be documented and maintained in Business Services.

Anticipated Completion Date: 7/31/23

Person responsible for corrective action:

Name, Title: Shaun Marshall, Director of Business and Financial Services/Controller

Division or Unit (If applicable): Business and Financial Services

Email address: smarsha2@uwsuper.edu

Business Office

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Corrective Action Plan

Finding 2022-704: Research and Development Cluster—Unallowable Costs

Planned Corrective Action: We agree with the condition that expenditures noted by the auditors were posted to federal awards in error. Our institution has robust policies and procedures in place along with multiple levels of review for transactions that post to awards. However, there may be rare instances where a transaction posts to an award for which it is not allowable or allocable. As noted by the auditors, they sampled from a population of \$86.9 million from certain expenditure codes and only questioned \$650 in costs. These expenditures have now been transferred off the awards to non-sponsored funding.

To help Research Administrators manage Research and Development Awards, RSP (Research and Sponsored Programs) offers a variety of tools. RSP maintains a website that houses policies and procedures related to all relevant Research Administration topics. In addition to this, the RSP website has FAQ (Frequently Asked Questions) pages on a variety of Research Administration topics. RSP also offers a comprehensive training program called RED (Research Education Development). We offer courses that include topics such as a basic introduction to research administration, closeout of awards, cost-share, cost-transfers, and many others. We will remind administrators and their staff of all the relevant information our website houses and that they should take any pertinent RED. Lastly, we will remind staff that they can retake courses if they haven't taken them recently and want to refresh their knowledge.

Anticipated Completion Date: 5/31/23

Person responsible for corrective action:
 Kyle Everard, Manager of NSF-DOE Team
 Research and Sponsored Programs
 Kyle.Everard@rsp.wisc.edu

Office of Research and Sponsored Programs
 University of Wisconsin-Madison 21 N. Park St, STE 6301 Madison, Wisconsin 53715
 608/262-3822 Fax: 608/262-5111 www.rsp.wisc.edu

STATE OF WISCONSIN

General Purpose External Financial Statements



For the fiscal year ended June 30, 2022

Tony Evers, Governor

Department of Administration
Kathy Blumenfeld, Secretary - Designee
Angela Thomas, State Controller

Prepared by the State Controller's Office

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STATE OF WISCONSIN

DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary - Designee
Brian Pahnke, Administrator

December 21, 2022

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, 2022. They are part of the audited Annual Comprehensive 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.

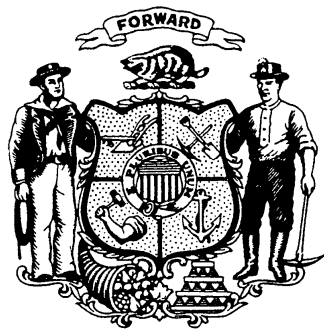
The General Purpose External Financial Statements, as well as the Annual Comprehensive Financial Report, are on file at the office of the State Controller and will benefit users requiring summary information about our State's finances. The Annual Comprehensive Financial Report is available on the Department of Administration's website.

Sincerely,

Kathy Blumenfeld
Secretary - Designee

Angela Thomas, CPA
State Controller

Executive Budget and Finance, State Controller's Office, PO Box 7932, Madison, WI 53707-7932
Phone: (608) 266-1694 | DOA.WI.GOV





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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wisconsin as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State of Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wisconsin as of June 30, 2022, the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements for the Environmental Improvement Fund, which is a major fund and represents 14.2 percent of the assets of the business-type activities, and the Deferred Compensation Fund, which represents 3.5 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 Wisconsin Housing and Economic Development Authority, the University of Wisconsin (UW) Hospitals and Clinics Authority, and the UW Foundation, which represent 98.9 percent of the total assets and deferred outflows of resources of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the aggregate discretely presented component units is based solely upon these audit reports.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Wisconsin, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide

a basis for our audit opinions. The financial statements for the Environmental Improvement Fund, UW Hospitals and Clinics Authority, and the Wisconsin Housing and Economic Development Authority were audited by other auditors in accordance with these standards. The financial statements of the Deferred Compensation Fund 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*.

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, 2022, the State Investment Fund held \$4.7 billion in a repurchase agreement with the Wisconsin Retirement System (WRS). The investments of the State Investment Fund and the WRS 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.

As discussed in Note 1D to the financial statements, the State of Wisconsin implemented Governmental Accounting Standards Board (GASB) Statement Number 87, *Leases*, which changed accounting and financial reporting for leases. As reported in Note 23 to the financial statements, some beginning net position amounts were restated to reflect implementation of this new standard.

Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute

assurance. Therefore, reasonable assurance is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we exercised professional judgment and maintained professional skepticism throughout the audit. We also identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

In addition, we obtained an understanding of internal control relevant to the audit in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Wisconsin's internal control. Accordingly, no such opinion is expressed. We also evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluated the overall presentation of the financial statements. We also concluded, in our judgment, there were no conditions or events, considered in the aggregate, that raise substantial doubt about the State of Wisconsin's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, Postemployment Benefits–Supplemental Health Insurance Conversion Credit 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These procedures consisted of inquiries of management about the methods of preparing the information and comparing 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 our report dated December 20, 2022, and published in report 22-26, 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 of Wisconsin'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 of Wisconsin's internal control over financial reporting and compliance.

LEGISLATIVE AUDIT BUREAU

A handwritten signature in cursive script that reads "Legislative Audit Bureau".

December 20, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Management's Discussion and Analysis* of the State of Wisconsin's Annual Comprehensive Financial Report (ACFR) presents a discussion and analysis of the State's financial performance during the fiscal year that ended June 30, 2022. It should be read in conjunction with the transmittal letter located at the front of this ACFR, and the State's financial statements, including the note disclosures which are an integral part of the statements, that follow this part of the ACFR.

FINANCIAL HIGHLIGHTS -- PRIMARY GOVERNMENT

Government-wide (Tables 2 and 3 on Pages 11 and 12)

- *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 2022 by \$36.9 billion (reported as "net position"). Of this amount, \$(2.8) 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 \$5.7 billion in Fiscal Year 2022. Net position of governmental activities increased by \$5.2 billion or 26.4 percent, while net position of the business-type activities showed a increase of \$558.8 million or 4.8 percent.
- *Excess of Revenues over (under) Expenses -- Governmental Activities.* During Fiscal Year 2022, the State's total revenues for governmental activities of \$43.7 billion were \$6.6 billion more than total expenses (excluding transfers) for governmental activities of \$37.1 billion. Of these expenses, \$20.1 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled \$23.5 billion.

Fund

- *Governmental Funds -- Fund Balances.* As of the close of Fiscal Year 2022, the State's governmental funds reported combined ending fund balances of \$8.1 billion, an increase of \$3.7 billion in comparison with the prior year. Of this total amount, \$2.2 billion represents the unassigned fund balances.
- *General Fund -- Fund Balance.* At the end of Fiscal Year 2022, total fund balance was \$4.6 billion, a change of \$3.5 billion from \$1.2 billion in the prior year. The unassigned fund balance for the General Fund was \$2.2 billion, or 6.7 percent of total General Fund expenditures.

Additional information regarding individual funds begins on page 16.

Long-term Debt

- The State's total long-term debt obligations (bonds, notes, and certificates of participation payable) decreased by \$365.7 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 in excess of new debt issued. During the year repayments of general obligation debt exceeded new issuances by \$102.1 million. Repayments of certificates of participation exceeded new issuances by \$1.5 million. Revenue bonds outstanding decreased by \$78.8 million. Annual appropriation bonds outstanding decreased by \$183.3 million.

Additional detail regarding these activities begins on page 21.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Section of this ACFR consists of four parts: (1) **management's discussion and analysis** (this section), (2) **basic financial statements**, (3) additional **required supplementary information**, and (4) optional **other supplementary information**. Parts (2), (3), and (4) are briefly described on the following pages:

Basic Financial Statements

The basic financial statements include two sets of statements that present different views of the State -- the **government-wide financial statements** and the **fund financial statements**. These financial statements also include notes that explain some of the information in the financial statements and provide more detail.

- The *government-wide financial statements* provide a broad view of the State's operations. The statements provide both short-term and long-term information about the State's financial status, which assists in assessing the State's financial condition at the end of the fiscal year.
- The *fund financial statements* focus on individual parts of the State government, reporting the State's operations in greater detail than the government-wide statements. The basic fund financial statements provide more detailed information on the State's most significant funds.

Table 1, below, summarizes the major features of the financial statements.

Table 1				
Major Features of State of Wisconsin's Government-wide and Fund Financial Statements				
	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	<p>Entire State government (except fiduciary funds) and the State's component units, reported as follows:</p> <ul style="list-style-type: none">• <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.• <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.• <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.	<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 two major governmental funds), as reported within their respective fund types, follow:</p> <ul style="list-style-type: none">• <i>General Fund</i> (major fund)• <i>Special Revenue</i>:<ul style="list-style-type: none">– Transportation (major fund)• <i>Debt Service</i>:<ul style="list-style-type: none">– Bond Security and Redemption• <i>Capital Projects</i>:<ul style="list-style-type: none">– Capital Improvement• <i>Permanent</i>:<ul style="list-style-type: none">– Common School	<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 three major enterprise funds, follow:</p> <ul style="list-style-type: none">• <i>Enterprise</i>:<ul style="list-style-type: none">– Environmental Improvement (major fund)– University of Wisconsin System (major fund)– Unemployment Reserve (major fund)– Lottery• <i>Internal services</i>:<ul style="list-style-type: none">– Technology Services– Facilities Operations and Maintenance	<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">• <i>Pension and Other Employee Benefit Trust Funds</i>:<ul style="list-style-type: none">– Wisconsin Retirement System• <i>Investment Trust</i>:<ul style="list-style-type: none">– Local Government Pooled Investment• <i>Private Purpose Trust</i>:<ul style="list-style-type: none">– Tuition Trust• <i>Custodial</i>:<ul style="list-style-type: none">– Support Collection Trust
Required financial statements	<ul style="list-style-type: none">• 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.• 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.	<ul style="list-style-type: none">• Balance sheet• Statement of revenues, expenditures, and changes in fund balances	<ul style="list-style-type: none">• Statement of net position• Statement of revenues, expenses and changes in fund net position• Statement of cash flows	<ul style="list-style-type: none">• Statement of fiduciary net position• Statement of changes in fiduciary net position <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)

Table 1 (Continued)

Major Features of State of Wisconsin's Government-wide and Fund Financial Statements

	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Accounting basis and measurement focus	Accrual accounting and economic resource focus The accrual basis of accounting, which is similar to the methods used by most businesses, takes into account all revenues and expenses associated with the fiscal year even if cash involved has not been received or paid.	Modified accrual accounting and current financial resource focus These statements provide a detailed short-term view of the State's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the State. Because this information does not encompass the long-term focus of the government-wide statements, reconciliations are provided on the subsequent page of the governmental fund statements.	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows of resources, liability, deferred inflows of resources information	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.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow-outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Additional Required Supplementary Information

In addition to this Management's Discussion and Analysis, which is required supplementary information, the basic financial statements are followed by a section of required supplemental information that further explains and supports the information in the financial statements. The required supplementary information includes:

- Postemployment Benefits - State Health Insurance Program, State Life Insurance Program and Supplemental Health Insurance Conversion Credit 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, 2022 were \$65.8 billion and deferred outflows of resources were \$5.3 billion, while total liabilities were \$28.2 billion and deferred inflows of resources were \$6.0 billion, resulting in combined net position (governmental and business-type activities) of \$36.9 billion. The largest component of the State's total net position consists of \$26.5 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 \$13.2 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 \$(2.8) 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.

During Fiscal Year 2022, the State issued \$1.0 billion of general obligation bonds, primarily for the acquisition or improvement of land, water, property, highways, buildings, and equipment. At June 30, 2022 general obligation bonds and long-term general obligation notes outstanding totaled \$7.5 billion. Certificates of participation, annual appropriation bonds, and revenue bonds are not considered general obligation debt of the State. The outstanding amount of these totaled \$67.7 million of certificates of participation, \$2.7 billion of annual appropriation bonds, and \$2.3 billion of revenue bonds.

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2021*	2022	2021*	2022	2021*	2022-2021
Current and Other Assets	\$ 20,433.9	\$ 16,966.8	\$ 12,265.4	\$ 11,710.5	\$ 32,699.3	\$ 28,677.3	14.0 %
Capital Assets	26,902.7	26,075.0	6,185.2	5,989.7	33,087.9	32,064.8	3.2
Total Assets	47,336.6	43,041.8	18,450.6	17,700.2	65,787.2	60,742.0	8.3
Deferred Outflows of Resources	2,596.6	1,848.0	2,699.0	1,794.8	5,295.6	3,642.7	45.4
Long-term Liabilities	14,070.0	14,117.4	4,585.9	4,339.0	18,655.8	18,456.4	1.1
Other Liabilities	8,309.3	9,147.1	1,213.9	1,231.5	9,523.2	10,378.6	(8.2)
Total Liabilities	22,379.2	23,264.5	5,799.8	5,570.5	28,179.0	28,835.1	(2.3)
Deferred Inflows of Resources	2,822.0	2,064.0	3,202.1	2,335.6	6,024.1	4,399.6	36.9
Net Position:							
Net investment in							
Capital Assets	22,367.6	21,717.4	4,128.8	3,956.0	26,496.4	25,673.4	3.2
Restricted	4,889.6	4,103.2	8,305.9	7,898.3	13,195.5	12,001.4	9.9
Unrestricted (deficit)	(2,525.2)	(6,259.4)	(286.9)	(265.4)	(2,812.2)	(6,524.8)	56.9
Total Net Position	\$ 24,732.0	\$ 19,561.2	\$ 12,147.7	\$ 11,588.9	\$ 36,879.6	\$ 31,150.1	18.4 %

* 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 \$28.7 billion and general revenues of \$23.5 billion for total revenues of \$52.2 billion during Fiscal Year 2022. Expenses for the State during Fiscal Year 2022 were \$46.5 billion. As a result of the excess of revenues over expenses, the total net position of the State increased \$5.7 billion, net of contributions and transfers.

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2022	2021*	2022	2021*	2022	2021*	2022-2021
Program Revenues:							
Charges for Services	\$ 2,620.0	\$ 2,538.0	\$ 7,353.8	\$ 6,910.7	\$ 9,973.8	\$ 9,448.7	5.6 %
Operating Grants and Contributions	16,527.0	14,724.5	1,206.2	3,770.6	17,733.2	18,495.1	(4.1)
Capital Grants and Contributions	1,002.7	917.5	18.9	103.0	1,021.6	1,020.5	0.1
General Revenues:							
Income Taxes	12,902.6	10,942.7	—	—	12,902.6	10,942.7	17.9
Sales and Excise Taxes	7,827.2	7,206.1	—	—	7,827.2	7,206.1	8.6
Public Utility Taxes	378.2	365.5	—	—	378.2	365.5	3.5
Motor Fuel Taxes	1,120.0	1,079.3	—	—	1,120.0	1,079.3	3.8
Other Taxes	501.4	467.6	—	—	501.4	467.6	7.2
Other General Revenues	791.9	759.6	(14.9)	1.3	777.0	760.9	2.1
Total Revenues	43,671.0	39,000.8	8,564.0	10,785.6	52,235.0	49,786.4	4.9
Program Expenses:							
Commerce	516.4	491.7	—	—	516.4	491.7	5.0
Education	9,102.3	8,376.2	—	—	9,102.3	8,376.2	8.7
Transportation	2,577.4	2,399.7	—	—	2,577.4	2,399.7	7.4
Environmental Resources	500.0	522.2	—	—	500.0	522.2	(4.3)
Human Relations and Resources	19,470.0	17,653.8	—	—	19,470.0	17,653.8	10.3
General Executive	1,723.0	2,098.0	—	—	1,723.0	2,098.0	(17.9)
Judicial	146.9	147.3	—	—	146.9	147.3	(0.2)
Legislative	76.2	69.2	—	—	76.2	69.2	10.2
Tax Relief and Other General Expenditures	1,591.2	1,639.5	—	—	1,591.2	1,639.5	(2.9)
Intergovernmental - Shared Revenue	1,074.9	1,064.3	—	—	1,074.9	1,064.3	1.0
Interest on Long-term Debt	313.3	355.3	—	—	313.3	355.3	(11.8)
Injured Patients and Families Compensation	—	—	50.3	116.8	50.3	116.8	(57.0)
Environmental Improvement	—	—	66.0	41.0	66.0	41.0	60.9
University of Wisconsin System	—	—	5,377.2	5,051.7	5,377.2	5,051.7	6.4
Unemployment Reserve	—	—	684.5	3,488.5	684.5	3,488.5	(80.4)
Lottery	—	—	973.5	912.4	973.5	912.4	6.7
Health Insurance	—	—	1,691.3	1,661.0	1,691.3	1,661.0	1.8
Care and Treatment Facilities	—	—	408.1	398.2	408.1	398.2	2.5
Other Business-type	—	—	176.2	113.9	176.2	113.9	54.7
Total Expenses	37,091.6	34,817.2	9,427.0	11,783.6	46,518.6	46,600.8	(0.2)
Excess (deficiency) before Contributions, Special Items and Transfers	6,579.4	4,183.6	(863.0)	(998.0)	5,716.4	3,185.7	
Endowments	—	—	1.1	11.5	1.1	11.5	
Contributions to Permanent Fund Principal	12.1	11.0	—	—	12.1	11.0	
Transfers	(1,420.7)	(1,313.8)	1,420.7	1,313.8	—	—	
Increase (decrease) in Net Position	5,170.8	2,880.8	558.8	327.3	5,729.6	3,208.1	
Net Position - Beginning (Restated)	19,561.2	16,680.4	11,588.9	11,261.6	31,150.1	27,941.9	
Net Position - Ending	\$ 24,732.0	\$ 19,561.2	\$ 12,147.7	\$ 11,588.9	\$ 36,879.6	\$ 31,150.1	18.4 %

* Amounts for the prior fiscal year include restatements of prior year's balances.

Governmental Activities

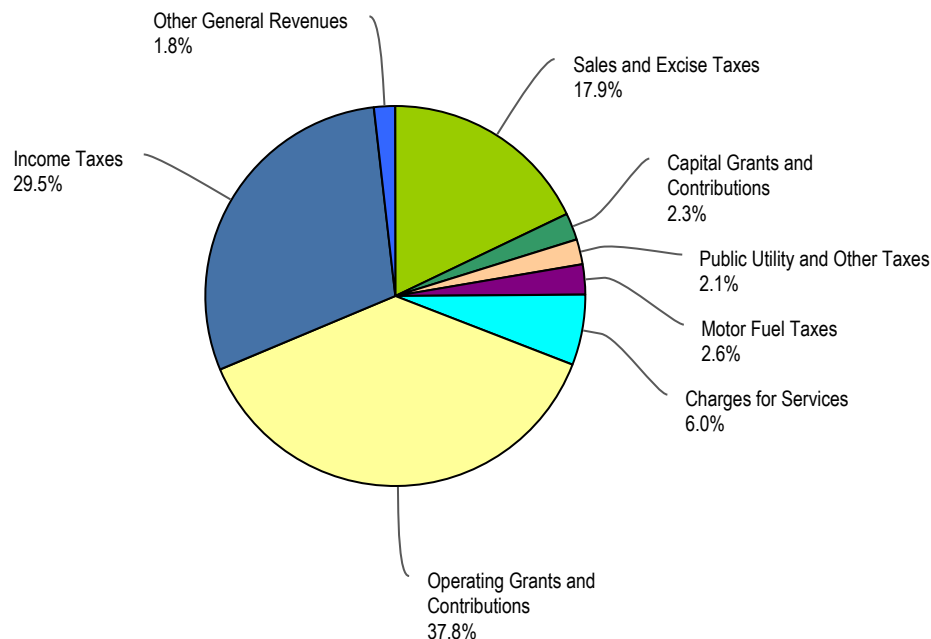
The net position of governmental activities increased \$5.2 billion in Fiscal Year 2022. Revenues for the governmental activities (including contributions to permanent fund principal) totaled \$43.7 billion, while expenses and net transfers totaled \$38.5 billion in Fiscal Year 2022.

General and program revenues of governmental activities increased \$4.7 billion during Fiscal Year 2022. Tax revenues increased \$2.7 billion primarily due to enhanced income taxes and sales and excise taxes of \$2.0 billion and \$621.1 million, respectively. Motor fuel taxes, other taxes and public utility taxes also increased \$40.7 million, \$33.7 million and \$12.7 million, respectively, from the prior year. Operating grants and capital grants increased by \$1.8 billion and \$85.2 million, respectively. In addition charges for services and other revenues increased \$82.0 million and \$33.4 million, respectively.

The State's governmental activities program expenses increased \$2.3 billion to \$37.1 billion during Fiscal Year 2022. Human relations and resources expenses increased by \$1.8 billion (10.3 percent) to a total of \$19.5 billion, due to increases in medical costs. General executive expenses decreased \$(375.0) million (17.9 percent) to a total of \$1.7 billion, due to decreased CARES and ARPA expenditures compared to Fiscal Year 2021. Education expenses increased by \$726.1 million (8.7 percent) to \$9.1 billion, due to increases in general equalization aids, parental choice program for eligible school districts, per pupil aid and aids for special education and school-age parents programs. Commerce, intergovernmental, and legislative expenses increased \$24.6 million, \$10.6 million, and \$7.1 million, respectively. Conversely, tax relief and other general expenses, environmental resource and judicial expenses decreased \$48.3 million, \$22.2 million, and \$0.4 million, respectively. Interest on long-term debt also decreased \$42.1 million.

As shown in Table 4, below, approximately 52.0 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 37.8 percent of total revenues. Capital grants and contributions provided 2.3 percent, charges for services contributed 6.0 percent, while various other revenues provided 1.8 percent of the remaining governmental activity revenue sources.

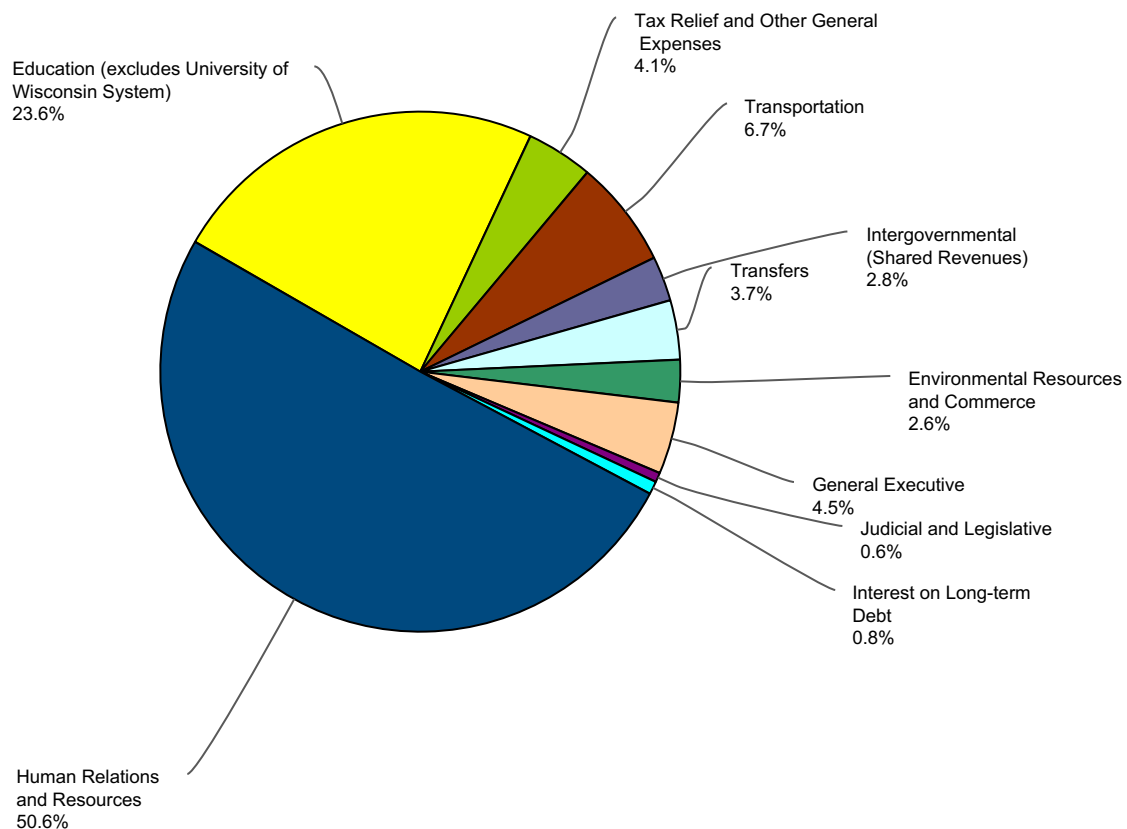
TABLE 4
Governmental Activities - 2022 Revenues



As shown in Table 5, below, expenses for human relations and resources programs make up the largest portion – 50.6 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 23.6 percent of total expenses. Tax relief and other general expenses and the intergovernmental-shared revenue program represent 6.9 percent of the total, while transportation expenses and general executive expenses represent 6.7 percent and 4.5 percent, respectively. Net transfers to business-type activities, which include a general purpose revenue subsidy to the University of Wisconsin System, make up 3.7 percent of the total expenses and transfers. Remaining functional expenses totaled 3.2 percent while interest on long-term debt totaled 0.8 percent.

TABLE 5
Governmental Activities - 2022 Expenses



Business-Type Activities

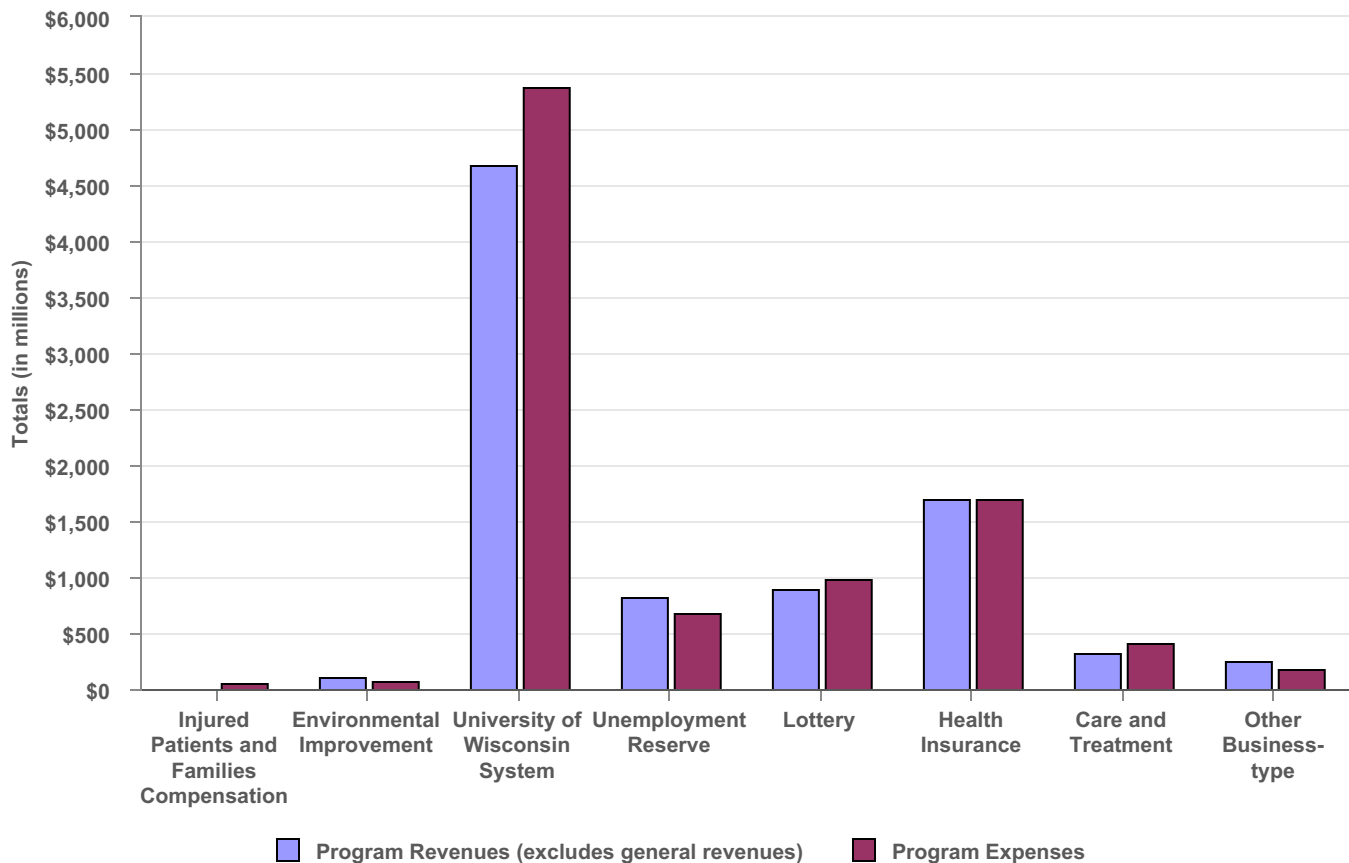
Net position of the State's business-type activities increased \$558.8 million in Fiscal Year 2022.

Revenues of business-type activities totaled \$8.6 billion for Fiscal Year 2022, a decrease of \$2.2 billion from the prior year. Program revenues consisted of \$7.4 billion of charges for services, \$1.2 billion of operating grants and contributions, and \$18.9 million of capital grants and contributions. General revenues, contributions to endowments and permanent fund principal and net transfers totaled \$(14.9) million, \$1.1 million, and \$1.4 billion, respectively.

The total expenses for business-type activities were \$9.4 billion, a decrease of \$2.4 billion from the prior fiscal year. The largest decrease in program expenses, \$2.8 billion, related to decreased expenses for the Unemployment Insurance Reserve. Expenses for Injured Patients and Family Compensation also decreased \$66.5 million. Offsetting those decreases were increases in University of Wisconsin System, other business-type expenses, Lottery, Health Insurance, Environmental Improvement and Care and Treatment Facilities of \$325.5 million, \$62.3 million, \$61.1 million, \$30.3 million, \$25.0 million and \$10.0 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.

TABLE 6
Fiscal Year 2022
Business-Type Activities
Comparison of Program Revenues to Program Expenses



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds

At the end of Fiscal Year 2022, the State's governmental funds reported a combined fund balance of \$8.1 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, 2022, the State's General Fund reported a total fund balance of \$4.6 billion. The net change in fund balance during Fiscal Year 2022 was \$3.5 billion, in contrast to \$1.2 billion in Fiscal Year 2021. Major revenue, expenditure and other sources/uses contributing to the change in fund balance are as follows:

Revenues

Revenues of the General Fund totaled \$39.3 billion in Fiscal Year 2022, an increase of \$4.8 billion (13.8 percent) from the prior year. Factors contributing to this change included the following:

- Revenues from taxes increased \$2.6 billion. The increase primarily relates to income and sales taxes, which increased \$1.9 billion and \$663.2 million, respectively, from Fiscal Year 2021. The income tax increase was the result of growth in personal income, while sales tax revenue increases were driven by increased consumer expenditures for taxable goods.
- Intergovernmental revenues (i.e., federal assistance) increased \$2.0 billion to \$16.2 billion in Fiscal Year 2022. Human relations and resources programs (e.g., Medicaid) reported increased revenues of \$2.4 billion. Federal reimbursements for grant expenditures increased due to COVID-19 along with a general increase in medical assistance costs. At the end of Fiscal Year 2021, the State recorded unearned revenue of \$1.6 billion for unspent American Rescue Plan Act (ARPA) and Coronavirus Relief Funds. In Fiscal Year 2022, \$766.3 million of that amount was spent and subsequently earned and recorded as intergovernmental revenue. During Fiscal Year 2022, the State received an additional \$1.3 billion under ARPA. The remaining unspent amount was recorded as unearned revenue by the State and will be recorded as intergovernmental revenue in future years as the funds are spent.

Expenditures

2021 Wisconsin Act 58 established spending authority for the State of Wisconsin for Fiscal Year 2022. Expenditures of the General Fund totaled \$33.6 billion in Fiscal Year 2022, an increase of \$2.2 billion from Fiscal Year 2021. Factors contributing to the change include the following:

- Human relations and resources expenditures increased by \$1.8 billion to \$19.4 billion, primarily the result of increased grants and aids to individuals and organizations, in part for coronavirus relief and other medical assistance costs. These costs comprise 57.7 percent of General Fund expenditures.
- Education expenditures increased \$718.7 million to 9.0 billion, due in part to increases in parental choice program for eligible school districts, per pupil aid, special needs scholarship program and aids for special education and school-age parents programs in Fiscal Year 2022. These costs comprise 26.8 percent of General Fund expenditures.

Other Financing Sources and Uses

Other financing sources/uses totaled a net \$(2.3) billion in Fiscal Year 2022, a \$262.1 million decrease from Fiscal Year 2021. The components of this included the following:

- Transfers out of the General Fund totaled \$2.4 billion, an increase of \$285.3 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 \$1.1 billion, an increase of \$37.4 million from the prior year. The University of Wisconsin System, which receives the majority of the GPR supplement, had \$998.2 million in GPR expenses in Fiscal Year 2022, an increase of \$36.6 million.

- Transfers out for debt service payments to the Bond Security and Redemption Fund totaled \$425.0 million in Fiscal Year 2022 compared to \$429.2 million in Fiscal Year 2021. Transfers out to other nonmajor governmental funds were \$417.1 million in Fiscal Year 2022 compared to \$398.8 million in Fiscal Year 2021.
- Transfers out to nonmajor enterprise funds, Transportation Fund and Unemployment Reserve were \$205.8 million, \$205.2 million and \$60.0 million, respectively.
- Transfers in to the General Fund increased \$2.5 million (from \$61.4 million in Fiscal Year 2021 to \$63.9 million in Fiscal Year 2022). The University of Wisconsin System transferred \$23.9 million, while nonmajor governmental funds and nonmajor enterprise funds transferred \$22.1 million and \$13.9 million, respectively.

Note 9D provides additional information on transfers in and out of the General Fund.

As of June 30, 2022, the General Fund reported an unassigned fund balance of \$2.2 billion, a change of \$3.2 billion from the prior year, which had a deficit of \$(912.0) million. This is the first year the State's General Fund has ended with a positive unassigned fund balance since the State began issuing an ACFR in Fiscal Year 1990.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were significant and included a \$15.0 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
Federal Aid CRF and ARPA*	\$2,939.8
Food Stamps, Electronic Benefit Transfer*	2,529.8
UW System, General Program Operations (part of Statutory General Fund)	1,127.7
Federal Aid Medical Assistance	1,119.2
UW Federal Aid	775.0
DOR Grants	535.4
UW System, Gifts and Nonfederal Grants and Contracts	357.3
Inter agency CRF and ARPA Transfer*	345.9

Actual charges to appropriations (expenditures) were \$8.7 billion below the final budgeted estimates. Large positive expenditure variances were reported in the the Federal Aid CRF and ARPA (\$1.8 billion) appropriations, UW program operations and Federal Aid (\$1.7 billion), DCF Medical Assistance Program Benefits (\$450.4 million) and DHS Medical Assistance Federal Aid (\$426.8 million).

During the past fiscal year, the budgetary-based fund balance increased \$2.5 billion for the statutory General Fund, mainly the result of federal funds received under the American Rescue Plan Act (ARPA) which the State has until 2024 to spend and an increase in tax revenues. Net transfers from other funds totaled \$(442.3) million in Fiscal Year 2022 compared to \$(972.6) million in the prior fiscal year.

Transportation Fund

In Fiscal Year 2022, the Transportation Fund's fund balance increased \$275.2 million (26.4 percent) from \$1.0 billion to \$1.3 billion. The State constitutionally restricts use of state resources deposited into the Fund for transportation purposes. As such, \$1.3 billion or 96.7 percent of fund balance is reported as restricted for Fiscal Year 2022. 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. In Fiscal Year 2022 revenues of the fund increased \$103.9 million (3.5 percent) to a total of \$3.1 billion. Intergovernmental revenues increased \$66.5 million; use of external sources of funding for projects, rather than state resources regularly contributes to revenue fluctuations in this category between years. License and permit revenues decreased \$13.9 million in Fiscal Year 2022 due to decline in vehicle titles registrations, while taxes increased \$44.2 million due mainly to an increase in fuel taxes.

Transportation expenditures of \$2.9 billion increased 8.1 percent or \$215.6 million, including a 16.4 percent or \$57.8 million increase in capital outlay expenditures. The increase in capital outlay expenditures was the result of increased funding from the Infrastructure Investment and Jobs Act. In addition to the expenditures reported in the Transportation Fund, long-term debt-funded transportation expenditures of \$72.6 million and \$72.6 million were reported in the Capital Improvement Fund and Transportation Revenue Bonds Fund, respectively. In the current year, transportation-related expenditures decreased \$35.8 million in the Capital Improvement Fund, and \$1.0 million in the Transportation Revenue Bonds Fund.

Transfers in increased from \$62.7 million to \$228.6 million in Fiscal Year 2022. This increase is mainly due to a one time transfer from the General Fund of \$134.2 million. 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 \$44.7 million in Fiscal Year 2022. In addition, \$23.3 million was transferred from the Petroleum Inspection Special Revenue Fund, compared to \$16.2 million transferred in Fiscal Year 2021. Transfers out decreased \$20.4 million to \$175.0 million. Transfers out to the Bond Security and Redemption Fund for debt service were \$134.5 million, while transfers out to the Conservation Fund were \$21.6 million in Fiscal Year 2022.

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 2021 to Fiscal Year 2022 include the following:

Environmental Improvement

Fund net position of the Environmental Improvement Fund increased \$34.6 million to \$2.2 billion. Total assets of the Fund increased by \$108.9 million, while total liabilities also increased by \$74.2 million. Assets increased to \$2.6 billion as the result of loans to local governments increasing \$147.4 million, while cash decreased \$37.2 million. Liabilities increased to \$402.6 million due to a \$73.4 million increase in revenue bonds payable.

Operating income of the Fund increased by \$1.8 million to \$27.4 million in Fiscal Year 2022. Operating revenue of \$46.7 million, which consists primarily of investment and interest income, remained steady in Fiscal Year 2022. Operating expenses increased \$0.2 million in Fiscal Year 2022, the result of a \$1.3 million increase in interest expense and a \$0.8 million decrease in salaries and benefits.

Unemployment Reserve

Net position of the Unemployment Reserve Fund increased by \$203.0 million during Fiscal Year 2022 from \$1.2 billion at June 30, 2021 to \$1.4 billion at June 30, 2022. Benefit expenses decreased from \$3.5 billion in Fiscal Year 2021 to \$683.0 million in Fiscal Year 2022, a decrease of \$2.8 billion (80.4 percent). This decrease is attributed to the average unemployment rate decreasing from 4.9 percent during Fiscal Year 2021 to 3.1 percent during Fiscal Year 2022, along with pandemic-related unemployment programs ending on September 4, 2021.

Total operating revenues decreased by \$2.1 billion from \$2.9 billion in Fiscal Year 2021 to \$811.2 million in Fiscal Year 2022. This decrease is mainly the result of Federal aids revenue for the unemployment program decreasing from \$2.5 billion in Fiscal Year 2021 to \$334.1 million in Fiscal Year 2022, a decrease of \$2.1 billion (86.1 percent). Employer contributions decreased from \$463.6 million in Fiscal Year 2021 to \$451.3 million in Fiscal Year 2022, a decrease of \$12.3 million (2.7 percent). The average tax rate on taxable wages decreased from 1.4 percent during Calendar Year 2021 to an estimated 1.1 percent in Calendar Year 2022. Reimbursements of \$20.4 million in Fiscal Year 2022 represented an increase of \$14.7 million (259.5 percent) from Fiscal Year 2021.

University of Wisconsin System

Fund net position increased \$435.7 million to \$6.4 billion. Assets, which consist primarily of capital assets and cash, increased \$650.6 million to \$10.7 billion. The Fund reported a restricted net pension asset of \$1.1 billion in Fiscal Year 2022, an increase of \$253.4 million from Fiscal Year 2021, along with a restricted net OPEB asset of \$148.3 million, which was an increase of \$23.8 million from \$124.5 million in Fiscal Year 2021. The Fund also reported an increase of \$418.2 million in investments and a decrease of \$328.7 million in cash in Fiscal Year 2022. Total liabilities, which consists primarily of bonds payable and OPEB, increased by \$220.3 million to \$3.8 billion. Deferred outflows of resources increased \$784.4 million to \$2.3 billion and deferred inflows of resources also increased \$778.9 million to \$2.9 billion in Fiscal Year 2022. The changes in deferred outflows and inflows were primarily related to changes in pension related amounts.

Operating revenues increased \$419.6 million or 12.2 percent to \$3.9 billion. Student tuition, and federal grants and contracts of \$1.4 billion and \$917.9 million, respectively, comprise 60.8 percent of operating revenues. Increases of \$141.7 million, \$87.4 million and \$86.8 million were reported for sales and services of auxiliary enterprises, sales and services of educational activities, federal grants and contracts, respectively. Local and private grants and contracts and sales and services to UW Hospital Authority reported increases of \$6.6 million and \$3.7 million, respectively. Other income revenues also increased by \$73.9 million (19.8 percent). Operating expenses increased \$417.1 million or 8.5 percent. Personal services, supplies and services, scholarship and fellowships, depreciation and other expenses increased by \$156.9 million, \$125.1 million, \$83.8 million, \$44.6 million and \$6.7 million, respectively. Offsetting those changes were decreases in nonoperating investment and interest income, gifts and donations and miscellaneous revenues of \$192.7 million, \$22.3 million, and \$10.1 million, respectively, while operating grants increased \$44.8 million.

Transfers in to the University of Wisconsin System totaled \$1.3 billion in Fiscal Year 2022. The general purpose revenue supplement received from the State's General Fund was \$998.2 million an increase of \$36.6 million. The Capital Improvement Fund also transferred \$191.3 million of bond and note proceeds to the University of Wisconsin System, an increase of \$2.7 million from the prior year. Bond proceeds transferred in are a function of on-going capital projects funded with those bonds. Capital contributions decreased \$36.5 million from the prior year to \$18.7 million in Fiscal Year 2022.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the close of Fiscal Year 2022, the State reported \$33.1 billion invested in capital assets, net of accumulated depreciation of \$9.6 billion. This represents an increase of \$1.0 billion, or 3.2 percent, from Fiscal Year 2021. Depreciation and amortization charges totaled \$202.9 million and \$414.3 million for governmental and business-type activities, respectively, in Fiscal Year 2022. The details of these assets are presented in Table 7, below. Additional information about the State's capital assets is presented in Note 7 to the financial statements.

TABLE 7 - Capital Assets, Net of Depreciation, as of June 30 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021*	2022	2021*	2022	2021*
Land and Land Improvements	\$ 3,066	\$ 3,029	\$ 188	\$ 184	\$ 3,254	\$ 3,213
Buildings and Improvements	1,390	1,418	4,587	4,479	5,977	5,896
Library Holdings	60	60	151	150	210	209
Machinery and Equipment	318	323	350	342	668	665
Infrastructure	19,392	18,839	—	—	19,392	18,839
Construction and Software in Progress	2,357	2,407	641	547	2,998	2,954
Right to Use Land	—	—	1	1	1	1
Right to Use Buildings	317	—	262	280	579	280
Right to Use Equipment	3	—	5	8	8	8
Totals	\$ 26,903	\$ 26,075	\$ 6,185	\$ 5,990	\$ 33,088	\$ 32,065

*Amounts for the prior fiscal year have been restated

The major capital asset additions completed or acquired during Fiscal Year 2022 included the:

- I39/90: USH 12 to Illinois (Completion 2021) \$1.2 billion
- UW Madison Chemistry Addition and Renovation \$119.2 million
- UW Madison Babcock Hall Renovation \$62.0 million
- UW Whitewater Chiller Plant Upgrade \$32.8 million
- UW Madison BSM Hill Lathrop Dr Utility Replacement \$12.1 million

In addition to these completed projects, construction and software in progress as of June 30, 2022 for governmental and business-type activities totaled \$2.4 billion and \$641.1 million, respectively. A list of those projects is provided in Note 7. The State's continuing or proposed major capital projects for Fiscal Year 2022 and future years include:

- Zoo Interchange (Completion in 2023) \$1.5 billion
- I41 State Highway 96 to Scheuring Road (Completion in 2029) \$1.2 billion
- I43 Silver Spring to STH 60 (Completion in 2024) \$535.9 million
- STH 51 I39/90 to US 12 (Completion in 2029) \$195.7M
- STH 23 State Highway 67 / US 41 (Completion in 2022) \$173.4 million
- I39/90/94 Bridges over Wisconsin River (Completion in 2027) \$146.9 million
- STH 15 STH 76 New London (Completion in 2024) \$138.0 million
- STH 50 I94 43rd Avenue (Completion in 2023) \$119.1 million
- USH 53 La Crosse Corridor (Completion and total estimated cost TBD)

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, 2022 was \$7.5 billion, as shown in Table 8. During Fiscal Year 2022, \$1.0 billion of general obligation bonds were issued to provide for the acquisition or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes or to refund outstanding bonds. Of the bonds issued in the current year, \$378.2 million were to be used for University of Wisconsin System academic and self-amortizing facilities, \$315.1 million for transportation projects, \$78.5 million for environmental programs, and \$29.6 million for correctional and mental health facilities. The remaining proceeds from new bonds issued were used for various other projects.

In 1992 the State established a facility to provide lease purchase financing to state agencies (Master Lease). Lease purchase obligations under the Master Lease are not general obligations of the State but are payable from appropriations of participating state agencies, subject to annual appropriation. The trustee for the facility issues Master Lease certificates of participation that evidence proportionate interest of the owners thereof in lease payments. As of June 30, 2022, \$67.7 million of these certificates were outstanding.

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, 2022, \$2.7 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 \$2.3 billion outstanding at June 30, 2022, as shown in Table 8. These bonds included \$1.9 billion of Transportation Revenue Bonds, and \$398.6 million of Environmental Improvement Revenue Bonds.

TABLE 8 - Outstanding Debt as of June 30 (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds and						
long-term notes	\$5,724.9	\$5,862.6	\$1,742.8	\$1,707.1	\$7,467.7	\$7,569.7
Certificates of participation	57.4	61.3	10.2	7.8	67.7	69.1
Annual appropriation bonds	2,703.2	2,886.5	—	—	2,703.2	2,886.5
Revenue bonds	1,885.2	2,037.5	398.6	325.2	2,283.8	2,362.7
Totals	\$10,370.7	\$10,848.0	\$2,151.7	\$2,040.1	\$12,522.4	\$12,888.1

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, 2022, State of Wisconsin general obligation fixed rate bonds had a rating of AA+ from Fitch Ratings, AAA 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 are outstanding in different forms, with ratings from two or more rating agencies.

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 5,100 bridges with a combined value of \$19.4 billion) using the modified approach. Under this method, infrastructure assets are not required to be depreciated if the State manages its eligible infrastructure assets using an asset management system designed to maintain and preserve these assets at a condition level established and disclosed by the State.

All infrastructure assets constructed prior to July 1, 2000 have been recorded at estimated historical cost. Historical cost was determined by calculating current costs of a similar asset and deflating that cost, using 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, 2022, 92.2 percent of the roads and 97.5 percent of bridges were in good or fair condition, consistent with State policies. This compares to 92.5 percent of the roads and 97.7 percent of bridges as of June 30, 2021.

For the fiscal year ended June 30, 2022, actual maintenance and preservation costs for the State's road network were \$688.9 million, or \$576.3 million less than the estimated amount. On the same date, actual maintenance and preservation costs for the State's bridge network were \$58.6 million, or \$0.6 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 2021, the Wisconsin economy recovered strongly from the COVID-19 global pandemic with solid growth throughout the year.

Wisconsin employment grew rapidly in 2021 after steep declines in employment in 2020 as a result of the pandemic's economic effects. According to the federal Bureau of Labor Statistics, total nonfarm employment in Wisconsin increased 0.3 percent in 2019, fell 5.5 percent in 2020, and rose 2.1 percent during 2021. Nationally, employment increased 1.3 percent in 2019, fell 5.8 percent in 2020, and rose 2.8 percent during 2021. Wisconsin employment growth had been constrained before the shocks of the COVID-19 pandemic due to slower population growth and already high labor force participation, limiting room for growth.

More recently, employment has recovered substantially with the overall national economic recovery. Since the trough in employment in April 2020, national employment is up 15.7 percent and Wisconsin employment is up 13.9 percent through September 2022. Relative to prepandemic February 2020 levels, Wisconsin employment is down 1.5 percent while employment nationally is up 0.3 percent. Wisconsin's seasonally adjusted unemployment rate in September 2022 was 3.2 percent, below the 3.5 percent national unemployment rate for the same month.

Wisconsin gross state product bounced back along with the overall national recovery in 2021, posting growth of 8.2 percent compared to 10.7 percent growth nationally. In 2020, Wisconsin gross state product declined by 1.3 percent compared to 1.5 percent nationally. Prior to the pandemic, Wisconsin grew 3.8 percent in 2019 compared to 4.1 percent nationally.

Personal income growth followed the trajectory of overall economic growth, with a recovery in wages supplanting large transfer payments as the driver of growth. Wisconsin personal income grew by 6.7 percent in 2021 compared to 7.5 percent nationally. In 2019 and 2020, Wisconsin personal income grew 4.3 percent and 6.0 percent, similar to the national growth rates of 5.1 percent and 6.7 percent. On a per capita basis, Wisconsin's income performance is similar to the nation's. Per capita income in Wisconsin increased by 3.9 percent, 5.8 percent and 6.6 percent in 2019, 2020 and 2021, respectively. This compares to growth of 4.6 percent, 6.2 percent and 7.3 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 94.0 percent, 93.6 percent and 93.0 percent of the national average in 2019, 2020 and 2021, respectively.

Wisconsin's statewide total property value increased again in 2022 for the ninth 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 2022,

total property values increased 13.8 percent, with residential property value growing at 14.9 percent. In addition, commercial real estate values grew 13.2 percent and manufacturing values grew 4.8 percent.

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 53703 or by email to: 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.

* * * *

Basic Financial Statements

Statement of Net Position

June 30, 2022

(In Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Assets and Deferred Outflows of Resources				
Assets:				
Cash and Cash Equivalents	\$ 12,577,475	\$ 4,999,821	\$ 17,577,295	\$ 1,672,525
Investments	1,080,328	2,485,945	3,566,274	2,959,055
Securities Lending Collateral	—	228,877	228,877	—
Cash and Investments with Other Component Units	—	—	—	170,783
Receivables (net of allowance)	5,011,546	3,105,557	8,117,102	2,007,207
Internal Balances	129,163	(129,163)	—	—
Inventories	117,531	46,519	164,050	83,815
Prepaid Items	29,609	50,840	80,449	45,205
Leases Receivable	—	14,790	14,790	—
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	197,027	80,907	277,934	137,513
Investments	70,796	—	70,796	4,513,308
Net Pension Asset	1,081,994	1,211,694	2,293,688	313,625
Net Other Post Employment Benefits Asset	122,890	162,708	285,598	41,523
Other Assets	15,515	6,882	22,397	227,988
Capital Assets:				
Depreciable	1,921,837	5,371,081	7,292,919	1,276,406
Nondepreciable:				
Infrastructure	19,391,974	—	19,391,974	—
Other	5,588,881	814,130	6,403,011	182,972
Total Assets	47,336,568	18,450,588	65,787,156	13,631,926
Deferred Outflows of Resources:				
Accumulated Change in the Fair Value of				
Hedging Derivatives	—	—	—	5,913
Loss on Debt Refunding	287,356	33,774	321,130	10,053
Advances by the State	23,041	88,332	111,372	—
Deferred Pension Outflows	2,035,511	2,267,187	4,302,698	589,196
Deferred Other Post Employment Benefits Outflows	250,723	300,494	551,217	79,303
Asset Retirement Obligation	—	9,225	9,225	—
Other Deferred Outflows	—	—	—	2,240
Total Deferred Outflows of Resources	\$ 2,596,631	\$ 2,699,012	\$ 5,295,643	\$ 686,705
Total Assets and Deferred Outflows of Resources	\$ 49,933,199	\$ 21,149,601	\$ 71,082,799	\$ 14,318,630

(Continued)

Statement of Net Position

June 30, 2022

(Continued)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable and Other Accrued Liabilities	\$ 1,521,321	\$ 487,088	\$ 2,008,409	\$ 805,867
Securities Lending Collateral Liabilities	—	228,877	228,877	—
Due to Other Governments	2,555,389	197,249	2,752,639	170,259
Tax Refunds Payable	1,470,910	—	1,470,910	—
Tax and Other Deposits	130,505	34,162	164,667	104,233
Amounts Held in Trust by Component Unit for:				
Other Component Units	—	—	—	162,860
Others	—	—	—	69,544
Unearned Revenue	2,483,798	241,419	2,725,217	983
Interest Payable	86,856	12,178	99,034	12,030
Short-term Notes Payable	60,474	12,974	73,448	—
Other Liabilities	—	—	—	7,789
Long-term Liabilities:				
Current Portion	1,166,928	399,213	1,566,141	175,423
Noncurrent Portion	12,903,057	4,186,646	17,089,703	3,225,251
Total Liabilities	22,379,238	5,799,807	28,179,045	4,734,239
Deferred Inflows of Resources:				
Accumulated Change in the Fair Value of				
Hedging Derivatives	—	—	—	10,429
Gain on Debt Refunding	13,634	633	14,268	—
Deferred Pension Inflows	2,550,311	2,852,730	5,403,041	739,438
Deferred Other Post Employment Benefits Inflows	258,052	334,074	592,125	82,553
Other Deferred Inflows	—	14,671	14,671	14,582
Total Deferred Inflows of Resources	2,821,997	3,202,108	6,024,105	847,002
Net Position:				
Net Investment in Capital Assets	22,367,607	4,128,754	26,496,361	581,998
Restricted for:				
Human Relations and Resources	489,507	—	489,507	—
Conservation Related	222,047	—	222,047	—
General Executive	65,551	—	65,551	—
Transportation	1,274,850	—	1,274,850	—
Capital Projects	83,802	—	83,802	—
Unemployment Compensation	—	1,354,749	1,354,749	—
Environmental Improvement	—	2,188,384	2,188,384	—
Permanent Trusts - Expendable	33,119	354,716	387,835	19,575
Permanent Trusts - Nonexpendable	1,352,725	229,619	1,582,344	24,421
Future Benefits	—	1,738,911	1,738,911	41,044
Pension and Other Post Employment Benefits	1,204,884	1,374,402	2,579,286	349,261
Other Purposes	163,120	1,065,082	1,228,202	5,307,833
Unrestricted	(2,525,248)	(286,932)	(2,812,180)	2,413,257
Total Net Position	24,731,964	12,147,686	36,879,650	8,737,389
Total Liabilities, Deferred Inflows of Resources, and Net Position				
	\$ 49,933,199	\$ 21,149,601	\$ 71,082,799	\$ 14,318,630

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

Statement of Activities

For the Fiscal Year Ended June 30, 2022

(In Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Primary Government:				
Governmental Activities:				
Commerce	\$ 516,392	\$ 291,539	\$ 242,465	\$ —
Education	9,102,302	14,441	1,532,553	73
Transportation	2,577,391	1,005,098	177,166	992,262
Environmental Resources	499,972	250,259	106,855	623
Human Relations and Resources	19,470,003	701,958	13,287,372	—
General Executive	1,723,024	255,848	1,193,517	9,767
Judicial	146,920	41,893	863	—
Legislative	76,245	1,848	3	—
Tax Relief and Other General Expenses	1,591,184	—	(13,829)	—
Intergovernmental - Shared Revenue	1,074,920	57,117	—	—
Interest on Debt	313,266	—	—	—
Total Governmental Activities	37,091,619	2,620,001	16,526,965	1,002,726
Business-type Activities:				
Injured Patients and Families Compensation	50,269	—	(179,196)	—
Environmental Improvement	65,952	46,670	61,810	—
University of Wisconsin System	5,377,192	3,876,404	774,886	18,676
Unemployment Reserve	684,509	477,071	351,914	—
Lottery	973,512	888,012	(357)	—
Health Insurance	1,691,304	1,662,680	35,443	—
Care and Treatment Facilities	408,070	321,860	1,629	—
Other Business-type	176,205	81,120	160,064	235
Total Business-Type Activities	9,427,013	7,353,817	1,206,193	18,911
Total Primary Government	\$ 46,518,632	\$ 9,973,818	\$ 17,733,158	\$ 1,021,637
Component Units:				
Housing and Economic Development Authority	\$ 284,547	\$ 81,801	\$ 208,454	\$ —
Health Care Liability Insurance Plan	4,778	3,427	—	—
University Hospitals and Clinics Authority	3,905,209	4,027,946	—	—
University of Wisconsin Foundation	332,274	(461,810)	378,420	—
Wisconsin Economic Development Corporation	108,966	170	106,681	—
Total Component Units	\$ 4,635,774	\$ 3,651,534	\$ 693,555	\$ —

General Revenues:

Dedicated for General Purposes

Income Taxes

Sales and Excise Taxes

Public Utility Taxes

Other Taxes

Motor Fuel and Other Taxes Dedicated for Transportation

Other Dedicated Taxes

Interest and Investment Earnings

Miscellaneous

Contributions to Term and Permanent Endowments

Contributions to Permanent Fund Principal

Transfers

Total General Revenues, Contributions and Transfers

Change In Net Position

Net Position - Beginning

Net Position - Ending

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

Net Revenue (Expense) and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ 17,612		\$ 17,612	
(7,555,234)		(7,555,234)	
(402,865)		(402,865)	
(142,235)		(142,235)	
(5,480,674)		(5,480,674)	
(263,892)		(263,892)	
(104,164)		(104,164)	
(74,394)		(74,394)	
(1,605,013)		(1,605,013)	
(1,017,804)		(1,017,804)	
(313,266)		(313,266)	
(16,941,927)		(16,941,927)	
	\$ (229,465)	(229,465)	
	42,528	42,528	
	(707,226)	(707,226)	
	144,476	144,476	
	(85,858)	(85,858)	
	6,819	6,819	
	(84,581)	(84,581)	
	65,215	65,215	
	(848,092)	(848,092)	
(16,941,927)	(848,092)	(17,790,019)	
			\$ 5,708
			(1,352)
			122,737
			(415,664)
			(2,114)
			(290,685)
12,902,644	—	12,902,644	—
7,827,191	—	7,827,191	—
378,193	—	378,193	—
382,523	—	382,523	—
1,120,012	—	1,120,012	—
118,830	—	118,830	—
327,129	(14,907)	312,222	(315,571)
464,800	—	464,800	60,600
—	1,073	1,073	13,799
12,097	—	12,097	—
(1,420,718)	1,420,718	—	—
22,112,701	1,406,883	23,519,584	(241,173)
5,170,774	558,792	5,729,565	(531,858)
19,561,190	11,588,894	31,150,084	9,269,246
\$ 24,731,964	\$ 12,147,686	\$ 36,879,650	\$ 8,737,389

Balance Sheet - Governmental Funds

June 30, 2022

(In Thousands)

	General	Transportation	Nonmajor Governmental	Total Governmental
Assets and Deferred Outflows of Resources				
Assets:				
Cash and Cash Equivalents	\$ 8,486,668	\$ 1,179,957	\$ 694,104	\$ 10,360,729
Investments	1,737	—	1,078,592	1,080,328
Receivables (net of allowance):				
Taxes	1,747,269	105,425	—	1,852,694
Loans to Local Governments	—	—	230,197	230,197
Other Loans Receivable	673	14,093	—	14,766
Other Receivables	873,984	9,230	139,390	1,022,605
Due from Other Funds	153,127	19,768	25,532	198,427
Due from Component Units	2	—	—	2
Interfund Receivables	67,452	—	—	67,452
Due from Other Governments	1,551,438	234,495	21,144	1,807,076
Inventories	58,256	42,090	3,180	103,525
Prepaid Items	4,496	971	14,093	19,560
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	—	—	197,027	197,027
Investments	—	—	70,796	70,796
Other Assets	15,109	—	407	15,515
Total Assets	12,960,210	1,606,028	2,474,462	17,040,701
Deferred Outflows of Resources:				
Advances by the State	22,881	160	—	23,041
Total Assets and Deferred Outflows of Resources	\$ 12,983,091	\$ 1,606,188	\$ 2,474,462	\$ 17,063,742
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable and Other Accrued Liabilities	\$ 1,285,521	\$ 170,275	\$ 38,607	\$ 1,494,403
Due to Other Funds	39,887	39,052	29,564	108,503
Due to Component Units	29	—	—	29
Interfund Payables	—	—	3,028	3,028
Due to Other Governments	2,476,403	76,309	2,551	2,555,263
Tax Refunds Payable	1,469,856	1,054	—	1,470,910
Tax and Other Deposits	111,820	346	18,338	130,505
Unearned Revenue	2,467,773	976	11,266	2,480,015
Interest Payable	—	—	33,999	33,999
Advances from Other Funds	—	—	6,599	6,599
Short-term Notes Payable	—	—	58,623	58,623
Revenue Bonds and Notes Payable	—	—	145,685	145,685
Total Liabilities	7,851,289	288,013	348,261	8,487,563
Deferred Inflows of Resources:				
Unavailable Revenue	486,320	265	7,267	493,851
Fund Balances:				
Nonspendable	62,721	43,061	1,369,855	1,475,638
Restricted	607,223	1,274,850	456,754	2,338,827
Committed	1,733,754	—	313,944	2,047,697
Unassigned	2,241,783	—	(21,618)	2,220,165
Total Fund Balances	4,645,482	1,317,911	2,118,935	8,082,327
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,983,091	\$ 1,606,188	\$ 2,474,462	\$ 17,063,742

(Continued)

Balance Sheet - Governmental Funds

June 30, 2022

(Continued)

Total Governmental

Reconciliation to the Statement of Net Position:

Total Fund Balances - Governmental Funds (from previous page) \$ 8,082,327

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Infrastructure	19,391,974	
Other Capital Assets	8,860,620	
Accumulated Depreciation	(2,114,378)	
		26,138,216

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. 824,988

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. 490,069

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. (136,417)

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	(1,739,544)	
Appropriation Bonds Payable	(2,703,208)	
General Obligation Bonds and Notes Payable	(5,401,466)	
Accrued Interest on Bonds	(50,848)	
Leases	(4,508)	
Certificates of Participation	(53,703)	
Compensated Absences	(182,312)	
Pollution Remediation	(238)	
Claims and Judgments	(592)	
Other Postemployment Benefits Liability	(530,800)	
		(10,667,219)

Net Position of Governmental Activities as reported on the Statement of Net Position (See page 26) \$ 24,731,964

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, 2022

(In Thousands)

	General	Transportation	Nonmajor Governmental	Total Governmental
Revenues:				
Taxes:				
Income	\$ 12,855,090	\$ —	\$ —	\$ 12,855,090
Sales and Excise	7,827,251	—	—	7,827,251
Public Utility	378,193	—	—	378,193
Other General Purpose	382,568	—	—	382,568
Motor Fuel	—	1,119,949	—	1,119,949
Other Dedicated	—	39,972	78,858	118,830
Intergovernmental	16,187,181	1,143,713	82,498	17,413,392
Licenses and Permits	811,656	756,340	676,854	2,244,850
Charges for Goods and Services	402,125	17,436	17,627	437,188
Investment and Interest Income	16,381	1,934	(26,335)	(8,020)
Fines and Forfeitures	52,787	623	19,421	72,831
Gifts and Donations	3,324	4	19,578	22,905
Miscellaneous:				
Tobacco Settlement	124,521	—	—	124,521
Other	299,876	23,170	16,328	339,373
Total Revenues	39,340,952	3,103,140	884,828	43,328,920
Expenditures:				
Current Operating:				
Commerce	407,077	—	113,547	520,624
Education	8,995,774	—	52,781	9,048,555
Transportation	37,300	2,478,834	27,019	2,543,153
Environmental Resources	118,172	—	382,605	500,778
Human Relations and Resources	19,387,987	—	41,027	19,429,014
General Executive	1,640,673	—	110,635	1,751,308
Judicial	147,676	—	174	147,850
Legislative	79,288	—	—	79,288
Tax Relief and Other General	1,588,525	—	2,659	1,591,184
Intergovernmental - Shared Revenue	1,018,981	—	55,940	1,074,920
Capital Outlay	118,192	409,460	204,581	732,234
Debt Service:				
Principal	32,468	2,573	720,310	755,352
Interest	4,577	319	382,936	387,832
Other Debt Related Expenditures	—	—	2,275	2,275
Total Expenditures	33,576,689	2,891,187	2,096,491	38,564,367
Excess of Revenues Over (Under) Expenditures	5,764,263	211,953	(1,211,663)	4,764,553
Other Financing Sources (Uses):				
Long-term Debt Issued	—	9,186	282,970	292,157
Long-term Debt Issued - Refundings	13,634	117	600,719	614,470
Payments for Refunded Debt	(14,929)	(128)	(23,314)	(38,371)
Payments to Refunded Debt Escrow Agent	—	—	(543,481)	(543,481)
Premium on Bonds and Certificates of Deposit	1,295	210	50,883	52,388
Transfers In	63,889	228,561	1,171,104	1,463,554
Transfers Out	(2,382,955)	(175,043)	(321,975)	(2,879,973)
Lease Acquisitions	22,586	2,066	546	25,197
Total Other Financing Sources (Uses)	(2,296,481)	64,969	1,217,453	(1,014,059)
Net Change in Fund Balances	3,467,782	276,921	5,790	3,750,494
Fund Balances, Beginning of Year	1,185,789	1,042,737	2,112,866	4,341,392
Increase (Decrease) in Inventories	(8,089)	(1,747)	278	(9,558)
Fund Balances, End of Year	\$ 4,645,482	\$ 1,317,911	\$ 2,118,935	\$ 8,082,327

(Continued)

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Fiscal Year Ended June 30, 2022

(Continued)

**Total
Governmental**

Reconciliation to the Statement of Activities:

Net Change in Fund Balances (from previous page) \$ 3,750,494

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase (Decrease) in Reserve for Inventories on the fund statement has been reclassified as functional expenses on the government-wide statement. (9,558)

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	706,716	
Depreciation Expense	(133,248)	
Grants and Contributions (Donated Assets)	4,699	
		578,168

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. (44,877)

Revenues in the Statement of Activities that do not provide current financial are not reported as revenues in the funds. 26,888

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	(883,022)	
Payments for Refunded Bonds	23,065	
Payments to Refunding Bond Escrow Agent	543,481	
Repayment of Bond Principal	719,660	
Bond Premium	(50,820)	
		352,365

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	84,740	
Decrease (increase) in Leases	(4,052)	
Decrease (increase) in Certificates of Participation	(1,915)	
Decrease (increase) in Compensated Absences	(1,895)	
Decrease (increase) in Pollution Remediation Liabilities	5,258	
Decrease (increase) in Claims and Judgments	125	
Change in net pension assets, net pension liabilities, and pension-related deferred outflows and inflows of resources	242,078	
Decrease (increase) in Postemployment Benefit Liabilities	(17,884)	
		306,455

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. 210,839

**Changes in Net Position of Governmental Activities as reported on the
Statement of Activities (See page 28)**

\$ 5,170,774

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

Statement of Net Position - Proprietary Funds

June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 394,460	\$ 1,890,634	\$ 1,258,003
Investments	8	479,347	—
Securities Lending Collateral	—	228,877	—
Loans to Local Governments (net of allowance)	197,114	—	—
Other Loans Receivable (net of allowance)	—	17,470	—
Other Receivables (net of allowance)	32	151,153	157,691
Due from Other Funds	283	20,378	48
Due from Component Units	—	3,518	—
Due from Other Governments	10,181	161,121	1,023
Inventories	—	38,536	—
Prepaid Items	17	48,772	—
Leases Receivable	—	2,983	—
Other Assets	—	—	—
Total Current Assets	602,095	3,042,788	1,416,766
Noncurrent Assets:			
Investments	—	530,190	—
Loans to Local Governments (net of allowance)	2,002,366	—	—
Other Loans Receivable (net of allowance)	—	89,454	—
Other Receivables	—	—	93,369
Prepaid Items	15	—	—
Advances to Other Funds	6,599	—	—
Leases Receivable	—	11,807	—
Restricted and Limited Use Assets:			
Cash and Cash Equivalents	—	—	19,199
Net Pension Asset	211	1,085,067	—
Net Other Post Employment Benefit Asset	24	148,326	—
Other Assets	—	—	—
Depreciable Capital Assets (net of accum. depreciation)	—	5,183,787	—
Nondepreciable Capital Assets	—	637,263	—
Total Noncurrent Assets	2,009,215	7,685,894	112,568
Total Assets	2,611,310	10,728,681	1,529,334
Deferred Outflows of Resources			
Debt Refunding	819	32,622	—
Advances by the State	—	—	—
Deferred Pension Outflows	376	2,030,018	—
Deferred Other Post Employment Benefits Outflows	30	268,682	—
Asset Retirement Obligation	—	9,225	—
Total Deferred Outflows of Resources	1,224	2,340,547	—
Total Assets and Deferred Outflows of Resources	\$ 2,612,535	\$ 13,069,228	\$ 1,529,334

Business-type Activities - Enterprise Funds			Governmental Activities	
Nonmajor Enterprise	Totals		Internal Service Funds	
\$ 1,456,723	\$ 4,999,821		\$ 2,216,746	
17,665	497,020		—	
—	228,877		—	
214	197,328		—	
1	17,470		—	
168,583	477,459		2,452	
111,268	131,977		18,534	
—	3,518		—	
35,859	208,184		656	
7,983	46,519		10,223	
2,035	50,824		9,108	
—	2,983		—	
784	784		—	
1,801,116	6,862,764		2,257,719	
1,458,736	1,988,925		—	
2,205	2,004,571		—	
2,642	92,097		—	
—	93,369		—	
—	15		494	
—	6,599		—	
—	11,807		—	
61,708	80,907		—	
126,416	1,211,694		30,379	
14,358	162,708		3,450	
6,099	6,099		—	
187,295	5,371,081		430,854	
176,866	814,130		31,476	
2,036,325	11,844,002		496,653	
3,837,441	18,706,767		2,754,372	
334	33,774		2,232	
88,332	88,332		—	
236,794	2,267,187		59,036	
31,782	300,494		8,184	
—	9,225		—	
357,241	2,699,012		69,452	
\$ 4,194,682	\$ 21,405,779		\$ 2,823,824	

(Continued)

Statement of Net Position - Proprietary Funds

June 30, 2022

(Continued)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Liabilities			
Current Liabilities:			
Accounts Payable and Other Accrued Liabilities	\$ 72	\$ 271,820	\$ 53,412
Securities Lending Collateral Liabilities	—	228,877	—
Due to Other Funds	1,334	78,741	3,715
Due to Component Units	—	2,497	—
Interfund Payables	—	—	—
Due to Other Governments	378	5,851	58,268
Tax and Other Deposits	—	6,308	—
Unearned Revenue	—	203,715	—
Interest Payable	1,389	10,335	—
Short-term Notes Payable	—	12,974	—
Current Portion of Long-term Liabilities:			
Future Benefits and Loss Liabilities	—	—	—
Leases	—	23,905	—
Compensated Absences	207	98,759	—
Certificates of Participation	—	603	—
General Obligation Bonds and Notes Payable	—	109,336	—
Revenue Bonds and Notes Payable	29,375	—	—
Total Current Liabilities	32,755	1,053,723	115,395
Noncurrent Liabilities:			
Accounts Payable and Other Accrued Liabilities	—	—	—
Due to Other Governments	—	73,557	59,190
Noncurrent Portion of Long-term Liabilities:			
Future Benefits and Loss Liabilities	—	—	—
Leases	—	245,882	—
Compensated Absences	549	79,709	—
Other Postemployment Benefits	74	709,192	—
Asset Retirement Obligation	—	13,056	—
Certificates of Participation	—	3,927	—
General Obligation Bonds and Notes Payable	—	1,584,386	—
Revenue Bonds and Notes Payable	369,235	—	—
Total Noncurrent Liabilities	369,859	2,709,710	59,190
Total Liabilities	402,614	3,763,432	174,585
Deferred Inflows of Resources			
Debt Refunding	—	612	—
Deferred Pension Inflows	462	2,554,689	—
Deferred Other Post Employment Benefits Inflows	41	301,304	—
Other Deferred Inflows	—	14,671	—
Total Deferred Inflows of Resources	503	2,871,277	—
Net Position:			
Net Investment in Capital Assets	—	3,840,653	—
Restricted for Unemployment Compensation	—	—	1,354,749
Restricted for Environmental Improvement	2,188,384	—	—
Restricted for Expendable Trusts	—	354,716	—
Restricted for Nonexpendable Trusts	—	229,619	—
Restricted for Future Benefits	—	—	—
Restricted for Pension and Other Post Employment Benefits	235	1,233,393	—
Restricted for Other Purposes	—	923,905	—
Unrestricted	20,800	(147,767)	—
Total Net Position	2,209,418	6,434,519	1,354,749
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,612,535	\$ 13,069,228	\$ 1,529,334

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

Business-type Activities - Enterprise Funds			Governmental Activities	
Nonmajor Enterprise	Totals		Internal Service Funds	
\$ 119,121	\$ 444,425		\$ 7,647	
—	228,877		—	
121,509	205,300		2,973	
191	2,688		—	
36,709	36,709		27,715	
6	64,503		126	
27,854	34,162		—	
37,704	241,419		—	
454	12,178		2,009	
—	12,974		1,850	
124,176	124,176		48,096	
1,195	25,100		1,815	
5,944	104,909		111,969	
1,038	1,641		2,718	
4,675	114,011		15,159	
—	29,375		—	
480,575	1,682,448		222,078	
2,634	2,634		—	
—	132,747		—	
1,033,807	1,033,807		104,826	
4,356	250,238		16,127	
9,133	89,392		2,253,308	
84,253	793,519		23,077	
—	13,056		—	
4,667	8,594		1,229	
44,417	1,628,803		308,244	
—	369,235		—	
1,183,268	4,322,026		2,706,811	
1,663,843	6,004,474		2,928,889	
21	633		1,167	
297,579	2,852,730		74,046	
32,728	334,074		7,649	
—	14,671		—	
330,328	3,202,108		82,863	
288,101	4,128,754		115,697	
—	1,354,749		—	
—	2,188,384		—	
—	354,716		—	
—	229,619		—	
1,738,865	1,738,865		—	
140,774	1,374,402		33,829	
141,177	1,065,082		—	
(108,408)	(235,375)		(337,454)	
2,200,510	12,199,197		(187,928)	
\$ 4,194,682	\$ 21,405,779		\$ 2,823,824	
	12,199,197	Total Net Position Reported Above		
	(51,511)	Adjustment to Reflect the Consolidation of Internal Service Activities Related to Enterprise Funds		
\$	12,147,686	Net Position of Business-type Activities		

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

For the Fiscal Year Ended June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Operating Revenues:			
Charges for Goods and Services	\$ —	\$ —	\$ —
Participant and Employer Contributions	—	—	451,292
Tuition and Fees	—	1,422,724	—
Federal Grants and Contracts	—	917,864	—
Local and Private Grants and Contracts	—	269,376	—
Sales and Services of Educational Activities	—	328,539	—
Sales and Services of Auxiliary Enterprises	—	404,998	—
Sales and Services to UW Hospital Authority	—	60,561	—
Investment and Interest Income	44,660	—	—
Miscellaneous:			
Federal Aid for Unemployment Insurance Program	—	—	334,097
Reimbursing Financing Revenue	—	—	20,417
Other	2,010	447,682	5,362
Total Operating Revenues	46,670	3,851,744	811,168
Operating Expenses:			
Personal Services	5,720	3,435,917	—
Supplies and Services	3,299	1,228,956	—
Lottery Prize Awards	—	—	—
Scholarships and Fellowships	—	269,921	—
Depreciation	—	393,469	—
Benefit Expense	—	—	682,959
Interest Expense	10,241	—	—
Other Expenses	—	24,795	1,550
Total Operating Expenses	19,260	5,353,059	684,509
Operating Income (Loss)	27,410	(1,501,314)	126,659
Nonoperating Revenues (Expenses):			
Operating Grants	61,464	426,324	—
Investment and Interest Income	349	(63,792)	17,817
Gain (Loss) on Disposal of Capital Assets	—	(2,790)	—
Interest Expense	—	(46,151)	—
Gifts and Donations	—	415,777	—
Miscellaneous Revenues	—	24,660	—
Other Expenses:			
Property Tax Credits	—	—	—
Grants Disbursed	(46,692)	—	—
Other	—	—	—
Total Nonoperating Revenues (Expenses)	15,121	754,027	17,817
Income (Loss) Before Contributions, Transfers and Special Item	42,531	(747,288)	144,476
Capital Contributions	—	18,676	—
Additions to Endowments	—	1,073	—
Transfers In	52	1,264,017	60,000
Transfers Out	(8,013)	(100,773)	(1,486)
Change in Net Position	34,570	435,705	202,990
Total Net Position, Beginning of Year	2,174,848	5,998,814	1,151,759
Total Net Position, End of Year	\$ 2,209,418	\$ 6,434,519	\$ 1,354,749

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

Business-type Activities - Enterprise Funds					
Nonmajor Enterprise		Totals		Governmental Activities - Internal Service Funds	
\$	1,240,503	\$	1,240,503	\$	383,876
	1,673,650		2,124,943		—
	—		1,422,724		—
	—		917,864		—
	—		269,376		—
	—		328,539		—
	—		404,998		—
	—		60,561		—
	81		44,741		—
	—		334,097		—
	—		20,417		—
	33,061		488,115		1,050
	2,947,295		7,656,878		384,926
	298,305		3,739,943		84,389
	273,538		1,505,794		142,404
	557,117		557,117		—
	—		269,921		—
	20,860		414,329		36,745
	1,818,268		2,501,227		179,747
	—		10,241		—
	19,603		45,948		805
	2,987,692		9,044,520		444,090
	(40,397)		(1,387,643)		(59,164)
	3,214		491,002		—
	(4,522)		(50,148)		311,620
	(1,192)		(3,982)		343
	(951)		(47,102)		(9,189)
	509		416,286		—
	6,382		31,041		711
	(312,332)		(312,332)		—
	(1,580)		(48,272)		—
	5		5		(856)
	(310,467)		476,499		302,630
	(350,864)		(911,144)		243,466
	235		18,911		—
	—		1,073		—
	231,121		1,555,190		1,546
	(24,200)		(134,472)		(4,940)
	(143,707)		529,558		240,073
	2,344,217		11,669,639		(428,001)
\$	2,200,510	\$	12,199,197	\$	(187,928)
			529,558	Change in Net Position Reported Above	
			29,234	Activities Related to Enterprise Funds	
		\$	558,792	Change in Net Position of Business-Type Activities	

Statement of Cash Flows - Proprietary Funds

For the Fiscal Year Ended June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Cash Flows From Operating Activities:			
Cash Receipts from Customers	\$ —	\$ —	\$ 506,636
Cash Payments to Suppliers for Goods and Services	(3,160)	(1,209,424)	—
Cash Payments to Employees for Services	(4,874)	(3,673,128)	—
Tuition and Fees	—	1,432,888	—
Grants and Contracts	—	1,187,852	—
Cash Payments for Lottery Prizes	—	—	—
Cash Payments for Loans Originated	(347,780)	(536,737)	—
Collection of Loans	200,359	551,853	—
Interest Income	44,443	—	—
Cash Payments for Benefits	—	—	(806,303)
Sales and Services of Educational Activities	—	322,552	—
Sales and Services of Auxiliary Enterprises	—	416,044	—
Sales and Services to UW Hospital Authority	—	54,050	—
Scholarships and Fellowships	—	(269,921)	—
Other Operating Revenues	2,010	408,299	470,319
Other Operating Expenses	—	—	(1,639)
Other Sources of Cash	—	—	—
Other Uses of Cash	—	—	—
Net Cash Provided (Used) by Operating Activities	(109,002)	(1,315,671)	169,013
Cash Flows From Noncapital Financing Activities:			
Operating Grants Receipts	61,927	430,869	—
Grants Disbursed	(46,675)	—	—
Proceeds from Issuance of Debt	122,842	—	—
Repayment of Bonds, Notes and Certificates of Participation	(42,530)	—	—
Interest Payments	(16,568)	—	—
Property Tax Credit Payments	—	—	—
Non Capital Gifts and Grants	—	416,933	—
Interfund Loans Received	—	—	—
Interfund Loans Repaid	—	—	—
Interfund Borrowing to Other Funds	—	—	—
Transfers In	520	1,275,393	60,000
Transfers Out	(8,013)	(100,452)	(1,506)
Other Cash Inflows from Non capital Financing Activities	—	17,057	—
Other Cash Outflows from Non capital Financing Activities	(12)	—	—
Net Cash Provided (Used) by Non Capital Financing Activities	71,491	2,039,799	58,494
Cash Flows From Capital and Related Financing Activities:			
Proceeds from Issuance of Debt	—	192,832	—
Capital Contributions	—	191,288	—
Repayment of Bonds, Notes and Certificates of Deposit	—	(324,081)	—
Interest Payments	—	(126,433)	—
Transfers In	—	—	—
Lease Obligations	—	—	—
Proceeds from Sale of Capital Assets	—	—	—
Payments for Purchase of Capital Assets	—	(509,798)	—
Other Cash Inflows from Capital Financing Activities	—	5,357	—
Other Cash Outflows from Capital Financing Activities	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	—	(570,835)	—
Cash Flows From Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	—	183,304	—
Purchase of Investment Securities	—	(666,515)	—
Investment and Interest Receipts	345	1,181	17,817
Net Cash Provided (Used) by Investing Activities	345	(482,031)	17,817
Net Increase (Decrease) in Cash and Cash Equivalents	(37,167)	(328,738)	245,324
Cash and Cash Equivalents, Beginning of Year	431,627	2,219,372	1,031,879
Cash and Cash Equivalents, End of Year	\$ 394,460	\$ 1,890,634	\$ 1,277,203

Business-type Activities - Enterprise Funds					
Nonmajor Enterprise			Totals	Governmental Activities - Internal Service Funds	
\$	2,881,811	\$	3,388,447	\$	383,449
	(230,178)		(1,442,762)		(156,980)
	(328,276)		(4,006,279)		(86,754)
	—		1,432,888		—
	—		1,187,852		—
	(552,614)		(552,614)		—
	—		(884,517)		—
	204		752,416		—
	77		44,520		—
	(1,807,653)		(2,613,955)		(143,309)
	—		322,552		—
	—		416,044		—
	—		54,050		—
	—		(269,921)		—
	393		881,022		955
	(62,193)		(63,833)		—
	112,320		112,320		335
	(44)		(44)		(1)
	13,846		(1,241,814)		(2,305)
	3,215		496,011		—
	(2,824)		(49,500)		—
	—		122,842		—
	—		(42,530)		—
	—		(16,568)		(172)
	(340,206)		(340,206)		—
	145		417,078		—
	3,487		3,487		253
	(2,702)		(2,702)		(1,189)
	—		—		—
	229,453		1,565,366		2,340
	(24,212)		(134,183)		(4,886)
	475		17,532		—
	(7,045)		(7,058)		(14)
	(140,213)		2,029,571		(3,668)
	3,394		196,226		59,421
	235		191,523		—
	(4,334)		(328,415)		(80,814)
	(1,776)		(128,209)		(12,645)
	1,688		1,688		—
	(1,040)		(1,040)		(1,829)
	—		—		345
	(36,459)		(546,257)		(13,174)
	3,936		9,293		100
	(3,924)		(3,924)		(141)
	(38,280)		(609,116)		(48,737)
	394,483		577,787		—
	(378,820)		(1,045,335)		—
	231,984		251,327		311,518
	247,647		(216,222)		311,518
	83,000		(37,580)		256,808
	1,435,431		5,118,308		1,959,938
\$	1,518,431	\$	5,080,728	\$	2,216,746
(continued)					

Statement of Cash Flows - Proprietary Funds

For the Fiscal Year Ended June 30, 2022

(Continued)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations:			
Operating Income (Loss)	\$ 27,410	\$ (1,501,314)	\$ 126,659
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	—	393,469	—
Provision for Uncollectible Accounts	—	—	16,627
Operating Expense (Interest Expense) Classified as Noncapital Financing Activity	10,064	—	—
Miscellaneous Nonoperating Income (Expense)	—	—	—
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows:			
Decrease (Increase) in Assets and Deferred Outflows:			
Receivables	(18)	124,529	(53,012)
Due from Other Funds	663	17,277	64,862
Due from Component Units	—	3,294	—
Due from Other Governments	(147,639)	(151,167)	203,399
Inventories	—	(7,710)	—
Prepaid Items	17	(9,520)	—
Net Pension Asset	(45)	(253,438)	—
Net OPEB Assets	—	(23,786)	—
Other Assets	—	—	—
Deferred Outflows of Resources	(151)	(790,048)	—
Increase (Decrease) Liabilities and Deferred Inflows:			
Accounts Payable and Other Accrued Liabilities	(21)	44,692	(168,168)
Due to Other Funds	489	9,227	(32,182)
Due to Other Component Unit	—	1,023	—
Due to Other Governments	(27)	(23,086)	10,828
Tax and Other Deposits	—	—	—
Unearned Revenue	—	35,496	—
Interest Payable	—	—	—
Compensated Absences	97	(6,121)	—
Postemployment Benefits	12	57,848	—
Future Benefits and Loss Liability	—	—	—
Deferred Inflows of Resources	147	763,666	—
Total Adjustments	(136,412)	185,644	42,354
Net Cash Provided Used by Operating Activities	\$ (109,002)	\$ (1,315,671)	\$ 169,013
Noncash Investing, Capital and Financing Activities:			
Assets Acquired through Leases	\$ —	\$ 9,023	\$ —
Contributions/Transfers In (Out) of Noncash Assets and Liabilities From/To Other Funds	—	—	—
Lottery Prize Annuity Investment Assumption	—	—	—
Net Change in Unrealized Gains and (Losses)	—	(62,607)	—
Other	—	17,134	—

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

Business-type Activities - Enterprise Funds					
Nonmajor Enterprise			Totals	Governmental Activities - Internal Service Funds	
\$			\$	\$	
	(40,397)		(1,387,643)		(59,164)
	20,860		414,329		36,745
	131		16,758		—
	—		10,064		(1)
	8,250		8,250		317
	(14,030)		57,470		(601)
	(18,425)		64,377		199
	—		3,294		107
	(10,680)		(106,087)		(94)
	(360)		(8,070)		(2,713)
	(284)		(9,787)		1,560
	(30,614)		(284,097)		(6,662)
	(2,194)		(25,980)		(257)
	(30)		(30)		—
	(92,312)		(882,511)		(22,010)
	(9,261)		(132,758)		(9,683)
	15,634		(6,832)		410
	191		1,214		—
	—		(12,285)		126
	(78)		(78)		(1)
	366		35,862		—
	(9)		(9)		—
	217		(5,806)		(23)
	7,958		65,818		2,528
	91,260		91,260		35,895
	87,651		851,465		21,016
	54,243		145,829		56,859
\$	13,846	\$	(1,241,814)	\$	(2,305)
\$	—	\$	9,023	\$	—
	(1)		(1)		—
	(492)		(492)		—
	(214,983)		(277,589)		—
	664		17,798		—

Statement of Fiduciary Net Position

June 30, 2022

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private Purpose Trust	Custodial
Assets				
Cash and Cash Equivalents	\$ 3,343,739	\$ 6,291,680	\$ 1,010	\$ 137,833
Securities Lending Collateral	396,434	—	—	—
Prepaid Items	25,699	—	—	13
Receivables (net of allowance):				
Prior Service Contributions Receivable	5,789	—	—	—
Benefits Overpayment Receivable	2,095	—	—	—
Due from Other Funds	79,887	—	—	5,359
Due from Component Units	7,541	—	—	—
Due from Other Governments	148,011	—	—	1,940
Interest and Dividends Receivable	450,913	—	—	—
Investment Sales Receivable	10,869,737	—	—	—
Other Receivables	4,319	143	—	3,893
Total Receivables	11,568,292	143	—	11,193
Investments:				
Fixed Income	48,219,267	—	—	—
Stocks	83,778,808	—	—	—
Options	(1,946)	—	—	—
Financial Futures Contracts and Swaps	102,478	—	—	—
Private Fund Investments	26,573,553	—	—	—
Preferred Securities	703,312	—	—	—
Convertible Securities	2,153	—	—	—
Multi-asset Investments	6,227,923	—	—	—
Investment Contract	569,905	—	—	—
Foreign Currency Contracts	3,794	—	—	—
To Be Announced Securities	2,899,255	—	—	—
Deferred Compensation Plan Investments:				
Collective Investment Trust Funds	3,985,491	—	—	—
Mutual Funds	2,398,095	—	—	—
Stable Value Fund	782,330	—	—	—
Investments of Custodial Funds	—	—	—	35
Total Investments	176,244,418	—	—	35
Capital Assets	4,865	—	—	—
Other Assets	—	—	—	339,490
Total Assets	\$ 191,583,447	\$ 6,291,823	\$ 1,010	\$ 488,563

(continued)

(continued)

	Pension and Other Employee Benefit Trust	Investment Trust	Private Purpose Trust	Custodial
Liabilities				
Accounts Payable and Other Accrued Liabilities	\$ 200,634	\$ 13	\$ —	\$ 10,746
Reverse Repurchase Agreements	17,012,077	—	—	—
Securities Lending Collateral Liability	1,157,434	—	—	—
Annuities Payable	455,788	—	—	—
Due to Other Funds	88,433	156	—	5,593
Tax and Other Deposits	—	—	—	1,640
Due to Other Governments	—	—	—	91,200
Short Sales of Securities	8,050,666	—	—	—
Investment Payable	13,532,952	—	—	—
Unearned Revenue	495	—	—	—
Total Liabilities	40,498,479	169	—	109,179
Net Position				
Restricted for Pensions	141,847,870	—	—	—
Restricted for Other Postemployment Benefits	9,235,149	—	—	—
Restricted for Pool Participants	—	6,291,654	—	—
Restricted for Individuals, Organizations and Other Governments	1,950	—	1,010	379,385
Total Net Position	\$ 151,084,969	\$ 6,291,654	\$ 1,010	\$ 379,385

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, 2022**

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust	Custodial
Additions				
Contributions:				
Employer Contributions	\$ 1,183,961	\$ —	\$ —	\$ —
Employee Contributions	1,330,696	—	—	—
Transfer-in From Other Plans	38,909	—	—	—
Total Contributions	2,553,565	—	—	—
Deposits	—	11,432,810	—	1,152,331
Premiums	—	—	—	23,944
Federal Subsidy	—	—	—	1,945
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	20,384,784	—	—	—
Interest and Dividends	2,759,636	—	—	—
Securities Lending Income	47,080	—	—	—
Investment Income of Investment Trusts, Private Purpose Trusts, Other Employee Benefit Trusts and Custodial Funds	15,297	50,545	11	(165)
Less:				
Investment Expense	(451,445)	(1,014)	—	(3)
Securities Lending Rebates and Fees	(3,282)	—	—	—
Investment Income Distributed to Other Funds	(542,070)	—	—	—
Net Investment Income	22,210,000	49,531	11	(168)
Interest on Prior Service Receivable	366	—	—	—
Tax Collections for Other Governments	—	—	—	619,847
Miscellaneous Income	256	—	—	1
Total Additions	24,764,187	11,482,341	11	1,797,901
Deductions				
Retirement Benefits and Refunds:				
Retirement, Disability, and Beneficiary	6,352,664	—	—	—
Separations	42,045	—	—	—
Total Retirement Benefits and Refunds	6,394,709	—	—	—
Distributions	358,098	10,779,634	—	1,145,760
Benefits and Other Expenses	124,347	—	—	25,393
Administrative Expense	43,875	186	—	2,647
Payments of Tax to Other Governments	—	—	—	619,671
Total Deductions	6,921,028	10,779,820	—	1,793,472
Net Increase (Decrease)	17,843,159	702,520	11	4,429
Net Position - Beginning of Year	133,241,810	5,589,134	1,000	374,956
Net Position - End of Year	\$ 151,084,969	\$ 6,291,654	\$ 1,010	\$ 379,385

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



Notes To The Financial Statements

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

B. Financial Reporting Entity

For GAAP purposes, the State of Wisconsin includes all funds, elected offices, departments and agencies of the State, as well as boards, commissions, authorities and universities. The State has also considered all potential "component units" for which it is financially accountable, and other affiliated organizations for which the nature and significance of their relationship, including their ongoing financial support, with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the State's reporting entity is based on the criteria set forth in GASB Statement No. 14, The Financial Reporting Entity, 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
908 East Main Street, Suite 501
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://www.wedc.org>

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 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.

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 Annual Comprehensive 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 Conversion Credit, Supplemental Health Insurance Conversion Credit, Wisconsin Deferred Compensation, 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, and Health 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 differences 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.

Major Enterprise Funds

- *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 four-year universities, 13 additional campuses affiliated with seven of the four-year institutions, 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, risk management, human resource services and accumulated sick leave. 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.
- *Custodial 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 2022, the State implemented the following new standards issued by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 92, *Omnibus 2020*, addresses practice issues that were identified during the implementation of certain GASB standards. The standard addresses a variety of topics including leases, intra-entity transfers, pensions, fiduciary activities, asset retirement obligations, public entity risk pools, fair value measurements and derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, established the term annual comprehensive financial report and the acronym ACFR.

GASB Statement No. 99, *Omnibus 2022*, paragraphs 26-32 relating to the replacement of LIBOR, SNAP benefits, disclosure of nonmonetary transactions, pledges of future revenues when

resources are not received by the pledging government and terminology updates.

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, banker's 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 Trust Fund program, a business-type activity, 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 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 \$448.9 million representing one-half of the total appropriated amount is reported at June 30, 2022 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, 2022.

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, 2022.

The aggregated State Property Tax Credit Program liability of \$804.9 million is reported in the General Fund as Due to Other Governments. Of that amount, \$695.9 million relates to the school levy tax credit and \$109.0 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 2022 property tax bills, the State made this payment in March 2022. 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 2022, while the remaining portion represents advanced payments. The resulting deferred outflow of resources reported within the Lottery Fund totals \$88.3 million at June 30, 2022.

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, 2022, the State was liable to various local governments and other taxing jurisdictions for unpaid exempt computer aid payments of \$67.4 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, aid payments totaling \$78.2 million were made in May 2022.

State Aid for Video Service Provider Fee

2019 Wis. Act 9 (the Budget Act) reduced the fee rate municipalities can charge cable and phone companies. This state aid to municipalities replaces the lost revenue related to the fee reduction. Payments to local governments are made on the fourth Monday in July.

At June 30, 2022, the State was liable to various local governments and other taxing jurisdictions for unpaid aid for video service fees of \$5.0 million.

10. Long-term Debt Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability 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, which finance programs in a capital projects fund, 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 holiday 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 as two funds. The basic component of sick leave is presented as an internal service fund and the supplementary component of sick leave is presented as 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, 2022, 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 represent a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net assets 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, 2022, 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
Assets:					
Cash and Cash Equivalents	\$ 10,360,729	\$ —	\$ 2,216,746	\$ —	\$ 12,577,475
Investments	1,080,328	—	—	—	1,080,328
Receivables (net of allowance):					
Taxes	1,852,694	—	—	(1,852,694)	—
Loans to Local Governments	230,197	—	—	(230,197)	—
Other Loans Receivable	14,766	—	—	(14,766)	—
Other Receivables	1,022,605	2,837	3,108	3,982,996	5,011,546
Due from Other Funds	198,427	—	18,534	(216,961)	—
Due from Component Units	2	—	—	(2)	—
Interfund Receivables	67,452	—	—	(67,452)	—
Due from Other Governments	1,807,076	—	—	(1,807,076)	—
Internal Balances	—	—	51,511	77,651	129,163
Inventories	103,525	3,783	10,223	—	117,531
Prepaid Items	19,560	447	9,602	—	29,609
Restricted Assets:					
Cash and Cash Equivalents	197,027	—	—	—	197,027
Investments	70,796	—	—	—	70,796
Net Pension Asset	—	1,051,616	30,379	—	1,081,994
Sick Leave OPEB Asset	—	119,440	3,450	—	122,890
Other Assets	15,515	—	—	—	15,515
Depreciable Capital Assets	—	1,490,983	430,854	—	1,921,837
Infrastructure	—	19,391,974	—	—	19,391,974
Other Non-depreciable Capital Assets	—	5,557,406	31,476	—	5,588,881
Total Assets	17,040,701	27,618,486	2,805,883	(128,502)	47,336,568
Deferred Outflows of Resources	23,041	2,504,139	69,452	—	2,596,631
Total Assets and Deferred Outflows	\$ 17,063,742	\$ 30,122,624	\$ 2,875,335	\$ (128,502)	\$ 49,933,199
Liabilities:					
Accounts Payable and Other Accrued Liabilities	1,494,403	(1,075)	7,647	20,345	1,521,321
Due to Other Funds	108,503	—	30,688	(139,191)	—
Due to Component Units	29	—	—	(29)	—
Interfund Payables	3,028	—	—	(3,028)	—
Due to Other Governments	2,555,263	—	126	—	2,555,389
Tax Refunds Payable	1,470,910	—	—	—	1,470,910
Tax and Other Deposits	130,505	—	—	—	130,505
Unearned Revenue	2,480,015	3,783	—	—	2,483,798
Interest Payable	33,999	50,848	2,009	—	86,856
Advances from Other Funds	6,599	—	—	(6,599)	—
Short-term Notes Payable	58,623	—	1,850	—	60,474
Long-term Liabilities:					
Current Portion	145,685	841,486	179,756	—	1,166,928
Noncurrent Portion	—	10,196,246	2,706,811	—	12,903,057
Total Liabilities	8,487,563	11,091,288	2,928,889	(128,502)	22,379,238
Deferred Inflows of Resources	493,851	2,245,283	82,863	—	2,821,997
Fund Balances/Net Position	8,082,327	16,786,053	(136,417)	—	24,731,964
Total Liabilities, Deferred Inflows, and Fund Balances/Net Position	\$ 17,063,742	\$ 30,122,624	\$ 2,875,335	\$ (128,502)	\$ 49,933,199

- (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, 2022, 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)
Revenues:			
Taxes			
Income Taxes	\$ 12,855,090	\$ 47,554	\$ —
Sales & Excise Taxes	7,827,251	(61)	—
Public Utility Taxes	378,193	—	—
Other Taxes	382,568	(45)	—
Motor Fuel (Transportation) Taxes	1,119,949	63	—
Other Dedicated Taxes	118,830	—	—
Intergovernmental	17,413,392	—	—
Operating Grants	—	4,003	—
Capital Grants	—	—	696
Licenses and Permits	2,244,850	—	—
Charges for Goods and Services	437,188	(20,623)	—
Investment and Interest Income	(8,020)	—	—
Fines and Forfeitures/Contributions to Permanent Fund	72,831	—	—
Gifts and Donations	22,905	—	—
Miscellaneous:			
Tobacco Settlement	124,521	—	—
Other	339,373	—	1
Total Revenues	43,328,920	30,891	698
Expenditures/Expenses:			
Current Operating:			
Commerce	520,624	(6,947)	2,955
Education	9,048,555	(4,294)	3,330
Transportation	2,543,153	(20,765)	55,335
Environmental Resources	500,778	(18,652)	21,853
Human Relations and Resources	19,429,014	(115,398)	82,062
General Executive	1,751,308	(14,404)	10,357
Judicial	147,850	(4,964)	2,554
Legislative	79,288	(3,794)	—
Tax Relief and Other General Expenditures	1,591,184	—	—
Intergovernmental - Shared Revenue	1,074,920	—	—
Capital Outlay	732,234	—	(732,234)
Debt Service:			
Principal	755,352	—	—
Interest and Other Charges	390,107	—	—
Total Expenditures/Expenses	38,564,367	(189,217)	(553,788)
Excess of Revenues Over (Under)	4,764,553	220,109	554,485
Other Financing Sources (Uses):			
Net Transfers	(1,416,419)	—	—
Long-term Debt Issued	906,627	—	—
Premium/Discount on Bonds	52,388	—	—
Payments for Refunded Bonds	(38,371)	—	—
Payments to Refunding Bond Escrow Agent	(543,481)	—	—
Lease Acquisitions	25,197	(25,197)	—
Total Other Financing Sources (Uses)	(1,014,059)	(25,197)	—
Net Change in Fund Balance/Net Position	3,750,494	\$ 194,911	\$ 554,485
Change in Inventories	(9,558)		
Net Change for the Year	\$ 3,740,935		

- (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
\$ —	\$ —	\$ —	\$ —	12,902,644
—	—	—	—	7,827,191
—	—	—	—	378,193
—	—	—	—	382,523
—	—	—	—	1,120,012
—	—	—	—	118,830
—	—	—	(17,413,392)	—
—	—	56,109	16,466,853	16,526,965
—	—	56,427	945,603	1,002,726
—	—	—	(2,244,850)	—
(94,038)	—	(8,422)	2,305,896	2,620,001
311,620	—	—	23,529	327,129
—	—	—	(60,734)	12,097
—	—	—	(22,905)	—
—	—	—	464,799	464,800
—	—	—	(124,521)	—
—	—	—	(339,373)	—
217,582	—	104,114	906	43,683,111
(109)	—	—	(132)	516,392
(1,600)	—	56,051	261	9,102,302
(2,079)	—	—	1,747	2,577,391
1,707	(5,258)	—	(456)	499,972
9,824	(125)	56,485	8,141	19,470,003
(15,812)	—	(8,422)	(2)	1,723,024
1,479	—	—	—	146,920
751	—	—	—	76,245
—	—	—	—	1,591,184
—	—	—	—	1,074,920
—	—	—	—	—
—	(755,352)	—	—	—
9,189	(86,030)	—	—	313,266
3,350	(846,765)	104,114	9,558	37,091,619
214,232	846,765	—	(8,653)	6,591,492
(3,393)	—	—	(906)	(1,420,718)
—	(906,627)	—	—	—
—	(52,388)	—	—	—
—	38,371	—	—	—
—	543,481	—	—	—
—	—	—	—	—
(3,393)	(377,163)	—	(906)	(1,420,718)
\$ 210,839	\$ 469,603	\$ —	(9,558)	5,170,774
			9,558	—
			\$ —	\$ 5,170,774

(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

Funds reporting a deficit fund balance or net position at June 30, 2022 are (in thousands):

Special Revenue:		
Dry Cleaner Environmental Response	\$	6,256
Capital Projects:		
Capital Improvement		15,362
Enterprise:		
Northern Developmental Disabilities Center		12,341
Internal Service:		
Accumulated Sick Leave Basic Plan		254,144
Fleet Services		1,995
Human Resource Services		6,340
Risk Management		128,470

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, 2022 (in thousands):

Governmental Activities:

Net Position Restricted by Enabling Legislation \$ 1,284,122

Business-type Activities:

Net Position Restricted by Enabling Legislation 2,070,873

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, 2022 was \$1.7 billion. There was no transfer to the budget stabilization fund in fiscal year 2022 since the current balance exceeded 5.0 percent of the estimated General Fund expenditures for the fiscal year.

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, 2022 was \$90.0 million.

E. Fund Balance for Governmental Funds

Governmental funds reported the following categories of fund balance as of June 30, 2022 (in thousands):

	General	Transportation	Nonmajor Governmental	Total Governmental
Nonspendable for:				
Inventory, Prepaid and Long-term Receivables	\$ 62,721	\$ 43,061	\$ 17,272	\$ 123,055
Legal or Contractual Purposes (Permanent Fund Principal)		—	1,352,583	1,352,583
Restricted for:				
Commerce	29,384		—	29,384
Education	17,880		79,631	97,511
Transportation	—	1,274,850	—	1,274,850
Environmental Resources	4,430		222,047	226,477
Human Relations and Resources	489,507		52,482	541,989
General Executive	65,551		8,438	73,989
Judicial	53		—	53
Legislative	10		—	10
Tax Relief and Other General Expenditures	409		—	409
Intergovernmental - Shared Revenue	—		3,664	3,664
Debt Service			6,689	6,689
Capital Projects			83,802	83,802
Committed to:				
Commerce			83,719	83,719
Education			2,561	2,561
Environmental Resources			114,418	114,418
Human Relations and Resources			38,863	38,863
General Executive			32,448	32,448
Judicial			71	71
Tax Relief and Other General Expenditures	1,733,754		—	1,733,754
Capital Projects			41,865	41,865
Unassigned	2,241,783	—	(21,618)	2,220,165
Total Fund Balance	\$ 4,645,482	\$ 1,317,911	\$ 2,118,935	\$ 8,082,327

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 custodial 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 (SIF), and the Wisconsin Retirement System (WRS). Copies of the separately issued financial reports may be obtained at www.swib.state.wi.us or by writing to:

State of Wisconsin Investment Board
P.O. Box 7842
Madison, WI 53707-7842

The Department of Employee Trust Funds issues separate financial reports for the State of Wisconsin Public Employees Deferred Compensation Plan and Trust (Deferred Compensation). Copies of the separately issued financial reports may be obtained at etf.wi.gov or by writing to:

Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

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, 2022, \$580.6 million of the primary government's bank balance of \$593.0 million was exposed to custodial credit risk as follows (in millions):

Uninsured and uncollateralized	\$	580.6
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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, 2022 are immaterial. The primary government does not have a formal policy specifically related to foreign currency risk.

The State's Unemployment Reserve Fund had \$1.3 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, 2021, WRS cash deposits totaled \$620.7 million. Of the total deposits, \$123.4 million was collateralized by the securities borrowed. Depository insurance covered another \$36.2 million of the total. The remaining deposits, totaling \$461.1 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 \$24.0 million in certificates of deposit.

3. Deferred Compensation

Cash and cash equivalents for the Deferred Compensation Fund represent the balance of the FDIC Bank Option. The FDIC Bank option provides safety of principal and a stable credited rate of interest and is insured up to \$250,000 per participant. As of December 31, 2021, 83 individual participant accounts held more than \$250,000.

4. State Investment Fund

The State of Wisconsin appropriation for losses on public deposits protects a depositing municipality up to \$400,000 (or less if the appropriation is exhausted) on its proportionate share of all losses of principal invested, if the local governing body has designated the Local Government Investment Pool (LGIP) as a public depository. The actual coverage of these deposits can fluctuate daily based on the allocable share of participants' accounts. In addition, the SIF held time deposits with financial institutions with a fair value of \$150.0 million, all of which were uncollateralized and uninsured on June 30, 2022.

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 (SLIF)
 - Injured Patients and Families Compensation Fund (IPFCF)
 - Historical Society Fund
- The University of Wisconsin System (UWS)
- State of Wisconsin Public Employees Deferred Compensation Plan and Trust (Deferred Compensation)
- 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; banker's 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 (SLIF), 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 SLIF 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.

The University Cash Management Fund was established in 2022 in accordance with the investment policies and guidelines governed and authorized by the UWS Board of Regents, and is currently distributed among fixed income funds, bank loans, and global equities. The objective of the Cash Management Fund is to manage principal, ensure liquidity for anticipated needs, and maintain purchasing power for existing assets. Target allocations were approved by the University Investment Committee in January 2022. The Cash Management Fund is an intermediate portfolio, governed by and subject to a Memorandum of Understanding between University of Wisconsin System Administration and the University of Wisconsin Madison.

An internally managed investment fund was established for a limited and select number of participating Trust Funds accounts by the University Board of Regents 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 or by writing to:

Office of Financial Administration
780 Regent Street, Suite 255
Madison, WI 53715

Deferred Compensation

The State of Wisconsin Public Employees Deferred Compensation Plan and Trust (Deferred Compensation) was established in 1981 pursuant to Wisconsin State Statute Section 40.80. Deferred Compensation is governed by the Wisconsin Deferred Compensation Board and is administered by a third party.

Under Deferred Compensation Plan provisions, employees of the State of Wisconsin and public employers in Wisconsin that elect to participate are eligible to contribute to the Plan through payroll deductions. Employees electing to participate in the plan may

contribute to or exchange within several available investment options.

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, 2022, in millions:

Primary Government (excluding the Separately Managed Funds)

		Fair Value Measurement Using			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investments by Fair Value Level:					
U.S. Government & Agency Securities	\$ 189.6	\$ 76.0	\$ 113.6	\$ —	
State or Municipal Bonds & Notes	103.7	—	103.7	—	
Corporate and Other Bonds and Notes	12.4	—	12.4	—	
Closed-End Funds	4.0	4.0	—	—	
Exchange Traded Funds	387.7	387.7	—	—	
Equity Securities	33.0	33.0	—	—	
Limited Partnership	287.7	—	—	287.7	
Total By Fair Value Level	\$ 1,018.1	\$ 500.8	\$ 229.6	\$ 287.7	
Investments Valued at Net Asset Value (NAV):					
Money Market Funds	\$ 402.8				
Mutual Funds	121.9				
Investments Valued at Cost:					
Private Placement	7.1				
U.S. Government & Agency Securities	0.2				
Long-Term CDs	\$ 1.1				
Total	\$ 1,551.2				

The following tables present fair value measurements as of June 30, 2022 for the Separately Managed Funds, in millions:

Separately Managed Funds	Fair Value Measurement Using		
	Total	Level 1	Level 2
IPFCF			
Investments by Fair Value Level:			
U.S. Government and Agency Securities	\$ 658.0	\$ 6.5	\$ 651.5
Corporate Bonds	449.3	—	449.3
Municipal Bonds	20.5	—	20.5
Foreign Bonds	42.0	—	42.0
Total by Fair Value Level	\$ 1,169.8	\$ 6.5	\$ 1,163.3
Investments Valued at Net Asset Value (NAV):			
Equity Index Funds	\$ 200.0		
Short-Term Investment Fund	10.6		
Total IPFCF	\$ 1,380.4		

Historical Society

Investments Reported at Net Asset Value (NAV):

Equity Index Fund	\$ 16.2
Fixed Income Fund	5.1
Total Historical Society	\$ 21.2

SLIF

Investments by Fair Value Level:

U.S. Government and Agency Securities	\$ 44.3	\$ —	\$ 44.3
Corporate Bonds	55.1		55.1
Total by Fair Value Level	\$ 99.4	\$ —	\$ 99.4

Investments Reported at Net Asset Value (NAV):

U.S. Fixed Income Fund	\$ 2.0
Total SLIF	\$ 101.4

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 \$287.7 million held by the Common School and Normal School funds. These limited

partnerships invest in small non-public companies. Shares may typically be redeemed through the investment manager, though the ability to redeem shares may be curtailed during an acute financial crisis. The Common School fund has committed to invest up to \$166.0 million in limited partnerships as of June 30, 2022.

The Injured Patients and Families Compensation fund holds Investments in the amount of \$10.6 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, real estate investment trusts, 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 \$0.2 million of U.S. Government and Agency Securities reported at amortized cost, \$0.1 million represents U.S. Government Savings Bonds.

Deferred Compensation

The following schedule presents fair value measurements at June 30, 2022 (in millions):

Deferred Compensation	Fair Value Measurement Using		
	Fair Value	Level 1 Inputs	Level 2 Inputs
Investments by Fair Value Level:			
Mutual Funds	\$ 2,398.1	2,398.1	—
Investments Reported at Net Asset Value (NAV):			
Stable Value Fund	\$ 782.3		
Collective Investment Trusts (CIT)	3,985.5		
Total By Net Asset Value	\$ 4,767.8		
Total Investments	\$ 7,165.9		

Mutual Funds are valued at the daily closing price as reported by the fund on an active market, which is based on the underlying net asset value (NAV) of the shares held by the Plan at year-end. Mutual Funds held by the Plan are open-end Mutual Funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish daily NAV and to transact at that price. The Mutual Funds held by the Plan are deemed to be actively traded.

CIT Funds are similar in structure to Mutual Funds but are not regulated by the SEC and are not publicly traded. CIT Funds are valued at NAV, which approximates fair value as a practical expedient. The NAV, as provided by fund administrator, is based

on the fair value of the underlying investments held by the fund less liabilities. Participant transactions may occur daily. There are no unfunded commitments and no restrictions on the redemption of these investments.

The Stable Value Fund investments are valued at NAV, which consists of contract value less fees and expenses, and approximates fair value as a practical expedient. Participants can transact daily at the NAV. There are no unfunded commitments and no restrictions on redemptions.

University of Wisconsin System (UWS)

The following schedule presents fair value measurements at June 30, 2022 (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	6.4	1.1	5.3
Fixed Income Index Funds	165.0	—	165.0
Total Investments by Fair Value Level	\$ 171.7	\$ 1.5	\$ 170.2
Investments Valued at Net Asset Value (NAV):			
Equity Index Funds	\$ 315.1		
Fixed Income Index Funds	419.0		
Real Estate Index Fund	14.0		
Investments Reported as			
Cash & Cash Equivalents	0.8		
Private Equity Limited Partnerships	88.9		
Total Investments	\$ 1,009.5		

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 government/credit bond index funds (29%) primarily invested in debt securities to approximate the total rate of return with maturities between one and ten years, a U.S. TIPS index fund (15%) with an investment strategy of closely approximating the return of all outstanding U.S. TIPS with a maturity of one year or greater, a U.S. Debt Index Fund (14%) and U.S. High Yield Bond Index Fund (7%) with the objective of approximating the total return of the market for debt securities and a floating rate income fund (7%) with an investment strategy focused on seeking high-quality loans with attractive risk-adjusted returns. Also included is a 1-5 year USD Bond ETF (28%) that provides exposure to short-term high yield bonds with maturities between one and five years. The index funds have daily liquidity with 2 days' notice. The ETF has a 1-2 day trade settlement.

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.

Private Equity Limited Partnership Funds

As part of the investment management transfer to SWIB, Terrace Investment Holdings 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 4.1 years at June 30, 2022. The estimated remaining life of the underlying investments are between 0-7 years.

The UWS has an unfunded commitment in the amount of \$7.4 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, 2021 (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	\$ 24.0	\$ —	\$ 9.0	\$ 15.0
Commercial Paper	180.5	—	—	180.5
Money Market Funds	250.0	250.0	—	—
Total Cash Equivalents	454.5	250.0	9.0	195.5
Equities				
Domestic	50,180.1	50,087.0	0.1	93.0
International	22,954.1	22,942.8	0.2	11.2
Total Equities	73,134.2	73,029.7	0.2	104.2
Fixed Income				
Asset Backed Securities	832.9	—	811.4	21.5
Corporate Bonds & Private Placements	14,470.4	—	14,405.1	65.3
Exchange Traded Funds	465.9	465.9	—	—
Foreign Government / Agency Bonds	2,268.9	—	2,268.9	—
Municipal Bonds	188.7	—	188.7	—
U.S. Government Agencies	2,312.7	—	2,312.7	—
U.S. Treasury Inflation Protected Securities	21,183.2	—	21,183.2	—
U.S. Treasury Securities	5,576.7	38.5	5,538.2	—
Total Fixed Income	47,299.3	504.4	46,708.2	86.8
Preferred Securities				
Domestic	462.4	—	229.4	233.0
International	240.9	240.9	—	—
Total Preferred Securities	703.3	240.9	229.4	233.0
Convertibles	2.2	—	0.1	2.1
Derivatives				
Foreign Exchange Contracts	3.8	—	3.8	—
Futures	76.8	76.8	—	—
Options	(1.9)	(1.9)	—	—
Swaps	25.7	—	25.7	—
To Be Announced Securities	2,899.3	—	2,899.3	—
Total Derivatives	3,003.6	74.8	2,928.7	—
Short Sales	(8,050.7)	(8,047.5)	—	(3.2)
Total	\$ 116,546.4	\$ 66,052.4	\$ 49,875.6	\$ 618.4

WRS	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (7)
Investments Measured at NAV:				
Cash and Cash Equivalents (1)	\$ 5,404.7	\$ —	Daily	Same Day
Fixed Income (2)	1,221.8	—	Daily	5 days
Private Fund Investments (3)	26,573.6	14,112.9	N/A	N/A
Equities (4)	9,710.7	—	Daily, Monthly	2-30 days
Equity Limited Partnerships (5)	933.9	—	Monthly	15 days
Hedge Funds (6)	6,227.9	746.7	Various	Various
Total	\$ 50,072.6	\$ 14,859.6		

(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) This category includes a long-only fixed income manager which can invest across the credit quality spectrum, in varying geographies, and can include derivatives, high yield, and structured securities. The long-only manager requires a redemption notice period of 5 days and has daily liquidity.

(3) Private Fund Investments include direct, co-investments, LLCs with existing SWIB general partners, direct secondary investments, and fund of funds. These investments are illiquid and are generally not resold or redeemed. Distributions from each fund are received as the underlying investments are liquidated or over the life of the investment. As of December 31, 2021, there is one partial sale planned in 2022 on the secondary market. The anticipated sale price of this fund is not expected to be materially different than the NAV as of December 31, 2021.

(4) This category includes long-only equity managers (71%) with various fundamental, quantitative and other approaches spanning various styles, geographies and market cap weights. These long-only manager investments can be redeemed either daily or monthly, with between 10 and 30 business days' notice. The remaining 29% 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 business days notice.

(5) Equity Limited Partnership fund invests in global equity. The long-only manager requires a redemption notice period of 15 days and can be redeemed monthly.

(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 four funds structured as limited partnerships within the portfolio is more than 10 years, and three funds between 5 and 10 years.

(7) Redemption terms described for NAV investments reflect contractual agreements and assume withdrawals are made without adverse market impact and under normal market conditions.

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 four funds structured as limited partnerships within the portfolio is more than 10 years, and three funds between 5 and 10 years.

(7) Redemption terms described for NAV investments reflect contractual agreements and assume withdrawals are made without adverse market impact and under normal market conditions.

Private Fund Investments

Private Fund Investments include private equity and real estate. Private Equity Limited Partnerships participated in the following investment strategies at December 31, 2021:

Leveraged Buyout – This strategy acquires the controlling interest of a private company using a significant amount of borrowed capital (leverage).

Distressed Debt – 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.

Growth Equity – This Strategy is an investment opportunity in relatively mature companies that are going through a transformational event in their lifecycle with potential for significant growth.

Venture Capital – This strategy invests in companies with potential for significant growth (generally small to early stage emerging firms).

Private Debt – This strategy includes any debt held by or extended to privately held companies. The debt securities can be senior debt, mezzanine debt, and structured capital but commonly involve non-bank institutions making loans to private companies or buying those loans on the secondary market.

Secondaries – This strategy provides a market for investors to sell or purchase positions in private market funds.

Real Estate Limited Partnerships generally consisted of the following investment strategies at December 31, 2021:

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 often 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 mitigate liquidity risks. 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, 2021:

Long-Short Equity – This strategy invests both long and short in publicly-traded stocks. These managers vary in their use of short selling and leverage.

Event-Driven – This strategy seeks 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 – This strategy invests in indices, 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, insurance linked, 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, 2022, 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):

Primary Government (excluding the UWS, WRS, SIF and Separately Managed Funds)	
Credit Quality Ratings	Fair Value
AAA	\$ 415.4
AA	175.9
A	18.3
Not Rated	3.4
Total	\$ 613.1

The following schedule displays the credit ratings at June 30, 2022, for the Separately Managed Funds (fair values in millions):

Separately Managed Funds			
	IPFCF	Historical Society	SLIF
AAA	\$ 29.9	\$ —	\$ 1.1
AA	672.9	—	47.9
A	123.7	—	26.9
BBB	290.2	—	22.7
BB	49.9	—	0.9
B	3.1	—	—
Short-term Investment Fund (Not Rated)	10.6	—	—
Bond Fund (Not Rated)	—	5.1	2.0
Totals	\$ 1,180.4	\$ 5.1	\$ 101.4

Deferred Compensation

The Stable Value Fund, Mutual Funds, and CIT Funds are unrated.

University of Wisconsin System (UWS)

As of June 30, 2022, 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 for debt securities held as of June 30, 2022 (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/Aaa	\$ —
AA/Aa	1.4
A	1.1
BBB/Baa	2.9
BB/Ba	0.8
B	—
Commingled Fixed Income Funds	584.0
Not Rated	1.4
Total	\$ 591.6

Wisconsin Retirement System (WRS)

With the exception of derivative instrument credit risk, there are no fund-wide or system-wide investment guidelines related to credit risk exposures for investments of the WRS. Fixed income credit

risk investment guidelines 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 always carry a minimum weighted average rating.

The following schedule displays the lowest credit rating assigned by nationally recognized statistical rating organizations on debt securities held as of December 31, 2021 (in millions).

WRS	
Rating	Fair Value
AAA/Aaa	\$ 529.7
A-1/P-1	54.7
AA/Aa	29,717.2
A-2/P-2	201.6
A	3,082.2
BBB/Baa	7,603.1
A-3/P-3	18.0
BB/Ba	2,384.3
B	1,968.4
CCC/Caa or below	814.4
Not Rated	1,467.6
Commingled Fixed Income Funds	6,843.3
Total	\$ 54,684.6

Reverse Repurchase Agreements

Wisconsin Retirement System (WRS)

The WRS held \$17.0 billion in reverse repurchase agreements at December 31, 2021. 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, 2021 was \$130.5 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 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 Retirement Funds. 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 0.07 percent and 0.22 percent at December 31, 2021. 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, 2022, the primary government did not have any direct investment securities exposed to custodial credit risk.

Deferred Compensation

The Stable Value fund, CIT Funds, and Mutual Funds do not have securities that are used as evidence of the investments and therefore are not exposed to custodial credit risk. Deferred Compensation does not have a formal policy for custodial credit risk.

Wisconsin Retirement System (WRS)

The WRS held repurchase agreements totaling \$268.8 million as of December 31, 2021. 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 carry insurance covering 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. In addition, WRS management has established a system of controls for the oversight of services and related processes performed by 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 State of Wisconsin represent the largest concentration of investments in a single issuer. In total, approximately \$30.9 million of the reported investments of the permanent funds (a category within non-major governmental funds) were issued by the State of Wisconsin, which represents approximately 3.0 percent of their 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 5.0 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, 2022, none of the Separately Managed Funds had more than 5.0 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 5.0 percent in any one issuer (U.S. Government/Agencies were 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 5.0 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 5.0 percent or more of the value of the total WRS investments' value at December 31, 2021.

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, 2022, 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	\$ 189.8	\$ 93.3	\$ 1.8	\$ 0.5	\$ 94.1
State and municipal bonds and notes	103.7	1.5	4.3	30.7	67.2
Other Bonds and Notes	12.4	—	—	—	12.4
Money market funds	402.8	402.8	—	—	—
Mutual funds – open ended	0.3	—	—	0.2	—
Private Placement	7.1	0.2	0.8	1.3	4.9
Long-Term CDs	1.1	1.1	—	—	—
Total	\$ 717.1	\$ 498.9	\$ 6.9	\$ 32.7	\$ 178.6

As of June 30, 2022, the Separately Managed Funds had interest rate risk statistics as detailed below (in millions):

Separately Managed Funds						
Duration or WAM (in years) for Fixed Income Securities						
Investment Type	IPFCF		Historical Society		SLIF	
	Fair Value	Duration	Fair Value	Duration	Fair Value	WAM
Govt/Agency	\$ 658.0	6.01	\$ —		\$ 44.3	15.70
Corporate Bonds	449.3	7.23	—		55.1	13.22
Municipal Bonds	20.5	9.97	—		—	
Foreign Bonds (Govt/Agency)	42.0	4.87	—		—	
Bond Fund	—		5.1	6.67	2.0	13.27
Short-Term Investment Fund	10.6	0.06	—		—	
Total	\$ 1,180.4		\$ 5.1		\$ 101.4	

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 SLIF 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 \$10.6 million at June 30, 2022 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.

Deferred Compensation

Deferred Compensation uses weighted average effective duration to analyze interest rate risk. As of December 31, 2021, Deferred Compensation had interest rate risk statistics as detailed below (in millions):

Deferred Compensation		
	Fair Value	Effective Duration (years)
Stable Value Investments:		
Stable Value Fund	\$ 782.3	3.09
Mutual and Collective Investment Funds:		
Vanguard Target Retirement:		
2015	131.6	6.21
2025	363.4	7.06
2035	291.2	7.33
2045	190.2	7.31
2055	71.7	7.31
Income Trust	73.8	6.19
Vanguard Wellington Admiral	622.0	8.15
BlackRock U.S. Debt Index M	228.5	6.63
Dodge and Cox Income Fund	163.2	4.70
Vanguard Long-Term Investment Grade Fund	172.0	15.25
Vanguard Treasury Money Market Fund*	45.1	46 days
Total	\$ 3,135.1	

University of Wisconsin System (UWS)

The UWS uses the option adjusted modified duration method to analyze interest rate risk. As of June 30, 2022, the UWS had interest rate risk statistics as detailed below (in millions):

	UWS	
	Fair Value	Effective Duration
Fixed Income Sector:		
Government Debt	\$ 2.3	6.97
Corporate Debt	5.3	5
Total	\$ 7.6	
Fixed Income Commingled Funds:		
Blackrock U.S. TIPS Fund B	\$ 88.2	6.89
Blackrock Government/Credit Bond Fund B	89.0	6.67
iShares Core 105 Year USD Bond Fund Intermediate	165.0	2.81
Government/Credit Bond Fund B	82.8	3.95
U.S. Debt Index Fund B	82.1	6.54
U.S. High Yield Bond Index Non-lendable Fund B	38.0	1.08
BlackRock Floating Rate Income Portfolio	39.0	0.30
Total	\$ 584.0	

Wisconsin Retirement System (WRS)

The 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. Duration statistics are weighted by the dollar value of the position to compute an average duration for each investment type.

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 require management 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, 2021, 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	\$ 832.9	3.3
Corporate Bonds & Private Placements	14,676.1	6.9
Foreign Government / Agency Bonds	2,268.9	7.2
Municipal Bonds	188.7	11.5
U.S. Government Agencies	2,312.7	4.8
U.S. Treasury Inflation Protected Securities	21,183.2	7.6
U.S. Treasury Securities	5,576.7	8.5
Commingled Funds:		
Exchange Traded	465.9	7.6
Emerging Market Fixed Income	1,221.8	4.9
Subtotal	48,726.7	
		Weighted Average Maturity (days)
Commercial Paper	284.3	69
Repurchase Agreements	268.8	3
Commingled Funds:		
Short Term Cash Management	5,404.7	57
Subtotal	5,957.8	
Total	\$ 54,684.6	

*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, 2022, 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 SLIF only allows investments in U.S. dollar denominated instruments. As of June 30, 2022, the Separately Managed Funds did not directly own any issues denominated in a foreign currency.

Deferred Compensation

Deferred Compensation allows the option of investments in Mutual Funds and CIT Funds that make investments in foreign securities. The fair value of these investments was \$512.5 million as of December 31, 2021.

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, 2022 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, 2021, the WRS had the following currency exposure (all assets stated in millions of United States Dollars):

Currency Exposures by Investment Type									
Currency	Cash & Cash Equivalents	Equities	Fixed Income	Private Fund Investments	Preferred Securities	Short Sales	Futures Contracts, Options & Swaps	Total	
Australia Dollar	\$ 11.7	\$ 966.6	\$ 31.7	\$ —	\$ —	\$ (220.7)	\$ 0.3	\$	789.6
Brazil Real	1.0	60.6	14.8	—	64.8	—	—		141.3
Canada Dollar	85.9	1,869.0	23.0	—	—	(309.8)	2.2		1,670.3
Chile Peso	0.1	9.4	—	—	—	—	—		9.5
China Yuan Renminbi	—	—	—	—	—	—	(0.1)		(0.2)
Colombia Peso	—	0.1	—	—	—	—	—		0.1
Czech Republic Koruna	—	1.4	2.3	—	—	—	—		3.7
Denmark Krone	0.7	562.8	—	—	—	(188.1)	—		375.5
Euro Currency Unit	21.7	6,978.6	334.1	1,741.4	175.6	(1,176.9)	8.5		8,083.1
Hong Kong Dollar	6.4	985.9	—	—	—	(41.3)	(0.3)		950.7
Hungary Forint	0.8	30.2	1.7	—	—	—	—		32.7
India Rupee	—	168.3	—	—	—	—	—		168.3
Indonesia Rupiah	—	20.4	—	—	—	—	—		20.4
Israel Shekel	0.6	53.2	—	—	—	(14.8)	—		39.0
Japan Yen	0.9	4,389.9	—	—	—	(761.9)	1.0		3,629.9
Korea (South) Won	—	324.5	—	—	0.4	—	—		324.9
Malaysia Ringgit	0.4	8.5	32.5	—	—	—	—		41.3
Mexico Peso	(0.4)	2.0	45.0	—	—	—	(1.1)		45.5
New Zealand Dollar	0.6	72.0	16.4	—	—	(26.6)	—		62.3
Norwegian Krone	0.9	254.6	—	—	—	(51.0)	—		204.6
Peruvian Sol	—	0.1	—	—	—	—	—		0.1
Philippines Peso	0.1	0.8	—	—	—	—	—		0.9
Poland Zloty	—	47.7	18.5	—	—	—	—		66.2
Russian Ruble	0.1	—	3.6	—	—	—	—		3.8
Singapore Dollar	2.8	135.8	—	—	—	(49.8)	—		88.9
South African Rand	1.4	48.3	38.1	—	—	—	—		87.8
Sweden Krona	0.6	1,041.6	4.3	1.9	—	(324.8)	—		723.6
Switzerland Franc	0.4	1,394.9	—	—	—	(342.3)	—		1,053.0
Taiwan New Dollar	0.3	514.1	—	—	—	—	—		514.4
Thailand Baht	—	36.6	—	—	—	—	—		36.6
Turkey Lira	—	3.7	—	—	—	—	—		3.7
United Kingdom Pound	31.9	2,972.5	34.4	429.0	—	(510.4)	0.9		2,958.3
Total	\$ 169.0	\$ 22,954.1	\$ 600.5	\$ 2,172.3	\$ 240.9	\$ (4,018.3)	\$ 11.2	\$	22,129.7

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 and Cash Management 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 Fund 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, 2022, the fair value of securities loaned, was \$223.8 million. Collateral received consisted of \$228.5 million in cash and \$0.4 million in non-cash collateral. 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 acts as an agent in lending the directly-held 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 at least 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, 2021, the fair value of the securities on loan to counterparties was approximately \$11.4 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 it earns the Overnight Bank Funding rate plus 10 basis points.

At December 31, 2021, 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, 2021.

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)

Derivative instruments 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 derivative instruments 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 procedures. 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, 2021, there were 21 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 US Dollars):

OTC Derivative Instruments Subject to Counterparty Credit Risk

	Counterparty Credit Rating	
FX Receivables:	AA	\$ 772.6
	A	3,444.5
To Be Announced Securities	A	1.2
Swap Receivables	A	3,497.2
Warrants	Not Rated	1.5
Total		<hr/> 7,717.0
Less Collateral and MNA Offsets		<hr/> 7,709.3
Total OTC Counterparty Credit Risk		<hr/> \$ 7.7

Foreign Currency Spot and Forward Contracts –Foreign Currency Spot and Forward contracts are uncleared 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 US 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. 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, 2021 (in millions):

Foreign Currency Spot and Forward Contracts

Currency	Foreign Currency Contract Receivables			Foreign Currency Contract Payables		
	Notional (local currency)	Fair Value US Dollars	Unrealized Gain/(Loss) US Dollars	Notional (local currency)	Fair Value US Dollars	Unrealized Gain/(Loss) US Dollars
Australia Dollar	285.9	\$ 207.9	\$ 3.3	(137.5)	\$ (100.0)	\$ 0.5
Brazil Real	332.7	59.0	1.0	(12.2)	(2.2)	—
Canada Dollar	216.1	171.1	2.0	(142.1)	(112.5)	(0.3)
Chile Peso	31,725.1	37.1	(1.1)	(590.7)	(0.7)	—
China Yuan Renminbi	22.0	3.4	—	(132.9)	(20.8)	(0.1)
Colombia Peso	6,750.0	1.6	—	(25,636.5)	(6.2)	0.2
Czech Republic Koruna	1,314.9	59.8	1.4	(275.8)	(12.6)	(0.3)
Danish Krone	111.2	17.0	0.1	(269.3)	(41.2)	—
Euro Currency Unit	49.7	56.5	0.1	(1,085.6)	(1,235.4)	3.4
Hong Kong Dollar	132.8	17.0	—	(37.1)	(4.8)	—
Hungary Forint	25,913.0	79.6	(0.8)	(5,598.1)	(17.2)	0.6
India Rupee	6,722.6	89.7	0.7	(913.6)	(12.2)	(0.2)
Indonesia Rupiah	752,892.7	52.7	0.7	—	—	—
Israel Shekel	53.7	17.2	0.1	(24.2)	(7.8)	(0.1)
Japan Yen	42,612.5	370.1	(6.9)	(6,629.9)	(57.6)	0.4
Korea (South) Won	—	—	—	(15,550.6)	(13.0)	0.1
Mexico Peso	347.5	16.8	0.5	(129.1)	(6.3)	—
New Zealand Dollar	37.3	25.5	0.1	(90.7)	(62.0)	0.9
Norwegian Krone	1,745.4	197.7	2.4	(467.6)	(53.0)	(1.4)
Philippines Peso	147.3	2.8	(0.1)	(914.3)	(17.7)	0.3
Poland Zloty	239.5	59.3	0.4	(21.7)	(5.4)	—
Russia Ruble	4,076.5	53.9	(0.9)	(400.2)	(5.3)	—
Singapore Dollar	106.3	78.9	0.7	(49.7)	(36.8)	(0.5)
South Africa Rand	235.0	14.6	0.1	(443.0)	(27.5)	0.3
Sweden Krona	2,152.4	237.8	(0.5)	(1,048.5)	(115.8)	0.4
Switzerland Franc	344.0	377.6	1.9	(75.8)	(83.3)	(0.8)
Taiwan New Dollar	—	—	—	(1,848.5)	(66.9)	0.1
Thailand Baht	337.7	10.1	—	(843.5)	(25.2)	(0.4)
Turkish Lira	217.8	15.8	(3.8)	(217.8)	(15.8)	(3.2)
United Kingdom Pound	137.7	186.6	2.8	(32.8)	(44.4)	(0.1)
United States Dollar	1,699.8	1,699.8	—	(2,003.7)	(2,003.7)	—
Totals		\$ 4,217.1	\$ 4.1		\$ (4,213.3)	\$ (0.3)
Net Foreign Currency Contract Receivable / (Payable)					\$ 3.8	\$ 3.8

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 specified date 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, 2021 (in millions).

Futures Contracts

Futures Contract Description	Expiration	Notional Amount	Fair Value*
Long Positions:			
Commodity	Jan - Dec 22	\$ 481.1	\$ 9.5
Currency	Mar 22	(187.7)	(0.9)
Equity Index	Jan - Mar 22	3,288.8	44.8
Fixed Income	Mar 22	11,160.7	28.9
Short Positions:			
Commodity	Feb - Sep 22	(301.3)	(2.1)
Equity	Jan - Apr 22	(248.0)	(0.7)
Fixed Income	Mar 22	(4,985.8)	(2.7)
Total		\$ 9,207.7	\$ 76.8

* 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 for purposes such as 1) to efficiently gain or adjust market exposures for rebalancing, 2) to adjust sector, interest rate, or duration exposure, or 3) to securitize cash or as a substitute for cash market transactions.

Swap Contracts - Swaps are negotiated contractual agreements between two counterparties which can be either 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 (TRS), Interest Rate Swaps (IRS), and Credit Default Swaps (CDS). The following table presents the investments in open Swap Positions as of December 31, 2021 (in millions):

Open Swap Positions

Type / Maturity Date(s) / Description or Reference Rates	Notional Amount	Fair Value	Unrealized Gain/ (Loss)
Credit Default			
Dec '25	\$ 12.0	\$ —	\$ 1.2
Jun '26	20.0	(0.8)	2.1
Dec '26	204.7	5.4	0.1
Sold credit protection in exchange for periodic payments			
Credit Default			
Dec '26	(400.0)	(36.6)	0.3
Bought credit protection in exchange for periodic payments			
Interest Rate			
May '25	20.4	(0.2)	0.1
Receive Fixed 2.02, Pay CNY-7D Fixing Repo Rates			
Jul '25	4.8	—	—
Receive Fixed 2.53, Pay CNY-7D Fixing Repo Rates			
Jul '26	2.5	—	—
Receive Fixed 2.57, Pay CNY-7D Fixing Repo Rates			
Jun '27	12.2	(1.1)	(1.1)
Receive Fixed 5.42, Pay MXN-TIIE-Banxico 28D			
Total Return			
Sep '22	532.6	(11.6)	(11.6)
Nov '22	147.1	(3.7)	(3.7)
Pay Equity Index Return, Receive 1-Day Fed Funds plus Spread			
Total Return			
Jan '22-Mar '22	(956.7)	32.6	32.6
Apr '21-Jun '21	(336.1)	4.5	4.5
Jul '22-Sep '22	(976.8)	22.1	22.1
Oct '22-Nov '22	(381.2)	12.5	12.5
Pay 1-Day Fed Funds plus spread, Receive Equity Index Return			
Total Return			
Oct '22	(89.7)	2.6	2.6
Pay 3-Month LIBOR plus spread, Receive Equity Index Return			
Total	\$(2,184.2)	\$ 25.7	\$ 61.6

The open CDS contracts represent cleared OTC positions where the WRS sold (bought) credit protection. Under the terms of the contracts, the WRS receives (pays) periodic payments and, in exchange, agrees to pay (receive) 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 fair value of a CDS contract is determined using the closing price as reported by the applicable clearinghouse.

IRS positions represent cleared OTC contracts where the fair value is determined using the closing price as reported by the applicable clearinghouse. The open TRS contracts represent uncleared OTC positions where the WRS gains exposure to the return of the underlying equity index and, in exchange, agrees to pay or receive the stipulated rate benchmark. The rate benchmark is based on the 3-month London Interbank Offering Rate (LIBOR) or the 1-day Fed Funds Rate set by the Federal Open Markets Committee (FOMC) and is sensitive to interest rate changes. The fair value for TRS is 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, IRS, and TRS is included in "Financial Futures Contracts and Swaps" on the Statement of Fiduciary Net 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. Any interest owed but not yet paid relating to swap contracts is reported within "Accounts Payable and Other Accrued Liabilities" on the Statement of Fiduciary Net Position. Interest Expense relating to swap contracts is reported as "Investment Expense" 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 date 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 short exchange-traded call option contracts cover these positions either by collateral deposits in the form of cash or by pledging, in escrow, the actual securities that would be transferred to the option purchaser in the event the options contract was exercised. In the case of OTC options, investment guidelines mitigate counterparty credit risk by establishing minimum credit ratings and requiring master netting agreements with provisions for collateral exchanges.

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, 2021 (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 22 - Mar 22	\$ 14.4	\$ 0.3	\$ (2.9)
Equity	Call	Short	Exchange	Jan 22 - Mar 22	(48.9)	(0.5)	0.5
Equity	Put	Long	Exchange	Jan 22	9.4	0.1	(0.4)
Equity	Put	Short	Exchange	Jan 22	(24.6)	(1.7)	—
Equity Index	Put	Short	Exchange	Jan 22	—	—	—
OTC Index	Put	Short	OTC	Jan 22 - Feb 22	(416.9)	(0.1)	0.9
Total					\$ (466.6)	\$ (1.9)	\$ (1.9)

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, 2021 (in millions). Duration statistics are weighted by the fair value of each position to compute an average duration for the contracts held.

TBA Contracts			
Position / Maturity	Fair Value	Unrealized Gain / (Loss)	Weighted Avg. Duration (years)
Long Feb - Mar 22	\$ 4,646.2	\$ 0.2	4.7
Short Feb 22	(1,747.0)	(2.5)	6.7
Total	\$ 2,899.3	\$ (2.3)	

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, 2021, the WRS held warrant contracts valued at \$2.3 million. Warrants are included in the "Equities" section on the Statement of Fiduciary Net Position. The associated unrealized gain of \$1.2 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. Prior to executing a short sale, the WRS borrows the security from a party currently holding it. 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, 2021, the WRS posted \$127.2 million in cash and \$5.2 billion in securities as collateral to security lenders. This represented \$46.1 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) pools the cash of the State of Wisconsin and its agencies, the WRS, and various local government units (Local Government Investment Pool - LGIP) into a commingled fund with the investment objective of safety of principal and liquidity while earning a competitive money market rate of return. In the State's Annual Comprehensive 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 banker's 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 nonnegotiable Certificates of Deposit and Time Deposits are valued at cost because they are non-participating contracts that do not capture interest rate changes in their value.

All remaining debt investments (U.S. Government/ Agency securities, Banker's Acceptances, Commercial Paper, Corporate

Notes, 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, 2022 (in millions):

	Fair Value	Fair Value Measurement Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level:				
Government & Agencies	\$10,607.2	\$ 1,314.1	\$9,293.0	\$ —
Commercial Paper	676.2	—	603.2	73.0
Banker's Acceptances	50.0	—	20.0	30.0
Corporate Notes	22.6	—	22.6	—
Total By Fair Value Level	\$11,355.9	\$ 1,314.1	\$9,938.8	\$103.0
Short-Term Reported at Cost or Amortized Cost:				
Repurchase Agreements	\$ 9,023.4			
Time Deposits (non- negotiable)	150.0			
Total	\$20,529.4			

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. Most 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 Time Deposits with maturity less than 90 days) 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 held repurchase agreements totaling \$9.0 billion as of June 30, 2022. Four of the repurchase agreements are bilateral agreements totaling \$1.7 billion and the underlying securities (collateral) for these were held at SWIB's custodian. Nine of the repurchase agreements totaling \$2.6 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 agreements, totaling \$4.7 billion, were related-party, bilateral agreements with the WRS. The underlying securities for these repurchase agreements were held by SWIB's custodian, in SWIB's name.

The related party repurchase transactions with the WRS were overnight agreements collateralized with U.S. Treasury securities. The WRS is also a participant in the SIF, with investments totaling \$1.4 billion (Core Fund) and \$377.8 million (Variable Fund) at June 30, 2022.

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 has 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, 2022, the SIF has more than five percent of its investments in FHLB (38.7 percent), U.S. Treasury (9.1 percent) and Repurchase Agreement collateral (44.0 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, 2022 (in millions):

Investment Type	Ratings	Fair Value
Repurchase Agreements (Collateral):		
U.S. Government & Agencies Debt	AA	\$ 9,023.4
Government Sponsored Entity		
U.S. Agency:		
Federal Home Loan Bank (FHLB)	A-1+	7,899.4
Federal Home Loan Bank (FHLB)	AA	41.1
Federal Home Loan Mortgage Corporation (FHLMC)	A-1+	306.9
Federal Farm Credit Bank (FFCB)	A-1+	483.6
Federal Farm Credit Bank (FFCB)	AA	15.0
U.S. Treasury:		
Short-Term (Bills and Notes)	A-1+	1,727.0
Long-Term (Notes)	AA	134.1
Commercial Paper	A-1+	497.2
Commercial Paper	A-1	179.0
Time Deposits	A-1+	150.0
Banker's Acceptances	A-1+	50.0
Corporate Notes	AAA	1.5
Corporate Notes	AA	21.1
Total Investments		\$ 20,529.4

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, 2022, the following table shows the investments by investment type, amount and the weighted average maturities (in millions):

Investment Type	Fair Value	Weighted Average Maturity (Days)
Government & Agencies	10,607.2	42
Repurchase Agreements	\$ 9,023.4	1
Commercial Paper	676.2	16
Time Deposits	150.0	1
Banker's Acceptances	50.0	33
Corporate Notes	22.6	55
Total Investments	\$ 20,529.4	
Portfolio Weighted Average Maturity (Days)		23

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, 2022, the SIF was not exposed to foreign currency risk.

3. Lottery Investments and Related Future Prize Obligations

Investments of the State Lottery Fund totaling \$9.9 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):

Fiscal Year	Amount
2023	\$ 2.4
2024	1.1
2025	0.3
2026	0.3
2027	0.3
Thereafter	1.2
Total future value	5.6
Less: Present value adjustment	(1.0)
Present value of payments	\$ 4.6

NOTE 6. RECEIVABLES AND NET REVENUES**A. Receivables**

Receivables at June 30, 2022 were as follows (in thousands):

	Taxes	Loans to Local Governments	Other Loans Receivable			Other Receivables	Due From Other Governments	Due From Component Units	Lease Receivables	Total Receivables
			Student Loans	Veterans Loans	Other Loans					
Governmental Activities:										
General	\$1,747,269	\$ —	\$ —	\$ —	\$ 673	\$ 873,984	\$ 1,551,438	\$ 2	\$ —	\$ 4,173,367
Transportation	105,425	—	—	—	14,093	9,230	234,495	—	—	363,242
Nonmajor Governmental	—	230,197	—	—	—	139,390	21,144	—	—	390,732
Total Governmental:	1,852,694	230,197	—	—	14,766	1,022,605	1,807,076	2	—	4,927,340
Government-wide Adjustments:										
Internal Service Funds	—	—	—	—	—	2,452	656	—	—	3,108
Accrual Adjustments	—	—	—	—	—	2,837	—	—	—	2,837
Fiduciary Receivables	—	—	—	—	—	78,260	—	—	—	78,260
Total - Governmental Activities	\$1,852,694	\$ 230,197	\$ —	\$ —	\$ 14,766	\$ 1,106,154	\$ 1,807,733	\$ 2	\$ —	\$ 5,011,546
Related revenue not recognized in the funds because it is not available	\$ 387,265	\$ —	\$ —	\$ —	\$ —	\$ 39,904	\$ 66,683	\$ —	\$ —	\$ 493,851
Business-type Activities:										
Current:										
Environmental Improvement	\$ —	\$ 197,114	\$ —	\$ —	\$ —	\$ 32	\$ 10,181	\$ —	\$ —	\$ 207,327
University of Wisconsin System	—	—	17,470	—	—	151,153	161,121	3,518	2,983	336,244
Unemployment Reserve	—	—	—	—	—	157,691	1,023	—	—	158,714
Nonmajor Enterprise	—	214	—	1	—	168,583	35,859	—	—	204,656
Total Current:	—	197,328	17,470	1	—	477,459	208,184	3,518	2,983	906,942
Noncurrent:										
Environmental Improvement	—	2,002,366	—	—	—	—	—	—	—	2,002,366
University of Wisconsin System	—	—	89,454	—	—	—	—	—	11,807	101,261
Unemployment Reserve	—	—	—	—	—	93,369	—	—	—	93,369
Nonmajor Enterprise	—	2,205	—	1	2,641	—	—	—	—	4,848
Total Noncurrent	—	2,004,571	89,454	1	2,641	93,369	—	—	11,807	2,201,843
Government-wide Adjustments:										
Fiduciary Receivables	—	—	—	—	—	11,560	—	—	—	11,560
Total - Business-type Activities	\$ —	\$ 2,201,900	\$ 106,924	\$ 2	\$ 2,641	\$ 582,388	\$ 208,184	\$ 3,518	\$ 14,790	\$ 3,120,346

B. Net Revenues

Certain revenues of the University of Wisconsin System are reported net of scholarship allowances. For Fiscal Year 2022, these scholarship allowances totaled as follows (in thousands):

Student Tuition and Fees	\$ 331,291
Sales and Services of Auxiliary Enterprises	47,693
Total	\$ 378,984

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows (in thousands):

Primary Government	Beginning Balance *	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	\$ 2,960,373	\$ 41,195	\$ (388)	\$ 3,001,180
Buildings and Improvements	170,058	450	—	170,508
Library Holdings	59,528	162	—	59,690
Equipment	227	—	—	227
Construction and Software in Progress	2,407,339	536,150	(586,211)	2,357,277
Infrastructure	18,838,905	594,904	(41,835)	19,391,974
Total capital assets, not being depreciated	24,436,429	1,172,860	(628,434)	24,980,856
Capital assets, being depreciated:				
Land Improvements	242,621	8,262	(12)	250,872
Buildings and Improvements	2,672,933	47,330	(2,899)	2,717,364
Equipment	1,185,150	78,839	(27,999)	1,235,991
Right to Use Buildings	329,684	25,720	(4,314)	351,090
Right to Use Equipment	3,467	—	—	3,467
Totals	4,433,856	160,152	(35,224)	4,558,784
Less accumulated depreciation for:				
Land Improvements	174,451	11,179	(12)	185,619
Buildings and Improvements	1,425,478	75,023	(2,162)	1,498,339
Equipment	862,126	81,774	(25,631)	918,270
Right to Use Buildings	—	34,509	(221)	34,288
Right to Use Equipment	—	432	—	432
Totals	2,462,055	202,916	(28,025)	2,636,947
Total Capital Assets, being depreciated, net	1,971,801	(42,765)	(7,199)	1,921,837
Governmental activities capital assets, net	\$ 26,408,230	\$ 1,130,096	\$ (635,633)	\$ 26,902,693
Business-type activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	\$ 168,089	\$ 4,952	\$ (35)	\$ 173,005
Construction and Software in Progress	546,721	339,207	(244,804)	641,125
Total Capital Assets, not being depreciated	714,810	344,159	(244,839)	814,130
Capital assets, being depreciated:				
Land Improvements	35,609	1,129	—	36,738
Library Holdings	1,138,044	22,986	(19,929)	1,141,102
Buildings	8,996,975	387,973	(8,145)	9,376,802
Equipment	1,357,888	92,612	(27,982)	1,422,518
Right to Use Land	1,297	872	—	2,169
Right to Use Buildings	311,160	2,508	—	313,667
Right to Use Equipment	12,279	887	—	13,167
Totals	11,853,252	508,967	(56,056)	12,306,163
Less accumulated depreciation for:				
Land Improvements	19,485	2,212	—	21,697
Library Holdings	988,250	22,181	(19,929)	990,502
Buildings	4,518,209	276,598	(5,076)	4,789,731
Equipment	1,016,222	81,977	(26,004)	1,072,195
Right to Use Land	453	479	—	932
Right to Use Buildings	25,005	26,554	—	51,558
Right to Use Equipment	4,138	4,329	—	8,466
Totals	6,571,762	414,329	(51,009)	6,935,081
Total Capital Assets, being depreciated, net	5,281,491	94,638	(5,047)	5,371,081
Business-type activities capital assets, net	\$ 5,996,301	\$ 438,797	\$ (249,886)	\$ 6,185,211

* 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 \$15.6 million, with accumulated depreciation totaling \$10.7 million.

Depreciation Expense

Depreciation expense was charged to the primary government as follows (in thousands):

Governmental Activities		Business-type Activities	
Commerce	\$ 3,133	University of Wisconsin System	\$ 393,469
Education	3,665	Lottery	52
Transportation	15,175	Care and Treatment Facilities	9,754
Environmental Resources	21,239	Other Business-Type	11,054
Human Relations and Resources	102,453	Total depreciation expense - business-type activities	<u>\$ 414,329</u>
General Executive	15,126		
Judicial	4,701		
Legislative	680		
Internal Service Funds	36,745		
Total depreciation expense - governmental activities	<u>\$ 202,916</u>		

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 (in thousands):

	Allotments	Expended through June 30, 2022	Adjusted Encumbrances Outstanding	Unencumbered Allotment Balance
Governmental Activities:				
Reported through capital projects funds:				
I94 N-S Corridor Reconstruction	\$ 74,694	\$ 74,694	\$ —	\$ —
Stillwater/St Croix Crossing Bridge	60,637	60,637	—	—
Zoo Interchange	541,156	541,156	—	—
GBCI North and South Cell Hall Improvement	22,232	14,522	2,916	4,794
CCI Segregation Unit Expansion	11,976	11,144	286	546
Major Highway and Rehabilitation	100,028	100,028	—	—
Major Highway and Rehabilitation	68,822	68,822	—	—
Kettle Moraine Springs Hatchery Renovation	29,890	28,046	1,114	730
DNR South East Region HQ and Service Center Renovation	16,231	15,475	46	711
Interstate 94 North South Freeway Project	214,866	214,866	—	—
Appleton Readiness Center Renovation	20,234	3,465	9,661	7,108
Viroqua Readiness Center Replacement	23,994	629	1,030	22,334
Milwaukee Secure Detention Facility Ventilation Improvement	10,765	689	9,503	573
Other Projects with allotments totaling less than \$10 million		76,554		
Subtotal		\$ 1,210,727		
Projects funded with sources other than capital projects funds:				
Transportation-related		1,010,115		
Department of Health Services		105,667		
Department of Children and Families		16,890		
Department of Workforce Development		10,005		
Department of Natural Resources		3,874		
Total construction and software in progress - governmental		\$ 2,357,277		
Business Activities:				
UW LaCrosse New FH and Soccer Sup Facility	38,065	32,815	2,283	2,967
UW Milwaukee Sandburg Hall Renovation	44,945	27,456	511	16,978
UW Milwaukee NWQ Student Health Service Renovation	59,780	41,661	9,786	8,333
UW Parkside Wyllie Hall Renovation	35,371	31,473	473	3,425
UW Platteville Sesquicentennial Hall	53,489	32,877	3,206	17,406
UW Madison Kohl Center Addition & Renovation	48,074	6,569	30,670	10,835
UW Madison Vet Med Addition & Renovation	128,603	45,422	71,224	11,957
UW Milwaukee Chemistry Building	129,535	19,547	71,628	38,360
UW Madison Gymnasium-Natatorium Replacement	111,391	57,980	19,878	33,534
UW Milwaukee Student Union Renovation	40,723	13,840	17,916	8,967
UW Madison Camp Randall Stadium Renovation	77,646	52,106	20,664	4,876
UW Madison Sellery Hall Addition Renovation	78,811	49,215	16,918	12,677
UW Eau Claire Science/Health Science Building	14,385	2,697	8,940	2,748
UW Stout South Hall Addition and Renovation	25,000	1,671	18,225	5,104
UW Osh Kosh Clow Hall Renovation Phase II	26,974	4,468	16,425	6,081
CWC Building 6 Remodeling Funding LTR	17,800	391	58	17,352
MMHI Lorenz HL Secure Treatment Units	24,706	24,195	95	416
MMHI Juvenile Center Utility Relations	10,300	6,879	6	3,415
MMHI MJTC Expansion Project	65,955	7,047	51,370	7,538
MMHI Food Service Renovation BTF Release	28,924	869	102	27,953
Veterans Homes Moses Skilled Nursing Facility-King	81,578	80,419	406	753
Projects with allotments totaling less than \$10 million:		49,871		
University of Wisconsin System		51,656		
Other Projects with allotments totaling less than \$10 million		51,656		
Total construction and software in progress - business type		\$ 641,125		

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 \$469.7 million and \$171.5 million, respectively.

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, 2022, net appreciation of the endowment accounts was \$166.0 million which was available to meet spending rate distributions, of which \$20.6 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, 2022 was \$530.2 million including an unrealized loss of \$62.6 million when fair values as of June 30, 2022 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, 2022, 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	\$ 347.3
Realized Gains – Undistributed	245.5
Book Value	592.8
Unrealized Net Gains/Losses – Undistributed	(62.6)
Fair Value	\$ 530.2

On June 30, 2022, the portfolio at market, for the Long Term Fund, contained 38.9 percent in global equities, 17.0 percent in Treasury Inflation Protection Securities (TIPS), 16.8 percent in investment grade government/credit, 5.2 percent in hedged non-U.S. equities, 2.7 percent in real estate investment trusts, 2.4 percent in emerging markets equities, and 17.0 percent in private markets. The total return (loss) on the principal Long Term Fund including capital appreciation was (7.6) percent for the year.

On June 30, 2022, the portfolio at market, for the RegentFund, contained 93.2 percent in fixed income securities and 6.8 percent in cash and cash equivalents. The total return on the principal RegentFund including capital appreciation was (10.7) percent for the year.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances as of or for the year ended June 30, 2022 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, 2022 were as follows (in thousands):

Due to Other Funds:											
	General	Transportation	Nonmajor Governmental	Environmental Improvement	University of Wisconsin System	Unemployment Reserve	Nonmajor Enterprise	Internal Service	Fiduciary	Total	
Due from Other Funds:											
General	\$ —	\$ 21,860	\$ 3,951	\$ 566	\$ 46,332	\$ 3,711	\$ 950	\$ 863	\$ 74,894	\$ 153,127	
Transportation	465	—	19,303	—	—	—	—	—	—	19,768	
Nonmajor Governmental	159	12,471	638	689	1,195	4	9,710	666	—	25,532	
Environmental Improvement	283	—	—	—	—	—	—	—	—	283	
University of Wisconsin System	16,488	333	3,383	76	—	—	5	93	—	20,378	
Unemployment Reserve	14	—	—	—	34	—	—	—	—	48	
Nonmajor Enterprise	473	47	—	—	—	—	103,088	743	7,014	111,365	
Internal Service	5,531	2,358	992	—	1,359	—	240	44	3,366	13,891	
Fiduciary	16,473	1,983	1,296	3	29,822	—	7,512	563	1,432	59,085	
Total	\$ 39,887	\$ 39,052	\$ 29,564	\$ 1,334	\$ 78,741	\$ 3,715	\$ 121,504	\$ 2,973	\$ 86,706	\$ 403,478	

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, 2022 were as follows (in thousands):

	Interfund Receivable:	
	General	Total
Interfund Payables:		
Nonmajor Governmental	\$ 3,028	\$ 3,028
Nonmajor Enterprise	36,709	36,709
Internal Service	27,715	27,715
Total	\$ 67,452	\$ 67,452

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, 2022 were as follows (in thousands):

	Advances from Other Funds (liability):	
	Nonmajor Governmental	Total
Advances to Other Funds (asset):		
Environmental Improvement	\$ 6,599	\$ 6,599
Nonmajor Enterprise	—	—
Total	\$ 6,599	\$ 6,599

D. Interfund Transfers

Interfund Transfers in and out that occurred during Fiscal Year 2022 were as follows (in thousands):

	Transfers In:									Total
	General	Transportation	Nonmajor Governmental	Environmental Improvement	University of Wisconsin System	Unemployment Reserve	Nonmajor Enterprise	Internal Service		
Transfers Out:										
General	\$ —	\$ 205,246	\$ 842,094	\$ —	\$ 1,069,504	\$ 60,000	\$ 205,765	\$ 346	\$	2,382,955
Transportation	652	—	174,075	—	—	—	—	317		175,043
Nonmajor Governmental	22,142	23,277	56,753	52	194,507	—	25,042	202		321,975
Environmental Improvement	—	—	8,013	—	—	—	—	—		8,013
University of Wisconsin System	23,932	—	76,841	—	—	—	—	—		100,773
Unemployment Reserve	1,486	—	—	—	—	—	—	—		1,486
Nonmajor Enterprise	13,913	—	10,044	—	—	—	243	—		24,200
Internal Service	1,761	38	2,518	—	6	—	72	545		4,940
Fiduciary	3	—	766	—	—	—	—	137		906
Total	\$ 63,889	\$ 228,561	\$ 1,171,104	\$ 52	\$ 1,264,017	\$ 60,000	\$ 231,121	\$ 1,546	\$	3,020,291

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	\$ 134,152
Unemployment Reserve	60,000
Veterans Trust Fund	15,100

Transfers in to the General Fund:

Funds Reporting the Transfer Out	Amount
University of Wisconsin System	\$ 15,683

Transfers out from the Petroleum Inspection Fund:

Fund Reporting the Transfer In	Amount
Transportation	\$ 17,019

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2022, the following changes occurred in long term liabilities (in thousands):

Primary Government

Governmental Activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Bonds, Long Term Notes and Certificates Payable:					
General Obligation Bonds and Notes for:					
Governmental Funds	\$ 5,017,724	\$ 739,842	\$ 776,407	\$ 4,981,158	\$ 523,359
Internal Service Funds	308,596	56,574	63,520	301,650	15,159
Annual Appropriation Bonds	2,839,035	—	178,200	2,660,835	193,890
Revenue Bonds	1,819,055	143,180	251,245	1,710,990	163,832
Certificates of Participation for:					
Governmental Funds	46,944	23,605	21,971	48,578	9,487
Internal Service Funds	9,262	2,655	8,058	3,859	2,718
Issuance Premiums and (Discounts)	807,355	52,495	196,190	663,661	—
Total Bonds, Long Term Notes and Certificates Payable	10,847,970	1,018,352	1,495,591	10,370,731	908,445
Other Liabilities:					
Future Benefits and Loss Liability	146,478	40,443	33,999	152,922	48,096
Leases	352,793	995	29,191	324,597	29,046
Compensated Absences	2,516,266	215,265	183,941	2,547,589	181,103
Other Postemployment Benefits	600,067	73,249	—	673,317	—
Claims, Judgments and Commitments	717	—	125	592	—
Pollution Remediation Obligations	5,496	374	5,633	238	238
Total Governmental Activities Long-term Liabilities	<u>\$ 14,469,787</u>	<u>\$ 1,348,678</u>	<u>\$ 1,748,480</u>	<u>\$ 14,069,985</u>	<u>\$ 1,166,928</u>

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 2022.

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.

Business-type Activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Bonds, Long Term Notes and Certificates Payable:					
General Obligation Bonds & Notes	\$ 1,555,261	\$ 181,194	\$ 134,493	\$ 1,601,962	\$ 114,011
Revenue Bonds	285,200	100,000	40,230	344,970	29,375
Certificates of Participation	7,158	5,129	3,212	9,075	1,641
Issuance Premiums and (Discounts)	192,495	44,923	41,766	195,653	—
Total Bonds, Long Term Notes, and Certificates Payable	2,040,114	331,247	219,700	2,151,660	145,027
Other Liabilities:					
Future Benefits and Loss Liability	1,060,285	217,944	120,245	1,157,984	124,176
Leases	298,892	4,271	27,826	275,338	25,100
Compensated Absences	200,358	105,811	111,868	194,301	104,909
Other Postemployment Benefits	727,581	65,938	—	793,519	—
Asset Retirement Obligations	12,232	824	—	13,056	—
Total Business-type Activities Long-term Liabilities	<u>\$ 4,339,463</u>	<u>\$ 726,035</u>	<u>\$ 479,639</u>	<u>\$ 4,585,859</u>	<u>\$ 399,213</u>

**NOTE 11. BONDS, NOTES AND OTHER
DEBT OBLIGATIONS**

The following schedule summarizes outstanding bonds and long-term notes payable at June 30, 2022 (in millions):

Primary Government**Governmental Activities:**

General Obligation Bonds and Notes	\$	5,724.9
Annual Appropriation Bonds		2,703.2
Transportation Revenue Bonds		1,885.2
Certificates of Participation		57.4
Total Governmental Activities		10,370.7

Business-type Activities:

General Obligation Bonds and Notes:

University of Wisconsin System	\$	1,693.7
Other Business-type		49.1
Environmental Improvement Revenue Bonds		398.6
Certificates of Participation		10.2
Total Business-type Activities		2,151.7

Total Primary Government	\$	12,522.4
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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, 2022, \$5.9 billion of general obligation bonds were legislatively authorized but unissued.

General obligation bonds issued and outstanding as of June 30, 2022 were as follows (in thousands):

Fiscal Year Issued	Series	Dates	Interest Rates	Maturity Through	Amount Issued	Amount Outstanding
2014	2013 Series 1	11/13	2.0 to 5.0	5/33	405,470	119,835
2015	2014 Series 3, 4; 2015 Series 1, and A	9/14, 1/15; 4/15, 2/15	1.0 to 5.0	5/29	978,945	422,200
2016	2015 Series C; 2016 Series 1 and A	9/15; 3/16, 3/16	1.75 to 5.0	5/36	977,435	491,855
2017	2016 Series B, C, D, 2; 2017 Series A	7/16, 7/16, 10/16, 8/16; 3/17	0.80 to 5.0	5/37	1,124,280	774,945
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	1,336,280
2019	2018 Series B	10/18	5.0	5/39	258,965	189,565
2020	2019 Series A, B, 1; 2020 Series A, 1, and 2	8/19, 12/19, 10/19 6/20, 2/20, 2/20	1.63 to 5.0	5/40	1,355,910	1,297,775
2021	2020 Series B, 3; 2021 Series A, 1, 2, and 3	11/20, 7/20; 6/21, 2/21, 2/21, 3/21	0.11 to 5.0	5/42	1,274,610	1,220,905
2022	2021 Series B, 4; 2022 Series A, 1, and 2	12/21, 9/21; 5/22, 3/22, 3/22	1.08 to 5.0	5/42	977,610	977,610
					8,989,200	6,830,970
Premiums/Discounts						582,913
Total General Obligation Bonds					\$ 8,989,200	\$ 7,413,883

As of June 30, 2022, 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
2023	\$ 450,459	\$ 217,204	\$ 88,791	\$ 64,342
2024	421,739	197,024	103,776	60,168
2025	414,852	179,763	119,658	55,996
2026	404,951	163,453	95,349	51,776
2027	383,943	147,025	134,702	47,824
2028 - 2032	1,693,977	498,487	507,973	166,613
2033 - 2037	1,061,182	218,166	335,543	78,043
2038 - 2042	423,575	41,166	190,500	19,846
	5,254,678	1,662,288	1,576,292	544,608
Premiums/Discounts	442,061		140,852	
Total	\$ 5,696,739	\$ 1,662,288	\$ 1,717,144	\$ 544,608

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, 2022, 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 2022.

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, 2022, 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
2023	\$ —	\$ 1,125	\$ —	\$ 1,027
2024	—	1,125	—	1,027
2025	—	1,125	—	1,027
2026	—	1,125	—	1,027
2027	—	1,125	—	1,027
2028 - 2032	—	5,626	—	5,134
2033 - 2037	13,712	5,626	4,795	5,134
2038	14,418	577	20,875	835
Total	\$ 28,130	\$ 17,455	\$ 25,670	\$ 16,237

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 0.05% rate that was the actual reset rate in effect at June 30, 2022.

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.

In February 2020, the State issued \$623.3 million of General Fund Annual Appropriation Refunding Bonds (Taxable) to refund the 2008 Series B bonds and 2008 Series C bonds, and make termination payments on the interest rate exchange agreements, or swap agreements relating to the 2008 Series B bonds and 2008 Series C bonds.

In March 2021, the State issued \$118.7 million of General Fund Annual Appropriation Refunding Bonds (Taxable) to refund the 2012 Series A.

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 \$349.6 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 Refunding Bonds of 2016, Series A (Taxable) in the outstanding principal amount of \$206.3 million (2016 Series A Bonds), bear interest at rates from 2.05 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.

The General Fund Annual Appropriation Refunding Bonds of 2020, Series A (Taxable) in the outstanding principal amount of \$570.4 million (2020 Series A Bonds), bear interest at rates from 1.75 percent to 2.50 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.

The General Fund Annual Appropriation Refunding Bonds of 2021, Series A (Taxable) in the outstanding principal amount of \$118.0 million (2021 Series A Bonds), bear interest at rates from 0.31 percent to 1.64 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, 2022, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2023	\$ 147.8	\$ 38.9
2024	162.8	34.3
2025	177.9	27.7
2026	195.6	20.1
2027	145.7	12.1
2028 - 2032	414.4	25.7
	1,244.1	158.9
Unamortized Prem./Discount	(0.2)	
Total, net	\$ 1,243.9	\$ 158.9

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 \$192.5 million bear interest rates from 2.05 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 \$416.9 million bear interest rates from 2.68 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 \$101.9 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 \$388.8 million bear

interest rates from 2.51 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 \$316.70 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, 2022, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2023	\$ 46.1	\$ 55.5
2024	58.0	53.4
2025	53.7	50.7
2026	58.1	48.3
2027	436.3	45.6
2028 - 2032	183.9	130.3
2033 - 2037	580.8	75.7
	1,416.7	459.5
Unamortized Premium/Discount	42.6	
Total	\$ 1,459.3	\$ 459.5

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 \$4.3 billion of revenue bonds. Presently, there are twelve issues of Transportation Revenue Bonds outstanding totaling \$1.7 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, 2022 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2021 1	8/21	0.6 - 2.3	7/37	\$ 143,180	\$ 143,180
2021 A	3/21	3.0 - 5.0	7/41	148,490	148,490
2020 1	7/20	0.3 - 1.9	7/34	315,840	315,840
2019 A	4/19	5.0	7/39	155,950	140,655
2017 2	12/17	5.0	7/32	368,595	362,625
2017 1	5/17	5.0	7/37	284,520	193,650
2015 A	12/15	3.0 - 5.0	7/36	225,000	139,270
2015 1	4/15	5.0	7/29	207,240	114,330
2014 2	12/14	5.0	7/27	94,130	68,790
2013 1	3/13	4.0 - 5.0	7/31	259,680	15,255
2012 2	6/12	5.0	7/22	116,400	27,315
2012 1	4/12	5.0	7/22	343,725	41,590
Total				2,662,750	1,710,990
Unamortized Premium / Discount					174,239
Total				\$2,662,750	\$ 1,885,229

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 \$2.6 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, 2022, there were five issues of Environmental Improvement Fund Revenue Bonds outstanding totaling \$345.0 million.

Bonds issued and outstanding for the Environmental Improvement Fund as of June 30, 2022 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2021-A	9/21	4.0 to 5.0	6/40	\$ 100,000	\$ 100,000
2020-A	5/20	5.0	6/39	80,000	76,745
2018-A	9/18	5.0	6/26	92,080	58,215
2017-A	6/17	3.0 to 5.0	6/35	218,705	101,770
2015-A	12/15	3.0 to 5.0	6/30	43,380	8,240
				534,165	344,970
Unamortized Premium / Discount					53,640
Total				\$ 534,165	\$ 398,610

As of June 30, 2022, 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		Environmental Improvement Fund Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 145,685	\$ 64,453	\$ 29,375	\$ 16,664
2024	137,645	58,604	30,840	15,195
2025	131,820	54,046	30,990	13,653
2026	126,565	49,478	30,470	12,104
2027	113,955	44,840	15,575	10,580
2028 - 2032	602,020	138,256	77,130	41,445
2033 - 2037	358,750	40,302	101,055	20,148
2038 - 2042	94,550	7,002	29,535	2,222
	1,710,990	456,981	344,970	132,011
Unamortized Premium / Discount	174,239		53,640	
Total	\$ 1,885,229	\$ 456,981	\$ 398,610	\$ 132,011

E. 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, 2022 was as follows:

Balance Due	Average Life (Weighted Term)
\$67.7 Million	3.02 Years

At June 30, 2022, the following parity Master Lease certificates were outstanding (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2022-A	1/22	3.0 to 5.0	9/31	\$ 23,960	\$ 23,960
2021-A	2/21	3.0 to 5.0	3/29	31,375	29,160
2013-A	9/13	variable*	3/42	8,392 *	8,392
				63,727	61,512
Unamortized Premium / Discount					6,148
Total				\$ 63,727	\$ 67,660

*see Revolving Credit Agreement

As of June 30, 2022, Master Lease certificate 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
2023	\$ 10,825	\$ 2,023	\$ 1,348	\$ 386
2024	8,398	1,683	1,370	315
2025	7,922	1,335	1,407	259
2026	7,843	1,002	1,420	203
2027	6,834	634	1,401	139
2028-2032	10,287	515	2,130	178
2033-2037	144	66		
2038-2042	184	26		
	52,436	7,284	9,076	1,480
Unamortized Premium / Discount	4,988		1,160	
Total	57,425	7,284	10,236	1,480

Revolving Credit Agreement

Master Lease Certificates of Participation of 2013, Series A (Revolving Credit Agreement – Taxable) in the amount of \$8.4 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, 2024. 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.

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, 2022, the State has not deposited with the Trustee amounts, that when invested, will terminate lease schedules.

F. 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

In September 2021, the State issued \$326.4 million of general obligation refunding bonds (2021 Series 4), the proceeds of \$324.7 million were deposited in an escrow account to provide for future debt service payments and redemption of \$285.6 million of various general obligation bonds for which future debt service payments and redemption are paid from the escrow account are considered defeased and the associated liability removed from the financial statements. The refunding resulted in a decrease in total debt service payments by \$62.9 million and an economic gain of \$50.3 million.

In March 2022, the State issued \$73.5 million of general obligation refunding bonds (2022 Series 1), of which \$32.4 million is allocable to just the refunding and the remaining \$41.1 million is allocable to the funding of commercial paper. The proceeds of \$34.6 million were deposited in the bond security and redemption fund for the redemption of \$34.6 million of various general obligation bonds for which redemption was paid from the bond security and redemption fund are considered defeased and the associated liability removed from the financial statements. The refunding resulted in a decrease in total debt service payments by \$3.0 million and an economic gain of \$2.7 million.

In March 2022, the State issued \$180.0 million of general obligation refunding bonds (2022 Series 2), the proceeds of \$179.1 million were deposited in an escrow account to provide for future debt service payments and redemption of \$164.4 million of various general obligation bonds for which future debt service payments and redemption are paid from the escrow account are considered defeased and the associated liability removed from the financial statements. The refunding resulted in a decrease in total debt service payments by \$19.2 million and an economic gain of \$17.6 million.

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, 2022, \$982.5 million of general obligation bond principal has been defeased.

Current Fiscal Year Refundings/Revenue Bonds

In August 2021, the State issued \$143.2 million of Transportation Revenue Refunding Bonds (2021 Series 1), the proceeds of \$142.4 million were deposited in an escrow account to provide for future debt service payments and redemption of \$126.5 million of various Transportation revenue bonds for which future debt service payments and redemption are paid from the escrow account and considered defeased and the associated liability removed from the financial statements. The refunding resulted in a decrease in total debt service payments by \$23.0 million and an economic gain of \$21.9 million.

In August 2021, a cash defeasance using funds from the State's Environmental Improvement Fund occurred. At that time, the State deposited \$18.7 million of cash from the Environmental Improvement Fund into an escrow account to provide for future debt service payments and redemption of \$16.4 million of various Environmental Improvement Fund revenue bonds. As a result of the cash defeasance, the \$16.4 million of Environmental Improvement Fund revenue bonds for which future debt service payments and redemptions are paid from the escrow account are considered defeased and the associated liability removed from the financial statements.

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, 2022, revenue bonds outstanding of \$268.2 million have been defeased.
- Transportation Revenue Bonds – At June 30, 2022, revenue bonds outstanding of \$689.4 million have been defeased.

G. 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. With the issuance on March 1, 2022 of its General Obligation Refunding Bonds (2022 Series 1), the State retired all of the outstanding commercial paper notes, and as of June 30, 2022, no commercial paper notes remain outstanding.

Short-term debt activity for the year ended June 30, 2022 for general obligation commercial paper notes was as follows (in millions):

Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
\$ 92.5	—	\$ 92.5	\$ —

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, 2022, the amount of extendible municipal commercial paper outstanding was \$73.4 million which had interest rates ranging from 1.10 percent to 1.35 percent and maturities from July 12, 2022, to August 17, 2022.

Short-term debt activity for the year ended June 30, 2022 for general obligation extendible municipal commercial paper was as follows (in millions):

Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
\$ 125.4	—	\$ 52.0	\$ 73.4

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, 2022, 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. One district, the Wisconsin Center District, is currently authorized to issue bonds for specific purposes, 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 district's special debt service reserve fund. To date, the Wisconsin Center District has the authority for up to \$300.0 million in bonds for this purpose, plus refunding bonds.

The Wisconsin Center District has one outstanding series of bonds in the outstanding balance of \$300.0 million and two outstanding refunding series with an outstanding balance of \$111.8 million that are subject to the moral obligation pledge to appropriate moneys to make up deficiencies in the debt service reserve funds.

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 \$19.0 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. To date, one series of the Village of Mount Pleasant Tax Increment Revenue Bonds were issued (in 2018) with an outstanding balance of \$120.0 million that is subject to the moral obligation.

J. Credit Agreements

In March 2019, the State 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. In January 2020, the line of credit was reduced to \$155.0 million. In May 2021, the line of credit was further reduced to \$113.0 million. In August 2021, the line of credit was further reduced to \$93.0 million. With the issuance on March 1, 2022 of its General Obligation Refunding Bonds (2022 Series 1), the State retired all of the outstanding commercial paper notes. As result of the issuance, the of line of credit was not renewed prior to its expiration in March 2022.

**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. Lease payments are generally fixed monthly or annually.

The State also leases land, facility space, and equipment to various third parties as the lessor. The University of Wisconsin System recognized revenue related to these leases totaling \$5.4 million during FY 2022.

The University of Wisconsin System leases certain assets that are subsequently subleased to a third party. The non-cancelable terms of these leasing arrangements mature between 2023 and 2036. The discount rates applicable to these leasing arrangements range from 0.53% to 1.81%.

The State does not currently report any sale-leaseback or lease-leaseback transactions under GASB 87 as of June 30, 2022.

The State does not currently report any contracts with residual value guarantees, termination penalties, commitments prior to the commencement of the lease, or impairment under GASB 87 as of June 30, 2022.

A. GASB 87 Leases

GASB Statement No. 87, *Leases*, became effective for the reporting period ending June 30, 2022. With certain exceptions, under GASB 87 all leases are considered finance leases and are reported accordingly. The concept is that leases represent a means to finance the right to use an underlying asset. Lease commitments in the government-wide and proprietary fund statements are reported as liabilities at lease inception. The related assets along with the amortization are also reported at that time as right-to-use assets. Right-to-use assets at inception are recorded at the present value of total lease payments as shown in Note 7. These payments are discounted at the State's incremental borrowing rate. Lease payments are reported as a reduction of the liability.

For lessor transactions, the State records lease receivables and deferred inflows of resources based on the present value of expected receipts over the lease term. The expected receipts are recorded at the present value of total lease payments using the State's incremental borrowing rate.

Primary Government

For leases in governmental funds, "Other Financing Sources - Lease Acquisitions" and expenditures are recorded at lease inception. Lease payments are recorded as expenditures.

The following is an analysis of future principal and interest payment requirements related to the State's lease liability as of June 30, 2022 (in thousands):

Fiscal Year	Governmental Activities	
	Principal	Interest
2023	\$ 29,046	\$ 5,017
2024	27,551	4,622
2025	27,663	4,220
2026	27,208	3,810
2027	26,519	3,397
2028-2032	113,066	11,047
2033-2037	58,540	3,604
2038-2042	13,990	429
2043-2047	1,013	46
Total	\$ 324,596	36,192

Fiscal Year	Business- type Activities	
	Principal	Interest
2023	\$ 25,100	\$ 4,602
2024	19,954	4,310
2025	17,749	4,036
2026	16,732	3,769
2027	15,143	3,507
2028-2032	67,589	13,788
2033-2037	53,795	8,103
2038-2042	35,325	4,090
2043-2047	23,939	813
Thereafter	13	—
Total	\$ 275,339	\$ 47,018

**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.

During the fiscal year, the State expended \$5.6 million to clean up sites. Estimates of existing pollution remediation liabilities were also increased by \$0.4 million. In total, the restated beginning liability of \$5.5 million decreased to \$0.2 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, 2022 (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	\$ 0.2	\$ —
Voluntary commencement by the State to clean up heavy metal contamination of canal near former industrial site	—	—
Total estimated obligations	\$ 0.2	\$ —

In addition to the liability reported in the table above, the State expects to incur estimated costs of \$10,000 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

GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83), 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 \$13.1 million as of June 30, 2022, 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, 2021, is available at 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, 2021, the number of participating employers was:

State Agencies	56
Cities	189
Counties	71
Villages	291
Towns	287
School Districts	421
Wisconsin Technical College System Board Districts	16
Cooperative Educational Service Agencies	12
Other	212
Total Employers	1,555

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 Retirement Investment Trust 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, 2022 are:

	Employee	Employer
General (including teachers)	6.50%	6.50%
Executives & Elected Officials	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

State of Wisconsin Net Pension Asset, Pension Contributions, Pension Revenue, and Deferred Outflows and Inflows of Resources

At June 30, 2022 the State reported a net pension asset of \$2.30 billion for its proportionate share of the WRS' net pension asset. It is presented as a net pension asset on the Statement of Net Position for proprietary funds and on the government-wide Statement of Net Position.

The net pension asset was measured as of December 31, 2021, and the total pension liability was based on an actuarial valuation as of December 31, 2020. 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 asset was determined based on the State's share of contributions to the WRS relative to the contributions of all participating employers. At December 31, 2021, the State's proportionate share was 28.5 percent, which is an increase of 0.4 percent from its proportionate share as of December 31, 2020.

For calendar year 2021, State employers made \$333.9 million in contributions recognized by the WRS.

For the year ended June 30, 2022, the State recognized pension revenue of \$196.5 million. At June 30, 2022, the State reported deferred outflows and inflows of resources related to pensions of \$4.30 billion and \$5.40 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):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Pension Experience	\$ 3,705,525	\$ (267,208)
Changes of Pension Assumptions	427,946	—
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(5,131,432)
Changes in Proportionate Share	7,192	(4,609)
Pension Contributions Subsequent to the Measurement Date	162,200	—
Total	<u>\$ 4,302,863</u>	<u>\$ (5,403,249)</u>

The \$162.2 million in deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability or an increase to the net pension asset in the year ended June 30, 2023. 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
2023	\$ (105,479)
2024	(620,983)
2025	(273,322)
2026	(262,802)
2027	—
	<u>\$ (1,262,586)</u>

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, 2021 were based upon the following actuarial assumptions:

Actuarial Valuation Date	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	6.8%
Discount Rate	6.8%
Salary Increases	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

* No post-retirement adjustments are guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. The assumed annual adjustment is 1.7%, 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 2021 using experience from 2018-2020. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 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, 2021, these best estimates of geometric long-term real rates of return were used:

Asset Class	Target Allocation	Rate of Return
Global Equities	52.0%	4.2%
Fixed Income	25.0	1.8
Inflation Sensitive	19.0	0.2
Real Estate	7.0	3.0
Private Equity/Debt	12.0	7.0

For each major asset class that is included in the Variable Retirement Investment Trust fund's target asset allocation as of

December 31, 2021, these best estimates of geometric long-term real rates of return were used:

Asset Class	Target Allocation	Rate of Return
Domestic Equity	70.0%	3.7%
International Equity	30.0	4.6

The money-weighted rates of return on pension plan investment for the Core and Variable funds for the calendar year ended 2021 were 17.03% and 19.98%, 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 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. The discount rate is based on the expected rate of return on pension plan investments. Because of the unique structure of the WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 6.8%, 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 (5.8%)	\$ 1,627,617,268
Current Rate (6.8%)	\$ (2,293,804,977)
1% Increase (7.8%)	\$ (5,116,499,336)

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 the 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 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 or may be obtained upon request from:

State of Wisconsin Investment Board
P.O. Box 7842
Madison, Wisconsin 53707-7842

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, along with the Supplemental Health Insurance Conversion Credit Program (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 ACFR.

ETF's separately issued financial statements contain further information. ETF's report may be obtained at 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/(revenue), 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 393 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, 2021, included

28,756 former state employees or their beneficiaries and 2,095 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 724 local government employers as of December 31, 2021 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, 2021 are as listed below:

Attained Age	State Basic	State Supplemental	Local Basic	Local Supplemental
Under 30	\$0.0463	\$0.0463	\$0.0500	\$0.0500
30-34	0.0463	0.0463	0.0600	0.0600
35-39	0.0463	0.0463	0.0700	0.0700
40-44	0.0695	0.0695	0.0800	0.0800
45-49	0.1158	0.1158	0.1200	0.1200
50-54	0.1852	0.1852	0.2200	0.2200
55-59	0.2547	0.2547	0.3900	0.3900
60-64	0.3473	0.3473	0.4900	0.4900
65-69	0.4515	0.4515	0.5700	0.5700

*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, 2021, included:

	State	Local	Total
Active*	50,355	75,179	125,534
Inactive Pre-Age 65 Annuitants	6,360	9,848	16,208
Inactive Post-Age 64 Annuitants	28,967	39,633	68,600
Totals	85,682	124,660	210,342

* Active membership includes disabled

Supplemental Health Insurance Conversion Credit (SHICC) Program

The SHICC program 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 Department of Employee Trust Funds (ETF) and the ETF Board have the authority for program administration and oversight. The SHICC program is reported as an Other Post-Employment Benefit Trust Fund. The SHICC program was established by Wisconsin Statute 40.95 and is defined in the state compensation plan (Wis. Stat. 230.12(9)).

The SHICC program allows members with more than 15 years of eligible service to convert unused sick leave balances into credits to pay for post-retirement health insurance premiums. The SHICC benefit provides a limited match of the members credits earned through the Accumulated Sick Leave Conversion Credit (ASLCC) program. ASLCC program credits are computed at the time of retirement, layoff, or death by multiplying the number of hours of unused sick leave by the highest hourly pay rate at which the employee accrued sick leave that is eligible for conversion. Employment category and number of years of service are also factored into the calculation. The SHICC program also includes a provision for the restoration of 500 hours of credits upon retirement, layoff or death provided at least 500 hours or accrued sick leave were used for a single injury or illness during the three years immediately preceding the retirement, layoff or death while in state service.

All ASLCC program credits must be used before the SHICC program credits. Unused ASLCC and SHICC credits have no cash value, are carried forward from year to year without interest,

and when total health insurance premiums paid on behalf of the retired employee equal or exceed the conversion credits, no further payments are made under the ASLCC and SHICC programs. ASLCC and SHICC credits may be escrowed indefinitely after retirement for participants who provide evidence of comparable health insurance coverage from another source.

Eligibility and Membership

Generally to be eligible to use SHICC credits to pay post-retirement health insurance premiums, members with 15 years of adjusted continuous service (or their insured surviving spouse and/or dependents) must be covered under the State of Wisconsin Group Health Insurance Program. If a member with 20 years of service leaves eligible service prior to retirement, the benefit is vested.

Membership as of December 31, 2021, included:

Employment Status	Count
Retirees and Beneficiaries	21,715
Inactive, Non-retired Members	366
Active Members	72,701
Total	94,782

At retirement, the member must have State of Wisconsin Group Health Insurance Program coverage and satisfy the following:

- Retire on an immediate annuity; or
- Retire and receive a lump-sum benefit; or
- Qualify for a Wisconsin Retirement System (WRS) disability retirement benefit, long-term disability benefit or a protective occupation duty disability benefit under Wisconsin Statute 40.65; or
- Have 20 years of WRS creditable service and are eligible for an immediate retirement benefit, but have chosen not to apply for retirement or disability benefit immediately

Eligible members may elect to escrow their SHICC credits (to be used at a later date) if they have comparable health insurance coverage through another source. If SHICC eligible members are not immediately eligible for an annuity, they must satisfy the following to defer vested (preserved) SHICC credits to pay health premiums when becoming a WRS annuitant:

- Terminate with 20 years of WRS creditable service (providing they do not elect a WRS separation benefit) or
- State constitutional officer, a member or an officer of the legislature of the head of a state department or agency who was appointed by the governor with senate confirmation and are not eligible for an immediate annuity when terminating from state employment (providing they do not elect a WRS separation benefit).

If not eligible for an immediate annuity and the member is permanently laid off from State employment, the member must have at least 15 years of adjusted continuous service to use SHICC credits to pay health premiums for up to five years after the layoff begins.

Contributions and Benefits

The ETF Board approves contribution rates annually, based on recommendations from the actuary. 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, in accordance with Wis. Stat. § 40.05 (4) (by). Employer contributions made during a member's working lifetime funds a post-retirement benefit. Employers made contributions totaling \$15.7 million based upon a percentage of active member earnings for the year ending December 31, 2021.

The SHICC program provides matching sick leave hours, that are in addition to, but generally not to exceed the unused sick leave balances that are used to calculate benefits provided under the ASLCC program, to participants retiring (or terminating employment) with 15 or more years of eligible service, as follows:

Employment Category	Benefit Eligible Hours*
Protective	Match up to 78 hours (9.75 days) per full year of service through 24 years, plus 104 hours (13 days) per full year of service over 24 years.
Others	Match up to 52 hours (6.5 days) per full year of service through 24 years, plus up to 104 hours (13 days) per full year of service over 24 years.

*The SHICC program also includes a restoration benefit of up to 500 hours when certain criteria are met.

The SHICC program also provides benefits after a member's death. The member's surviving spouse and/or dependents may be eligible to use SHICC credits to pay State of Wisconsin Group Health Insurance premiums under the following conditions:

- Member was covered by the State of Wisconsin Group Health Insurance Program under a family policy on the member's date of death or the member is receiving a retirement disability benefit; or
- Member has preserved SHICC credits and the member dies before becoming a WRS annuitant; or
- Member has escrowed SHICC credits and the member dies.

All Plans Total OPEB Expense/(Revenue)

For the year ended June 30, 2022, OPEB expense/(Revenue) for all plans combined was \$46.6 million by participating employers:

Primary Government	
State of Wisconsin	\$ 25,969,616
University of WI System	15,856,795
Component Units	
UW Hospital and Clinics Auth.	4,328,331
WI Housing & Economic Development Auth.	294,703
WI Economic Development Corp.	186,237
Total	<u>\$ 46,635,682</u>

A detailed schedule of OPEB expense (revenue) by plan can be found in note 17.

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 or supplemental health insurance 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 \$618 to \$1,470 for single coverage and \$1,509 to \$3,641 for family coverage.

As of January 1, 2021 (most recent actuarial valuation date), membership consisted of:

Member Type	Number
Retired members or beneficiaries receiving OPEB benefits	8,219
Vested terminated members not yet receiving OPEB benefits	1,214
Active members	62,805
Total Members	72,238

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/(revenue) 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, 2020 and adjusted for changes such as interest earned, contributions paid, and benefits paid through June 30, 2021. Based on this, the actuary determined the OPEB liability totaled \$712.9 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, 2022 reporting date, are indicated in the table below (in millions):

Participating Employer	OPEB Liability
Primary Government	
State of Wisconsin	\$ 316.5
University of Wisconsin System	316.7
Component Units	
UW Hospital and Clinics Auth.	77.4
WI Housing & Economic Development Auth.	1.4
WI Economic Development Corp.	0.9
Total OPEB Liability	<u>\$ 712.9</u>

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, 2020	\$ 642.0
Changes for the Year:	
Service cost	52.5
Interest	14.9
Difference between expected & actual experience	92.1
Changes of assumptions	(41.2)
Benefit payments*	(47.4)
Net Change in Total OPEB Liability	<u>70.9</u>
Total OPEB Liability June 30, 2021	<u>\$ 712.9</u>

* Employer benefit payments of \$47.4 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, 2021 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, 2021
Measurement Date of Total OPEB Liability	June 30, 2021
Actuarial cost method	Entry Age Normal
Asset Valuation Method	N/A
Inflation	2.4%
Salary increases	Separate merit and longevity increase rates by employer and service, plus 3%
Discount Rate	Discount rate was changed to 2.16% for the June 30, 2021 measurement from 2.21% for the June 30, 2020 measurement

Healthcare Cost Trend Rates:

Medical	4.10% for the first year then 6.75% grading down 0.25% per year to 4.50%
Prescription drug	10.67% for the first year then 7.50% grading down 0.25% per year to 4.50%
Dental	0.00% for first two years then 3.00% thereafter
Administrative Costs	(4.03) % for first year then 3.00% every year after

Mortality Rates	Wisconsin 2020 Mortality Table
Benefit Changes	None
Participation Rates	Active: 60% are assumed to elect coverage at retirement, and 12.5% of the 40% that defer are assumed to be covered over the next 5 years (1.0% per year), so 65% assumed to be covered after 5 years Deferred: 5% per year over 8 years
Assumed Claims	Per capita claims costs were based on premium equivalent rates for plan year 2021 and actuarial factors applied to weighted average premium rates to estimate costs

Termination Rates	Rates for General, University, Protective, Executive and Elected employees matched the 2018-2020 experience study for the pension valuation
Disability Rates	Rates for General, University, Protective, Executive and Elected employees matched the 2018-2020 experience study for the pension valuation
Normal Retirement Rates	Rates for General, University, Protective, Executive and Elected employees matched the 2018-2020 experience study for the pension valuation
Lapse Rate	5% per year after the later of assumed commencement or the valuation date
Retiree Contribution Increase Rate	Retiree contributions are expected to increase with average benefit trend
Benefit End Date	Benefits end when participants turn 65 years old

Actuarial assumptions are based on the Wisconsin Retirement System experience study conducted in 2021 using experience from 2018 to 2020. An actuarial experience loss increased the liability by \$92.1 million due to demographic changes and actual 2021 contributions and benefit payments that were different from expected. Valuation assumption changes also decreased the liability by \$41.2 million as the result of a decrease in obligations due to changes in the participation rate assumptions and the valuation-year per capita health costs based on recent experience, which was offset by an increase in obligations due to updating the healthcare trend rates, adopting updated demographic assumptions based on the WRS Experience Study for the period 2018 - 2020 and lowering the discount rate.

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 (1.16%)	Current Discount Rate (2.16%)	1% Increase in Discount Rate (3.16%)
Primary Government	\$ 679.2	\$ 633.1	\$ 589.5
Component Units	85.7	79.8	74.3
Total OPEB Liability	<u>\$ 764.9</u>	<u>\$ 712.9</u>	<u>\$ 663.8</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
Primary Government	\$ 563.6	\$ 633.1	\$ 715.6
Component Units	71.1	79.8	90.3
Total OPEB Liability	<u>\$ 634.7</u>	<u>\$ 712.9</u>	<u>\$ 805.9</u>

OPEB Expense/(Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, OPEB expense/(revenue) of \$(2.5) million was recognized by participating employers:

Primary Government

State of Wisconsin	\$ (1,972,352)
University of WI System	(1,034,183)

Component Units

UW Hospital and Clinics Auth.	454,861
WI Housing & Economic Development Auth.	7,725
WI Economic Development Corp	5,820
Total	<u>\$ (2,538,129)</u>

At June 30, 2022, 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	\$ 131,586,782	\$ (35,039,298)
Changes of Assumptions	41,218,552	(245,502,817)
Changes in Proportion	14,121,798	(14,121,798)
Amounts Paid Subsequent to the Measurement Date	47,688,080	—
Total	<u>\$ 234,615,212</u>	<u>\$ (294,663,913)</u>

Deferred outflows of resources and deferred inflows of resources for the state (primary government) as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 116,849,470	\$ (31,115,005)
Changes of Assumptions	36,602,202	(218,007,260)
Changes in Proportion	8,357,097	(13,053,548)
Amounts Paid Subsequent to the Measurement Date	42,347,163	—
Total	<u>\$ 204,155,932</u>	<u>\$ (262,175,813)</u>

Deferred outflows of resources and deferred inflows of resources for component units as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 14,737,312	\$ (3,924,293)
Changes of Assumptions	4,616,350	(27,495,557)
Changes in Proportion	5,764,701	(1,068,250)
Amounts Paid Subsequent to the Measurement Date	5,340,917	—
Total	<u>\$ 30,459,280</u>	<u>\$ (32,488,100)</u>

The \$47,688,080 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, 2023 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/(revenue) as follows:

FY 2023	\$ (22,154,736)
FY 2024	(22,154,736)
FY 2025	(22,154,736)
FY 2026	(22,154,736)
FY 2027	(22,154,736)
Thereafter	3,036,900

The \$42,347,163 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, 2023 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/(revenue) as follows:

FY 2023	\$ (20,448,777)
FY 2024	(20,448,777)
FY 2025	(20,448,777)
FY 2026	(20,448,777)
FY 2027	(20,448,777)
Thereafter	1,876,831

The \$5,340,917 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, 2023 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/(revenue) as follows:

FY 2023	\$ (1,705,959)
FY 2024	(1,705,959)
FY 2025	(1,705,959)
FY 2026	(1,705,959)
FY 2027	(1,705,959)
Thereafter	1,160,069

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 life 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 contributions 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, 2022, the State, including the University of Wisconsin System, reported a liability of \$841.6 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the State's proportion was 88.8 percent which was an increase of 0.7 percent from its proportion of 88.1 percent measured as of December 31, 2020.

Net OPEB liability amounts, by participating employers as of a June 30, 2022 reporting date, are indicated in the table below (in millions):

Participating Employer	Net OPEB Liability
Primary Government	
State of Wisconsin	\$ 449.0
University of Wisconsin System	392.6
Component Units	
UW Hospital and Clinics Auth.	101.6
WI Housing & Economic Development Auth.	3.2
Wisconsin Economic Development Corp.	1.3
Total Net OPEB Liability	\$ 947.7

For the year ended June 30, 2022, OPEB expense of \$109.8 million was recognized by participating employers:

Primary Government

State of Wisconsin	\$ 53,319,654
University of WI System	44,293,360

Component Units

UW Hospital and Clinics Auth.	11,541,539
WI Housing & Economic Development Auth.	429,262
WI Economic Development Corp.	180,417
Total	\$ 109,764,232

For the year ended June 30, 2022, contributions of \$1.7 million were recognized by the plan from participating employers:

Primary Government

State of Wisconsin	\$ 791,118
University of WI System	691,620

Component Units

UW Hospital and Clinics Auth.	179,082
WI Housing & Economic Development Auth.	5,668
WI Economic Development Corp.	2,367
Total	\$ 1,669,855

Changes in the Net OPEB Liability

Changes to the net OPEB plan liability during the fiscal year include the following (in millions):

Total OPEB Liability December 31, 2020	\$ 1,200.7
Changes for the Year:	
Service cost	46.3
Interest	27.4
Difference between expected & actual experience	3.2
Changes of assumptions	13.4
Benefit payments	(23.7)
Net Change in Total OPEB Liability	66.6
Total OPEB Liability December 31, 2021	\$ 1,267.3
Plan Fiduciary Net Position December 31, 2020	\$ 333.7
Changes for the Year:	
Contributions from employers	1.7
Net investment income	8.7
Administrative expense	(0.9)
Benefit payments	(23.7)
Net change in Plan Fiduciary Net Position	(14.2)
Plan Fiduciary Net Position December 31, 2021	\$ 319.5
Collective Net OPEB Liability December 31, 2020	\$ 867.0
Net change in Collective Net OPEB Liability	80.8
Collective Net OPEB Liability December 31, 2021	\$ 947.8

At June 30, 2022, deferred outflows of resources and deferred inflows of resources for 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	\$ 2,719,361	\$ (19,466,482)
Changes of Assumptions	246,910,494	(39,056,323)
Changes in Proportion	11,511,663	(11,511,667)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	10,359,620	—
Total	<u>\$ 271,501,138</u>	<u>\$ (70,034,472)</u>

Deferred outflows of resources and deferred inflows of resources for the state (primary government) as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 2,414,640	\$ (17,285,146)
Changes of Assumptions	219,242,691	(34,679,827)
Changes in Proportion	9,642,135	(7,630,806)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	9,198,761	—
Total	<u>\$ 240,498,227</u>	<u>\$ (59,595,779)</u>

Deferred outflows of resources and deferred inflows of resources for component units as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 304,721	\$ (2,181,336)
Changes of Assumptions	27,667,803	(4,376,496)
Changes in Proportion	1,869,528	(3,880,861)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,160,859	—
Total	<u>\$ 31,002,911</u>	<u>\$ (10,438,693)</u>

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 2023	\$ 47,672,523
FY 2024	46,425,379
FY 2025	42,362,920
FY 2026	46,536,522
FY 2027	16,911,642
Thereafter	1,557,685

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 2023	\$ 42,479,051
FY 2024	41,371,657
FY 2025	37,971,289
FY 2026	41,785,683
FY 2027	15,517,715
Thereafter	1,777,053

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 2023	\$ 5,193,469
FY 2024	5,053,719
FY 2025	4,391,632
FY 2026	4,750,833
FY 2027	1,393,931
Thereafter	(219,369)

Sensitivity of the Net 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 (1.15%)	Current Discount Rate (2.15%)	1% Increase in Discount Rate (3.15%)
Primary Government	\$ 1,107.0	\$ 841.6	\$ 639.3
Component Units	139.7	106.2	80.7
Net OPEB Liability	<u>\$ 1,246.7</u>	<u>\$ 947.8</u>	<u>\$ 720.0</u>

Single Discount Rate

A single discount rate of 2.15% was used to measure the total OPEB liability for the current year as opposed to 2.22% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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, 2021 were:

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg Interm Credit	45 %	1.68 %
US Long Credit Bonds	Bloomberg Long Credit	5 %	1.82 %
US Mortgages	Bloomberg MBS	50 %	1.94 %
Inflation			2.30 %
Long-Term Expected Rate of Return			4.25 %

Actuarial assumptions

Actuarial assumptions are based on the Wisconsin Retirement System experience study conducted in 2021 using experience from 2018 to 2020. 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability:	December 31, 2021
Actuarial Cost Method:	Entry Age Normal
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.15%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

C. Supplemental Health Insurance Conversion Credit OPEB

The Supplemental Health Insurance Conversion Credit plan provides all eligible employees of the State, the University of Wisconsin, University of Wisconsin Hospital and Clinics Authority and Wisconsin Housing and Economic Development Authority with credits that can be used to pay for post-retirement health insurance. Each employer's proportionate share of the net OPEB liability/(asset) and collective OPEB expense/(revenue), deferred inflows and outflows is based on the employer's contributions 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 Assets, OPEB Expense/(Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the State, including the University of Wisconsin System, reported an asset of \$286.7 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The State's proportion of the net OPEB asset was based on the State's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the State's proportion was 87.1 percent which decreased by 0.7 percent from its proportion of 87.8 percent measured as of December 31, 2020.

Net OPEB liability/(asset) amounts, by participating employers as of a June 30, 2022 reporting date, are indicated in the table below (in millions):

Participating Employer	Net OPEB Liability/(Asset)
Primary Government	
State of Wisconsin	\$ (138.3)
University of Wisconsin System	(148.3)
Component Units	
UW Hospital and Clinics Auth.	(41.5)
WI Housing & Economic Development Auth.	(0.8)
Total Net OPEB Liability/(Asset)	<u>\$ (328.9)</u>

For the year ended June 30, 2022, OPEB expense/(revenue) of \$(60.6) million was recognized by participating employers:

Primary Government	
State of Wisconsin	\$ (25,377,686)
University of WI System	(27,402,382)
Component Units	
UW Hospital and Clinics Auth.	(7,668,069)
WI Housing & Economic Development Auth.	(142,284)
Total	<u>\$ (60,590,421)</u>

For the year ended June 30, 2022, contributions of \$15.7 million were recognized by the plan from participating employers:

Primary Government	
State of Wisconsin	\$ 6,584,744
University of WI System	7,059,851
Component Units	
UW Hospital and Clinics Auth.	1,976,349
WI Housing & Economic Development Auth.	36,993
Total	<u>\$ 15,657,937</u>

Changes in the Net OPEB Liability/(Asset)

Changes to the net OPEB plan liability during the fiscal year include the following (in millions):

Total OPEB Liability December 31, 2020	\$ 924.0
Changes for the Year:	
Service cost	23.5
Interest	63.7
Difference between expected & actual experience	(36.2)
Changes of assumptions	120.4
Benefit payments	(52.6)
Net Change in Total OPEB Liability	<u>118.8</u>
Total OPEB Liability December 31, 2021	\$ 1,042.8
 Plan Fiduciary Net Position December 31, 2020	 \$ 1,208.8
Changes for the Year:	
Contributions from employers	15.7
Net investment income	200.6
Administrative expense	(0.7)
Benefit payments	(52.6)
Net change in Plan Fiduciary Net Position	<u>163.0</u>
Plan Fiduciary Net Position December 31, 2021	\$ 1,371.8
 Collective Net OPEB Liability December 31, 2020	 \$ (284.8)
Net change in Collective Net OPEB Liability/(Asset)	<u>(44.2)</u>
Collective Net OPEB Liability/(Asset) December 31, 2021	\$ (329.0)

At June 30, 2022, deferred outflows of resources and deferred inflows of resources for 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	\$ —	\$ (142,480,861)
Changes of Assumptions	121,199,551	—
Changes in Proportion	1,354,698	(1,354,698)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	—	(169,277,134)
OPEB Contributions Subsequent to the Measurement Date	5,245,483	—
Total	<u>\$ 127,799,732</u>	<u>\$ (313,112,693)</u>

Deferred outflows of resources and deferred inflows of resources for the state (primary government) as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ —	\$ (124,160,267)
Changes of Assumptions	105,615,369	—
Changes in Proportion	1,201,662	(983,246)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	—	(147,511,000)
OPEB Contributions Subsequent to the Measurement Date	2,414,483	—
Total	<u>\$ 109,231,514</u>	<u>\$ (272,654,513)</u>

Deferred outflows of resources and deferred inflows of resources for component units as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ —	\$ (18,320,594)
Changes of Assumptions	15,584,182	—
Changes in Proportion	153,036	(371,452)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	—	(21,766,134)
OPEB Contributions Subsequent to the Measurement Date	2,831,000	—
Total	<u>\$ 18,568,218</u>	<u>\$ (40,458,180)</u>

The \$5,245,483 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, 2023 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/(revenue) as follows:

FY 2023	\$ (49,683,537)
FY 2024	(71,369,368)
FY 2025	(48,245,287)
FY 2026	(31,287,685)
FY 2027	(4,989,835)
Thereafter	15,017,269

The \$2,414,483 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, 2023 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/(revenue) as follows:

FY 2023	\$ (43,275,622)
FY 2024	(62,173,028)
FY 2025	(42,022,308)
FY 2026	(27,245,162)
FY 2027	(4,319,348)
Thereafter	13,197,986

The \$2,831,000 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, 2023 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/(revenue) as follows:

FY 2023	\$ (6,407,915)
FY 2024	(9,196,340)
FY 2025	(6,222,979)
FY 2026	(4,042,523)
FY 2027	(670,487)
Thereafter	1,819,283

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents participating employer's proportionate share of the net OPEB liability/(asset) and what the liability/(asset) 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 (5.80%)	Current Discount Rate (6.80%)	1% Increase in Discount Rate (7.80%)
Primary Government	\$ (190.5)	\$ (286.7)	\$ (369.5)
Component Units	(28.1)	(42.3)	(54.5)
Net OPEB Liability/ (Asset)	<u>\$ (218.6)</u>	<u>\$ (329.0)</u>	<u>\$ (424.0)</u>

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

The following presents each employer's proportionate share of the net OPEB liability/(asset) 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
Primary Government	\$ (346.2)	\$ (286.7)	\$ (230.3)
Component Units	(51.1)	(42.3)	(34.0)
Net OPEB Liability/ (Asset)	<u>\$ (397.3)</u>	<u>\$ (329.0)</u>	<u>\$ (264.3)</u>

Single Discount Rate

A single discount rate of 6.8% was used to measure the Total OPEB Liability for the current year, a decrease from 7.0% in the prior year. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.8%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability and projections were excluded from this report.

Long-term expected Return on Plan Assets

The assets of the SHICC are commingled with assets from other benefit programs and invested in the Core Retirement Investment Trust (Core Fund). Earnings are allocated between the benefit programs based on the average balance invested for each program. The State of Wisconsin Investment Board (SWIB) manages the Core Fund with oversight by the SWIB Board of Trustees, as authorized in Wis. Stat. § 25.17. The long-term expected rate of return is reviewed every three years in conjunction with the Wisconsin Retirement System experience study. Best estimates of geometric real rates of return of each major asset class included in the OPEB plan's target allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Global Equities	52.0 %	4.2 %
Fixed Income	25.0 %	1.8 %
Inflation Sensitive Assets	19.0 %	0.2 %
Real Estate	7.0 %	3.0 %
Private Equity/Debt	12.0 %	7.0 %
Cash	(15.0)%	0.9 %
Total Fund	100.0 %	4.0 %
Inflation		2.4 %
Long-Term Expected Rate of Return		6.8 %

The long-term expected rate of return is 6.8% which is a decrease from 7.0% from the prior year. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These 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.

Actuarial assumptions

Actuarial assumptions are based on the Wisconsin Retirement System experience study conducted in 2021 using experience from 2018 to 2020. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net OPEB Liability/(Asset):	December 31, 2021
Experience Study	January 1, 2018 - December 31, 2020 Published November 18, 2021
Actuarial Cost Method:	Entry Age Normal
Long-Term Expected Rate of Return:	6.80%
Discount Rate:	6.80%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Health Care Cost Trend Rate:	6.0% for the first year grading down to an ultimate health care trend rate of 3.5% over a 12 year period.
Health Care Premiums	Actual premium amounts are used for current annuitants. For all non annuitants (active, preserved, and escrowed members), average premiums are calculated based on non Medicare and Medicare rates for one person and two person coverages.
Participation	100% of active and preserved members will begin using sick leave credits immediately upon reaching eligibility.
Usage for Escrowed Benefits:	50% of members currently in escrow status will at some point begin using their sick leave balances to pay for health care costs.
Sick Leave Accumulation:	The assumed annual sick leave accumulation for each individual is at their same rate as in the past (earned less used), but not more than 100% of the gross earned rate based on the person's employer and not less than 25% of their gross earned rate. The assumed annual gross earned rates range from 6.4 to 16.25 days depending on the employer.

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 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 three public entity risk pools: group health insurance, group income continuation insurance and duty disability insurance. ETF's separately issued financial statements, which contain historical trend, revenue, and claims development information, are available at 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, 2021.

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. The State and 393 local employers 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), a self-insured plan that provides for pharmacy benefits of covered members and a self-insured dental plan that provides dental benefits for members selecting dental insurance.

The Income Continuation Insurance Fund offers both long-term and short-term disability benefits (up to 75% of the average monthly earnings) for current employees of the State and of participating local public employers. All public employers in the State are eligible to participate. The State and 278 local employers currently participate in the plan and it is self-insured. The State and local government portions of the fund are accounted for separately and have separate contribution rates, benefits, and actuarial valuations. Since March 2012, premiums have been suspended for the local employers as a result of the funded status of the local employer program.

The Duty Disability Fund offers special disability insurance for the State and local WRS participants in protective occupations. Participation in the program is mandatory for all WRS employers with protective occupation employees. The State and 500 local employers currently participate. The plan is self-insured, and the risk is shared between the State and local government employers in the plan. Contributions are actuarially determined and are employer paid. Contributions are based on a graduated, experience-rated formula. During 2021, contribution rates ranged from 0.09% to 2.24% of covered payroll based on employer experience.

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, 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 6.8 percent for income continuation and duty disability insurance, as face value of the liability for these programs is not available. 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.

Statutory Authority - All programs are operated under the authority of Chapter 40, Wisconsin Statutes.

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 2021 (in millions):

	Income Continuation Insurance		Duty Disability Insurance		Pharmacy Benefits		Dental	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Unpaid claims and claim adjustment expenses at beginning of the calendar year	\$ 96.4	\$ 96.1	\$ 467.7	\$ 466.3	\$ (33.7)	\$ (27.9)	\$ 1.5	\$ 1.8
Incurred claims and claim adjustment expenses:								
Provision for insured events of the current calendar year	24.5	24.8	38.1	34.0	188.4	176.1	46.0	38.1
Changes in provision for insured events of prior calendar years	(4.7)	(5.2)	54.3	4.0	0.2	0.1	(0.1)	(0.7)
Total incurred claims and claim adjustment expenses	19.8	19.6	92.4	38.0	188.6	176.2	45.9	37.4
Payments:								
Claims and claim adjustment expenses attributable to insured events of the current calendar year	4.7	4.0	0.0	0.0	227.4	209.8	44.4	36.6
Claims and claim adjustment expenses attributable to insured events of prior calendar years	15.8	15.3	36.4	36.6	(33.5)	(27.8)	1.4	1.1
Total payments	20.5	19.3	36.4	36.6	193.9	182.0	45.8	37.7
Total unpaid claims and claim adjustment expenses at end of the calendar year	<u>\$ 95.7</u>	<u>\$ 96.4</u>	<u>\$ 523.8</u>	<u>\$ 467.7</u>	<u>\$ (39.0)*</u>	<u>\$ (33.7)*</u>	<u>\$ 1.6</u>	<u>\$ 1.5</u>

*Total unpaid claims at the end of 2021 is \$39.0 million in rebates due from pharmaceutical companies. Total unpaid claims at the end of 2020 is \$33.7 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 \$4.0 million per occurrence and \$6.5 million annual aggregate. When claims, which exceed \$100,000 per occurrence, total \$6.5 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 2022, 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, 2022 are estimated to total \$12.7 million.

Property Damages and Bodily Injuries to Third Parties

The State is self-funded for third party liability and effective 7/1/20 retains \$5.0 million per occurrence and participates in a 1/6th quota share for the next \$6 million excess of the \$5 million per occurrence retention. Additional layers of excess insurance are in place above \$11 million, with total policy limits during Fiscal Year 2022 at \$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, 2022 are estimated to total \$56.2 million.

Worker's Compensation

The Worker's Compensation Program was created by Wisconsin Statutes Chapter 102 to provide benefits to workers injured on the job. All employees of the State are included in the program. An

injury is covered under worker's compensation if it is caused by an accident that arose out of and in the course of employment.

The responsibility for claiming compensation is on the employee. A claim must be filed with the program within two years from the date of injury; otherwise the claim is not allowable.

The worker's compensation liability has been determined by an actuary using paid claims and current claims reserves. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities are affected by external factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims incurred but not paid as of June 30, 2022 are estimated to total \$87.0 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):

	2022	2021
Beginning of fiscal year liability	\$ 146,478	\$ 128,242
Current year claims and changes in estimates	40,443	52,533
Claim payments	(31,076)	(32,873)
	155,845	147,902
Excess insurance reimbursable	(2,923)	(1,424)
Balance at fiscal year-end	\$ 152,922	\$ 146,478

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, 2022 is \$4.7 million.

NOTE 20. INSURANCE FUNDS**A. 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 Board of Governors authorized a premium holiday beginning in the fiscal year 2021 and extended the holiday through fiscal year 2022. Also during fiscal year 2021, the Board approved an investment portfolio automatic rebalancing policy, changing the threshold from 20 percent to 17.5 percent.

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, 2022, 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	\$ 1,238,455
Less: Net loss paid from inception	(944,398)
Less: Liability for reported losses	(171,174)
Risk Margin	73,514
Liability for incurred but not reported losses	\$ 196,397

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 18 percent of the estimated unpaid losses as of June 30, 2022. 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, 2022, are deducted from the projected ultimate LAE to determine the liability for LAE as June 30, 2022 as follows (in thousands):

Projected ultimate LAE liability	\$ 167,816
Less: LAE paid from inception	(115,215)
Risk Margin	13,150
Liability for LAE	\$ 65,751

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 0.928, 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, 2022 (in thousands):

Estimated liability for incurred but not reported losses	\$ 196,397
Estimated liability for reported losses	171,174
Estimated liability for loss adjustment expense	65,751
Total estimated loss liabilities	433,322
Less: Amount representing interest	(31,176)
Discounted loss liabilities	\$ 402,146

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 2022 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, 2022 (in thousands), is as follows:

Discounted loss liabilities	\$ 402,146
Future medical expense liability	61,707
Total estimated loss liabilities	463,853
Current portion	(56,039)
Noncurrent portion	\$ 407,814

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 2022 (in thousands):

Liability at the beginning of the year	\$ 428,807
Inurred claims and related expenses for the current year and the change in estimated amounts for claims incurred in prior years	45,015
Less: current year payments attributable to claims incurred in current and prior years	(9,968)
Liability at the end of the year	\$ 463,854

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	\$ 4,885	\$ 4,094
1967-1976	22,340	14,992
1977-1985	56,728	25,553
1986-1994	41,439	10,589
1995-2012	40,800	8,597
2013-2018	5,648	569
2019+	2,118	102
	<u>\$ 173,956</u>	<u>\$ 64,496</u>

Basis of Assumption

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
2019-2020	3.5	2017 CSO, ALB, Aggregate
2021+	3.0	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 statutorily 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, 2021 were \$112.9 million and statutory capital and surplus was \$10.5 million. Fund equity at June 30, 2022 was \$11.6 million.

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, 2022 is presented below (in thousands):

Condensed Statement of Net Position		Condensed Statement of Revenues, Expenses and Changes in Net Position	
Assets:		Operating Revenues (Expenses):	
Current Assets	\$ 385,257	Loan Interest	\$ —
Other Assets	1,641,236	Interest Income used as Security for Revenue Bonds	37,704
Total Assets	2,026,493	Miscellaneous Other	1,649
		Interest Expense	(9,086)
Deferred Outflows of Resources	819	Other Operating Expenses	(4,050)
		Operating Income (Loss)	26,218
Total Assets and Deferred Outflows of Resources	\$ 2,027,312	Nonoperating Revenues (Expenses):	
		Investment Income	187
Liabilities:		Intergovernmental Grants	42,856
Due to Other Funds	10,510	Grants Awarded	(17,606)
Other Current Liabilities (Including Current Portion of Long-term Debt)	29,319		
Noncurrent Liabilities	321,746	Income (Loss) before Transfers	51,655
Total Liabilities	361,574	Transfers In (Out)	(6,453)
		Change in Net Position	45,201
		Beginning Net Position	1,620,536
Net position:		Ending Net Position	\$ 1,665,737
Restricted	1,665,737		
Total Net Position	1,665,737	Condensed Statement of Cash Flows	
Total Liabilities and Net Position	\$ 2,027,312	Net Cash Provided (Used) by:	
		Operating Activities	\$ (104,490)
		Noncapital Financing Activities	81,460
		Investing Activities	187
		Net Increase (Decrease)	(22,843)
		Beginning Cash and Cash Equivalents	239,165
		Ending Cash and Cash Equivalents	\$ 216,322

NOTE 22. COMPONENT UNITS – CONDENSED FINANCIAL INFORMATION

Significant financial data for the State's discretely presented component units for the year ended December 31, 2021 or June 30, 2022 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
Condensed Statement of Net Position						
Assets:						
Cash, Investments and Other Assets	\$ 2,902,538	\$ 62,862	\$ 3,972,108	\$ 90,929	\$ 4,951,112	\$ 11,979,550
Due from Primary Governments	—	—	22,215	—	—	22,215
Cash and Investments with other Component Units	—	—	170,783	—	—	170,783
Capital Assets, net	37,874	—	1,406,616	790	14,098	1,459,378
Total Assets	2,940,412	62,862	5,571,722	91,719	4,965,210	13,631,926
Deferred Outflows of Resources						
	18,408	—	659,989	8,308	—	686,705
Total Assets and Deferred Outflows	\$ 2,958,820	\$ 62,862	\$ 6,231,711	\$ 100,027	\$ 4,965,210	\$ 14,318,630
Liabilities:						
Accounts Payable and Other Current Liabilities	\$ 163,775	\$ 3,360	\$ 732,381	\$ 12,593	\$ 211,731	\$ 1,123,839
Due to Primary Government	—	—	39,077	—	—	39,077
Amounts Held for Other Component Units	—	—	—	—	162,860	162,860
Other Liabilities	5,913	—	1,876	—	—	7,789
Long-term Liabilities (Current and Noncurrent portions)	1,889,340	18,458	1,447,972	4,258	40,645	3,400,674
Total Liabilities	2,059,028	21,818	2,221,306	16,851	415,236	4,734,239
Deferred Inflows of Resources	25,370	—	811,251	10,381	—	847,002
Net Position:						
Net Investment in Capital Assets	17,874	—	549,887	138	14,098	581,998
Restricted	839,374	41,044	389,037	45,822	4,426,856	5,742,134
Unrestricted	17,174	—	2,260,230	26,834	109,020	2,413,257
Total Net Position	874,422	41,044	3,199,154	72,795	4,549,974	8,737,389
Total Liabilities, Deferred Inflows and Net Position	\$ 2,958,820	\$ 62,862	\$ 6,231,711	\$ 100,027	\$ 4,965,210	\$ 14,318,630
Condensed Statement of Activities						
Program Expenses:						
Depreciation	\$ 605	\$ —	\$ 135,660	\$ 847	\$ 2,122	\$ 139,235
Payments to Primary Government	—	—	72,182	—	272,226	344,408
Other	283,942	4,778	3,697,367	108,118	57,926	4,152,132
Total Program Expenses:	284,547	4,778	3,905,209	108,966	332,274	4,635,774
Program Revenues:						
Charges for Goods and Services	7,994	2,020	3,951,733	170	—	3,961,918
Investment and Interest Income	57,088	1,376	—	—	(466,213)	(407,749)
Operating Grants and Contributions	208,454	—	—	106,681	378,420	693,555
Miscellaneous	16,719	30	76,213	—	4,404	97,366
Total Program Revenues	290,255	3,427	4,027,946	106,852	(83,390)	4,345,089
Net Program Revenue/(Expense)	5,708	(1,352)	122,737	(2,114)	(415,664)	(290,685)
General Revenues:						
Interest and Investment Earnings	(93,404)	—	(221,598)	(569)	—	(315,571)
Miscellaneous	—	—	57,569	3,031	—	60,600
Contributions to Endowments	—	—	13,799	—	—	13,799
Change in Net Position	(87,696)	(1,352)	(27,493)	348	(415,664)	(531,858)
Net Position, Beginning of Year	962,118	42,396	3,226,647	72,447	4,965,639	9,269,246
Net Position, End of Year	\$ 874,422	\$ 41,044	\$ 3,199,154	\$ 72,795	\$ 4,549,974	\$ 8,737,389

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 2021 Annual Comprehensive Financial Report to the beginning-of-year amounts reported for Fiscal Year 2022 (in thousands):

A. Fund Statements – Governmental Funds

	Major Funds		Nonmajor Funds	Total Governmental
	General	Transportation		
Fund Balances at June 30, 2021 as reported in the 2021 Annual Comprehensive Financial Report	\$ 1,180,415	\$ 1,041,061	\$ 2,112,819	\$ 4,334,296
Enterprise fund reclassification	2,105			\$ 2,105
Correction of Accounts Payable	3,269			\$ 3,269
Correction of accounts receivable		1,675		\$ 1,675
Revenue Corrections			47	\$ 47
Fund Balances July 1, 2021 as restated	<u>\$ 1,185,789</u>	<u>\$ 1,042,737</u>	<u>\$ 2,112,866</u>	<u>\$ 4,341,392</u>
Effect of adjustments on the amount of excess revenues and other sources over expenditures and other uses of Fiscal Year 2021	\$ 3,269	\$ 1,675	\$ 47	\$ 4,991

B. Fund Statements – Proprietary Funds

	Major Funds			Nonmajor Funds	Total Enterprise	Internal Service Funds
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve			
Net Positions at June 30, 2021 as reported in the 2021 Annual Comprehensive Financial Report	\$ 2,174,848	\$ 6,000,279	\$ 1,151,759	\$ 2,352,188	\$ 11,679,074	\$ (428,001)
Adoption of GASB Statement No. 87, Leases	—	(1,465)	—	—	(1,465)	—
Adjustments to assets and liabilities	—	—	—	(5,309)	(5,309)	—
Enterprise fund reclassification	—	—	—	(2,098)	(2,098)	—
Capital assets adjustments	—	—	—	(563)	(563)	—
Net Positions July 1, 2021 as restated	<u>\$ 2,174,848</u>	<u>\$ 5,998,814</u>	<u>\$ 1,151,759</u>	<u>\$ 2,344,217</u>	<u>\$ 11,669,639</u>	<u>\$ (428,001)</u>
Effect of adjustments on the amount of net increase (decrease) in net positions of Fiscal Year 2021	\$ —	\$ —	\$ —	\$ (5,873)	\$ (5,873)	\$ —

C. Government-wide Statements

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
Net Positions at June 30, 2021 as reported in the 2021 Annual Comprehensive Financial Report	\$ 19,555,404	\$ 11,598,329	\$ 31,153,733	\$ 9,270,820
Capital asset corrections	(4,080)	—	(4,080)	—
Enterprise fund reclassification	(7)	(2,098)	(2,105)	—
Liability Correction	2,778		2,778	—
Adoption of GASB Statement No. 87, Leases	—	(1,465)	(1,465)	(1,574)
Other adjustments of assets and liabilities as of June 30, 2021	7,096	(5,873)	1,223	—
Net Positions July 1, 2021 as restated	\$ 19,561,190	\$ 11,588,894	\$ 31,150,084	\$ 9,269,246
Effect of adjustments on the amount of net increase (decrease) in net positions of Fiscal Year 2021	\$ 3,689	\$ (5,873)	\$ (2,184)	\$ —

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 \$0.6 million on June 30, 2022 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, 2022.

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. DHS partially disagreed with the report. The Centers for Medicare and Medicaid Services (CMS) reviewed the report and determined that DHHS underreported the settlement and requested that DHS refund \$31.0 million to the federal government. In February 2021 DHS submitted a formal objection letter to CMS and in August 2022 CMS issued a disallowance in the amount of \$24.9 million. DHS intends to appeal this disallowance.

St. Mary's Springs Academy filed a just compensation appeal against the Department of Transportation (DOT). The issue is the amount of compensation to St. Mary's Springs Academy for property acquisition as part of a highway project. Depending on the verdict, DOT may be liable for additional damages and attorney's fees. It is believed that the maximum total liability would be approximately \$1.8 million because of damages already paid by DOT. It is the State's position that it is not liable for any new compensation or fees and costs of St. Mary's. The State is vigorously defending this case, with mediation scheduled for December 2022 and a trial scheduled for March 2023.

KJS Amoco Inc. filed a civil lawsuit against DOT for relocation benefits due to commercial displacement following DOT's total acquisition of leased property. The plaintiff is seeking payment of approximately \$11.4 million. DOT successfully obtained dismissal of a second plaintiff and the claims of that plaintiff. Cross motions for summary judgement on the remaining claim have been filed and are in the process of being briefed, with a trial date not yet scheduled. It is the State's position that it is not liable for this claim and is vigorously defending this case.

At the end of FY 2022, the Unemployment Reserve Fund, administered by the Department of Workforce Development (DWD), had a backlog related to weekly claims filed. DWD accrued a liability in the Unemployment Reserve Fund for benefits paid through October 31, 2022 that were related to weeks prior to June 30, 2022. However, an estimate of payments related to the remaining backlog, totaling 5,926 adjudication issues and 1,369 appeals as of October 30, 2022, cannot be estimated and therefore a liability for these claims has not been reported.

A class action lawsuit alleging discrimination under the Rehabilitation Act and the ADA as well violation of the "when due" clause of the Social Security Act and the Due Process Clause of the Fourteenth Amendment was filed against the DWD in September 2021. The plaintiffs seek to invalidate Wis Stat. 108.04(12)(f) and 108.04(2)(h) which prohibit recipients of social security disability insurance payments from receiving regular unemployment compensation benefits. In addition to an injunction, the plaintiffs seek back payments for any weeks that members of the class would have been eligible for regular unemployment benefits, excluding the weeks for which they received PUA instead, and reimbursement for any collection costs and penalties.

The case was pled as a class action, but the State successfully moved for an order allowing the district court to rule on a summary judgement motion first. That summary judgement motion is now pending, which seeks complete dismissal of the case.

Several employees of the Department of Corrections (DOC) filed a Wis. Stat. Chapter 109 wage claim action against DOC seeking unpaid wages for tasks they claim are integral and indispensable to their primary work duties. The plaintiffs are seeking class action certification, which was granted in September 2022 by the circuit court. DOJ has appealed the decision certifying the class, with an opening brief due in December 2022. The State is vigorously defending its position.

In FY 2020, Intersystems Corporation filed a claim against the Department of Revenue (DOR) asserting that DOR owed Intersystems Corporation a refund of \$73.9 million plus interest for 2010-2017. The issue is whether or not fees from sublicensing software sold to Epic, who is domiciled in Wisconsin, may be treated as Wisconsin sales in the sales factor. The case is currently being appealed to the Wisconsin Tax Appeals Commission, but DOR believes that its position is meritorious and will defend the matter vigorously.

In FY 2022, Caidan Enterprises Incorporated filed a claim against DOR asserting that DOR owed Caidan approximately \$15.0 million in income tax and interest for the 2015-2018 tax years because Caidan should not pay taxes on gain that was not unitary. The case is currently being appealed to the Wisconsin Tax Appeals Commission, but DOR believes the gain was not unitary and will defend the matter vigorously.

B. Commitments

Primary Government

As of June 30, 2022, encumbrances of the General Fund totaled \$1.9 billion, encumbrances of the Transportation Fund totaled \$2.1 billion, and encumbrances of other non-major governmental funds totaled \$216.2 million. Obligations at June 30, 2022 representing multi-year, long-term commitments included (in thousands):

Transportation Fund	\$	565,961
Capital Improvement Fund – WisDOT Harbors, Rails and Highway Programs		30,515
Transportation Revenue Bonds Capital Projects Fund		30,770
General Fund – Housing Programs		81,987

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 \$257.6 million as of June 30, 2022. 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, 2022 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, 2022, the appropriation available totaled \$75.4 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 ACFR are certified by the Wisconsin Economic Development Corporation (WEDC), a separate legal entity also reported as a component unit in the ACFR. 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.

State Agency Programs	Authority	Purpose	Tax Abated	Primary Criteria	Mechanism	Abatement Calculation	Recapturing Abatements
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
WHEDA Programs	Authority	Purpose	Tax Abated	Primary Criteria	Mechanism	Abatement Calculation	Recapturing Abatements
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	<p>Incent new and expanding businesses in the cities of Beloit, Janesville, and Kenosha</p> <p>Incent the creation of jobs for target group members</p>	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>	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 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
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 ¹	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

¹ 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, 2022 (in millions):

	Amount
State Agency Administered Program	
Historical Homeowners Tax Credit	\$ 1.6
WEDC Administered Programs	
Business Development Credit *	12.2
Development Opportunity Zone Tax Credit	0.3
Enterprise Zone Tax Credit	74.8
Qualified New Business Venture	8.7
Historical Preservation Tax Credit	14.7
Total State Agency and WEDC:	\$ 112.3

* 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 February 2022, the State entered into a forward delivery bond purchase agreement for the issuance of general obligation refunding bonds and a preliminary closing for those bonds occurred in March 2022. Subject to the forward delivery agreement, the State expects to issue \$125.8 million of 2023 Series 1 general obligation refunding bonds in January 2023 to be used for the current refunding of certain principal of previously issued general obligation bonds. When issued, the interest rates are expected to be 5.0 percent payable semiannually beginning November 1, 2023. The bonds mature May 1, 2024, May 1, 2027, and May 1, 2028.

In July 2022, the State issued \$134.8 million of 2022 Series A general obligation floating rate notes to be used for the acquisition, construction, development, extension, enlargement or improvement of land, water, property, highways, buildings, equipment of facilities for public purposes. The interest rates associated with these notes are variable rate with interest payable monthly beginning August 1, 2022. The notes mature May 1, 2023 and May 1, 2025.

In October 2022, the State issued \$54.1 million of 2022 Series 3 general obligation refunding bonds to be used for the current refunding of certain principal of previously issued general obligation bonds. The interest rate associated with these bonds was set at 5.0 percent payable May 1, and November 1, 2023. The bonds mature November 1, 2023.

In November 2022, the State issued \$257.1 million of 2022 Series 4 general obligation refunding bonds to be used for the current and advance refunding of certain principal of previously issued general obligation bonds. The interest rates associated with these bonds were set at 5.0 percent payable semiannually beginning May 1 2023. The bonds mature annually beginning May 1, 2025 through May 1, 2043.

In November 2022, the State issued \$20.6 million of 2022 Series 5 general obligation refunding bonds (taxable) to be used for the advance refunding of certain principal of previously issued general obligation bonds. The interest rates associated with these bonds were set at 4.8 percent to 5.7 percent payable semiannually beginning May 1, 2023. The bonds mature May 1, 2027, May 1, 2028, May 1, 2031, and then annually beginning May 1, 2033 through May 1, 2037.

Environmental Improvement Fund Revenue Bonds – In November 2022, the State issued \$50.0 million of 2022 Series A environmental improvement fund revenue bonds (green bonds) to make pledged loans for the program. The interest rates associated with these bonds were set at 5.0 percent payable semiannually beginning June 1, 2023. The bonds mature annually beginning June 1, 2024 through June 1, 2043.

Short-term Debt

General Obligation Notes – In August 2022, the State issued \$73.5 million of general obligation extendible municipal commercial paper notes to be used to finance, or to fund previously issued general obligation extendible municipal commercial paper notes.

Investments

In December 2022, the State became aware that one of its limited partnership investments, the Blackstone Real Estate Income Trust (BREIT), had received repurchase requests in the third quarter of 2022 that exceeded the 2% of NAV monthly redemption limit and 5% of NAV quarterly limitation for the fund. Consequently, BREIT repurchased approximately 43% of each investor's repurchase request in November 2022. In December 2022, redemption restrictions were implemented and only 0.3% of the fund NAV will be eligible for repurchase. If BREIT receives elevated repurchase requests in the first quarter of 2023, Blackstone intends to fulfill repurchases at the 2% of NAV monthly limit, subject to the 5% of NAV quarterly limit. As of June 30th, 2022, the Common School Fund had approximately \$66.0 million invested in BREIT. In August 2022, the Common School Fund redeemed approximately \$10.0 million of shares in BREIT. The Common School Fund has no intention of selling additional shares of BREIT at this time.

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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	2019	2020	2021
Total OPEB Liability:					
Service cost	\$ 72.1	\$ 58.0	\$ 40.3	\$ 48.5	\$ 52.5
Interest	23.6	27.1	21.7	24.5	14.9
Difference between expected & actual experience	(4.1)	0.8	65.1	(40.1)	92.1
Changes of assumptions	(109.3)	(224.8)	56.7	(16.6)	(41.2)
Benefit payments	(38.4)	(40.8)	(40.9)	(56.8)	(47.4)
Net Change in Total OPEB Liability	(56.1)	(179.7)	142.9	(40.5)	70.9
Total OPEB Liability – Beginning	775.4	719.3	539.6	682.5	642.0
Total OPEB Liability – Ending	\$ 719.3	\$ 539.6	\$ 682.5	\$ 642.0	\$ 712.9
Covered-employee payroll	\$ 3,690.7	\$ 3,729.7	\$ 3,905.8	\$ 4,030.8	\$ 4,107.0
Total OPEB Liability as a percentage of covered-employee payroll	19.49 %	14.47 %	17.47 %	15.93 %	17.36 %

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).

Note to preceding required supplementary information - State Health Insurance Program

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.

Postemployment Benefits - State Life Insurance Program

Schedule of Changes in the Total OPEB Liability/(Asset) and Related Ratios (in millions)

As of the Measurement Date December 31

	2017	2018	2019	2020	2021
Total OPEB Liability:					
Service cost	\$ 26.2	\$ 30.7	\$ 25.4	\$ 36.3	\$ 46.3
Interest	30.7	31.2	33.2	29.9	27.4
Difference between expected & actual experience	(5.3)	(17.5)	(6.1)	(10.4)	3.2
Changes of assumptions	49.0	(94.9)	223.0	138.5	13.4
Benefit payments	(17.7)	(19.5)	(19.9)	(24.7)	(23.7)
Net Change in Total OPEB Liability	82.9	(70.1)	255.6	169.6	66.6
Total OPEB Liability - Beginning	762.6	845.5	775.5	1,031.1	1,200.7
Total OPEB Liability - Ending	845.5	775.5	1,031.1	1,200.7	1,267.3
Plan Fiduciary Net Position:					
Contributions from employers	1.4	1.4	1.2	1.5	1.7
Transfer from active life insurance program	—	—	13.1	—	—
Net investment income	11.6	10.9	10.4	9.8	8.7
Administrative expense	(0.7)	(0.7)	(0.8)	(0.9)	(0.9)
Benefit payments	(17.7)	(19.5)	(19.9)	(24.7)	(23.7)
Net change in Plan Fiduciary Net Position	(5.4)	(8.0)	4.0	(14.3)	(14.2)
Plan Fiduciary Net Position – Beginning	357.4	352.0	344.0	348.0	333.7
Plan Fiduciary Net Position – Ending	352.0	344.0	348.0	333.7	319.5
Collective Net OPEB Liability/(Asset) – Beginning	405.1	493.5	431.5	683.1	867.0
Net change in Collective Net OPEB Liability/(Asset)	88.4	(62.0)	251.6	183.9	80.8
Collective Net OPEB Liability/(Asset) – Ending	\$ 493.5	\$ 431.5	\$ 683.1	\$ 867.0	\$ 947.8
Plan Fiduciary Net Position as a percentage of the total OPEB Liability/(Asset)	41.63 %	44.36 %	33.75 %	27.79 %	25.21 %
Covered-employee payroll	\$ 3,184.0	\$ 3,182.5	\$ 3,299.5	\$ 3,456.5	\$ 3,529.3
Net OPEB Liability as a percentage of covered-employee payroll	15.50 %	13.56 %	20.70 %	25.08 %	26.86 %

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	2019	2020	2021
Contractually required contribution	\$ 1.4	\$ 1.4	\$ 1.1	\$ 1.5	\$ 1.7
Contributions in relation to the contractually required contribution	1.4	1.4	1.1	1.5	1.7
Contribution deficiency	—	—	—	—	—
Covered-employee payroll	\$ 3,184.0	\$ 3,182.5	\$ 3,299.5	\$ 3,456.5	\$ 3,529.3
Contributions as a percentage of covered-employee payroll	0.042 %	0.044 %	0.033 %	0.043 %	0.048 %

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).

Postemployment Benefits - Supplemental Health Insurance Conversion Credit Program

Schedule of Changes in the Total OPEB Liability/(Asset) and Related Ratios (in millions)

As of the Measurement Date December 31

	2017	2018	2019	2020	2021
Total OPEB Liability:					
Service cost	\$ 23.1	\$ 23.4	\$ 25.5	\$ 24.1	\$ 23.5
Interest	65.8	66.0	65.5	64.4	63.7
Difference between expected & actual experience	(31.6)	(41.6)	(55.3)	(47.6)	(36.2)
Changes of assumptions	—	25.2	—	—	120.4
Benefit payments	(56.4)	(55.4)	(52.9)	(49.5)	(52.6)
Net Change in Total OPEB Liability	0.9	17.6	(17.2)	(8.6)	118.8
Total OPEB Liability - Beginning	931.3	932.2	949.8	932.6	924.0
Total OPEB Liability - Ending	932.2	949.8	932.6	924.0	1,042.8
Plan Fiduciary Net Position:					
Contributions from employers	17.9	18.2	14.3	15.1	15.7
Net investment income	141.7	(36.5)	180.2	159.4	200.6
Administrative expense	(0.3)	(0.2)	(0.3)	(0.6)	(0.7)
Benefit payments	(56.4)	(55.4)	(52.9)	(49.5)	(52.6)
Net change in Plan Fiduciary Net Position	102.9	(73.9)	141.3	124.4	163.0
Plan Fiduciary Net Position – Beginning	914.1	1,017.0	943.1	1,084.4	1,208.8
Plan Fiduciary Net Position – Ending	1,017.0	943.1	1,084.4	1,208.8	1,371.8
Collective Net OPEB Liability/(Asset) – Beginning	17.2	(84.8)	6.7	(151.8)	(284.8)
Net change in Collective Net OPEB Liability/(Asset)	(102.0)	91.5	(158.5)	(133.0)	(44.2)
Collective Net OPEB Liability/(Asset) – Ending	\$ (84.8)	\$ 6.7	\$ (151.8)	\$ (284.8)	\$ (329.0)
Plan Fiduciary Net Position as a percentage of the total OPEB Liability/(Asset)	109.10 %	99.29 %	116.28 %	130.82 %	131.55 %
Covered-employee payroll	\$ 4,454.5	\$ 4,562.6	\$ 4,796.1	\$ 5,018.5	\$ 5,215.5
Net OPEB Liability as a percentage of covered-employee payroll	(1.90)%	0.15 %	(3.17)%	(5.68)%	(6.31)%

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 Supplemental Health Insurance Conversion Credit OPEB Plan (in millions)

As of the Measurement Date December 31

	2017	2018	2019	2020	2021
Contractually required contribution	\$ 17.9	\$ 18.2	\$ 14.4	\$ 15.1	\$ 15.7
Contributions in relation to the contractually required contribution	17.9	18.2	14.4	15.1	15.7
Contribution deficiency	—	—	—	—	—
Covered-employee payroll	\$ 4,454.5	\$ 4,562.6	\$ 4,796.1	\$ 5,018.5	\$ 5,215.5
Contributions as a percentage of covered-employee payroll	0.400 %	0.399 %	0.300 %	0.301 %	0.301 %

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).

*In FY 2020 it was determined that the SHICC Program was an OPEB to the State and should've been reported with the implementation of GASB 75. Therefore, FY 2020 was the first year it is reported in the statements.

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:

Fiscal Year*	State's Proportion of the NPL/(NPA) (a)	State's Proportionate Share of the NPL/(NPA) (b)	State's Covered Payroll (c)	State's Share of the NPL/(NPA) as a Percentage of Covered Payroll (b / c)	WRS' Net Position as a Percentage of the Total Pension Liability (d)
2022	(28.5)%	\$ (2,293,804,977)	\$ 4,540,800,913	(50.5)%	106.0%
2021	(28.1)	(1,756,102,234)	4,401,057,149	(39.9)	105.3
2020	(27.7)	(895,288,646)	4,159,693,791	(21.5)	103.0
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.

State's Pension Contributions

The State's pension contributions to the Wisconsin Retirement System are provided below:

Fiscal Year*		State's Actuarially Determined Contributions (a)		State's Contributions Made (b)	Contribution Excess/ (Deficiency) (b - a)	State's Covered Payroll (c)	State's Contributions Made as a Percentage of Covered Payroll (b / c)
2022	\$	333,860,600	\$	333,860,600	\$ —	\$ 4,540,800,913	7.4%
2021		324,683,196		324,683,196	—	4,401,057,149	7.4
2020		292,078,527		292,078,527	—	4,159,693,791	7.0
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.

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 5,100 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)
2022	11,200	7.8	15.0	7.2
2021	11,200	7.5	15.0	7.5
2020	11,200	7.6	15.0	7.4
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

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)
2022	\$ 1,265.2	\$ 688.9	\$ 576.3
2021	939.8	571.4	368.4
2020	828.6	671.0	157.6
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

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)
2022	5,100	2.5	15.0	12.5
2021	5,100	2.3	15.0	12.7
2020	5,200	2.3	15.0	12.7
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

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)
2022	\$ 58.0	\$ 58.6	\$ (0.6)
2021	59.0	77.2	(18.2)
2020	107.3	67.5	39.8
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

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.

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Budgetary Comparison Schedule - General Fund

For the Fiscal Year Ended June 30, 2022

(In Thousands)

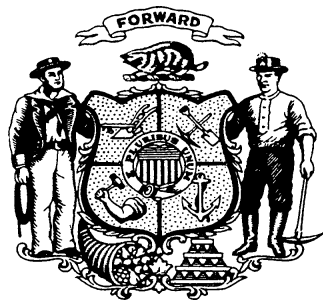
	Original Budget		Final Budget		Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year					<u>\$ 5,308,758</u>
Revenues and Transfers (Inflows):					
Taxes	\$ 17,916,777		\$ 18,957,509		20,578,238
Departmental:					
Tribal Gaming	—		—		—
Other	27,555,746	(A)	27,553,052	(A)	27,498,447
Transfers from:					
Nonmajor Governmental Funds	(A)		(A)		1,939
Nonmajor Enterprise Funds	(A)		(A)		—
Total Revenues and Transfers (Inflows)	<u>\$ 45,472,523</u>		<u>\$ 46,510,561</u>		<u>\$ 48,078,624</u>
Amounts Available for Appropriation					<u>\$ 53,387,382</u>
Appropriations (Outflows):					
Commerce	412,288		599,763		423,974
Education	15,195,985		18,395,419		15,779,830
Environmental Resources	301,996		484,560		331,695
Human Relations and Resources	17,473,214		24,733,064		21,459,946
General Executive	1,248,078		5,367,260		3,049,138
Judicial	154,065		161,149		156,445
Legislative	88,552		88,592		81,695
Tax Relief and Other General	2,831,708		2,876,465		2,758,366
Transfers to:					
Transportation Fund	178,870		178,870		178,870
Nonmajor Governmental Funds	—		—		15,683
Nonmajor Enterprise Funds	—		—		249,666
Total Appropriations (Outflows)	<u>\$ 37,884,756</u>		<u>\$ 52,885,142</u>		<u>\$ 44,485,308</u>
Fund Balances, End of Year					<u>8,902,074</u>
Less Encumbrances Outstanding at June 30, 2022					<u>(2,300,737)</u>
Fund Balances, End of Year - Budgetary Basis					<u><u>6,601,337</u></u>
Reconciliation of the End of Year,					
Budgetary Basis, Fund Balance to the Detail					
Reported in the Annual Fiscal Report:					
General Purpose:					
Designated				\$	677,779
Undesignated					4,298,919
Total General Purpose					<u>4,976,698</u>
Program Revenue					1,624,639
Fund Balances, End of Year Budgetary Basis				<u>\$</u>	<u><u>6,601,337</u></u>

(A) Interfund transfers to the General Fund were budgeted under departmental revenue during Fiscal Year 2022.

Budgetary Comparison Schedule - Transportation Fund**For the Fiscal Year Ended June 30, 2022**

(In Thousands)

	Original Budget	Final Budget	Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year			<u>\$ 845,610</u>
Revenues (Inflows):			
Taxes	\$ 1,160,411	\$ 1,160,411	1,160,411
Departmental	2,061,251	2,061,251	2,061,251
Transfers from:			
General Fund	178,870	178,870	178,870
Nonmajor Governmental Funds	17,019	17,019	17,019
Total Revenues (Inflows)	<u>3,417,551</u>	<u>3,417,551</u>	<u>3,417,551</u>
Amounts Available for Appropriation			<u>4,263,161</u>
Appropriations and Transfers (Outflows):			
Environmental Resources	3,238,105	6,894,649	3,120,983
General Executive	2,135	2,135	1,755
Tax Relief and Other General	23,468	25,179	23,766
Total Appropriations and Transfers (Outflows)	<u>\$ 3,263,708</u>	<u>\$ 6,921,963</u>	<u>3,146,504</u>
Fund Balances, End of Year			<u>1,116,657</u>
Less Encumbrances Outstanding at June 30, 2022			<u>(2,220,641)</u>
Fund Balances, End of Year			<u>\$ (1,103,984)</u>
Budgetary Basis			<u><u>\$ (1,103,984)</u></u>



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, 2022 is presented below (in thousands):

	General Fund	Transportation Fund
Fund balance June 30, 2022 (budgetary basis – budgetary fund structure):		
General Purpose Revenue – fund balance per budgetary basis <i>Annual Fiscal Report</i>		
Undesignated fund balance	\$ 4,298,919	
Designated fund balance	677,779	
Total General Purpose Revenue fund balance	4,976,698	
Program Revenue – fund balance per budgetary basis <i>Annual Fiscal Report</i>	1,624,639	
Fund balance June 30, 2022 (budgetary basis – budgetary fund structure) as reported on the budgetary comparison schedule	6,601,337	\$ (1,103,985)
Reclassifications:		
To eliminate encumbrances reported as expenditures under budgetary reporting (<i>basis difference</i>)	2,300,737	2,220,641
To eliminate the effect of uncollected revenue adjustments under budgetary reporting (<i>basis difference</i>)	806,680	
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>)	2,012,800	—
To remove activities reported in another GAAP fund type (<i>perspective differences</i>):		
Enterprise funds (except for the University of Wisconsin System)	2,551	—
University of Wisconsin System	(1,602,074)	—
Internal Service funds	(93,636)	—
Transportation Revenue Bonds capital project fund	—	—
Fund balance June 30, 2022 (GAAP fund structure – budgetary basis, excluding encumbrances treated as expenditures at year end)	10,028,395	1,116,656
Adjustments (<i>basis differences</i>):		
To accrue receivables and establish payables for individual income taxes (net)	(833,669)	—
To defer revenues for gross receipts public utility taxes	(260,486)	—
To adjust revenues and expenditures for tax-related items and other tax credit/aid programs (net)	(713,060)	(497)
To adjust expenditures for the intergovernmental shared revenue program	(498,343)	—
To adjust expenditures for State property tax credit/relief program	(804,917)	—
To record unspent CRF and ARPA funds as unearned as of 6/30/2022	(2,141,940)	—
To accrue unpaid Medicaid payments to providers (net of receivable from federal government)	(127,928)	—
To adjust revenues and expenditures for certain major Health Services, and Children and Families human services payments to local governments	(174,848)	—
To accrue receivable for Medicaid drug rebates (net of payable to federal government)	211,016	—
To accrue WHISP payments and claims	(73,642)	—
To adjust expenditures/revenues for other Health Services, Workforce Development, Children and Families, and Corrections accruals and deferrals	(21,935)	—
To recognize the tobacco settlement revenue receivable	64,279	—
To adjust expenditures and revenues for State Energy Program and other revolving loan programs	674	—
To adjust revenues and expenditures for other items (net)	(8,114)	201,752
Fund balance June 30, 2022 (GAAP fund structure – GAAP basis) as reported on the governmental fund statements	\$ 4,645,482	\$ 1,317,911

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 statutorily 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 statutorily 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.

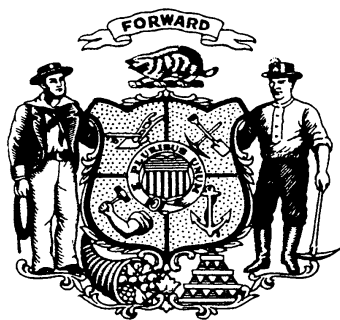
The State's biennial budget was enacted on July 8, 2021 and published on July 9, 2021. This legislation is recognized by State officials as the original budget and is treated as such on the Budgetary Comparison Schedules.

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 Annual Comprehensive Financial Report. Accordingly, a supplementary report is available upon request which provides budgetary comparisons at the legal level of control.

Unexpended appropriation 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.



STATE OF WISCONSIN

General Purpose External Financial Statements



For the fiscal year ended June 30, 2022

Tony Evers, Governor

Department of Administration
Kathy Blumenfeld, Secretary - Designee
Angela Thomas, State Controller

Prepared by the State Controller's Office

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STATE OF WISCONSIN

DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary - Designee
Brian Pahnke, Administrator

December 21, 2022

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, 2022. They are part of the audited Annual Comprehensive 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.

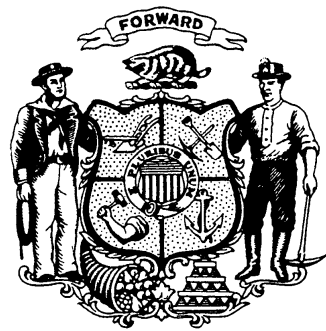
The General Purpose External Financial Statements, as well as the Annual Comprehensive Financial Report, are on file at the office of the State Controller and will benefit users requiring summary information about our State's finances. The Annual Comprehensive Financial Report is available on the Department of Administration's website.

Sincerely,

Kathy Blumenfeld
Secretary - Designee

Angela Thomas, CPA
State Controller

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STATE OF WISCONSIN

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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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wisconsin as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State of Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wisconsin as of June 30, 2022, the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements for the Environmental Improvement Fund, which is a major fund and represents 14.2 percent of the assets of the business-type activities, and the Deferred Compensation Fund, which represents 3.5 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 Wisconsin Housing and Economic Development Authority, the University of Wisconsin (UW) Hospitals and Clinics Authority, and the UW Foundation, which represent 98.9 percent of the total assets and deferred outflows of resources of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the aggregate discretely presented component units is based solely upon these audit reports.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Wisconsin, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide

a basis for our audit opinions. The financial statements for the Environmental Improvement Fund, UW Hospitals and Clinics Authority, and the Wisconsin Housing and Economic Development Authority were audited by other auditors in accordance with these standards. The financial statements of the Deferred Compensation Fund 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*.

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, 2022, the State Investment Fund held \$4.7 billion in a repurchase agreement with the Wisconsin Retirement System (WRS). The investments of the State Investment Fund and the WRS 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.

As discussed in Note 1D to the financial statements, the State of Wisconsin implemented Governmental Accounting Standards Board (GASB) Statement Number 87, *Leases*, which changed accounting and financial reporting for leases. As reported in Note 23 to the financial statements, some beginning net position amounts were restated to reflect implementation of this new standard.

Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute

assurance. Therefore, reasonable assurance is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we exercised professional judgment and maintained professional skepticism throughout the audit. We also identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

In addition, we obtained an understanding of internal control relevant to the audit in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Wisconsin's internal control. Accordingly, no such opinion is expressed. We also evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluated the overall presentation of the financial statements. We also concluded, in our judgment, there were no conditions or events, considered in the aggregate, that raise substantial doubt about the State of Wisconsin's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, Postemployment Benefits–Supplemental Health Insurance Conversion Credit 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These procedures consisted of inquiries of management about the methods of preparing the information and comparing 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 our report dated December 20, 2022, and published in report 22-26, 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 of Wisconsin'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 of Wisconsin's internal control over financial reporting and compliance.

LEGISLATIVE AUDIT BUREAU

A handwritten signature in cursive script that reads "Legislative Audit Bureau".

December 20, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Management's Discussion and Analysis* of the State of Wisconsin's Annual Comprehensive Financial Report (ACFR) presents a discussion and analysis of the State's financial performance during the fiscal year that ended June 30, 2022. It should be read in conjunction with the transmittal letter located at the front of this ACFR, and the State's financial statements, including the note disclosures which are an integral part of the statements, that follow this part of the ACFR.

FINANCIAL HIGHLIGHTS -- PRIMARY GOVERNMENT

Government-wide (Tables 2 and 3 on Pages 11 and 12)

- *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 2022 by \$36.9 billion (reported as "net position"). Of this amount, \$(2.8) 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 \$5.7 billion in Fiscal Year 2022. Net position of governmental activities increased by \$5.2 billion or 26.4 percent, while net position of the business-type activities showed a increase of \$558.8 million or 4.8 percent.
- *Excess of Revenues over (under) Expenses -- Governmental Activities.* During Fiscal Year 2022, the State's total revenues for governmental activities of \$43.7 billion were \$6.6 billion more than total expenses (excluding transfers) for governmental activities of \$37.1 billion. Of these expenses, \$20.1 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled \$23.5 billion.

Fund

- *Governmental Funds -- Fund Balances.* As of the close of Fiscal Year 2022, the State's governmental funds reported combined ending fund balances of \$8.1 billion, an increase of \$3.7 billion in comparison with the prior year. Of this total amount, \$2.2 billion represents the unassigned fund balances.
- *General Fund -- Fund Balance.* At the end of Fiscal Year 2022, total fund balance was \$4.6 billion, a change of \$3.5 billion from \$1.2 billion in the prior year. The unassigned fund balance for the General Fund was \$2.2 billion, or 6.7 percent of total General Fund expenditures.

Additional information regarding individual funds begins on page 16.

Long-term Debt

- The State's total long-term debt obligations (bonds, notes, and certificates of participation payable) decreased by \$365.7 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 in excess of new debt issued. During the year repayments of general obligation debt exceeded new issuances by \$102.1 million. Repayments of certificates of participation exceeded new issuances by \$1.5 million. Revenue bonds outstanding decreased by \$78.8 million. Annual appropriation bonds outstanding decreased by \$183.3 million.

Additional detail regarding these activities begins on page 21.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Section of this ACFR consists of four parts: (1) **management's discussion and analysis** (this section), (2) **basic financial statements**, (3) additional **required supplementary information**, and (4) optional **other supplementary information**. Parts (2), (3), and (4) are briefly described on the following pages:

Basic Financial Statements

The basic financial statements include two sets of statements that present different views of the State -- the **government-wide financial statements** and the **fund financial statements**. These financial statements also include notes that explain some of the information in the financial statements and provide more detail.

- The *government-wide financial statements* provide a broad view of the State's operations. The statements provide both short-term and long-term information about the State's financial status, which assists in assessing the State's financial condition at the end of the fiscal year.
- The *fund financial statements* focus on individual parts of the State government, reporting the State's operations in greater detail than the government-wide statements. The basic fund financial statements provide more detailed information on the State's most significant funds.

Table 1, below, summarizes the major features of the financial statements.

Table 1				
Major Features of State of Wisconsin's Government-wide and Fund Financial Statements				
	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	<p>Entire State government (except fiduciary funds) and the State's component units, reported as follows:</p> <ul style="list-style-type: none">• <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.• <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.• <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.	<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 two major governmental funds), as reported within their respective fund types, follow:</p> <ul style="list-style-type: none">• <i>General Fund</i> (major fund)• <i>Special Revenue</i>:<ul style="list-style-type: none">– Transportation (major fund)• <i>Debt Service</i>:<ul style="list-style-type: none">– Bond Security and Redemption• <i>Capital Projects</i>:<ul style="list-style-type: none">– Capital Improvement• <i>Permanent</i>:<ul style="list-style-type: none">– Common School	<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 three major enterprise funds, follow:</p> <ul style="list-style-type: none">• <i>Enterprise</i>:<ul style="list-style-type: none">– Environmental Improvement (major fund)– University of Wisconsin System (major fund)– Unemployment Reserve (major fund)– Lottery• <i>Internal services</i>:<ul style="list-style-type: none">– Technology Services– Facilities Operations and Maintenance	<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">• <i>Pension and Other Employee Benefit Trust Funds</i>:<ul style="list-style-type: none">– Wisconsin Retirement System• <i>Investment Trust</i>:<ul style="list-style-type: none">– Local Government Pooled Investment• <i>Private Purpose Trust</i>:<ul style="list-style-type: none">– Tuition Trust• <i>Custodial</i>:<ul style="list-style-type: none">– Support Collection Trust
Required financial statements	<ul style="list-style-type: none">• 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.• 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.	<ul style="list-style-type: none">• Balance sheet• Statement of revenues, expenditures, and changes in fund balances	<ul style="list-style-type: none">• Statement of net position• Statement of revenues, expenses and changes in fund net position• Statement of cash flows	<ul style="list-style-type: none">• Statement of fiduciary net position• Statement of changes in fiduciary net position <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)

Table 1 (Continued)

Major Features of State of Wisconsin's Government-wide and Fund Financial Statements

	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Accounting basis and measurement focus	Accrual accounting and economic resource focus The accrual basis of accounting, which is similar to the methods used by most businesses, takes into account all revenues and expenses associated with the fiscal year even if cash involved has not been received or paid.	Modified accrual accounting and current financial resource focus These statements provide a detailed short-term view of the State's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the State. Because this information does not encompass the long-term focus of the government-wide statements, reconciliations are provided on the subsequent page of the governmental fund statements.	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows of resources, liability, deferred inflows of resources information	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.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow-outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Additional Required Supplementary Information

In addition to this Management's Discussion and Analysis, which is required supplementary information, the basic financial statements are followed by a section of required supplemental information that further explains and supports the information in the financial statements. The required supplementary information includes:

- Postemployment Benefits - State Health Insurance Program, State Life Insurance Program and Supplemental Health Insurance Conversion Credit 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, 2022 were \$65.8 billion and deferred outflows of resources were \$5.3 billion, while total liabilities were \$28.2 billion and deferred inflows of resources were \$6.0 billion, resulting in combined net position (governmental and business-type activities) of \$36.9 billion. The largest component of the State's total net position consists of \$26.5 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 \$13.2 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 \$(2.8) 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.

During Fiscal Year 2022, the State issued \$1.0 billion of general obligation bonds, primarily for the acquisition or improvement of land, water, property, highways, buildings, and equipment. At June 30, 2022 general obligation bonds and long-term general obligation notes outstanding totaled \$7.5 billion. Certificates of participation, annual appropriation bonds, and revenue bonds are not considered general obligation debt of the State. The outstanding amount of these totaled \$67.7 million of certificates of participation, \$2.7 billion of annual appropriation bonds, and \$2.3 billion of revenue bonds.

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2021*	2022	2021*	2022	2021*	2022-2021
Current and Other Assets	\$ 20,433.9	\$ 16,966.8	\$ 12,265.4	\$ 11,710.5	\$ 32,699.3	\$ 28,677.3	14.0 %
Capital Assets	26,902.7	26,075.0	6,185.2	5,989.7	33,087.9	32,064.8	3.2
Total Assets	47,336.6	43,041.8	18,450.6	17,700.2	65,787.2	60,742.0	8.3
Deferred Outflows of Resources	2,596.6	1,848.0	2,699.0	1,794.8	5,295.6	3,642.7	45.4
Long-term Liabilities	14,070.0	14,117.4	4,585.9	4,339.0	18,655.8	18,456.4	1.1
Other Liabilities	8,309.3	9,147.1	1,213.9	1,231.5	9,523.2	10,378.6	(8.2)
Total Liabilities	22,379.2	23,264.5	5,799.8	5,570.5	28,179.0	28,835.1	(2.3)
Deferred Inflows of Resources	2,822.0	2,064.0	3,202.1	2,335.6	6,024.1	4,399.6	36.9
Net Position:							
Net investment in							
Capital Assets	22,367.6	21,717.4	4,128.8	3,956.0	26,496.4	25,673.4	3.2
Restricted	4,889.6	4,103.2	8,305.9	7,898.3	13,195.5	12,001.4	9.9
Unrestricted (deficit)	(2,525.2)	(6,259.4)	(286.9)	(265.4)	(2,812.2)	(6,524.8)	56.9
Total Net Position	\$ 24,732.0	\$ 19,561.2	\$ 12,147.7	\$ 11,588.9	\$ 36,879.6	\$ 31,150.1	18.4 %

* 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 \$28.7 billion and general revenues of \$23.5 billion for total revenues of \$52.2 billion during Fiscal Year 2022. Expenses for the State during Fiscal Year 2022 were \$46.5 billion. As a result of the excess of revenues over expenses, the total net position of the State increased \$5.7 billion, net of contributions and transfers.

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2022	2021*	2022	2021*	2022	2021*	
Program Revenues:							
Charges for Services	\$ 2,620.0	\$ 2,538.0	\$ 7,353.8	\$ 6,910.7	\$ 9,973.8	\$ 9,448.7	5.6 %
Operating Grants and Contributions	16,527.0	14,724.5	1,206.2	3,770.6	17,733.2	18,495.1	(4.1)
Capital Grants and Contributions	1,002.7	917.5	18.9	103.0	1,021.6	1,020.5	0.1
General Revenues:							
Income Taxes	12,902.6	10,942.7	—	—	12,902.6	10,942.7	17.9
Sales and Excise Taxes	7,827.2	7,206.1	—	—	7,827.2	7,206.1	8.6
Public Utility Taxes	378.2	365.5	—	—	378.2	365.5	3.5
Motor Fuel Taxes	1,120.0	1,079.3	—	—	1,120.0	1,079.3	3.8
Other Taxes	501.4	467.6	—	—	501.4	467.6	7.2
Other General Revenues	791.9	759.6	(14.9)	1.3	777.0	760.9	2.1
Total Revenues	43,671.0	39,000.8	8,564.0	10,785.6	52,235.0	49,786.4	4.9
Program Expenses:							
Commerce	516.4	491.7	—	—	516.4	491.7	5.0
Education	9,102.3	8,376.2	—	—	9,102.3	8,376.2	8.7
Transportation	2,577.4	2,399.7	—	—	2,577.4	2,399.7	7.4
Environmental Resources	500.0	522.2	—	—	500.0	522.2	(4.3)
Human Relations and Resources	19,470.0	17,653.8	—	—	19,470.0	17,653.8	10.3
General Executive	1,723.0	2,098.0	—	—	1,723.0	2,098.0	(17.9)
Judicial	146.9	147.3	—	—	146.9	147.3	(0.2)
Legislative	76.2	69.2	—	—	76.2	69.2	10.2
Tax Relief and Other General Expenditures	1,591.2	1,639.5	—	—	1,591.2	1,639.5	(2.9)
Intergovernmental - Shared Revenue	1,074.9	1,064.3	—	—	1,074.9	1,064.3	1.0
Interest on Long-term Debt	313.3	355.3	—	—	313.3	355.3	(11.8)
Injured Patients and Families Compensation	—	—	50.3	116.8	50.3	116.8	(57.0)
Environmental Improvement	—	—	66.0	41.0	66.0	41.0	60.9
University of Wisconsin System	—	—	5,377.2	5,051.7	5,377.2	5,051.7	6.4
Unemployment Reserve	—	—	684.5	3,488.5	684.5	3,488.5	(80.4)
Lottery	—	—	973.5	912.4	973.5	912.4	6.7
Health Insurance	—	—	1,691.3	1,661.0	1,691.3	1,661.0	1.8
Care and Treatment Facilities	—	—	408.1	398.2	408.1	398.2	2.5
Other Business-type	—	—	176.2	113.9	176.2	113.9	54.7
Total Expenses	37,091.6	34,817.2	9,427.0	11,783.6	46,518.6	46,600.8	(0.2)
Excess (deficiency) before Contributions, Special Items and Transfers	6,579.4	4,183.6	(863.0)	(998.0)	5,716.4	3,185.7	
Endowments	—	—	1.1	11.5	1.1	11.5	
Contributions to Permanent Fund Principal	12.1	11.0	—	—	12.1	11.0	
Transfers	(1,420.7)	(1,313.8)	1,420.7	1,313.8	—	—	
Increase (decrease) in Net Position	5,170.8	2,880.8	558.8	327.3	5,729.6	3,208.1	
Net Position - Beginning (Restated)	19,561.2	16,680.4	11,588.9	11,261.6	31,150.1	27,941.9	
Net Position - Ending	\$ 24,732.0	\$ 19,561.2	\$ 12,147.7	\$ 11,588.9	\$ 36,879.6	\$ 31,150.1	18.4 %

* Amounts for the prior fiscal year include restatements of prior year's balances.

Governmental Activities

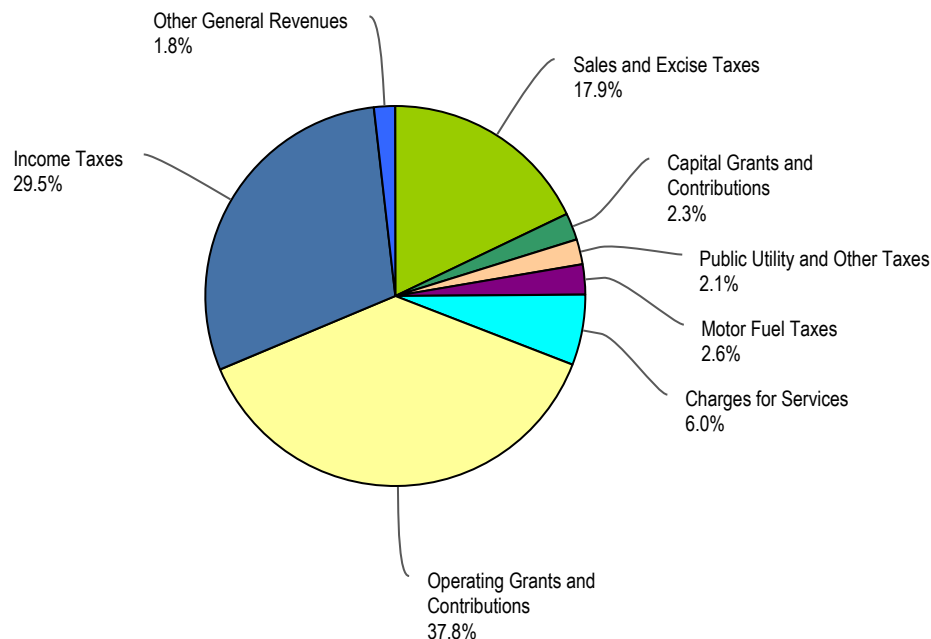
The net position of governmental activities increased \$5.2 billion in Fiscal Year 2022. Revenues for the governmental activities (including contributions to permanent fund principal) totaled \$43.7 billion, while expenses and net transfers totaled \$38.5 billion in Fiscal Year 2022.

General and program revenues of governmental activities increased \$4.7 billion during Fiscal Year 2022. Tax revenues increased \$2.7 billion primarily due to enhanced income taxes and sales and excise taxes of \$2.0 billion and \$621.1 million, respectively. Motor fuel taxes, other taxes and public utility taxes also increased \$40.7 million, \$33.7 million and \$12.7 million, respectively, from the prior year. Operating grants and capital grants increased by \$1.8 billion and \$85.2 million, respectively. In addition charges for services and other revenues increased \$82.0 million and \$33.4 million, respectively.

The State's governmental activities program expenses increased \$2.3 billion to \$37.1 billion during Fiscal Year 2022. Human relations and resources expenses increased by \$1.8 billion (10.3 percent) to a total of \$19.5 billion, due to increases in medical costs. General executive expenses decreased \$(375.0) million (17.9 percent) to a total of \$1.7 billion, due to decreased CARES and ARPA expenditures compared to Fiscal Year 2021. Education expenses increased by \$726.1 million (8.7 percent) to \$9.1 billion, due to increases in general equalization aids, parental choice program for eligible school districts, per pupil aid and aids for special education and school-age parents programs. Commerce, intergovernmental, and legislative expenses increased \$24.6 million, \$10.6 million, and \$7.1 million, respectively. Conversely, tax relief and other general expenses, environmental resource and judicial expenses decreased \$48.3 million, \$22.2 million, and \$0.4 million, respectively. Interest on long-term debt also decreased \$42.1 million.

As shown in Table 4, below, approximately 52.0 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 37.8 percent of total revenues. Capital grants and contributions provided 2.3 percent, charges for services contributed 6.0 percent, while various other revenues provided 1.8 percent of the remaining governmental activity revenue sources.

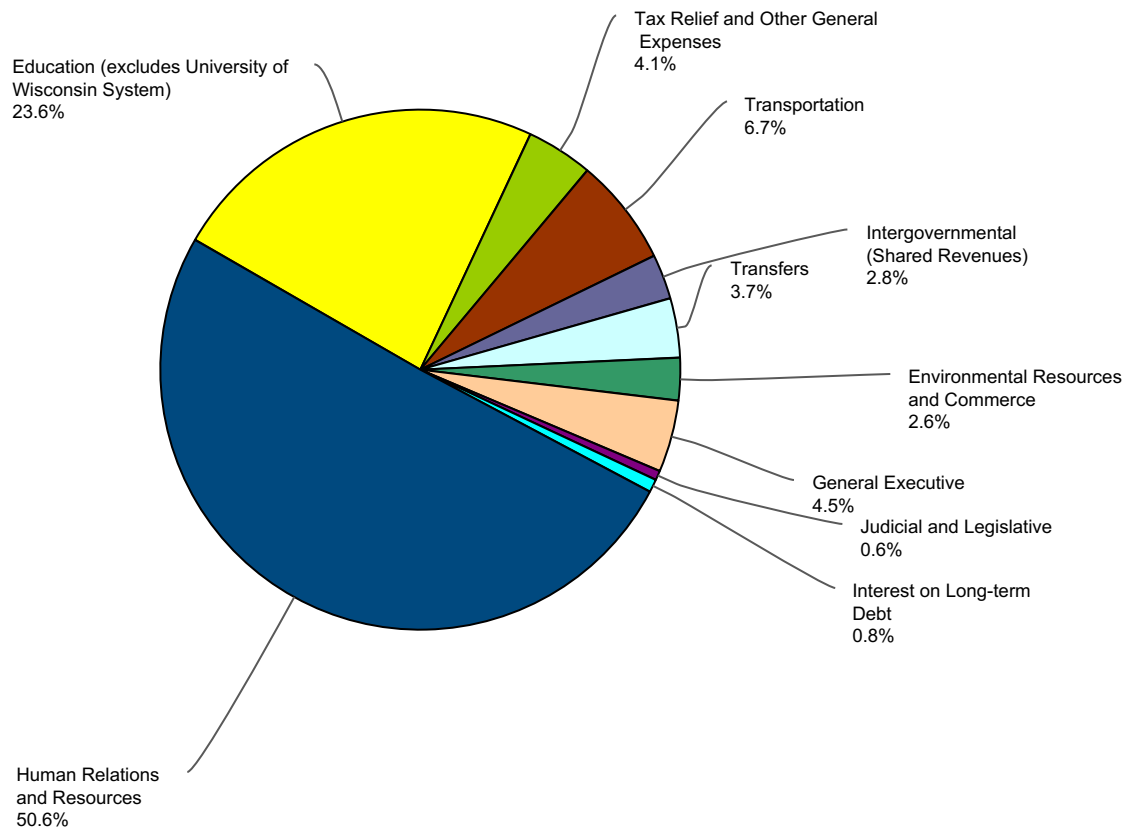
TABLE 4
Governmental Activities - 2022 Revenues



As shown in Table 5, below, expenses for human relations and resources programs make up the largest portion – 50.6 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 23.6 percent of total expenses. Tax relief and other general expenses and the intergovernmental-shared revenue program represent 6.9 percent of the total, while transportation expenses and general executive expenses represent 6.7 percent and 4.5 percent, respectively. Net transfers to business-type activities, which include a general purpose revenue subsidy to the University of Wisconsin System, make up 3.7 percent of the total expenses and transfers. Remaining functional expenses totaled 3.2 percent while interest on long-term debt totaled 0.8 percent.

TABLE 5
Governmental Activities - 2022 Expenses



Business-Type Activities

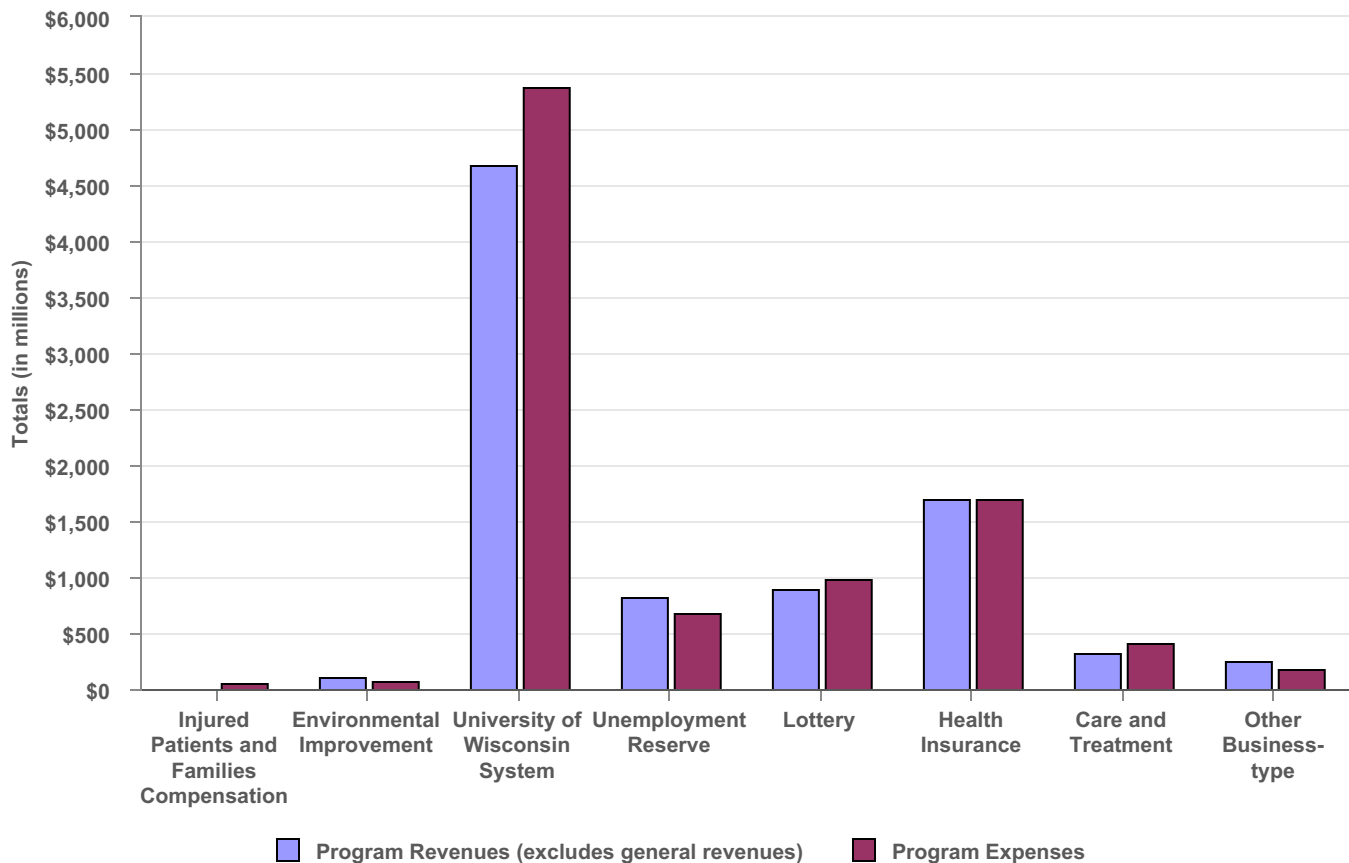
Net position of the State's business-type activities increased \$558.8 million in Fiscal Year 2022.

Revenues of business-type activities totaled \$8.6 billion for Fiscal Year 2022, a decrease of \$2.2 billion from the prior year. Program revenues consisted of \$7.4 billion of charges for services, \$1.2 billion of operating grants and contributions, and \$18.9 million of capital grants and contributions. General revenues, contributions to endowments and permanent fund principal and net transfers totaled \$(14.9) million, \$1.1 million, and \$1.4 billion, respectively.

The total expenses for business-type activities were \$9.4 billion, a decrease of \$2.4 billion from the prior fiscal year. The largest decrease in program expenses, \$2.8 billion, related to decreased expenses for the Unemployment Insurance Reserve. Expenses for Injured Patients and Family Compensation also decreased \$66.5 million. Offsetting those decreases were increases in University of Wisconsin System, other business-type expenses, Lottery, Health Insurance, Environmental Improvement and Care and Treatment Facilities of \$325.5 million, \$62.3 million, \$61.1 million, \$30.3 million, \$25.0 million and \$10.0 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.

TABLE 6
Fiscal Year 2022
Business-Type Activities
Comparison of Program Revenues to Program Expenses



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds

At the end of Fiscal Year 2022, the State's governmental funds reported a combined fund balance of \$8.1 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, 2022, the State's General Fund reported a total fund balance of \$4.6 billion. The net change in fund balance during Fiscal Year 2022 was \$3.5 billion, in contrast to \$1.2 billion in Fiscal Year 2021. Major revenue, expenditure and other sources/uses contributing to the change in fund balance are as follows:

Revenues

Revenues of the General Fund totaled \$39.3 billion in Fiscal Year 2022, an increase of \$4.8 billion (13.8 percent) from the prior year. Factors contributing to this change included the following:

- Revenues from taxes increased \$2.6 billion. The increase primarily relates to income and sales taxes, which increased \$1.9 billion and \$663.2 million, respectively, from Fiscal Year 2021. The income tax increase was the result of growth in personal income, while sales tax revenue increases were driven by increased consumer expenditures for taxable goods.
- Intergovernmental revenues (i.e., federal assistance) increased \$2.0 billion to \$16.2 billion in Fiscal Year 2022. Human relations and resources programs (e.g., Medicaid) reported increased revenues of \$2.4 billion. Federal reimbursements for grant expenditures increased due to COVID-19 along with a general increase in medical assistance costs. At the end of Fiscal Year 2021, the State recorded unearned revenue of \$1.6 billion for unspent American Rescue Plan Act (ARPA) and Coronavirus Relief Funds. In Fiscal Year 2022, \$766.3 million of that amount was spent and subsequently earned and recorded as intergovernmental revenue. During Fiscal Year 2022, the State received an additional \$1.3 billion under ARPA. The remaining unspent amount was recorded as unearned revenue by the State and will be recorded as intergovernmental revenue in future years as the funds are spent.

Expenditures

2021 Wisconsin Act 58 established spending authority for the State of Wisconsin for Fiscal Year 2022. Expenditures of the General Fund totaled \$33.6 billion in Fiscal Year 2022, an increase of \$2.2 billion from Fiscal Year 2021. Factors contributing to the change include the following:

- Human relations and resources expenditures increased by \$1.8 billion to \$19.4 billion, primarily the result of increased grants and aids to individuals and organizations, in part for coronavirus relief and other medical assistance costs. These costs comprise 57.7 percent of General Fund expenditures.
- Education expenditures increased \$718.7 million to 9.0 billion, due in part to increases in parental choice program for eligible school districts, per pupil aid, special needs scholarship program and aids for special education and school-age parents programs in Fiscal Year 2022. These costs comprise 26.8 percent of General Fund expenditures.

Other Financing Sources and Uses

Other financing sources/uses totaled a net \$(2.3) billion in Fiscal Year 2022, a \$262.1 million decrease from Fiscal Year 2021. The components of this included the following:

- Transfers out of the General Fund totaled \$2.4 billion, an increase of \$285.3 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 \$1.1 billion, an increase of \$37.4 million from the prior year. The University of Wisconsin System, which receives the majority of the GPR supplement, had \$998.2 million in GPR expenses in Fiscal Year 2022, an increase of \$36.6 million.

- Transfers out for debt service payments to the Bond Security and Redemption Fund totaled \$425.0 million in Fiscal Year 2022 compared to \$429.2 million in Fiscal Year 2021. Transfers out to other nonmajor governmental funds were \$417.1 million in Fiscal Year 2022 compared to \$398.8 million in Fiscal Year 2021.
- Transfers out to nonmajor enterprise funds, Transportation Fund and Unemployment Reserve were \$205.8 million, \$205.2 million and \$60.0 million, respectively.
- Transfers in to the General Fund increased \$2.5 million (from \$61.4 million in Fiscal Year 2021 to \$63.9 million in Fiscal Year 2022). The University of Wisconsin System transferred \$23.9 million, while nonmajor governmental funds and nonmajor enterprise funds transferred \$22.1 million and \$13.9 million, respectively.

Note 9D provides additional information on transfers in and out of the General Fund.

As of June 30, 2022, the General Fund reported an unassigned fund balance of \$2.2 billion, a change of \$3.2 billion from the prior year, which had a deficit of \$(912.0) million. This is the first year the State's General Fund has ended with a positive unassigned fund balance since the State began issuing an ACFR in Fiscal Year 1990.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were significant and included a \$15.0 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
Federal Aid CRF and ARPA*	\$2,939.8
Food Stamps, Electronic Benefit Transfer*	2,529.8
UW System, General Program Operations (part of Statutory General Fund)	1,127.7
Federal Aid Medical Assistance	1,119.2
UW Federal Aid	775.0
DOR Grants	535.4
UW System, Gifts and Nonfederal Grants and Contracts	357.3
Inter agency CRF and ARPA Transfer*	345.9

Actual charges to appropriations (expenditures) were \$8.7 billion below the final budgeted estimates. Large positive expenditure variances were reported in the the Federal Aid CRF and ARPA (\$1.8 billion) appropriations, UW program operations and Federal Aid (\$1.7 billion), DCF Medical Assistance Program Benefits (\$450.4 million) and DHS Medical Assistance Federal Aid (\$426.8 million).

During the past fiscal year, the budgetary-based fund balance increased \$2.5 billion for the statutory General Fund, mainly the result of federal funds received under the American Rescue Plan Act (ARPA) which the State has until 2024 to spend and an increase in tax revenues. Net transfers from other funds totaled \$(442.3) million in Fiscal Year 2022 compared to \$(972.6) million in the prior fiscal year.

Transportation Fund

In Fiscal Year 2022, the Transportation Fund's fund balance increased \$275.2 million (26.4 percent) from \$1.0 billion to \$1.3 billion. The State constitutionally restricts use of state resources deposited into the Fund for transportation purposes. As such, \$1.3 billion or 96.7 percent of fund balance is reported as restricted for Fiscal Year 2022. 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. In Fiscal Year 2022 revenues of the fund increased \$103.9 million (3.5 percent) to a total of \$3.1 billion. Intergovernmental revenues increased \$66.5 million; use of external sources of funding for projects, rather than state resources regularly contributes to revenue fluctuations in this category between years. License and permit revenues decreased \$13.9 million in Fiscal Year 2022 due to decline in vehicle titles registrations, while taxes increased \$44.2 million due mainly to an increase in fuel taxes.

Transportation expenditures of \$2.9 billion increased 8.1 percent or \$215.6 million, including a 16.4 percent or \$57.8 million increase in capital outlay expenditures. The increase in capital outlay expenditures was the result of increased funding from the Infrastructure Investment and Jobs Act. In addition to the expenditures reported in the Transportation Fund, long-term debt-funded transportation expenditures of \$72.6 million and \$72.6 million were reported in the Capital Improvement Fund and Transportation Revenue Bonds Fund, respectively. In the current year, transportation-related expenditures decreased \$35.8 million in the Capital Improvement Fund, and \$1.0 million in the Transportation Revenue Bonds Fund.

Transfers in increased from \$62.7 million to \$228.6 million in Fiscal Year 2022. This increase is mainly due to a one time transfer from the General Fund of \$134.2 million. 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 \$44.7 million in Fiscal Year 2022. In addition, \$23.3 million was transferred from the Petroleum Inspection Special Revenue Fund, compared to \$16.2 million transferred in Fiscal Year 2021. Transfers out decreased \$20.4 million to \$175.0 million. Transfers out to the Bond Security and Redemption Fund for debt service were \$134.5 million, while transfers out to the Conservation Fund were \$21.6 million in Fiscal Year 2022.

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 2021 to Fiscal Year 2022 include the following:

Environmental Improvement

Fund net position of the Environmental Improvement Fund increased \$34.6 million to \$2.2 billion. Total assets of the Fund increased by \$108.9 million, while total liabilities also increased by \$74.2 million. Assets increased to \$2.6 billion as the result of loans to local governments increasing \$147.4 million, while cash decreased \$37.2 million. Liabilities increased to \$402.6 million due to a \$73.4 million increase in revenue bonds payable.

Operating income of the Fund increased by \$1.8 million to \$27.4 million in Fiscal Year 2022. Operating revenue of \$46.7 million, which consists primarily of investment and interest income, remained steady in Fiscal Year 2022. Operating expenses increased \$0.2 million in Fiscal Year 2022, the result of a \$1.3 million increase in interest expense and a \$0.8 million decrease in salaries and benefits.

Unemployment Reserve

Net position of the Unemployment Reserve Fund increased by \$203.0 million during Fiscal Year 2022 from \$1.2 billion at June 30, 2021 to \$1.4 billion at June 30, 2022. Benefit expenses decreased from \$3.5 billion in Fiscal Year 2021 to \$683.0 million in Fiscal Year 2022, a decrease of \$2.8 billion (80.4 percent). This decrease is attributed to the average unemployment rate decreasing from 4.9 percent during Fiscal Year 2021 to 3.1 percent during Fiscal Year 2022, along with pandemic-related unemployment programs ending on September 4, 2021.

Total operating revenues decreased by \$2.1 billion from \$2.9 billion in Fiscal Year 2021 to \$811.2 million in Fiscal Year 2022. This decrease is mainly the result of Federal aids revenue for the unemployment program decreasing from \$2.5 billion in Fiscal Year 2021 to \$334.1 million in Fiscal Year 2022, a decrease of \$2.1 billion (86.1 percent). Employer contributions decreased from \$463.6 million in Fiscal Year 2021 to \$451.3 million in Fiscal Year 2022, a decrease of \$12.3 million (2.7 percent). The average tax rate on taxable wages decreased from 1.4 percent during Calendar Year 2021 to an estimated 1.1 percent in Calendar Year 2022. Reimbursements of \$20.4 million in Fiscal Year 2022 represented an increase of \$14.7 million (259.5 percent) from Fiscal Year 2021.

University of Wisconsin System

Fund net position increased \$435.7 million to \$6.4 billion. Assets, which consist primarily of capital assets and cash, increased \$650.6 million to \$10.7 billion. The Fund reported a restricted net pension asset of \$1.1 billion in Fiscal Year 2022, an increase of \$253.4 million from Fiscal Year 2021, along with a restricted net OPEB asset of \$148.3 million, which was an increase of \$23.8 million from \$124.5 million in Fiscal Year 2021. The Fund also reported an increase of \$418.2 million in investments and a decrease of \$328.7 million in cash in Fiscal Year 2022. Total liabilities, which consists primarily of bonds payable and OPEB, increased by \$220.3 million to \$3.8 billion. Deferred outflows of resources increased \$784.4 million to \$2.3 billion and deferred inflows of resources also increased \$778.9 million to \$2.9 billion in Fiscal Year 2022. The changes in deferred outflows and inflows were primarily related to changes in pension related amounts.

Operating revenues increased \$419.6 million or 12.2 percent to \$3.9 billion. Student tuition, and federal grants and contracts of \$1.4 billion and \$917.9 million, respectively, comprise 60.8 percent of operating revenues. Increases of \$141.7 million, \$87.4 million and \$86.8 million were reported for sales and services of auxiliary enterprises, sales and services of educational activities, federal grants and contracts, respectively. Local and private grants and contracts and sales and services to UW Hospital Authority reported increases of \$6.6 million and \$3.7 million, respectively. Other income revenues also increased by \$73.9 million (19.8 percent). Operating expenses increased \$417.1 million or 8.5 percent. Personal services, supplies and services, scholarship and fellowships, depreciation and other expenses increased by \$156.9 million, \$125.1 million, \$83.8 million, \$44.6 million and \$6.7 million, respectively. Offsetting those changes were decreases in nonoperating investment and interest income, gifts and donations and miscellaneous revenues of \$192.7 million, \$22.3 million, and \$10.1 million, respectively, while operating grants increased \$44.8 million.

Transfers in to the University of Wisconsin System totaled \$1.3 billion in Fiscal Year 2022. The general purpose revenue supplement received from the State's General Fund was \$998.2 million an increase of \$36.6 million. The Capital Improvement Fund also transferred \$191.3 million of bond and note proceeds to the University of Wisconsin System, an increase of \$2.7 million from the prior year. Bond proceeds transferred in are a function of on-going capital projects funded with those bonds. Capital contributions decreased \$36.5 million from the prior year to \$18.7 million in Fiscal Year 2022.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the close of Fiscal Year 2022, the State reported \$33.1 billion invested in capital assets, net of accumulated depreciation of \$9.6 billion. This represents an increase of \$1.0 billion, or 3.2 percent, from Fiscal Year 2021. Depreciation and amortization charges totaled \$202.9 million and \$414.3 million for governmental and business-type activities, respectively, in Fiscal Year 2022. The details of these assets are presented in Table 7, below. Additional information about the State's capital assets is presented in Note 7 to the financial statements.

TABLE 7 - Capital Assets, Net of Depreciation, as of June 30 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021*	2022	2021*	2022	2021*
Land and Land Improvements	\$ 3,066	\$ 3,029	\$ 188	\$ 184	\$ 3,254	\$ 3,213
Buildings and Improvements	1,390	1,418	4,587	4,479	5,977	5,896
Library Holdings	60	60	151	150	210	209
Machinery and Equipment	318	323	350	342	668	665
Infrastructure	19,392	18,839	—	—	19,392	18,839
Construction and Software in Progress	2,357	2,407	641	547	2,998	2,954
Right to Use Land	—	—	1	1	1	1
Right to Use Buildings	317	—	262	280	579	280
Right to Use Equipment	3	—	5	8	8	8
Totals	\$ 26,903	\$ 26,075	\$ 6,185	\$ 5,990	\$ 33,088	\$ 32,065

*Amounts for the prior fiscal year have been restated

The major capital asset additions completed or acquired during Fiscal Year 2022 included the:

- I39/90: USH 12 to Illinois (Completion 2021) \$1.2 billion
- UW Madison Chemistry Addition and Renovation \$119.2 million
- UW Madison Babcock Hall Renovation \$62.0 million
- UW Whitewater Chiller Plant Upgrade \$32.8 million
- UW Madison BSM Hill Lathrop Dr Utility Replacement \$12.1 million

In addition to these completed projects, construction and software in progress as of June 30, 2022 for governmental and business-type activities totaled \$2.4 billion and \$641.1 million, respectively. A list of those projects is provided in Note 7. The State's continuing or proposed major capital projects for Fiscal Year 2022 and future years include:

- Zoo Interchange (Completion in 2023) \$1.5 billion
- I41 State Highway 96 to Scheuring Road (Completion in 2029) \$1.2 billion
- I43 Silver Spring to STH 60 (Completion in 2024) \$535.9 million
- STH 51 I39/90 to US 12 (Completion in 2029) \$195.7M
- STH 23 State Highway 67 / US 41 (Completion in 2022) \$173.4 million
- I39/90/94 Bridges over Wisconsin River (Completion in 2027) \$146.9 million
- STH 15 STH 76 New London (Completion in 2024) \$138.0 million
- STH 50 I94 43rd Avenue (Completion in 2023) \$119.1 million
- USH 53 La Crosse Corridor (Completion and total estimated cost TBD)

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, 2022 was \$7.5 billion, as shown in Table 8. During Fiscal Year 2022, \$1.0 billion of general obligation bonds were issued to provide for the acquisition or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes or to refund outstanding bonds. Of the bonds issued in the current year, \$378.2 million were to be used for University of Wisconsin System academic and self-amortizing facilities, \$315.1 million for transportation projects, \$78.5 million for environmental programs, and \$29.6 million for correctional and mental health facilities. The remaining proceeds from new bonds issued were used for various other projects.

In 1992 the State established a facility to provide lease purchase financing to state agencies (Master Lease). Lease purchase obligations under the Master Lease are not general obligations of the State but are payable from appropriations of participating state agencies, subject to annual appropriation. The trustee for the facility issues Master Lease certificates of participation that evidence proportionate interest of the owners thereof in lease payments. As of June 30, 2022, \$67.7 million of these certificates were outstanding.

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, 2022, \$2.7 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 \$2.3 billion outstanding at June 30, 2022, as shown in Table 8. These bonds included \$1.9 billion of Transportation Revenue Bonds, and \$398.6 million of Environmental Improvement Revenue Bonds.

TABLE 8 - Outstanding Debt as of June 30 (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds and long-term notes	\$5,724.9	\$5,862.6	\$1,742.8	\$1,707.1	\$7,467.7	\$7,569.7
Certificates of participation	57.4	61.3	10.2	7.8	67.7	69.1
Annual appropriation bonds	2,703.2	2,886.5	—	—	2,703.2	2,886.5
Revenue bonds	1,885.2	2,037.5	398.6	325.2	2,283.8	2,362.7
Totals	\$10,370.7	\$10,848.0	\$2,151.7	\$2,040.1	\$12,522.4	\$12,888.1

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, 2022, State of Wisconsin general obligation fixed rate bonds had a rating of AA+ from Fitch Ratings, AAA 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 are outstanding in different forms, with ratings from two or more rating agencies.

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 5,100 bridges with a combined value of \$19.4 billion) using the modified approach. Under this method, infrastructure assets are not required to be depreciated if the State manages its eligible infrastructure assets using an asset management system designed to maintain and preserve these assets at a condition level established and disclosed by the State.

All infrastructure assets constructed prior to July 1, 2000 have been recorded at estimated historical cost. Historical cost was determined by calculating current costs of a similar asset and deflating that cost, using 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, 2022, 92.2 percent of the roads and 97.5 percent of bridges were in good or fair condition, consistent with State policies. This compares to 92.5 percent of the roads and 97.7 percent of bridges as of June 30, 2021.

For the fiscal year ended June 30, 2022, actual maintenance and preservation costs for the State's road network were \$688.9 million, or \$576.3 million less than the estimated amount. On the same date, actual maintenance and preservation costs for the State's bridge network were \$58.6 million, or \$0.6 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 2021, the Wisconsin economy recovered strongly from the COVID-19 global pandemic with solid growth throughout the year.

Wisconsin employment grew rapidly in 2021 after steep declines in employment in 2020 as a result of the pandemic's economic effects. According to the federal Bureau of Labor Statistics, total nonfarm employment in Wisconsin increased 0.3 percent in 2019, fell 5.5 percent in 2020, and rose 2.1 percent during 2021. Nationally, employment increased 1.3 percent in 2019, fell 5.8 percent in 2020, and rose 2.8 percent during 2021. Wisconsin employment growth had been constrained before the shocks of the COVID-19 pandemic due to slower population growth and already high labor force participation, limiting room for growth.

More recently, employment has recovered substantially with the overall national economic recovery. Since the trough in employment in April 2020, national employment is up 15.7 percent and Wisconsin employment is up 13.9 percent through September 2022. Relative to prepandemic February 2020 levels, Wisconsin employment is down 1.5 percent while employment nationally is up 0.3 percent. Wisconsin's seasonally adjusted unemployment rate in September 2022 was 3.2 percent, below the 3.5 percent national unemployment rate for the same month.

Wisconsin gross state product bounced back along with the overall national recovery in 2021, posting growth of 8.2 percent compared to 10.7 percent growth nationally. In 2020, Wisconsin gross state product declined by 1.3 percent compared to 1.5 percent nationally. Prior to the pandemic, Wisconsin grew 3.8 percent in 2019 compared to 4.1 percent nationally.

Personal income growth followed the trajectory of overall economic growth, with a recovery in wages supplanting large transfer payments as the driver of growth. Wisconsin personal income grew by 6.7 percent in 2021 compared to 7.5 percent nationally. In 2019 and 2020, Wisconsin personal income grew 4.3 percent and 6.0 percent, similar to the national growth rates of 5.1 percent and 6.7 percent. On a per capita basis, Wisconsin's income performance is similar to the nation's. Per capita income in Wisconsin increased by 3.9 percent, 5.8 percent and 6.6 percent in 2019, 2020 and 2021, respectively. This compares to growth of 4.6 percent, 6.2 percent and 7.3 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 94.0 percent, 93.6 percent and 93.0 percent of the national average in 2019, 2020 and 2021, respectively.

Wisconsin's statewide total property value increased again in 2022 for the ninth 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 2022,

total property values increased 13.8 percent, with residential property value growing at 14.9 percent. In addition, commercial real estate values grew 13.2 percent and manufacturing values grew 4.8 percent.

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 53703 or by email to: 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.

* * * *

Basic Financial Statements

Statement of Net Position

June 30, 2022

(In Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Assets and Deferred Outflows of Resources				
Assets:				
Cash and Cash Equivalents	\$ 12,577,475	\$ 4,999,821	\$ 17,577,295	\$ 1,672,525
Investments	1,080,328	2,485,945	3,566,274	2,959,055
Securities Lending Collateral	—	228,877	228,877	—
Cash and Investments with Other Component Units	—	—	—	170,783
Receivables (net of allowance)	5,011,546	3,105,557	8,117,102	2,007,207
Internal Balances	129,163	(129,163)	—	—
Inventories	117,531	46,519	164,050	83,815
Prepaid Items	29,609	50,840	80,449	45,205
Leases Receivable	—	14,790	14,790	—
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	197,027	80,907	277,934	137,513
Investments	70,796	—	70,796	4,513,308
Net Pension Asset	1,081,994	1,211,694	2,293,688	313,625
Net Other Post Employment Benefits Asset	122,890	162,708	285,598	41,523
Other Assets	15,515	6,882	22,397	227,988
Capital Assets:				
Depreciable	1,921,837	5,371,081	7,292,919	1,276,406
Nondepreciable:				
Infrastructure	19,391,974	—	19,391,974	—
Other	5,588,881	814,130	6,403,011	182,972
Total Assets	47,336,568	18,450,588	65,787,156	13,631,926
Deferred Outflows of Resources:				
Accumulated Change in the Fair Value of				
Hedging Derivatives	—	—	—	5,913
Loss on Debt Refunding	287,356	33,774	321,130	10,053
Advances by the State	23,041	88,332	111,372	—
Deferred Pension Outflows	2,035,511	2,267,187	4,302,698	589,196
Deferred Other Post Employment Benefits Outflows	250,723	300,494	551,217	79,303
Asset Retirement Obligation	—	9,225	9,225	—
Other Deferred Outflows	—	—	—	2,240
Total Deferred Outflows of Resources	\$ 2,596,631	\$ 2,699,012	\$ 5,295,643	\$ 686,705
Total Assets and Deferred Outflows of Resources	\$ 49,933,199	\$ 21,149,601	\$ 71,082,799	\$ 14,318,630

(Continued)

Statement of Net Position

June 30, 2022

(Continued)

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable and Other Accrued Liabilities	\$ 1,521,321	\$ 487,088	\$ 2,008,409	\$ 805,867
Securities Lending Collateral Liabilities	—	228,877	228,877	—
Due to Other Governments	2,555,389	197,249	2,752,639	170,259
Tax Refunds Payable	1,470,910	—	1,470,910	—
Tax and Other Deposits	130,505	34,162	164,667	104,233
Amounts Held in Trust by Component Unit for:				
Other Component Units	—	—	—	162,860
Others	—	—	—	69,544
Unearned Revenue	2,483,798	241,419	2,725,217	983
Interest Payable	86,856	12,178	99,034	12,030
Short-term Notes Payable	60,474	12,974	73,448	—
Other Liabilities	—	—	—	7,789
Long-term Liabilities:				
Current Portion	1,166,928	399,213	1,566,141	175,423
Noncurrent Portion	12,903,057	4,186,646	17,089,703	3,225,251
Total Liabilities	22,379,238	5,799,807	28,179,045	4,734,239
Deferred Inflows of Resources:				
Accumulated Change in the Fair Value of				
Hedging Derivatives	—	—	—	10,429
Gain on Debt Refunding	13,634	633	14,268	—
Deferred Pension Inflows	2,550,311	2,852,730	5,403,041	739,438
Deferred Other Post Employment Benefits Inflows	258,052	334,074	592,125	82,553
Other Deferred Inflows	—	14,671	14,671	14,582
Total Deferred Inflows of Resources	2,821,997	3,202,108	6,024,105	847,002
Net Position:				
Net Investment in Capital Assets	22,367,607	4,128,754	26,496,361	581,998
Restricted for:				
Human Relations and Resources	489,507	—	489,507	—
Conservation Related	222,047	—	222,047	—
General Executive	65,551	—	65,551	—
Transportation	1,274,850	—	1,274,850	—
Capital Projects	83,802	—	83,802	—
Unemployment Compensation	—	1,354,749	1,354,749	—
Environmental Improvement	—	2,188,384	2,188,384	—
Permanent Trusts - Expendable	33,119	354,716	387,835	19,575
Permanent Trusts - Nonexpendable	1,352,725	229,619	1,582,344	24,421
Future Benefits	—	1,738,911	1,738,911	41,044
Pension and Other Post Employment Benefits	1,204,884	1,374,402	2,579,286	349,261
Other Purposes	163,120	1,065,082	1,228,202	5,307,833
Unrestricted	(2,525,248)	(286,932)	(2,812,180)	2,413,257
Total Net Position	24,731,964	12,147,686	36,879,650	8,737,389
Total Liabilities, Deferred Inflows of Resources, and Net Position				
	\$ 49,933,199	\$ 21,149,601	\$ 71,082,799	\$ 14,318,630

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

Statement of Activities

For the Fiscal Year Ended June 30, 2022

(In Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Primary Government:				
Governmental Activities:				
Commerce	\$ 516,392	\$ 291,539	\$ 242,465	\$ —
Education	9,102,302	14,441	1,532,553	73
Transportation	2,577,391	1,005,098	177,166	992,262
Environmental Resources	499,972	250,259	106,855	623
Human Relations and Resources	19,470,003	701,958	13,287,372	—
General Executive	1,723,024	255,848	1,193,517	9,767
Judicial	146,920	41,893	863	—
Legislative	76,245	1,848	3	—
Tax Relief and Other General Expenses	1,591,184	—	(13,829)	—
Intergovernmental - Shared Revenue	1,074,920	57,117	—	—
Interest on Debt	313,266	—	—	—
Total Governmental Activities	37,091,619	2,620,001	16,526,965	1,002,726
Business-type Activities:				
Injured Patients and Families Compensation	50,269	—	(179,196)	—
Environmental Improvement	65,952	46,670	61,810	—
University of Wisconsin System	5,377,192	3,876,404	774,886	18,676
Unemployment Reserve	684,509	477,071	351,914	—
Lottery	973,512	888,012	(357)	—
Health Insurance	1,691,304	1,662,680	35,443	—
Care and Treatment Facilities	408,070	321,860	1,629	—
Other Business-type	176,205	81,120	160,064	235
Total Business-Type Activities	9,427,013	7,353,817	1,206,193	18,911
Total Primary Government	\$ 46,518,632	\$ 9,973,818	\$ 17,733,158	\$ 1,021,637
Component Units:				
Housing and Economic Development Authority	\$ 284,547	\$ 81,801	\$ 208,454	\$ —
Health Care Liability Insurance Plan	4,778	3,427	—	—
University Hospitals and Clinics Authority	3,905,209	4,027,946	—	—
University of Wisconsin Foundation	332,274	(461,810)	378,420	—
Wisconsin Economic Development Corporation	108,966	170	106,681	—
Total Component Units	\$ 4,635,774	\$ 3,651,534	\$ 693,555	\$ —

General Revenues:

Dedicated for General Purposes

Income Taxes

Sales and Excise Taxes

Public Utility Taxes

Other Taxes

Motor Fuel and Other Taxes Dedicated for Transportation

Other Dedicated Taxes

Interest and Investment Earnings

Miscellaneous

Contributions to Term and Permanent Endowments

Contributions to Permanent Fund Principal

Transfers

Total General Revenues, Contributions and Transfers

Change In Net Position

Net Position - Beginning

Net Position - Ending

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

Net Revenue (Expense) and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ 17,612		\$ 17,612	
(7,555,234)		(7,555,234)	
(402,865)		(402,865)	
(142,235)		(142,235)	
(5,480,674)		(5,480,674)	
(263,892)		(263,892)	
(104,164)		(104,164)	
(74,394)		(74,394)	
(1,605,013)		(1,605,013)	
(1,017,804)		(1,017,804)	
(313,266)		(313,266)	
(16,941,927)		(16,941,927)	
	\$ (229,465)	(229,465)	
	42,528	42,528	
	(707,226)	(707,226)	
	144,476	144,476	
	(85,858)	(85,858)	
	6,819	6,819	
	(84,581)	(84,581)	
	65,215	65,215	
	(848,092)	(848,092)	
(16,941,927)	(848,092)	(17,790,019)	
			\$ 5,708
			(1,352)
			122,737
			(415,664)
			(2,114)
			(290,685)
12,902,644	—	12,902,644	—
7,827,191	—	7,827,191	—
378,193	—	378,193	—
382,523	—	382,523	—
1,120,012	—	1,120,012	—
118,830	—	118,830	—
327,129	(14,907)	312,222	(315,571)
464,800	—	464,800	60,600
—	1,073	1,073	13,799
12,097	—	12,097	—
(1,420,718)	1,420,718	—	—
22,112,701	1,406,883	23,519,584	(241,173)
5,170,774	558,792	5,729,565	(531,858)
19,561,190	11,588,894	31,150,084	9,269,246
\$ 24,731,964	\$ 12,147,686	\$ 36,879,650	\$ 8,737,389

Balance Sheet - Governmental Funds

June 30, 2022

(In Thousands)

	General	Transportation	Nonmajor Governmental	Total Governmental
Assets and Deferred Outflows of Resources				
Assets:				
Cash and Cash Equivalents	\$ 8,486,668	\$ 1,179,957	\$ 694,104	\$ 10,360,729
Investments	1,737	—	1,078,592	1,080,328
Receivables (net of allowance):				
Taxes	1,747,269	105,425	—	1,852,694
Loans to Local Governments	—	—	230,197	230,197
Other Loans Receivable	673	14,093	—	14,766
Other Receivables	873,984	9,230	139,390	1,022,605
Due from Other Funds	153,127	19,768	25,532	198,427
Due from Component Units	2	—	—	2
Interfund Receivables	67,452	—	—	67,452
Due from Other Governments	1,551,438	234,495	21,144	1,807,076
Inventories	58,256	42,090	3,180	103,525
Prepaid Items	4,496	971	14,093	19,560
Restricted and Limited Use Assets:				
Cash and Cash Equivalents	—	—	197,027	197,027
Investments	—	—	70,796	70,796
Other Assets	15,109	—	407	15,515
Total Assets	12,960,210	1,606,028	2,474,462	17,040,701
Deferred Outflows of Resources:				
Advances by the State	22,881	160	—	23,041
Total Assets and Deferred Outflows of Resources	\$ 12,983,091	\$ 1,606,188	\$ 2,474,462	\$ 17,063,742
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts Payable and Other Accrued Liabilities	\$ 1,285,521	\$ 170,275	\$ 38,607	\$ 1,494,403
Due to Other Funds	39,887	39,052	29,564	108,503
Due to Component Units	29	—	—	29
Interfund Payables	—	—	3,028	3,028
Due to Other Governments	2,476,403	76,309	2,551	2,555,263
Tax Refunds Payable	1,469,856	1,054	—	1,470,910
Tax and Other Deposits	111,820	346	18,338	130,505
Unearned Revenue	2,467,773	976	11,266	2,480,015
Interest Payable	—	—	33,999	33,999
Advances from Other Funds	—	—	6,599	6,599
Short-term Notes Payable	—	—	58,623	58,623
Revenue Bonds and Notes Payable	—	—	145,685	145,685
Total Liabilities	7,851,289	288,013	348,261	8,487,563
Deferred Inflows of Resources:				
Unavailable Revenue	486,320	265	7,267	493,851
Fund Balances:				
Nonspendable	62,721	43,061	1,369,855	1,475,638
Restricted	607,223	1,274,850	456,754	2,338,827
Committed	1,733,754	—	313,944	2,047,697
Unassigned	2,241,783	—	(21,618)	2,220,165
Total Fund Balances	4,645,482	1,317,911	2,118,935	8,082,327
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,983,091	\$ 1,606,188	\$ 2,474,462	\$ 17,063,742

(Continued)

Balance Sheet - Governmental Funds

June 30, 2022

(Continued)

Total Governmental

Reconciliation to the Statement of Net Position:

Total Fund Balances - Governmental Funds (from previous page) \$ 8,082,327

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Infrastructure	19,391,974	
Other Capital Assets	8,860,620	
Accumulated Depreciation	(2,114,378)	
		26,138,216

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. 824,988

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. 490,069

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. (136,417)

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	(1,739,544)	
Appropriation Bonds Payable	(2,703,208)	
General Obligation Bonds and Notes Payable	(5,401,466)	
Accrued Interest on Bonds	(50,848)	
Leases	(4,508)	
Certificates of Participation	(53,703)	
Compensated Absences	(182,312)	
Pollution Remediation	(238)	
Claims and Judgments	(592)	
Other Postemployment Benefits Liability	(530,800)	
		(10,667,219)

Net Position of Governmental Activities as reported on the Statement of Net Position (See page 26) \$ 24,731,964

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, 2022

(In Thousands)

	General	Transportation	Nonmajor Governmental	Total Governmental
Revenues:				
Taxes:				
Income	\$ 12,855,090	\$ —	\$ —	\$ 12,855,090
Sales and Excise	7,827,251	—	—	7,827,251
Public Utility	378,193	—	—	378,193
Other General Purpose	382,568	—	—	382,568
Motor Fuel	—	1,119,949	—	1,119,949
Other Dedicated	—	39,972	78,858	118,830
Intergovernmental	16,187,181	1,143,713	82,498	17,413,392
Licenses and Permits	811,656	756,340	676,854	2,244,850
Charges for Goods and Services	402,125	17,436	17,627	437,188
Investment and Interest Income	16,381	1,934	(26,335)	(8,020)
Fines and Forfeitures	52,787	623	19,421	72,831
Gifts and Donations	3,324	4	19,578	22,905
Miscellaneous:				
Tobacco Settlement	124,521	—	—	124,521
Other	299,876	23,170	16,328	339,373
Total Revenues	39,340,952	3,103,140	884,828	43,328,920
Expenditures:				
Current Operating:				
Commerce	407,077	—	113,547	520,624
Education	8,995,774	—	52,781	9,048,555
Transportation	37,300	2,478,834	27,019	2,543,153
Environmental Resources	118,172	—	382,605	500,778
Human Relations and Resources	19,387,987	—	41,027	19,429,014
General Executive	1,640,673	—	110,635	1,751,308
Judicial	147,676	—	174	147,850
Legislative	79,288	—	—	79,288
Tax Relief and Other General	1,588,525	—	2,659	1,591,184
Intergovernmental - Shared Revenue	1,018,981	—	55,940	1,074,920
Capital Outlay	118,192	409,460	204,581	732,234
Debt Service:				
Principal	32,468	2,573	720,310	755,352
Interest	4,577	319	382,936	387,832
Other Debt Related Expenditures	—	—	2,275	2,275
Total Expenditures	33,576,689	2,891,187	2,096,491	38,564,367
Excess of Revenues Over (Under) Expenditures	5,764,263	211,953	(1,211,663)	4,764,553
Other Financing Sources (Uses):				
Long-term Debt Issued	—	9,186	282,970	292,157
Long-term Debt Issued - Refundings	13,634	117	600,719	614,470
Payments for Refunded Debt	(14,929)	(128)	(23,314)	(38,371)
Payments to Refunded Debt Escrow Agent	—	—	(543,481)	(543,481)
Premium on Bonds and Certificates of Deposit	1,295	210	50,883	52,388
Transfers In	63,889	228,561	1,171,104	1,463,554
Transfers Out	(2,382,955)	(175,043)	(321,975)	(2,879,973)
Lease Acquisitions	22,586	2,066	546	25,197
Total Other Financing Sources (Uses)	(2,296,481)	64,969	1,217,453	(1,014,059)
Net Change in Fund Balances	3,467,782	276,921	5,790	3,750,494
Fund Balances, Beginning of Year	1,185,789	1,042,737	2,112,866	4,341,392
Increase (Decrease) in Inventories	(8,089)	(1,747)	278	(9,558)
Fund Balances, End of Year	\$ 4,645,482	\$ 1,317,911	\$ 2,118,935	\$ 8,082,327

(Continued)

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Fiscal Year Ended June 30, 2022

(Continued)

**Total
Governmental**

Reconciliation to the Statement of Activities:

Net Change in Fund Balances (from previous page) \$ 3,750,494

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase (Decrease) in Reserve for Inventories on the fund statement has been reclassified as functional expenses on the government-wide statement. (9,558)

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	706,716	
Depreciation Expense	(133,248)	
Grants and Contributions (Donated Assets)	4,699	
		578,168

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. (44,877)

Revenues in the Statement of Activities that do not provide current financial are not reported as revenues in the funds. 26,888

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	(883,022)	
Payments for Refunded Bonds	23,065	
Payments to Refunding Bond Escrow Agent	543,481	
Repayment of Bond Principal	719,660	
Bond Premium	(50,820)	
		352,365

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	84,740	
Decrease (increase) in Leases	(4,052)	
Decrease (increase) in Certificates of Participation	(1,915)	
Decrease (increase) in Compensated Absences	(1,895)	
Decrease (increase) in Pollution Remediation Liabilities	5,258	
Decrease (increase) in Claims and Judgments	125	
Change in net pension assets, net pension liabilities, and pension-related deferred outflows and inflows of resources	242,078	
Decrease (increase) in Postemployment Benefit Liabilities	(17,884)	
		306,455

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. 210,839

**Changes in Net Position of Governmental Activities as reported on the
Statement of Activities (See page 28)**

\$ 5,170,774

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

Statement of Net Position - Proprietary Funds

June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 394,460	\$ 1,890,634	\$ 1,258,003
Investments	8	479,347	—
Securities Lending Collateral	—	228,877	—
Loans to Local Governments (net of allowance)	197,114	—	—
Other Loans Receivable (net of allowance)	—	17,470	—
Other Receivables (net of allowance)	32	151,153	157,691
Due from Other Funds	283	20,378	48
Due from Component Units	—	3,518	—
Due from Other Governments	10,181	161,121	1,023
Inventories	—	38,536	—
Prepaid Items	17	48,772	—
Leases Receivable	—	2,983	—
Other Assets	—	—	—
Total Current Assets	602,095	3,042,788	1,416,766
Noncurrent Assets:			
Investments	—	530,190	—
Loans to Local Governments (net of allowance)	2,002,366	—	—
Other Loans Receivable (net of allowance)	—	89,454	—
Other Receivables	—	—	93,369
Prepaid Items	15	—	—
Advances to Other Funds	6,599	—	—
Leases Receivable	—	11,807	—
Restricted and Limited Use Assets:			
Cash and Cash Equivalents	—	—	19,199
Net Pension Asset	211	1,085,067	—
Net Other Post Employment Benefit Asset	24	148,326	—
Other Assets	—	—	—
Depreciable Capital Assets (net of accum. depreciation)	—	5,183,787	—
Nondepreciable Capital Assets	—	637,263	—
Total Noncurrent Assets	2,009,215	7,685,894	112,568
Total Assets	2,611,310	10,728,681	1,529,334
Deferred Outflows of Resources			
Debt Refunding	819	32,622	—
Advances by the State	—	—	—
Deferred Pension Outflows	376	2,030,018	—
Deferred Other Post Employment Benefits Outflows	30	268,682	—
Asset Retirement Obligation	—	9,225	—
Total Deferred Outflows of Resources	1,224	2,340,547	—
Total Assets and Deferred Outflows of Resources	\$ 2,612,535	\$ 13,069,228	\$ 1,529,334

Business-type Activities - Enterprise Funds			Governmental Activities	
Nonmajor Enterprise	Totals		Internal Service Funds	
\$ 1,456,723	\$ 4,999,821		\$ 2,216,746	
17,665	497,020		—	
—	228,877		—	
214	197,328		—	
1	17,470		—	
168,583	477,459		2,452	
111,268	131,977		18,534	
—	3,518		—	
35,859	208,184		656	
7,983	46,519		10,223	
2,035	50,824		9,108	
—	2,983		—	
784	784		—	
1,801,116	6,862,764		2,257,719	
1,458,736	1,988,925		—	
2,205	2,004,571		—	
2,642	92,097		—	
—	93,369		—	
—	15		494	
—	6,599		—	
—	11,807		—	
61,708	80,907		—	
126,416	1,211,694		30,379	
14,358	162,708		3,450	
6,099	6,099		—	
187,295	5,371,081		430,854	
176,866	814,130		31,476	
2,036,325	11,844,002		496,653	
3,837,441	18,706,767		2,754,372	
334	33,774		2,232	
88,332	88,332		—	
236,794	2,267,187		59,036	
31,782	300,494		8,184	
—	9,225		—	
357,241	2,699,012		69,452	
\$ 4,194,682	\$ 21,405,779		\$ 2,823,824	

(Continued)

Statement of Net Position - Proprietary Funds

June 30, 2022

(Continued)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Liabilities			
Current Liabilities:			
Accounts Payable and Other Accrued Liabilities	\$ 72	\$ 271,820	\$ 53,412
Securities Lending Collateral Liabilities	—	228,877	—
Due to Other Funds	1,334	78,741	3,715
Due to Component Units	—	2,497	—
Interfund Payables	—	—	—
Due to Other Governments	378	5,851	58,268
Tax and Other Deposits	—	6,308	—
Unearned Revenue	—	203,715	—
Interest Payable	1,389	10,335	—
Short-term Notes Payable	—	12,974	—
Current Portion of Long-term Liabilities:			
Future Benefits and Loss Liabilities	—	—	—
Leases	—	23,905	—
Compensated Absences	207	98,759	—
Certificates of Participation	—	603	—
General Obligation Bonds and Notes Payable	—	109,336	—
Revenue Bonds and Notes Payable	29,375	—	—
Total Current Liabilities	32,755	1,053,723	115,395
Noncurrent Liabilities:			
Accounts Payable and Other Accrued Liabilities	—	—	—
Due to Other Governments	—	73,557	59,190
Noncurrent Portion of Long-term Liabilities:			
Future Benefits and Loss Liabilities	—	—	—
Leases	—	245,882	—
Compensated Absences	549	79,709	—
Other Postemployment Benefits	74	709,192	—
Asset Retirement Obligation	—	13,056	—
Certificates of Participation	—	3,927	—
General Obligation Bonds and Notes Payable	—	1,584,386	—
Revenue Bonds and Notes Payable	369,235	—	—
Total Noncurrent Liabilities	369,859	2,709,710	59,190
Total Liabilities	402,614	3,763,432	174,585
Deferred Inflows of Resources			
Debt Refunding	—	612	—
Deferred Pension Inflows	462	2,554,689	—
Deferred Other Post Employment Benefits Inflows	41	301,304	—
Other Deferred Inflows	—	14,671	—
Total Deferred Inflows of Resources	503	2,871,277	—
Net Position:			
Net Investment in Capital Assets	—	3,840,653	—
Restricted for Unemployment Compensation	—	—	1,354,749
Restricted for Environmental Improvement	2,188,384	—	—
Restricted for Expendable Trusts	—	354,716	—
Restricted for Nonexpendable Trusts	—	229,619	—
Restricted for Future Benefits	—	—	—
Restricted for Pension and Other Post Employment Benefits	235	1,233,393	—
Restricted for Other Purposes	—	923,905	—
Unrestricted	20,800	(147,767)	—
Total Net Position	2,209,418	6,434,519	1,354,749
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,612,535	\$ 13,069,228	\$ 1,529,334

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

Business-type Activities - Enterprise Funds			Governmental Activities	
Nonmajor Enterprise	Totals		Internal Service Funds	
\$ 119,121	\$ 444,425		\$ 7,647	
—	228,877		—	
121,509	205,300		2,973	
191	2,688		—	
36,709	36,709		27,715	
6	64,503		126	
27,854	34,162		—	
37,704	241,419		—	
454	12,178		2,009	
—	12,974		1,850	
124,176	124,176		48,096	
1,195	25,100		1,815	
5,944	104,909		111,969	
1,038	1,641		2,718	
4,675	114,011		15,159	
—	29,375		—	
480,575	1,682,448		222,078	
2,634	2,634		—	
—	132,747		—	
1,033,807	1,033,807		104,826	
4,356	250,238		16,127	
9,133	89,392		2,253,308	
84,253	793,519		23,077	
—	13,056		—	
4,667	8,594		1,229	
44,417	1,628,803		308,244	
—	369,235		—	
1,183,268	4,322,026		2,706,811	
1,663,843	6,004,474		2,928,889	
21	633		1,167	
297,579	2,852,730		74,046	
32,728	334,074		7,649	
—	14,671		—	
330,328	3,202,108		82,863	
288,101	4,128,754		115,697	
—	1,354,749		—	
—	2,188,384		—	
—	354,716		—	
—	229,619		—	
1,738,865	1,738,865		—	
140,774	1,374,402		33,829	
141,177	1,065,082		—	
(108,408)	(235,375)		(337,454)	
2,200,510	12,199,197		(187,928)	
\$ 4,194,682	\$ 21,405,779		\$ 2,823,824	
	12,199,197	Total Net Position Reported Above		
	(51,511)	Adjustment to Reflect the Consolidation of Internal		
\$ 12,147,686		Service Activities Related to Enterprise Funds		
		Net Position of Business-type Activities		

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

For the Fiscal Year Ended June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Operating Revenues:			
Charges for Goods and Services	\$ —	\$ —	\$ —
Participant and Employer Contributions	—	—	451,292
Tuition and Fees	—	1,422,724	—
Federal Grants and Contracts	—	917,864	—
Local and Private Grants and Contracts	—	269,376	—
Sales and Services of Educational Activities	—	328,539	—
Sales and Services of Auxiliary Enterprises	—	404,998	—
Sales and Services to UW Hospital Authority	—	60,561	—
Investment and Interest Income	44,660	—	—
Miscellaneous:			
Federal Aid for Unemployment Insurance Program	—	—	334,097
Reimbursing Financing Revenue	—	—	20,417
Other	2,010	447,682	5,362
Total Operating Revenues	46,670	3,851,744	811,168
Operating Expenses:			
Personal Services	5,720	3,435,917	—
Supplies and Services	3,299	1,228,956	—
Lottery Prize Awards	—	—	—
Scholarships and Fellowships	—	269,921	—
Depreciation	—	393,469	—
Benefit Expense	—	—	682,959
Interest Expense	10,241	—	—
Other Expenses	—	24,795	1,550
Total Operating Expenses	19,260	5,353,059	684,509
Operating Income (Loss)	27,410	(1,501,314)	126,659
Nonoperating Revenues (Expenses):			
Operating Grants	61,464	426,324	—
Investment and Interest Income	349	(63,792)	17,817
Gain (Loss) on Disposal of Capital Assets	—	(2,790)	—
Interest Expense	—	(46,151)	—
Gifts and Donations	—	415,777	—
Miscellaneous Revenues	—	24,660	—
Other Expenses:			
Property Tax Credits	—	—	—
Grants Disbursed	(46,692)	—	—
Other	—	—	—
Total Nonoperating Revenues (Expenses)	15,121	754,027	17,817
Income (Loss) Before Contributions, Transfers and Special Item	42,531	(747,288)	144,476
Capital Contributions	—	18,676	—
Additions to Endowments	—	1,073	—
Transfers In	52	1,264,017	60,000
Transfers Out	(8,013)	(100,773)	(1,486)
Change in Net Position	34,570	435,705	202,990
Total Net Position, Beginning of Year	2,174,848	5,998,814	1,151,759
Total Net Position, End of Year	\$ 2,209,418	\$ 6,434,519	\$ 1,354,749

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

Business-type Activities - Enterprise Funds					
Nonmajor Enterprise		Totals		Governmental Activities - Internal Service Funds	
\$	1,240,503	\$	1,240,503	\$	383,876
	1,673,650		2,124,943		—
	—		1,422,724		—
	—		917,864		—
	—		269,376		—
	—		328,539		—
	—		404,998		—
	—		60,561		—
	81		44,741		—
	—		334,097		—
	—		20,417		—
	33,061		488,115		1,050
	2,947,295		7,656,878		384,926
	298,305		3,739,943		84,389
	273,538		1,505,794		142,404
	557,117		557,117		—
	—		269,921		—
	20,860		414,329		36,745
	1,818,268		2,501,227		179,747
	—		10,241		—
	19,603		45,948		805
	2,987,692		9,044,520		444,090
	(40,397)		(1,387,643)		(59,164)
	3,214		491,002		—
	(4,522)		(50,148)		311,620
	(1,192)		(3,982)		343
	(951)		(47,102)		(9,189)
	509		416,286		—
	6,382		31,041		711
	(312,332)		(312,332)		—
	(1,580)		(48,272)		—
	5		5		(856)
	(310,467)		476,499		302,630
	(350,864)		(911,144)		243,466
	235		18,911		—
	—		1,073		—
	231,121		1,555,190		1,546
	(24,200)		(134,472)		(4,940)
	(143,707)		529,558		240,073
	2,344,217		11,669,639		(428,001)
\$	2,200,510	\$	12,199,197	\$	(187,928)
			529,558		Change in Net Position Reported Above
			29,234		Activities Related to Enterprise Funds
		\$	558,792		Change in Net Position of Business-Type Activities

Statement of Cash Flows - Proprietary Funds

For the Fiscal Year Ended June 30, 2022

(In Thousands)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Cash Flows From Operating Activities:			
Cash Receipts from Customers	\$ —	\$ —	\$ 506,636
Cash Payments to Suppliers for Goods and Services	(3,160)	(1,209,424)	—
Cash Payments to Employees for Services	(4,874)	(3,673,128)	—
Tuition and Fees	—	1,432,888	—
Grants and Contracts	—	1,187,852	—
Cash Payments for Lottery Prizes	—	—	—
Cash Payments for Loans Originated	(347,780)	(536,737)	—
Collection of Loans	200,359	551,853	—
Interest Income	44,443	—	—
Cash Payments for Benefits	—	—	(806,303)
Sales and Services of Educational Activities	—	322,552	—
Sales and Services of Auxiliary Enterprises	—	416,044	—
Sales and Services to UW Hospital Authority	—	54,050	—
Scholarships and Fellowships	—	(269,921)	—
Other Operating Revenues	2,010	408,299	470,319
Other Operating Expenses	—	—	(1,639)
Other Sources of Cash	—	—	—
Other Uses of Cash	—	—	—
Net Cash Provided (Used) by Operating Activities	(109,002)	(1,315,671)	169,013
Cash Flows From Noncapital Financing Activities:			
Operating Grants Receipts	61,927	430,869	—
Grants Disbursed	(46,675)	—	—
Proceeds from Issuance of Debt	122,842	—	—
Repayment of Bonds, Notes and Certificates of Participation	(42,530)	—	—
Interest Payments	(16,568)	—	—
Property Tax Credit Payments	—	—	—
Non Capital Gifts and Grants	—	416,933	—
Interfund Loans Received	—	—	—
Interfund Loans Repaid	—	—	—
Interfund Borrowing to Other Funds	—	—	—
Transfers In	520	1,275,393	60,000
Transfers Out	(8,013)	(100,452)	(1,506)
Other Cash Inflows from Non capital Financing Activities	—	17,057	—
Other Cash Outflows from Non capital Financing Activities	(12)	—	—
Net Cash Provided (Used) by Non Capital Financing Activities	71,491	2,039,799	58,494
Cash Flows From Capital and Related Financing Activities:			
Proceeds from Issuance of Debt	—	192,832	—
Capital Contributions	—	191,288	—
Repayment of Bonds, Notes and Certificates of Deposit	—	(324,081)	—
Interest Payments	—	(126,433)	—
Transfers In	—	—	—
Lease Obligations	—	—	—
Proceeds from Sale of Capital Assets	—	—	—
Payments for Purchase of Capital Assets	—	(509,798)	—
Other Cash Inflows from Capital Financing Activities	—	5,357	—
Other Cash Outflows from Capital Financing Activities	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	—	(570,835)	—
Cash Flows From Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	—	183,304	—
Purchase of Investment Securities	—	(666,515)	—
Investment and Interest Receipts	345	1,181	17,817
Net Cash Provided (Used) by Investing Activities	345	(482,031)	17,817
Net Increase (Decrease) in Cash and Cash Equivalents	(37,167)	(328,738)	245,324
Cash and Cash Equivalents, Beginning of Year	431,627	2,219,372	1,031,879
Cash and Cash Equivalents, End of Year	\$ 394,460	\$ 1,890,634	\$ 1,277,203

Business-type Activities - Enterprise Funds					
Nonmajor Enterprise			Totals	Governmental Activities - Internal Service Funds	
\$	2,881,811	\$	3,388,447	\$	383,449
	(230,178)		(1,442,762)		(156,980)
	(328,276)		(4,006,279)		(86,754)
	—		1,432,888		—
	—		1,187,852		—
	(552,614)		(552,614)		—
	—		(884,517)		—
	204		752,416		—
	77		44,520		—
	(1,807,653)		(2,613,955)		(143,309)
	—		322,552		—
	—		416,044		—
	—		54,050		—
	—		(269,921)		—
	393		881,022		955
	(62,193)		(63,833)		—
	112,320		112,320		335
	(44)		(44)		(1)
	13,846		(1,241,814)		(2,305)
	3,215		496,011		—
	(2,824)		(49,500)		—
	—		122,842		—
	—		(42,530)		—
	—		(16,568)		(172)
	(340,206)		(340,206)		—
	145		417,078		—
	3,487		3,487		253
	(2,702)		(2,702)		(1,189)
	—		—		—
	229,453		1,565,366		2,340
	(24,212)		(134,183)		(4,886)
	475		17,532		—
	(7,045)		(7,058)		(14)
	(140,213)		2,029,571		(3,668)
	3,394		196,226		59,421
	235		191,523		—
	(4,334)		(328,415)		(80,814)
	(1,776)		(128,209)		(12,645)
	1,688		1,688		—
	(1,040)		(1,040)		(1,829)
	—		—		345
	(36,459)		(546,257)		(13,174)
	3,936		9,293		100
	(3,924)		(3,924)		(141)
	(38,280)		(609,116)		(48,737)
	394,483		577,787		—
	(378,820)		(1,045,335)		—
	231,984		251,327		311,518
	247,647		(216,222)		311,518
	83,000		(37,580)		256,808
	1,435,431		5,118,308		1,959,938
\$	1,518,431	\$	5,080,728	\$	2,216,746
(continued)					

Statement of Cash Flows - Proprietary Funds

For the Fiscal Year Ended June 30, 2022

(Continued)

	Business-type Activities - Enterprise Funds		
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations:			
Operating Income (Loss)	\$ 27,410	\$ (1,501,314)	\$ 126,659
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	—	393,469	—
Provision for Uncollectible Accounts	—	—	16,627
Operating Expense (Interest Expense) Classified as Noncapital Financing Activity	10,064	—	—
Miscellaneous Nonoperating Income (Expense)	—	—	—
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows:			
Decrease (Increase) in Assets and Deferred Outflows:			
Receivables	(18)	124,529	(53,012)
Due from Other Funds	663	17,277	64,862
Due from Component Units	—	3,294	—
Due from Other Governments	(147,639)	(151,167)	203,399
Inventories	—	(7,710)	—
Prepaid Items	17	(9,520)	—
Net Pension Asset	(45)	(253,438)	—
Net OPEB Assets	—	(23,786)	—
Other Assets	—	—	—
Deferred Outflows of Resources	(151)	(790,048)	—
Increase (Decrease) Liabilities and Deferred Inflows:			
Accounts Payable and Other Accrued Liabilities	(21)	44,692	(168,168)
Due to Other Funds	489	9,227	(32,182)
Due to Other Component Unit	—	1,023	—
Due to Other Governments	(27)	(23,086)	10,828
Tax and Other Deposits	—	—	—
Unearned Revenue	—	35,496	—
Interest Payable	—	—	—
Compensated Absences	97	(6,121)	—
Postemployment Benefits	12	57,848	—
Future Benefits and Loss Liability	—	—	—
Deferred Inflows of Resources	147	763,666	—
Total Adjustments	(136,412)	185,644	42,354
Net Cash Provided Used by Operating Activities	\$ (109,002)	\$ (1,315,671)	\$ 169,013
Noncash Investing, Capital and Financing Activities:			
Assets Acquired through Leases	\$ —	\$ 9,023	\$ —
Contributions/Transfers In (Out) of Noncash Assets and Liabilities From/To Other Funds	—	—	—
Lottery Prize Annuity Investment Assumption	—	—	—
Net Change in Unrealized Gains and (Losses)	—	(62,607)	—
Other	—	17,134	—

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

Business-type Activities - Enterprise Funds					
Nonmajor Enterprise		Totals		Governmental Activities - Internal Service Funds	
\$	(40,397)	\$	(1,387,643)	\$	(59,164)
	20,860		414,329		36,745
	131		16,758		—
	—		10,064		(1)
	8,250		8,250		317
	(14,030)		57,470		(601)
	(18,425)		64,377		199
	—		3,294		107
	(10,680)		(106,087)		(94)
	(360)		(8,070)		(2,713)
	(284)		(9,787)		1,560
	(30,614)		(284,097)		(6,662)
	(2,194)		(25,980)		(257)
	(30)		(30)		—
	(92,312)		(882,511)		(22,010)
	(9,261)		(132,758)		(9,683)
	15,634		(6,832)		410
	191		1,214		—
	—		(12,285)		126
	(78)		(78)		(1)
	366		35,862		—
	(9)		(9)		—
	217		(5,806)		(23)
	7,958		65,818		2,528
	91,260		91,260		35,895
	87,651		851,465		21,016
	54,243		145,829		56,859
\$	13,846	\$	(1,241,814)	\$	(2,305)
\$	—	\$	9,023	\$	—
	(1)		(1)		—
	(492)		(492)		—
	(214,983)		(277,589)		—
	664		17,798		—

Statement of Fiduciary Net Position

June 30, 2022

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private Purpose Trust	Custodial
Assets				
Cash and Cash Equivalents	\$ 3,343,739	\$ 6,291,680	\$ 1,010	\$ 137,833
Securities Lending Collateral	396,434	—	—	—
Prepaid Items	25,699	—	—	13
Receivables (net of allowance):				
Prior Service Contributions Receivable	5,789	—	—	—
Benefits Overpayment Receivable	2,095	—	—	—
Due from Other Funds	79,887	—	—	5,359
Due from Component Units	7,541	—	—	—
Due from Other Governments	148,011	—	—	1,940
Interest and Dividends Receivable	450,913	—	—	—
Investment Sales Receivable	10,869,737	—	—	—
Other Receivables	4,319	143	—	3,893
Total Receivables	11,568,292	143	—	11,193
Investments:				
Fixed Income	48,219,267	—	—	—
Stocks	83,778,808	—	—	—
Options	(1,946)	—	—	—
Financial Futures Contracts and Swaps	102,478	—	—	—
Private Fund Investments	26,573,553	—	—	—
Preferred Securities	703,312	—	—	—
Convertible Securities	2,153	—	—	—
Multi-asset Investments	6,227,923	—	—	—
Investment Contract	569,905	—	—	—
Foreign Currency Contracts	3,794	—	—	—
To Be Announced Securities	2,899,255	—	—	—
Deferred Compensation Plan Investments:				
Collective Investment Trust Funds	3,985,491	—	—	—
Mutual Funds	2,398,095	—	—	—
Stable Value Fund	782,330	—	—	—
Investments of Custodial Funds	—	—	—	35
Total Investments	176,244,418	—	—	35
Capital Assets	4,865	—	—	—
Other Assets	—	—	—	339,490
Total Assets	\$ 191,583,447	\$ 6,291,823	\$ 1,010	\$ 488,563

(continued)

(continued)

	Pension and Other Employee Benefit Trust	Investment Trust	Private Purpose Trust	Custodial
Liabilities				
Accounts Payable and Other Accrued Liabilities	\$ 200,634	\$ 13	\$ —	\$ 10,746
Reverse Repurchase Agreements	17,012,077	—	—	—
Securities Lending Collateral Liability	1,157,434	—	—	—
Annuities Payable	455,788	—	—	—
Due to Other Funds	88,433	156	—	5,593
Tax and Other Deposits	—	—	—	1,640
Due to Other Governments	—	—	—	91,200
Short Sales of Securities	8,050,666	—	—	—
Investment Payable	13,532,952	—	—	—
Unearned Revenue	495	—	—	—
Total Liabilities	40,498,479	169	—	109,179
Net Position				
Restricted for Pensions	141,847,870	—	—	—
Restricted for Other Postemployment Benefits	9,235,149	—	—	—
Restricted for Pool Participants	—	6,291,654	—	—
Restricted for Individuals, Organizations and Other Governments	1,950	—	1,010	379,385
Total Net Position	\$ 151,084,969	\$ 6,291,654	\$ 1,010	\$ 379,385

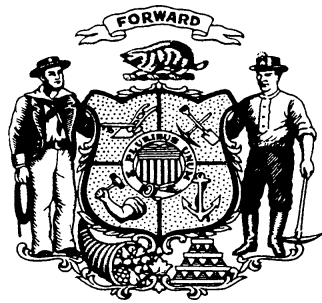
The notes to the financial statements are an integral part of this statement.

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022**

(In Thousands)

	Pension and Other Employee Benefit Trust	Investment Trust	Private- Purpose Trust	Custodial
Additions				
Contributions:				
Employer Contributions	\$ 1,183,961	\$ —	\$ —	\$ —
Employee Contributions	1,330,696	—	—	—
Transfer-in From Other Plans	38,909	—	—	—
Total Contributions	2,553,565	—	—	—
Deposits	—	11,432,810	—	1,152,331
Premiums	—	—	—	23,944
Federal Subsidy	—	—	—	1,945
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	20,384,784	—	—	—
Interest and Dividends	2,759,636	—	—	—
Securities Lending Income	47,080	—	—	—
Investment Income of Investment Trusts, Private Purpose Trusts, Other Employee Benefit Trusts and Custodial Funds	15,297	50,545	11	(165)
Less:				
Investment Expense	(451,445)	(1,014)	—	(3)
Securities Lending Rebates and Fees	(3,282)	—	—	—
Investment Income Distributed to Other Funds	(542,070)	—	—	—
Net Investment Income	22,210,000	49,531	11	(168)
Interest on Prior Service Receivable	366	—	—	—
Tax Collections for Other Governments	—	—	—	619,847
Miscellaneous Income	256	—	—	1
Total Additions	24,764,187	11,482,341	11	1,797,901
Deductions				
Retirement Benefits and Refunds:				
Retirement, Disability, and Beneficiary	6,352,664	—	—	—
Separations	42,045	—	—	—
Total Retirement Benefits and Refunds	6,394,709	—	—	—
Distributions	358,098	10,779,634	—	1,145,760
Benefits and Other Expenses	124,347	—	—	25,393
Administrative Expense	43,875	186	—	2,647
Payments of Tax to Other Governments	—	—	—	619,671
Total Deductions	6,921,028	10,779,820	—	1,793,472
Net Increase (Decrease)	17,843,159	702,520	11	4,429
Net Position - Beginning of Year	133,241,810	5,589,134	1,000	374,956
Net Position - End of Year	\$ 151,084,969	\$ 6,291,654	\$ 1,010	\$ 379,385

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



Notes To The Financial Statements

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

B. Financial Reporting Entity

For GAAP purposes, the State of Wisconsin includes all funds, elected offices, departments and agencies of the State, as well as boards, commissions, authorities and universities. The State has also considered all potential "component units" for which it is financially accountable, and other affiliated organizations for which the nature and significance of their relationship, including their ongoing financial support, with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the State's reporting entity is based on the criteria set forth in GASB Statement No. 14, The Financial Reporting Entity, 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
908 East Main Street, Suite 501
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://www.wedc.org>

University of Wisconsin Foundation
1848 University Avenue
Madison, WI 53726-4090
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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 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.

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 Annual Comprehensive 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 Conversion Credit, Supplemental Health Insurance Conversion Credit, Wisconsin Deferred Compensation, 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, and Health 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 differences 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.

Major Enterprise Funds

- *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 four-year universities, 13 additional campuses affiliated with seven of the four-year institutions, 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, risk management, human resource services and accumulated sick leave. 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.
- *Custodial 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 2022, the State implemented the following new standards issued by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 92, *Omnibus 2020*, addresses practice issues that were identified during the implementation of certain GASB standards. The standard addresses a variety of topics including leases, intra-entity transfers, pensions, fiduciary activities, asset retirement obligations, public entity risk pools, fair value measurements and derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, established the term annual comprehensive financial report and the acronym ACFR.

GASB Statement No. 99, *Omnibus 2022*, paragraphs 26-32 relating to the replacement of LIBOR, SNAP benefits, disclosure of nonmonetary transactions, pledges of future revenues when

resources are not received by the pledging government and terminology updates.

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, banker's 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 Trust Fund program, a business-type activity, 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 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 \$448.9 million representing one-half of the total appropriated amount is reported at June 30, 2022 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, 2022.

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, 2022.

The aggregated State Property Tax Credit Program liability of \$804.9 million is reported in the General Fund as Due to Other Governments. Of that amount, \$695.9 million relates to the school levy tax credit and \$109.0 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 2022 property tax bills, the State made this payment in March 2022. 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 2022, while the remaining portion represents advanced payments. The resulting deferred outflow of resources reported within the Lottery Fund totals \$88.3 million at June 30, 2022.

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, 2022, the State was liable to various local governments and other taxing jurisdictions for unpaid exempt computer aid payments of \$67.4 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, aid payments totaling \$78.2 million were made in May 2022.

State Aid for Video Service Provider Fee

2019 Wis. Act 9 (the Budget Act) reduced the fee rate municipalities can charge cable and phone companies. This state aid to municipalities replaces the lost revenue related to the fee reduction. Payments to local governments are made on the fourth Monday in July.

At June 30, 2022, the State was liable to various local governments and other taxing jurisdictions for unpaid aid for video service fees of \$5.0 million.

10. Long-term Debt Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability 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, which finance programs in a capital projects fund, 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 holiday 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 as two funds. The basic component of sick leave is presented as an internal service fund and the supplementary component of sick leave is presented as 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, 2022, 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 represent a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net assets 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, 2022, 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
Assets:					
Cash and Cash Equivalents	\$ 10,360,729	\$ —	\$ 2,216,746	\$ —	\$ 12,577,475
Investments	1,080,328	—	—	—	1,080,328
Receivables (net of allowance):					
Taxes	1,852,694	—	—	(1,852,694)	—
Loans to Local Governments	230,197	—	—	(230,197)	—
Other Loans Receivable	14,766	—	—	(14,766)	—
Other Receivables	1,022,605	2,837	3,108	3,982,996	5,011,546
Due from Other Funds	198,427	—	18,534	(216,961)	—
Due from Component Units	2	—	—	(2)	—
Interfund Receivables	67,452	—	—	(67,452)	—
Due from Other Governments	1,807,076	—	—	(1,807,076)	—
Internal Balances	—	—	51,511	77,651	129,163
Inventories	103,525	3,783	10,223	—	117,531
Prepaid Items	19,560	447	9,602	—	29,609
Restricted Assets:					
Cash and Cash Equivalents	197,027	—	—	—	197,027
Investments	70,796	—	—	—	70,796
Net Pension Asset	—	1,051,616	30,379	—	1,081,994
Sick Leave OPEB Asset	—	119,440	3,450	—	122,890
Other Assets	15,515	—	—	—	15,515
Depreciable Capital Assets	—	1,490,983	430,854	—	1,921,837
Infrastructure	—	19,391,974	—	—	19,391,974
Other Non-depreciable Capital Assets	—	5,557,406	31,476	—	5,588,881
Total Assets	17,040,701	27,618,486	2,805,883	(128,502)	47,336,568
Deferred Outflows of Resources	23,041	2,504,139	69,452	—	2,596,631
Total Assets and Deferred Outflows	\$ 17,063,742	\$ 30,122,624	\$ 2,875,335	\$ (128,502)	\$ 49,933,199
Liabilities:					
Accounts Payable and Other Accrued Liabilities	1,494,403	(1,075)	7,647	20,345	1,521,321
Due to Other Funds	108,503	—	30,688	(139,191)	—
Due to Component Units	29	—	—	(29)	—
Interfund Payables	3,028	—	—	(3,028)	—
Due to Other Governments	2,555,263	—	126	—	2,555,389
Tax Refunds Payable	1,470,910	—	—	—	1,470,910
Tax and Other Deposits	130,505	—	—	—	130,505
Unearned Revenue	2,480,015	3,783	—	—	2,483,798
Interest Payable	33,999	50,848	2,009	—	86,856
Advances from Other Funds	6,599	—	—	(6,599)	—
Short-term Notes Payable	58,623	—	1,850	—	60,474
Long-term Liabilities:					
Current Portion	145,685	841,486	179,756	—	1,166,928
Noncurrent Portion	—	10,196,246	2,706,811	—	12,903,057
Total Liabilities	8,487,563	11,091,288	2,928,889	(128,502)	22,379,238
Deferred Inflows of Resources	493,851	2,245,283	82,863	—	2,821,997
Fund Balances/Net Position	8,082,327	16,786,053	(136,417)	—	24,731,964
Total Liabilities, Deferred Inflows, and Fund Balances/Net Position	\$ 17,063,742	\$ 30,122,624	\$ 2,875,335	\$ (128,502)	\$ 49,933,199

- (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, 2022, 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)
Revenues:			
Taxes			
Income Taxes	\$ 12,855,090	\$ 47,554	\$ —
Sales & Excise Taxes	7,827,251	(61)	—
Public Utility Taxes	378,193	—	—
Other Taxes	382,568	(45)	—
Motor Fuel (Transportation) Taxes	1,119,949	63	—
Other Dedicated Taxes	118,830	—	—
Intergovernmental	17,413,392	—	—
Operating Grants	—	4,003	—
Capital Grants	—	—	696
Licenses and Permits	2,244,850	—	—
Charges for Goods and Services	437,188	(20,623)	—
Investment and Interest Income	(8,020)	—	—
Fines and Forfeitures/Contributions to Permanent Fund	72,831	—	—
Gifts and Donations	22,905	—	—
Miscellaneous:			
Tobacco Settlement	124,521	—	—
Other	339,373	—	1
Total Revenues	43,328,920	30,891	698
Expenditures/Expenses:			
Current Operating:			
Commerce	520,624	(6,947)	2,955
Education	9,048,555	(4,294)	3,330
Transportation	2,543,153	(20,765)	55,335
Environmental Resources	500,778	(18,652)	21,853
Human Relations and Resources	19,429,014	(115,398)	82,062
General Executive	1,751,308	(14,404)	10,357
Judicial	147,850	(4,964)	2,554
Legislative	79,288	(3,794)	—
Tax Relief and Other General Expenditures	1,591,184	—	—
Intergovernmental - Shared Revenue	1,074,920	—	—
Capital Outlay	732,234	—	(732,234)
Debt Service:			
Principal	755,352	—	—
Interest and Other Charges	390,107	—	—
Total Expenditures/Expenses	38,564,367	(189,217)	(553,788)
Excess of Revenues Over (Under)	4,764,553	220,109	554,485
Other Financing Sources (Uses):			
Net Transfers	(1,416,419)	—	—
Long-term Debt Issued	906,627	—	—
Premium/Discount on Bonds	52,388	—	—
Payments for Refunded Bonds	(38,371)	—	—
Payments to Refunding Bond Escrow Agent	(543,481)	—	—
Lease Acquisitions	25,197	(25,197)	—
Total Other Financing Sources (Uses)	(1,014,059)	(25,197)	—
Net Change in Fund Balance/Net Position	3,750,494	\$ 194,911	\$ 554,485
Change in Inventories	(9,558)		
Net Change for the Year	\$ 3,740,935		

- (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
\$ —	\$ —	\$ —	\$ —	12,902,644
—	—	—	—	7,827,191
—	—	—	—	378,193
—	—	—	—	382,523
—	—	—	—	1,120,012
—	—	—	—	118,830
—	—	—	(17,413,392)	—
—	—	56,109	16,466,853	16,526,965
—	—	56,427	945,603	1,002,726
—	—	—	(2,244,850)	—
(94,038)	—	(8,422)	2,305,896	2,620,001
311,620	—	—	23,529	327,129
—	—	—	(60,734)	12,097
—	—	—	(22,905)	—
—	—	—	464,799	464,800
—	—	—	(124,521)	—
—	—	—	(339,373)	—
217,582	—	104,114	906	43,683,111
(109)	—	—	(132)	516,392
(1,600)	—	56,051	261	9,102,302
(2,079)	—	—	1,747	2,577,391
1,707	(5,258)	—	(456)	499,972
9,824	(125)	56,485	8,141	19,470,003
(15,812)	—	(8,422)	(2)	1,723,024
1,479	—	—	—	146,920
751	—	—	—	76,245
—	—	—	—	1,591,184
—	—	—	—	1,074,920
—	—	—	—	—
—	(755,352)	—	—	—
9,189	(86,030)	—	—	313,266
3,350	(846,765)	104,114	9,558	37,091,619
214,232	846,765	—	(8,653)	6,591,492
(3,393)	—	—	(906)	(1,420,718)
—	(906,627)	—	—	—
—	(52,388)	—	—	—
—	38,371	—	—	—
—	543,481	—	—	—
—	—	—	—	—
(3,393)	(377,163)	—	(906)	(1,420,718)
\$ 210,839	\$ 469,603	\$ —	(9,558)	5,170,774
			9,558	—
			\$ —	\$ 5,170,774

(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

Funds reporting a deficit fund balance or net position at June 30, 2022 are (in thousands):

<hr/>		
Special Revenue:		
Dry Cleaner Environmental Response	\$	6,256
Capital Projects:		
Capital Improvement		15,362
Enterprise:		
Northern Developmental Disabilities Center		12,341
Internal Service:		
Accumulated Sick Leave Basic Plan		254,144
Fleet Services		1,995
Human Resource Services		6,340
Risk Management		128,470
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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, 2022 (in thousands):

Governmental Activities:

Net Position Restricted by Enabling Legislation \$ 1,284,122

Business-type Activities:

Net Position Restricted by Enabling Legislation 2,070,873

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, 2022 was \$1.7 billion. There was no transfer to the budget stabilization fund in fiscal year 2022 since the current balance exceeded 5.0 percent of the estimated General Fund expenditures for the fiscal year.

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, 2022 was \$90.0 million.

E. Fund Balance for Governmental Funds

Governmental funds reported the following categories of fund balance as of June 30, 2022 (in thousands):

	General	Transportation	Nonmajor Governmental	Total Governmental
Nonspendable for:				
Inventory, Prepaid and Long-term Receivables	\$ 62,721	\$ 43,061	\$ 17,272	\$ 123,055
Legal or Contractual Purposes (Permanent Fund Principal)		—	1,352,583	1,352,583
Restricted for:				
Commerce	29,384		—	29,384
Education	17,880		79,631	97,511
Transportation	—	1,274,850	—	1,274,850
Environmental Resources	4,430		222,047	226,477
Human Relations and Resources	489,507		52,482	541,989
General Executive	65,551		8,438	73,989
Judicial	53		—	53
Legislative	10		—	10
Tax Relief and Other General Expenditures	409		—	409
Intergovernmental - Shared Revenue	—		3,664	3,664
Debt Service			6,689	6,689
Capital Projects			83,802	83,802
Committed to:				
Commerce			83,719	83,719
Education			2,561	2,561
Environmental Resources			114,418	114,418
Human Relations and Resources			38,863	38,863
General Executive			32,448	32,448
Judicial			71	71
Tax Relief and Other General Expenditures	1,733,754		—	1,733,754
Capital Projects			41,865	41,865
Unassigned	2,241,783	—	(21,618)	2,220,165
Total Fund Balance	\$ 4,645,482	\$ 1,317,911	\$ 2,118,935	\$ 8,082,327

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 custodial 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 (SIF), and the Wisconsin Retirement System (WRS). Copies of the separately issued financial reports may be obtained at www.swib.state.wi.us or by writing to:

State of Wisconsin Investment Board
P.O. Box 7842
Madison, WI 53707-7842

The Department of Employee Trust Funds issues separate financial reports for the State of Wisconsin Public Employees Deferred Compensation Plan and Trust (Deferred Compensation). Copies of the separately issued financial reports may be obtained at etf.wi.gov or by writing to:

Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

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, 2022, \$580.6 million of the primary government's bank balance of \$593.0 million was exposed to custodial credit risk as follows (in millions):

Uninsured and uncollateralized	\$	580.6
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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, 2022 are immaterial. The primary government does not have a formal policy specifically related to foreign currency risk.

The State's Unemployment Reserve Fund had \$1.3 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, 2021, WRS cash deposits totaled \$620.7 million. Of the total deposits, \$123.4 million was collateralized by the securities borrowed. Depository insurance covered another \$36.2 million of the total. The remaining deposits, totaling \$461.1 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 \$24.0 million in certificates of deposit.

3. Deferred Compensation

Cash and cash equivalents for the Deferred Compensation Fund represent the balance of the FDIC Bank Option. The FDIC Bank option provides safety of principal and a stable credited rate of interest and is insured up to \$250,000 per participant. As of December 31, 2021, 83 individual participant accounts held more than \$250,000.

4. State Investment Fund

The State of Wisconsin appropriation for losses on public deposits protects a depositing municipality up to \$400,000 (or less if the appropriation is exhausted) on its proportionate share of all losses of principal invested, if the local governing body has designated the Local Government Investment Pool (LGIP) as a public depository. The actual coverage of these deposits can fluctuate daily based on the allocable share of participants' accounts. In addition, the SIF held time deposits with financial institutions with a fair value of \$150.0 million, all of which were uncollateralized and uninsured on June 30, 2022.

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 (SLIF)
 - Injured Patients and Families Compensation Fund (IPFCF)
 - Historical Society Fund
- The University of Wisconsin System (UWS)
- State of Wisconsin Public Employees Deferred Compensation Plan and Trust (Deferred Compensation)
- 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; banker's 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 (SLIF), 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 SLIF 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.

The University Cash Management Fund was established in 2022 in accordance with the investment policies and guidelines governed and authorized by the UWS Board of Regents, and is currently distributed among fixed income funds, bank loans, and global equities. The objective of the Cash Management Fund is to manage principal, ensure liquidity for anticipated needs, and maintain purchasing power for existing assets. Target allocations were approved by the University Investment Committee in January 2022. The Cash Management Fund is an intermediate portfolio, governed by and subject to a Memorandum of Understanding between University of Wisconsin System Administration and the University of Wisconsin Madison.

An internally managed investment fund was established for a limited and select number of participating Trust Funds accounts by the University Board of Regents 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 or by writing to:

Office of Financial Administration
780 Regent Street, Suite 255
Madison, WI 53715

Deferred Compensation

The State of Wisconsin Public Employees Deferred Compensation Plan and Trust (Deferred Compensation) was established in 1981 pursuant to Wisconsin State Statute Section 40.80. Deferred Compensation is governed by the Wisconsin Deferred Compensation Board and is administered by a third party.

Under Deferred Compensation Plan provisions, employees of the State of Wisconsin and public employers in Wisconsin that elect to participate are eligible to contribute to the Plan through payroll deductions. Employees electing to participate in the plan may

contribute to or exchange within several available investment options.

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, 2022, 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	\$ 189.6	\$ 76.0	\$ 113.6	\$ —
State or Municipal Bonds & Notes	103.7	—	103.7	—
Corporate and Other Bonds and Notes	12.4	—	12.4	—
Closed-End Funds	4.0	4.0	—	—
Exchange Traded Funds	387.7	387.7	—	—
Equity Securities	33.0	33.0	—	—
Limited Partnership	287.7	—	—	287.7
Total By Fair Value Level	\$ 1,018.1	\$ 500.8	\$ 229.6	\$ 287.7

Investments Valued at Net Asset Value (NAV):

Money Market Funds	\$ 402.8
Mutual Funds	121.9

Investments Valued at Cost:

Private Placement	7.1
U.S. Government & Agency Securities	0.2
Long-Term CDs	\$ 1.1
Total	\$ 1,551.2

The following tables present fair value measurements as of June 30, 2022 for the Separately Managed Funds, in millions:

Separately Managed Funds	Fair Value Measurement Using		
	Total	Level 1	Level 2
IPFCF			
Investments by Fair Value Level:			
U.S. Government and Agency Securities	\$ 658.0	\$ 6.5	\$ 651.5
Corporate Bonds	449.3	—	449.3
Municipal Bonds	20.5	—	20.5
Foreign Bonds	42.0	—	42.0
Total by Fair Value Level	\$ 1,169.8	\$ 6.5	\$ 1,163.3

Investments Valued at Net Asset Value (NAV):

Equity Index Funds	\$ 200.0
Short-Term Investment Fund	10.6

Total IPFCF \$ 1,380.4

Historical Society

Investments Reported at Net Asset Value (NAV):

Equity Index Fund	\$ 16.2
Fixed Income Fund	5.1
Total Historical Society	\$ 21.2

SLIF

Investments by Fair Value Level:

U.S. Government and Agency Securities	\$ 44.3	\$ —	\$ 44.3
Corporate Bonds	55.1		55.1
Total by Fair Value Level	\$ 99.4	\$ —	\$ 99.4

Investments Reported at Net Asset Value (NAV):

U.S. Fixed Income Fund	\$ 2.0
Total SLIF	\$ 101.4

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 \$287.7 million held by the Common School and Normal School funds. These limited

partnerships invest in small non-public companies. Shares may typically be redeemed through the investment manager, though the ability to redeem shares may be curtailed during an acute financial crisis. The Common School fund has committed to invest up to \$166.0 million in limited partnerships as of June 30, 2022.

The Injured Patients and Families Compensation fund holds Investments in the amount of \$10.6 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, real estate investment trusts, 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 \$0.2 million of U.S. Government and Agency Securities reported at amortized cost, \$0.1 million represents U.S. Government Savings Bonds.

Deferred Compensation

The following schedule presents fair value measurements at June 30, 2022 (in millions):

Deferred Compensation	Fair Value Measurement Using		
	Fair Value	Level 1 Inputs	Level 2 Inputs
Investments by Fair Value Level:			
Mutual Funds	\$ 2,398.1	2,398.1	—
Investments Reported at Net Asset Value (NAV):			
Stable Value Fund	\$ 782.3		
Collective Investment Trusts (CIT)	3,985.5		
Total By Net Asset Value	\$ 4,767.8		
Total Investments	\$ 7,165.9		

Mutual Funds are valued at the daily closing price as reported by the fund on an active market, which is based on the underlying net asset value (NAV) of the shares held by the Plan at year-end. Mutual Funds held by the Plan are open-end Mutual Funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish daily NAV and to transact at that price. The Mutual Funds held by the Plan are deemed to be actively traded.

CIT Funds are similar in structure to Mutual Funds but are not regulated by the SEC and are not publicly traded. CIT Funds are valued at NAV, which approximates fair value as a practical expedient. The NAV, as provided by fund administrator, is based

on the fair value of the underlying investments held by the fund less liabilities. Participant transactions may occur daily. There are no unfunded commitments and no restrictions on the redemption of these investments.

The Stable Value Fund investments are valued at NAV, which consists of contract value less fees and expenses, and approximates fair value as a practical expedient. Participants can transact daily at the NAV. There are no unfunded commitments and no restrictions on redemptions.

University of Wisconsin System (UWS)

The following schedule presents fair value measurements at June 30, 2022 (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	6.4	1.1	5.3
Fixed Income Index Funds	165.0	—	165.0
Total Investments by Fair Value Level	\$ 171.7	\$ 1.5	\$ 170.2
Investments Valued at Net Asset Value (NAV):			
Equity Index Funds	\$ 315.1		
Fixed Income Index Funds	419.0		
Real Estate Index Fund	14.0		
Investments Reported as			
Cash & Cash Equivalents	0.8		
Private Equity Limited Partnerships	88.9		
Total Investments	\$ 1,009.5		

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 government/credit bond index funds (29%) primarily invested in debt securities to approximate the total rate of return with maturities between one and ten years, a U.S. TIPS index fund (15%) with an investment strategy of closely approximating the return of all outstanding U.S. TIPS with a maturity of one year or greater, a U.S. Debt Index Fund (14%) and U.S. High Yield Bond Index Fund (7%) with the objective of approximating the total return of the market for debt securities and a floating rate income fund (7%) with an investment strategy focused on seeking high-quality loans with attractive risk-adjusted returns. Also included is a 1-5 year USD Bond ETF (28%) that provides exposure to short-term high yield bonds with maturities between one and five years. The index funds have daily liquidity with 2 days' notice. The ETF has a 1-2 day trade settlement.

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.

Private Equity Limited Partnership Funds

As part of the investment management transfer to SWIB, Terrace Investment Holdings 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 4.1 years at June 30, 2022. The estimated remaining life of the underlying investments are between 0-7 years.

The UWS has an unfunded commitment in the amount of \$7.4 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, 2021 (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	\$ 24.0	\$ —	\$ 9.0	\$ 15.0
Commercial Paper	180.5	—	—	180.5
Money Market Funds	250.0	250.0	—	—
Total Cash Equivalents	454.5	250.0	9.0	195.5
Equities				
Domestic	50,180.1	50,087.0	0.1	93.0
International	22,954.1	22,942.8	0.2	11.2
Total Equities	73,134.2	73,029.7	0.2	104.2
Fixed Income				
Asset Backed Securities	832.9	—	811.4	21.5
Corporate Bonds & Private Placements	14,470.4	—	14,405.1	65.3
Exchange Traded Funds	465.9	465.9	—	—
Foreign Government / Agency Bonds	2,268.9	—	2,268.9	—
Municipal Bonds	188.7	—	188.7	—
U.S. Government Agencies	2,312.7	—	2,312.7	—
U.S. Treasury Inflation Protected Securities	21,183.2	—	21,183.2	—
U.S. Treasury Securities	5,576.7	38.5	5,538.2	—
Total Fixed Income	47,299.3	504.4	46,708.2	86.8
Preferred Securities				
Domestic	462.4	—	229.4	233.0
International	240.9	240.9	—	—
Total Preferred Securities	703.3	240.9	229.4	233.0
Convertibles	2.2	—	0.1	2.1
Derivatives				
Foreign Exchange Contracts	3.8	—	3.8	—
Futures	76.8	76.8	—	—
Options	(1.9)	(1.9)	—	—
Swaps	25.7	—	25.7	—
To Be Announced Securities	2,899.3	—	2,899.3	—
Total Derivatives	3,003.6	74.8	2,928.7	—
Short Sales	(8,050.7)	(8,047.5)	—	(3.2)
Total	\$ 116,546.4	\$ 66,052.4	\$ 49,875.6	\$ 618.4

WRS	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (7)
Investments Measured at NAV:				
Cash and Cash Equivalents (1)	\$ 5,404.7	\$ —	Daily	Same Day
Fixed Income (2)	1,221.8	—	Daily	5 days
Private Fund Investments (3)	26,573.6	14,112.9	N/A	N/A
Equities (4)	9,710.7	—	Daily, Monthly	2-30 days
Equity Limited Partnerships (5)	933.9	—	Monthly	15 days
Hedge Funds (6)	6,227.9	746.7	Various	Various
Total	\$ 50,072.6	\$ 14,859.6		

(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) This category includes a long-only fixed income manager which can invest across the credit quality spectrum, in varying geographies, and can include derivatives, high yield, and structured securities. The long-only manager requires a redemption notice period of 5 days and has daily liquidity.

(3) Private Fund Investments include direct, co-investments, LLCs with existing SWIB general partners, direct secondary investments, and fund of funds. These investments are illiquid and are generally not resold or redeemed. Distributions from each fund are received as the underlying investments are liquidated or over the life of the investment. As of December 31, 2021, there is one partial sale planned in 2022 on the secondary market. The anticipated sale price of this fund is not expected to be materially different than the NAV as of December 31, 2021.

(4) This category includes long-only equity managers (71%) with various fundamental, quantitative and other approaches spanning various styles, geographies and market cap weights. These long-only manager investments can be redeemed either daily or monthly, with between 10 and 30 business days' notice. The remaining 29% 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 business days notice.

(5) Equity Limited Partnership fund invests in global equity. The long-only manager requires a redemption notice period of 15 days and can be redeemed monthly.

(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 four funds structured as limited partnerships within the portfolio is more than 10 years, and three funds between 5 and 10 years.

(7) Redemption terms described for NAV investments reflect contractual agreements and assume withdrawals are made without adverse market impact and under normal market conditions.

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 four funds structured as limited partnerships within the portfolio is more than 10 years, and three funds between 5 and 10 years.

(7) Redemption terms described for NAV investments reflect contractual agreements and assume withdrawals are made without adverse market impact and under normal market conditions.

Private Fund Investments

Private Fund Investments include private equity and real estate. Private Equity Limited Partnerships participated in the following investment strategies at December 31, 2021:

Leveraged Buyout – This strategy acquires the controlling interest of a private company using a significant amount of borrowed capital (leverage).

Distressed Debt – 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.

Growth Equity – This Strategy is an investment opportunity in relatively mature companies that are going through a transformational event in their lifecycle with potential for significant growth.

Venture Capital – This strategy invests in companies with potential for significant growth (generally small to early stage emerging firms).

Private Debt – This strategy includes any debt held by or extended to privately held companies. The debt securities can be senior debt, mezzanine debt, and structured capital but commonly involve non-bank institutions making loans to private companies or buying those loans on the secondary market.

Secondaries – This strategy provides a market for investors to sell or purchase positions in private market funds.

Real Estate Limited Partnerships generally consisted of the following investment strategies at December 31, 2021:

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 often 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 mitigate liquidity risks. 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, 2021:

Long-Short Equity – This strategy invests both long and short in publicly-traded stocks. These managers vary in their use of short selling and leverage.

Event-Driven – This strategy seeks 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 – This strategy invests in indices, 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, insurance linked, 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, 2022, 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):

Primary Government (excluding the UWS, WRS, SIF and Separately Managed Funds)	
Credit Quality Ratings	Fair Value
AAA	\$ 415.4
AA	175.9
A	18.3
Not Rated	3.4
Total	\$ 613.1

The following schedule displays the credit ratings at June 30, 2022, for the Separately Managed Funds (fair values in millions):

Separately Managed Funds			
	IPFCF	Historical Society	SLIF
AAA	\$ 29.9	\$ —	\$ 1.1
AA	672.9	—	47.9
A	123.7	—	26.9
BBB	290.2	—	22.7
BB	49.9	—	0.9
B	3.1	—	—
Short-term Investment Fund (Not Rated)	10.6	—	—
Bond Fund (Not Rated)	—	5.1	2.0
Totals	\$ 1,180.4	\$ 5.1	\$ 101.4

Deferred Compensation

The Stable Value Fund, Mutual Funds, and CIT Funds are unrated.

University of Wisconsin System (UWS)

As of June 30, 2022, 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 for debt securities held as of June 30, 2022 (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/Aaa	\$ —
AA/Aa	1.4
A	1.1
BBB/Baa	2.9
BB/Ba	0.8
B	—
Commingled Fixed Income Funds	584.0
Not Rated	1.4
Total	\$ 591.6

Wisconsin Retirement System (WRS)

With the exception of derivative instrument credit risk, there are no fund-wide or system-wide investment guidelines related to credit risk exposures for investments of the WRS. Fixed income credit

risk investment guidelines 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 always carry a minimum weighted average rating.

The following schedule displays the lowest credit rating assigned by nationally recognized statistical rating organizations on debt securities held as of December 31, 2021 (in millions).

WRS	
Rating	Fair Value
AAA/Aaa	\$ 529.7
A-1/P-1	54.7
AA/Aa	29,717.2
A-2/P-2	201.6
A	3,082.2
BBB/Baa	7,603.1
A-3/P-3	18.0
BB/Ba	2,384.3
B	1,968.4
CCC/Caa or below	814.4
Not Rated	1,467.6
Commingled Fixed Income Funds	6,843.3
Total	\$ 54,684.6

Reverse Repurchase Agreements

Wisconsin Retirement System (WRS)

The WRS held \$17.0 billion in reverse repurchase agreements at December 31, 2021. 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, 2021 was \$130.5 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 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 Retirement Funds. 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 0.07 percent and 0.22 percent at December 31, 2021. 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, 2022, the primary government did not have any direct investment securities exposed to custodial credit risk.

Deferred Compensation

The Stable Value fund, CIT Funds, and Mutual Funds do not have securities that are used as evidence of the investments and therefore are not exposed to custodial credit risk. Deferred Compensation does not have a formal policy for custodial credit risk.

Wisconsin Retirement System (WRS)

The WRS held repurchase agreements totaling \$268.8 million as of December 31, 2021. 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 carry insurance covering 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. In addition, WRS management has established a system of controls for the oversight of services and related processes performed by 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 State of Wisconsin represent the largest concentration of investments in a single issuer. In total, approximately \$30.9 million of the reported investments of the permanent funds (a category within non-major governmental funds) were issued by the State of Wisconsin, which represents approximately 3.0 percent of their 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 5.0 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, 2022, none of the Separately Managed Funds had more than 5.0 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 5.0 percent in any one issuer (U.S. Government/Agencies were 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 5.0 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 5.0 percent or more of the value of the total WRS investments' value at December 31, 2021.

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, 2022, 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	\$ 189.8	\$ 93.3	\$ 1.8	\$ 0.5	\$ 94.1
State and municipal bonds and notes	103.7	1.5	4.3	30.7	67.2
Other Bonds and Notes	12.4	—	—	—	12.4
Money market funds	402.8	402.8	—	—	—
Mutual funds – open ended	0.3	—	—	0.2	—
Private Placement	7.1	0.2	0.8	1.3	4.9
Long-Term CDs	1.1	1.1	—	—	—
Total	\$ 717.1	\$ 498.9	\$ 6.9	\$ 32.7	\$ 178.6

As of June 30, 2022, the Separately Managed Funds had interest rate risk statistics as detailed below (in millions):

Separately Managed Funds						
Duration or WAM (in years) for Fixed Income Securities						
Investment Type	IPFCF		Historical Society		SLIF	
	Fair Value	Duration	Fair Value	Duration	Fair Value	WAM
Govt/Agency	\$ 658.0	6.01	\$ —		\$ 44.3	15.70
Corporate Bonds	449.3	7.23	—		55.1	13.22
Municipal Bonds	20.5	9.97	—		—	
Foreign Bonds (Govt/Agency)	42.0	4.87	—		—	
Bond Fund	—		5.1	6.67	2.0	13.27
Short-Term Investment Fund	10.6	0.06	—		—	
Total	\$ 1,180.4		\$ 5.1		\$ 101.4	

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 SLIF 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 \$10.6 million at June 30, 2022 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.

Deferred Compensation

Deferred Compensation uses weighted average effective duration to analyze interest rate risk. As of December 31, 2021, Deferred Compensation had interest rate risk statistics as detailed below (in millions):

Deferred Compensation		
	Fair Value	Effective Duration (years)
Stable Value Investments:		
Stable Value Fund	\$ 782.3	3.09
Mutual and Collective Investment Funds:		
Vanguard Target Retirement:		
2015	131.6	6.21
2025	363.4	7.06
2035	291.2	7.33
2045	190.2	7.31
2055	71.7	7.31
Income Trust	73.8	6.19
Vanguard Wellington Admiral	622.0	8.15
BlackRock U.S. Debt Index M	228.5	6.63
Dodge and Cox Income Fund	163.2	4.70
Vanguard Long-Term Investment Grade Fund	172.0	15.25
Vanguard Treasury Money Market Fund*	45.1	46 days
Total	\$ 3,135.1	

University of Wisconsin System (UWS)

The UWS uses the option adjusted modified duration method to analyze interest rate risk. As of June 30, 2022, the UWS had interest rate risk statistics as detailed below (in millions):

	UWS	
	Fair Value	Effective Duration
Fixed Income Sector:		
Government Debt	\$ 2.3	6.97
Corporate Debt	5.3	5
Total	\$ 7.6	
Fixed Income Commingled Funds:		
Blackrock U.S. TIPS Fund B	\$ 88.2	6.89
Blackrock Government/Credit Bond Fund B	89.0	6.67
iShares Core 105 Year USD Bond Fund Intermediate	165.0	2.81
Government/Credit Bond Fund B	82.8	3.95
U.S. Debt Index Fund B	82.1	6.54
U.S. High Yield Bond Index Non-lendable Fund B	38.0	1.08
BlackRock Floating Rate Income Portfolio	39.0	0.30
Total	\$ 584.0	

Wisconsin Retirement System (WRS)

The 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. Duration statistics are weighted by the dollar value of the position to compute an average duration for each investment type.

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 require management 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, 2021, 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	\$ 832.9	3.3
Corporate Bonds & Private Placements	14,676.1	6.9
Foreign Government / Agency Bonds	2,268.9	7.2
Municipal Bonds	188.7	11.5
U.S. Government Agencies	2,312.7	4.8
U.S. Treasury Inflation Protected Securities	21,183.2	7.6
U.S. Treasury Securities	5,576.7	8.5
Commingled Funds:		
Exchange Traded	465.9	7.6
Emerging Market Fixed Income	1,221.8	4.9
Subtotal	48,726.7	
		Weighted Average Maturity (days)
Commercial Paper	284.3	69
Repurchase Agreements	268.8	3
Commingled Funds:		
Short Term Cash Management	5,404.7	57
Subtotal	5,957.8	
Total	\$ 54,684.6	

*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, 2022, 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 SLIF only allows investments in U.S. dollar denominated instruments. As of June 30, 2022, the Separately Managed Funds did not directly own any issues denominated in a foreign currency.

Deferred Compensation

Deferred Compensation allows the option of investments in Mutual Funds and CIT Funds that make investments in foreign securities. The fair value of these investments was \$512.5 million as of December 31, 2021.

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, 2022 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, 2021, the WRS had the following currency exposure (all assets stated in millions of United States Dollars):

Currency Exposures by Investment Type									
Currency	Cash & Cash Equivalents	Equities	Fixed Income	Private Fund Investments	Preferred Securities	Short Sales	Futures Contracts, Options & Swaps	Total	
Australia Dollar	\$ 11.7	\$ 966.6	\$ 31.7	\$ —	\$ —	\$ (220.7)	\$ 0.3	\$	789.6
Brazil Real	1.0	60.6	14.8	—	64.8	—	—		141.3
Canada Dollar	85.9	1,869.0	23.0	—	—	(309.8)	2.2		1,670.3
Chile Peso	0.1	9.4	—	—	—	—	—		9.5
China Yuan Renminbi	—	—	—	—	—	—	(0.1)		(0.2)
Colombia Peso	—	0.1	—	—	—	—	—		0.1
Czech Republic Koruna	—	1.4	2.3	—	—	—	—		3.7
Denmark Krone	0.7	562.8	—	—	—	(188.1)	—		375.5
Euro Currency Unit	21.7	6,978.6	334.1	1,741.4	175.6	(1,176.9)	8.5		8,083.1
Hong Kong Dollar	6.4	985.9	—	—	—	(41.3)	(0.3)		950.7
Hungary Forint	0.8	30.2	1.7	—	—	—	—		32.7
India Rupee	—	168.3	—	—	—	—	—		168.3
Indonesia Rupiah	—	20.4	—	—	—	—	—		20.4
Israel Shekel	0.6	53.2	—	—	—	(14.8)	—		39.0
Japan Yen	0.9	4,389.9	—	—	—	(761.9)	1.0		3,629.9
Korea (South) Won	—	324.5	—	—	0.4	—	—		324.9
Malaysia Ringgit	0.4	8.5	32.5	—	—	—	—		41.3
Mexico Peso	(0.4)	2.0	45.0	—	—	—	(1.1)		45.5
New Zealand Dollar	0.6	72.0	16.4	—	—	(26.6)	—		62.3
Norwegian Krone	0.9	254.6	—	—	—	(51.0)	—		204.6
Peruvian Sol	—	0.1	—	—	—	—	—		0.1
Philippines Peso	0.1	0.8	—	—	—	—	—		0.9
Poland Zloty	—	47.7	18.5	—	—	—	—		66.2
Russian Ruble	0.1	—	3.6	—	—	—	—		3.8
Singapore Dollar	2.8	135.8	—	—	—	(49.8)	—		88.9
South African Rand	1.4	48.3	38.1	—	—	—	—		87.8
Sweden Krona	0.6	1,041.6	4.3	1.9	—	(324.8)	—		723.6
Switzerland Franc	0.4	1,394.9	—	—	—	(342.3)	—		1,053.0
Taiwan New Dollar	0.3	514.1	—	—	—	—	—		514.4
Thailand Baht	—	36.6	—	—	—	—	—		36.6
Turkey Lira	—	3.7	—	—	—	—	—		3.7
United Kingdom Pound	31.9	2,972.5	34.4	429.0	—	(510.4)	0.9		2,958.3
Total	\$ 169.0	\$ 22,954.1	\$ 600.5	\$ 2,172.3	\$ 240.9	\$ (4,018.3)	\$ 11.2	\$	22,129.7

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 and Cash Management 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 Fund 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, 2022, the fair value of securities loaned, was \$223.8 million. Collateral received consisted of \$228.5 million in cash and \$0.4 million in non-cash collateral. 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 acts as an agent in lending the directly-held 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 at least 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, 2021, the fair value of the securities on loan to counterparties was approximately \$11.4 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 it earns the Overnight Bank Funding rate plus 10 basis points.

At December 31, 2021, 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, 2021.

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)

Derivative instruments 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 derivative instruments 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 procedures. 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, 2021, there were 21 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 US Dollars):

OTC Derivative Instruments Subject to Counterparty Credit Risk

	Counterparty Credit Rating	
FX Receivables:	AA	\$ 772.6
	A	3,444.5
To Be Announced Securities	A	1.2
Swap Receivables	A	3,497.2
Warrants	Not Rated	1.5
Total		<hr/> 7,717.0
Less Collateral and MNA Offsets		<hr/> 7,709.3
Total OTC Counterparty Credit Risk		<hr/> \$ 7.7

Foreign Currency Spot and Forward Contracts –Foreign Currency Spot and Forward contracts are uncleared 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 US 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. 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, 2021 (in millions):

Foreign Currency Spot and Forward Contracts

Currency	Foreign Currency Contract Receivables			Foreign Currency Contract Payables		
	Notional (local currency)	Fair Value US Dollars	Unrealized Gain/(Loss) US Dollars	Notional (local currency)	Fair Value US Dollars	Unrealized Gain/(Loss) US Dollars
Australia Dollar	285.9	\$ 207.9	\$ 3.3	(137.5)	\$ (100.0)	\$ 0.5
Brazil Real	332.7	59.0	1.0	(12.2)	(2.2)	—
Canada Dollar	216.1	171.1	2.0	(142.1)	(112.5)	(0.3)
Chile Peso	31,725.1	37.1	(1.1)	(590.7)	(0.7)	—
China Yuan Renminbi	22.0	3.4	—	(132.9)	(20.8)	(0.1)
Colombia Peso	6,750.0	1.6	—	(25,636.5)	(6.2)	0.2
Czech Republic Koruna	1,314.9	59.8	1.4	(275.8)	(12.6)	(0.3)
Danish Krone	111.2	17.0	0.1	(269.3)	(41.2)	—
Euro Currency Unit	49.7	56.5	0.1	(1,085.6)	(1,235.4)	3.4
Hong Kong Dollar	132.8	17.0	—	(37.1)	(4.8)	—
Hungary Forint	25,913.0	79.6	(0.8)	(5,598.1)	(17.2)	0.6
India Rupee	6,722.6	89.7	0.7	(913.6)	(12.2)	(0.2)
Indonesia Rupiah	752,892.7	52.7	0.7	—	—	—
Israel Shekel	53.7	17.2	0.1	(24.2)	(7.8)	(0.1)
Japan Yen	42,612.5	370.1	(6.9)	(6,629.9)	(57.6)	0.4
Korea (South) Won	—	—	—	(15,550.6)	(13.0)	0.1
Mexico Peso	347.5	16.8	0.5	(129.1)	(6.3)	—
New Zealand Dollar	37.3	25.5	0.1	(90.7)	(62.0)	0.9
Norwegian Krone	1,745.4	197.7	2.4	(467.6)	(53.0)	(1.4)
Philippines Peso	147.3	2.8	(0.1)	(914.3)	(17.7)	0.3
Poland Zloty	239.5	59.3	0.4	(21.7)	(5.4)	—
Russia Ruble	4,076.5	53.9	(0.9)	(400.2)	(5.3)	—
Singapore Dollar	106.3	78.9	0.7	(49.7)	(36.8)	(0.5)
South Africa Rand	235.0	14.6	0.1	(443.0)	(27.5)	0.3
Sweden Krona	2,152.4	237.8	(0.5)	(1,048.5)	(115.8)	0.4
Switzerland Franc	344.0	377.6	1.9	(75.8)	(83.3)	(0.8)
Taiwan New Dollar	—	—	—	(1,848.5)	(66.9)	0.1
Thailand Baht	337.7	10.1	—	(843.5)	(25.2)	(0.4)
Turkish Lira	217.8	15.8	(3.8)	(217.8)	(15.8)	(3.2)
United Kingdom Pound	137.7	186.6	2.8	(32.8)	(44.4)	(0.1)
United States Dollar	1,699.8	1,699.8	—	(2,003.7)	(2,003.7)	—
Totals		\$ 4,217.1	\$ 4.1		\$ (4,213.3)	\$ (0.3)
Net Foreign Currency Contract Receivable / (Payable)					\$ 3.8	\$ 3.8

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 specified date 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, 2021 (in millions).

Futures Contracts			
Futures Contract Description	Expiration	Notional Amount	Fair Value*
Long Positions:			
Commodity	Jan - Dec 22	\$ 481.1	\$ 9.5
Currency	Mar 22	(187.7)	(0.9)
Equity Index	Jan - Mar 22	3,288.8	44.8
Fixed Income	Mar 22	11,160.7	28.9
Short Positions:			
Commodity	Feb - Sep 22	(301.3)	(2.1)
Equity	Jan - Apr 22	(248.0)	(0.7)
Fixed Income	Mar 22	(4,985.8)	(2.7)
Total		\$ 9,207.7	\$ 76.8

* 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 for purposes such as 1) to efficiently gain or adjust market exposures for rebalancing, 2) to adjust sector, interest rate, or duration exposure, or 3) to securitize cash or as a substitute for cash market transactions.

Swap Contracts - Swaps are negotiated contractual agreements between two counterparties which can be either 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 (TRS), Interest Rate Swaps (IRS), and Credit Default Swaps (CDS). The following table presents the investments in open Swap Positions as of December 31, 2021 (in millions):

Open Swap Positions

Type / Maturity Date(s) / Description or Reference Rates	Notional Amount	Fair Value	Unrealized Gain/ (Loss)
Credit Default			
Dec '25	\$ 12.0	\$ —	\$ 1.2
Jun '26	20.0	(0.8)	2.1
Dec '26	204.7	5.4	0.1
Sold credit protection in exchange for periodic payments			
Credit Default			
Dec '26	(400.0)	(36.6)	0.3
Bought credit protection in exchange for periodic payments			
Interest Rate			
May '25	20.4	(0.2)	0.1
Receive Fixed 2.02, Pay CNY-7D Fixing Repo Rates			
Jul '25	4.8	—	—
Receive Fixed 2.53, Pay CNY-7D Fixing Repo Rates			
Jul '26	2.5	—	—
Receive Fixed 2.57, Pay CNY-7D Fixing Repo Rates			
Jun '27	12.2	(1.1)	(1.1)
Receive Fixed 5.42, Pay MXN-TIIE-Banxico 28D			
Total Return			
Sep '22	532.6	(11.6)	(11.6)
Nov '22	147.1	(3.7)	(3.7)
Pay Equity Index Return, Receive 1-Day Fed Funds plus Spread			
Total Return			
Jan '22-Mar '22	(956.7)	32.6	32.6
Apr '21-Jun '21	(336.1)	4.5	4.5
Jul '22-Sep '22	(976.8)	22.1	22.1
Oct '22-Nov '22	(381.2)	12.5	12.5
Pay 1-Day Fed Funds plus spread, Receive Equity Index Return			
Total Return			
Oct '22	(89.7)	2.6	2.6
Pay 3-Month LIBOR plus spread, Receive Equity Index Return			
Total	\$(2,184.2)	\$ 25.7	\$ 61.6

The open CDS contracts represent cleared OTC positions where the WRS sold (bought) credit protection. Under the terms of the contracts, the WRS receives (pays) periodic payments and, in exchange, agrees to pay (receive) 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 fair value of a CDS contract is determined using the closing price as reported by the applicable clearinghouse.

IRS positions represent cleared OTC contracts where the fair value is determined using the closing price as reported by the applicable clearinghouse. The open TRS contracts represent uncleared OTC positions where the WRS gains exposure to the return of the underlying equity index and, in exchange, agrees to pay or receive the stipulated rate benchmark. The rate benchmark is based on the 3-month London Interbank Offering Rate (LIBOR) or the 1-day Fed Funds Rate set by the Federal Open Markets Committee (FOMC) and is sensitive to interest rate changes. The fair value for TRS is 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, IRS, and TRS is included in "Financial Futures Contracts and Swaps" on the Statement of Fiduciary Net 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. Any interest owed but not yet paid relating to swap contracts is reported within "Accounts Payable and Other Accrued Liabilities" on the Statement of Fiduciary Net Position. Interest Expense relating to swap contracts is reported as "Investment Expense" 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 date 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 short exchange-traded call option contracts cover these positions either by collateral deposits in the form of cash or by pledging, in escrow, the actual securities that would be transferred to the option purchaser in the event the options contract was exercised. In the case of OTC options, investment guidelines mitigate counterparty credit risk by establishing minimum credit ratings and requiring master netting agreements with provisions for collateral exchanges.

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, 2021 (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 22 - Mar 22	\$ 14.4	\$ 0.3	\$ (2.9)
Equity	Call	Short	Exchange	Jan 22 - Mar 22	(48.9)	(0.5)	0.5
Equity	Put	Long	Exchange	Jan 22	9.4	0.1	(0.4)
Equity	Put	Short	Exchange	Jan 22	(24.6)	(1.7)	—
Equity Index	Put	Short	Exchange	Jan 22	—	—	—
OTC Index	Put	Short	OTC	Jan 22 - Feb 22	(416.9)	(0.1)	0.9
Total					\$ (466.6)	\$ (1.9)	\$ (1.9)

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, 2021 (in millions). Duration statistics are weighted by the fair value of each position to compute an average duration for the contracts held.

TBA Contracts			
Position / Maturity	Fair Value	Unrealized Gain / (Loss)	Weighted Avg. Duration (years)
Long Feb - Mar 22	\$ 4,646.2	\$ 0.2	4.7
Short Feb 22	(1,747.0)	(2.5)	6.7
Total	\$ 2,899.3	\$ (2.3)	

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, 2021, the WRS held warrant contracts valued at \$2.3 million. Warrants are included in the "Equities" section on the Statement of Fiduciary Net Position. The associated unrealized gain of \$1.2 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. Prior to executing a short sale, the WRS borrows the security from a party currently holding it. 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, 2021, the WRS posted \$127.2 million in cash and \$5.2 billion in securities as collateral to security lenders. This represented \$46.1 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) pools the cash of the State of Wisconsin and its agencies, the WRS, and various local government units (Local Government Investment Pool - LGIP) into a commingled fund with the investment objective of safety of principal and liquidity while earning a competitive money market rate of return. In the State's Annual Comprehensive 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 banker's 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 nonnegotiable Certificates of Deposit and Time Deposits are valued at cost because they are non-participating contracts that do not capture interest rate changes in their value.

All remaining debt investments (U.S. Government/ Agency securities, Banker's Acceptances, Commercial Paper, Corporate

Notes, 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, 2022 (in millions):

	Fair Value	Fair Value Measurement Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level:				
Government & Agencies	\$10,607.2	\$ 1,314.1	\$9,293.0	\$ —
Commercial Paper	676.2	—	603.2	73.0
Banker's Acceptances	50.0	—	20.0	30.0
Corporate Notes	22.6	—	22.6	—
Total By Fair Value Level	\$11,355.9	\$ 1,314.1	\$9,938.8	\$103.0
Short-Term Reported at Cost or Amortized Cost:				
Repurchase Agreements	\$ 9,023.4			
Time Deposits (non- negotiable)	150.0			
Total	\$20,529.4			

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. Most 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 Time Deposits with maturity less than 90 days) 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 held repurchase agreements totaling \$9.0 billion as of June 30, 2022. Four of the repurchase agreements are bilateral agreements totaling \$1.7 billion and the underlying securities (collateral) for these were held at SWIB's custodian. Nine of the repurchase agreements totaling \$2.6 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 agreements, totaling \$4.7 billion, were related-party, bilateral agreements with the WRS. The underlying securities for these repurchase agreements were held by SWIB's custodian, in SWIB's name.

The related party repurchase transactions with the WRS were overnight agreements collateralized with U.S. Treasury securities. The WRS is also a participant in the SIF, with investments totaling \$1.4 billion (Core Fund) and \$377.8 million (Variable Fund) at June 30, 2022.

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 has 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, 2022, the SIF has more than five percent of its investments in FHLB (38.7 percent), U.S. Treasury (9.1 percent) and Repurchase Agreement collateral (44.0 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, 2022 (in millions):

Investment Type	Ratings	Fair Value
Repurchase Agreements (Collateral):		
U.S. Government & Agencies Debt	AA	\$ 9,023.4
Government Sponsored Entity		
U.S. Agency:		
Federal Home Loan Bank (FHLB)	A-1+	7,899.4
Federal Home Loan Bank (FHLB)	AA	41.1
Federal Home Loan Mortgage Corporation (FHLMC)	A-1+	306.9
Federal Farm Credit Bank (FFCB)	A-1+	483.6
Federal Farm Credit Bank (FFCB)	AA	15.0
U.S. Treasury:		
Short-Term (Bills and Notes)	A-1+	1,727.0
Long-Term (Notes)	AA	134.1
Commercial Paper	A-1+	497.2
Commercial Paper	A-1	179.0
Time Deposits	A-1+	150.0
Banker's Acceptances	A-1+	50.0
Corporate Notes	AAA	1.5
Corporate Notes	AA	21.1
Total Investments		\$ 20,529.4

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, 2022, the following table shows the investments by investment type, amount and the weighted average maturities (in millions):

Investment Type	Fair Value	Weighted Average Maturity (Days)
Government & Agencies	10,607.2	42
Repurchase Agreements	\$ 9,023.4	1
Commercial Paper	676.2	16
Time Deposits	150.0	1
Banker's Acceptances	50.0	33
Corporate Notes	22.6	55
Total Investments	\$ 20,529.4	
Portfolio Weighted Average Maturity (Days)		23

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, 2022, the SIF was not exposed to foreign currency risk.

3. Lottery Investments and Related Future Prize Obligations

Investments of the State Lottery Fund totaling \$9.9 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):

Fiscal Year	Amount
2023	\$ 2.4
2024	1.1
2025	0.3
2026	0.3
2027	0.3
Thereafter	1.2
Total future value	5.6
Less: Present value adjustment	(1.0)
Present value of payments	\$ 4.6

NOTE 6. RECEIVABLES AND NET REVENUES**A. Receivables**

Receivables at June 30, 2022 were as follows (in thousands):

	Taxes	Loans to Local Governments	Other Loans Receivable			Other Receivables	Due From Other Governments	Due From Component Units	Lease Receivables	Total Receivables
			Student Loans	Veterans Loans	Other Loans					
Governmental Activities:										
General	\$1,747,269	\$ —	\$ —	\$ —	\$ 673	\$ 873,984	\$ 1,551,438	\$ 2	\$ —	\$ 4,173,367
Transportation	105,425	—	—	—	14,093	9,230	234,495	—	—	363,242
Nonmajor Governmental	—	230,197	—	—	—	139,390	21,144	—	—	390,732
Total Governmental:	1,852,694	230,197	—	—	14,766	1,022,605	1,807,076	2	—	4,927,340
Government-wide Adjustments:										
Internal Service Funds	—	—	—	—	—	2,452	656	—	—	3,108
Accrual Adjustments	—	—	—	—	—	2,837	—	—	—	2,837
Fiduciary Receivables	—	—	—	—	—	78,260	—	—	—	78,260
Total - Governmental Activities	\$1,852,694	\$ 230,197	\$ —	\$ —	\$ 14,766	\$ 1,106,154	\$ 1,807,733	\$ 2	\$ —	\$ 5,011,546
Related revenue not recognized in the funds because it is not available	\$ 387,265	\$ —	\$ —	\$ —	\$ —	\$ 39,904	\$ 66,683	\$ —	\$ —	\$ 493,851
Business-type Activities:										
Current:										
Environmental Improvement	\$ —	\$ 197,114	\$ —	\$ —	\$ —	\$ 32	\$ 10,181	\$ —	\$ —	\$ 207,327
University of Wisconsin System	—	—	17,470	—	—	151,153	161,121	3,518	2,983	336,244
Unemployment Reserve	—	—	—	—	—	157,691	1,023	—	—	158,714
Nonmajor Enterprise	—	214	—	1	—	168,583	35,859	—	—	204,656
Total Current:	—	197,328	17,470	1	—	477,459	208,184	3,518	2,983	906,942
Noncurrent:										
Environmental Improvement	—	2,002,366	—	—	—	—	—	—	—	2,002,366
University of Wisconsin System	—	—	89,454	—	—	—	—	—	11,807	101,261
Unemployment Reserve	—	—	—	—	—	93,369	—	—	—	93,369
Nonmajor Enterprise	—	2,205	—	1	2,641	—	—	—	—	4,848
Total Noncurrent	—	2,004,571	89,454	1	2,641	93,369	—	—	11,807	2,201,843
Government-wide Adjustments:										
Fiduciary Receivables	—	—	—	—	—	11,560	—	—	—	11,560
Total - Business-type Activities	\$ —	\$ 2,201,900	\$ 106,924	\$ 2	\$ 2,641	\$ 582,388	\$ 208,184	\$ 3,518	\$ 14,790	\$ 3,120,346

B. Net Revenues

Certain revenues of the University of Wisconsin System are reported net of scholarship allowances. For Fiscal Year 2022, these scholarship allowances totaled as follows (in thousands):

Student Tuition and Fees	\$ 331,291
Sales and Services of Auxiliary Enterprises	47,693
Total	\$ 378,984

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows (in thousands):

Primary Government	Beginning Balance *	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	\$ 2,960,373	\$ 41,195	\$ (388)	\$ 3,001,180
Buildings and Improvements	170,058	450	—	170,508
Library Holdings	59,528	162	—	59,690
Equipment	227	—	—	227
Construction and Software in Progress	2,407,339	536,150	(586,211)	2,357,277
Infrastructure	18,838,905	594,904	(41,835)	19,391,974
Total capital assets, not being depreciated	24,436,429	1,172,860	(628,434)	24,980,856
Capital assets, being depreciated:				
Land Improvements	242,621	8,262	(12)	250,872
Buildings and Improvements	2,672,933	47,330	(2,899)	2,717,364
Equipment	1,185,150	78,839	(27,999)	1,235,991
Right to Use Buildings	329,684	25,720	(4,314)	351,090
Right to Use Equipment	3,467	—	—	3,467
Totals	4,433,856	160,152	(35,224)	4,558,784
Less accumulated depreciation for:				
Land Improvements	174,451	11,179	(12)	185,619
Buildings and Improvements	1,425,478	75,023	(2,162)	1,498,339
Equipment	862,126	81,774	(25,631)	918,270
Right to Use Buildings	—	34,509	(221)	34,288
Right to Use Equipment	—	432	—	432
Totals	2,462,055	202,916	(28,025)	2,636,947
Total Capital Assets, being depreciated, net	1,971,801	(42,765)	(7,199)	1,921,837
Governmental activities capital assets, net	\$ 26,408,230	\$ 1,130,096	\$ (635,633)	\$ 26,902,693
Business-type activities:				
Capital assets, not being depreciated:				
Land and Land Improvements	\$ 168,089	\$ 4,952	\$ (35)	\$ 173,005
Construction and Software in Progress	546,721	339,207	(244,804)	641,125
Total Capital Assets, not being depreciated	714,810	344,159	(244,839)	814,130
Capital assets, being depreciated:				
Land Improvements	35,609	1,129	—	36,738
Library Holdings	1,138,044	22,986	(19,929)	1,141,102
Buildings	8,996,975	387,973	(8,145)	9,376,802
Equipment	1,357,888	92,612	(27,982)	1,422,518
Right to Use Land	1,297	872	—	2,169
Right to Use Buildings	311,160	2,508	—	313,667
Right to Use Equipment	12,279	887	—	13,167
Totals	11,853,252	508,967	(56,056)	12,306,163
Less accumulated depreciation for:				
Land Improvements	19,485	2,212	—	21,697
Library Holdings	988,250	22,181	(19,929)	990,502
Buildings	4,518,209	276,598	(5,076)	4,789,731
Equipment	1,016,222	81,977	(26,004)	1,072,195
Right to Use Land	453	479	—	932
Right to Use Buildings	25,005	26,554	—	51,558
Right to Use Equipment	4,138	4,329	—	8,466
Totals	6,571,762	414,329	(51,009)	6,935,081
Total Capital Assets, being depreciated, net	5,281,491	94,638	(5,047)	5,371,081
Business-type activities capital assets, net	\$ 5,996,301	\$ 438,797	\$ (249,886)	\$ 6,185,211

* 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 \$15.6 million, with accumulated depreciation totaling \$10.7 million.

Depreciation Expense

Depreciation expense was charged to the primary government as follows (in thousands):

Governmental Activities		Business-type Activities	
Commerce	\$ 3,133	University of Wisconsin System	\$ 393,469
Education	3,665	Lottery	52
Transportation	15,175	Care and Treatment Facilities	9,754
Environmental Resources	21,239	Other Business-Type	11,054
Human Relations and Resources	102,453	Total depreciation expense - business-type activities	<u>\$ 414,329</u>
General Executive	15,126		
Judicial	4,701		
Legislative	680		
Internal Service Funds	36,745		
Total depreciation expense - governmental activities	<u>\$ 202,916</u>		

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 (in thousands):

	Allotments	Expended through June 30, 2022	Adjusted Encumbrances Outstanding	Unencumbered Allotment Balance
Governmental Activities:				
Reported through capital projects funds:				
I94 N-S Corridor Reconstruction	\$ 74,694	\$ 74,694	\$ —	\$ —
Stillwater/St Croix Crossing Bridge	60,637	60,637	—	—
Zoo Interchange	541,156	541,156	—	—
GBCI North and South Cell Hall Improvement	22,232	14,522	2,916	4,794
CCI Segregation Unit Expansion	11,976	11,144	286	546
Major Highway and Rehabilitation	100,028	100,028	—	—
Major Highway and Rehabilitation	68,822	68,822	—	—
Kettle Moraine Springs Hatchery Renovation	29,890	28,046	1,114	730
DNR South East Region HQ and Service Center Renovation	16,231	15,475	46	711
Interstate 94 North South Freeway Project	214,866	214,866	—	—
Appleton Readiness Center Renovation	20,234	3,465	9,661	7,108
Viroqua Readiness Center Replacement	23,994	629	1,030	22,334
Milwaukee Secure Detention Facility Ventilation Improvement	10,765	689	9,503	573
Other Projects with allotments totaling less than \$10 million		76,554		
Subtotal		\$ 1,210,727		
Projects funded with sources other than capital projects funds:				
Transportation-related		1,010,115		
Department of Health Services		105,667		
Department of Children and Families		16,890		
Department of Workforce Development		10,005		
Department of Natural Resources		3,874		
Total construction and software in progress - governmental		<u>\$ 2,357,277</u>		
Business Activities:				
UW LaCrosse New FH and Soccer Sup Facility	38,065	32,815	2,283	2,967
UW Milwaukee Sandburg Hall Renovation	44,945	27,456	511	16,978
UW Milwaukee NWQ Student Health Service Renovation	59,780	41,661	9,786	8,333
UW Parkside Wyllie Hall Renovation	35,371	31,473	473	3,425
UW Platteville Sesquicentennial Hall	53,489	32,877	3,206	17,406
UW Madison Kohl Center Addition & Renovation	48,074	6,569	30,670	10,835
UW Madison Vet Med Addition & Renovation	128,603	45,422	71,224	11,957
UW Milwaukee Chemistry Building	129,535	19,547	71,628	38,360
UW Madison Gymnasium-Natatorium Replacement	111,391	57,980	19,878	33,534
UW Milwaukee Student Union Renovation	40,723	13,840	17,916	8,967
UW Madison Camp Randall Stadium Renovation	77,646	52,106	20,664	4,876
UW Madison Sellery Hall Addition Renovation	78,811	49,215	16,918	12,677
UW Eau Claire Science/Health Science Building	14,385	2,697	8,940	2,748
UW Stout South Hall Addition and Renovation	25,000	1,671	18,225	5,104
UW Osh Kosh Clow Hall Renovation Phase II	26,974	4,468	16,425	6,081
CWC Building 6 Remodeling Funding LTR	17,800	391	58	17,352
MMHI Lorenz HL Secure Treatment Units	24,706	24,195	95	416
MMHI Juvenile Center Utility Relations	10,300	6,879	6	3,415
MMHI MJTC Expansion Project	65,955	7,047	51,370	7,538
MMHI Food Service Renovation BTF Release	28,924	869	102	27,953
Veterans Homes Moses Skilled Nursing Facility-King	81,578	80,419	406	753
Projects with allotments totaling less than \$10 million:		49,871		
University of Wisconsin System		51,656		
Other Projects with allotments totaling less than \$10 million		<u>51,656</u>		
Total construction and software in progress - business type		<u>\$ 641,125</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 \$469.7 million and \$171.5 million, respectively.

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, 2022, net appreciation of the endowment accounts was \$166.0 million which was available to meet spending rate distributions, of which \$20.6 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, 2022 was \$530.2 million including an unrealized loss of \$62.6 million when fair values as of June 30, 2022 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, 2022, 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	\$ 347.3
Realized Gains – Undistributed	245.5
Book Value	592.8
Unrealized Net Gains/Losses – Undistributed	(62.6)
Fair Value	\$ 530.2

On June 30, 2022, the portfolio at market, for the Long Term Fund, contained 38.9 percent in global equities, 17.0 percent in Treasury Inflation Protection Securities (TIPS), 16.8 percent in investment grade government/credit, 5.2 percent in hedged non-U.S. equities, 2.7 percent in real estate investment trusts, 2.4 percent in emerging markets equities, and 17.0 percent in private markets. The total return (loss) on the principal Long Term Fund including capital appreciation was (7.6) percent for the year.

On June 30, 2022, the portfolio at market, for the RegentFund, contained 93.2 percent in fixed income securities and 6.8 percent in cash and cash equivalents. The total return on the principal RegentFund including capital appreciation was (10.7) percent for the year.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances as of or for the year ended June 30, 2022 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, 2022 were as follows (in thousands):

Due to Other Funds:											
	General	Transportation	Nonmajor Governmental	Environmental Improvement	University of Wisconsin System	Unemployment Reserve	Nonmajor Enterprise	Internal Service	Fiduciary	Total	
Due from Other Funds:											
General	\$ —	\$ 21,860	\$ 3,951	\$ 566	\$ 46,332	\$ 3,711	\$ 950	\$ 863	\$ 74,894	\$ 153,127	
Transportation	465	—	19,303	—	—	—	—	—	—	19,768	
Nonmajor Governmental	159	12,471	638	689	1,195	4	9,710	666	—	25,532	
Environmental Improvement	283	—	—	—	—	—	—	—	—	283	
University of Wisconsin System	16,488	333	3,383	76	—	—	5	93	—	20,378	
Unemployment Reserve	14	—	—	—	34	—	—	—	—	48	
Nonmajor Enterprise	473	47	—	—	—	—	103,088	743	7,014	111,365	
Internal Service	5,531	2,358	992	—	1,359	—	240	44	3,366	13,891	
Fiduciary	16,473	1,983	1,296	3	29,822	—	7,512	563	1,432	59,085	
Total	\$ 39,887	\$ 39,052	\$ 29,564	\$ 1,334	\$ 78,741	\$ 3,715	\$ 121,504	\$ 2,973	\$ 86,706	\$ 403,478	

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, 2022 were as follows (in thousands):

	Interfund Receivable:	
	General	Total
Interfund Payables:		
Nonmajor Governmental	\$ 3,028	\$ 3,028
Nonmajor Enterprise	36,709	36,709
Internal Service	27,715	27,715
Total	\$ 67,452	\$ 67,452

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, 2022 were as follows (in thousands):

	Advances from Other Funds (liability):	
	Nonmajor Governmental	Total
Advances to Other Funds (asset):		
Environmental Improvement	\$ 6,599	\$ 6,599
Nonmajor Enterprise	—	—
Total	\$ 6,599	\$ 6,599

D. Interfund Transfers

Interfund Transfers in and out that occurred during Fiscal Year 2022 were as follows (in thousands):

	Transfers In:									Total
	General	Transportation	Nonmajor Governmental	Environmental Improvement	University of Wisconsin System	Unemployment Reserve	Nonmajor Enterprise	Internal Service		
Transfers Out:										
General	\$ —	\$ 205,246	\$ 842,094	\$ —	\$ 1,069,504	\$ 60,000	\$ 205,765	\$ 346	\$ 2,382,955	
Transportation	652	—	174,075	—	—	—	—	317	175,043	
Nonmajor Governmental	22,142	23,277	56,753	52	194,507	—	25,042	202	321,975	
Environmental Improvement	—	—	8,013	—	—	—	—	—	8,013	
University of Wisconsin System	23,932	—	76,841	—	—	—	—	—	100,773	
Unemployment Reserve	1,486	—	—	—	—	—	—	—	1,486	
Nonmajor Enterprise	13,913	—	10,044	—	—	—	243	—	24,200	
Internal Service	1,761	38	2,518	—	6	—	72	545	4,940	
Fiduciary	3	—	766	—	—	—	—	137	906	
Total	\$ 63,889	\$ 228,561	\$ 1,171,104	\$ 52	\$ 1,264,017	\$ 60,000	\$ 231,121	\$ 1,546	\$ 3,020,291	

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	\$ 134,152
Unemployment Reserve	60,000
Veterans Trust Fund	15,100

Transfers in to the General Fund:

Funds Reporting the Transfer Out	Amount
University of Wisconsin System	\$ 15,683

Transfers out from the Petroleum Inspection Fund:

Fund Reporting the Transfer In	Amount
Transportation	\$ 17,019

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2022, the following changes occurred in long term liabilities (in thousands):

Primary Government

Governmental Activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Bonds, Long Term Notes and Certificates Payable:					
General Obligation Bonds and Notes for:					
Governmental Funds	\$ 5,017,724	\$ 739,842	\$ 776,407	\$ 4,981,158	\$ 523,359
Internal Service Funds	308,596	56,574	63,520	301,650	15,159
Annual Appropriation Bonds	2,839,035	—	178,200	2,660,835	193,890
Revenue Bonds	1,819,055	143,180	251,245	1,710,990	163,832
Certificates of Participation for:					
Governmental Funds	46,944	23,605	21,971	48,578	9,487
Internal Service Funds	9,262	2,655	8,058	3,859	2,718
Issuance Premiums and (Discounts)	807,355	52,495	196,190	663,661	—
Total Bonds, Long Term Notes and Certificates Payable	10,847,970	1,018,352	1,495,591	10,370,731	908,445
Other Liabilities:					
Future Benefits and Loss Liability	146,478	40,443	33,999	152,922	48,096
Leases	352,793	995	29,191	324,597	29,046
Compensated Absences	2,516,266	215,265	183,941	2,547,589	181,103
Other Postemployment Benefits	600,067	73,249	—	673,317	—
Claims, Judgments and Commitments	717	—	125	592	—
Pollution Remediation Obligations	5,496	374	5,633	238	238
Total Governmental Activities Long-term Liabilities	<u>\$ 14,469,787</u>	<u>\$ 1,348,678</u>	<u>\$ 1,748,480</u>	<u>\$ 14,069,985</u>	<u>\$ 1,166,928</u>

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 2022.

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.

Business-type Activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Bonds, Long Term Notes and Certificates Payable:					
General Obligation Bonds & Notes	\$ 1,555,261	\$ 181,194	\$ 134,493	\$ 1,601,962	\$ 114,011
Revenue Bonds	285,200	100,000	40,230	344,970	29,375
Certificates of Participation	7,158	5,129	3,212	9,075	1,641
Issuance Premiums and (Discounts)	192,495	44,923	41,766	195,653	—
Total Bonds, Long Term Notes, and Certificates Payable	2,040,114	331,247	219,700	2,151,660	145,027
Other Liabilities:					
Future Benefits and Loss Liability	1,060,285	217,944	120,245	1,157,984	124,176
Leases	298,892	4,271	27,826	275,338	25,100
Compensated Absences	200,358	105,811	111,868	194,301	104,909
Other Postemployment Benefits	727,581	65,938	—	793,519	—
Asset Retirement Obligations	12,232	824	—	13,056	—
Total Business-type Activities Long-term Liabilities	<u>\$ 4,339,463</u>	<u>\$ 726,035</u>	<u>\$ 479,639</u>	<u>\$ 4,585,859</u>	<u>\$ 399,213</u>

**NOTE 11. BONDS, NOTES AND OTHER
DEBT OBLIGATIONS**

The following schedule summarizes outstanding bonds and long-term notes payable at June 30, 2022 (in millions):

Primary Government**Governmental Activities:**

General Obligation Bonds and Notes	\$	5,724.9
Annual Appropriation Bonds		2,703.2
Transportation Revenue Bonds		1,885.2
Certificates of Participation		57.4
Total Governmental Activities		<u>10,370.7</u>

Business-type Activities:

General Obligation Bonds and Notes:

University of Wisconsin System	\$	1,693.7
Other Business-type		49.1
Environmental Improvement Revenue Bonds		398.6
Certificates of Participation		10.2
Total Business-type Activities		<u>2,151.7</u>

Total Primary Government	\$	<u>12,522.4</u>
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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, 2022, \$5.9 billion of general obligation bonds were legislatively authorized but unissued.

General obligation bonds issued and outstanding as of June 30, 2022 were as follows (in thousands):

Fiscal Year Issued	Series	Dates	Interest Rates	Maturity Through	Amount Issued	Amount Outstanding
2014	2013 Series 1	11/13	2.0 to 5.0	5/33	405,470	119,835
2015	2014 Series 3, 4; 2015 Series 1, and A	9/14, 1/15; 4/15, 2/15	1.0 to 5.0	5/29	978,945	422,200
2016	2015 Series C; 2016 Series 1 and A	9/15; 3/16, 3/16	1.75 to 5.0	5/36	977,435	491,855
2017	2016 Series B, C, D, 2; 2017 Series A	7/16, 7/16, 10/16, 8/16; 3/17	0.80 to 5.0	5/37	1,124,280	774,945
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	1,336,280
2019	2018 Series B	10/18	5.0	5/39	258,965	189,565
2020	2019 Series A, B, 1; 2020 Series A, 1, and 2	8/19, 12/19, 10/19 6/20, 2/20, 2/20	1.63 to 5.0	5/40	1,355,910	1,297,775
2021	2020 Series B, 3; 2021 Series A, 1, 2, and 3	11/20, 7/20; 6/21, 2/21, 2/21, 3/21	0.11 to 5.0	5/42	1,274,610	1,220,905
2022	2021 Series B, 4; 2022 Series A, 1, and 2	12/21, 9/21; 5/22, 3/22, 3/22	1.08 to 5.0	5/42	977,610	977,610
					8,989,200	6,830,970
Premiums/Discounts						582,913
Total General Obligation Bonds					\$ 8,989,200	\$ 7,413,883

As of June 30, 2022, 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
2023	\$ 450,459	\$ 217,204	\$ 88,791	\$ 64,342
2024	421,739	197,024	103,776	60,168
2025	414,852	179,763	119,658	55,996
2026	404,951	163,453	95,349	51,776
2027	383,943	147,025	134,702	47,824
2028 - 2032	1,693,977	498,487	507,973	166,613
2033 - 2037	1,061,182	218,166	335,543	78,043
2038 - 2042	423,575	41,166	190,500	19,846
	5,254,678	1,662,288	1,576,292	544,608
Premiums/Discounts	442,061		140,852	
Total	\$ 5,696,739	\$ 1,662,288	\$ 1,717,144	\$ 544,608

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, 2022, 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 2022.

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, 2022, 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
2023	\$ —	\$ 1,125	\$ —	\$ 1,027
2024	—	1,125	—	1,027
2025	—	1,125	—	1,027
2026	—	1,125	—	1,027
2027	—	1,125	—	1,027
2028 - 2032	—	5,626	—	5,134
2033 - 2037	13,712	5,626	4,795	5,134
2038	14,418	577	20,875	835
Total	\$ 28,130	\$ 17,455	\$ 25,670	\$ 16,237

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 0.05% rate that was the actual reset rate in effect at June 30, 2022.

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.

In February 2020, the State issued \$623.3 million of General Fund Annual Appropriation Refunding Bonds (Taxable) to refund the 2008 Series B bonds and 2008 Series C bonds, and make termination payments on the interest rate exchange agreements, or swap agreements relating to the 2008 Series B bonds and 2008 Series C bonds.

In March 2021, the State issued \$118.7 million of General Fund Annual Appropriation Refunding Bonds (Taxable) to refund the 2012 Series A.

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 \$349.6 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 Refunding Bonds of 2016, Series A (Taxable) in the outstanding principal amount of \$206.3 million (2016 Series A Bonds), bear interest at rates from 2.05 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.

The General Fund Annual Appropriation Refunding Bonds of 2020, Series A (Taxable) in the outstanding principal amount of \$570.4 million (2020 Series A Bonds), bear interest at rates from 1.75 percent to 2.50 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.

The General Fund Annual Appropriation Refunding Bonds of 2021, Series A (Taxable) in the outstanding principal amount of \$118.0 million (2021 Series A Bonds), bear interest at rates from 0.31 percent to 1.64 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, 2022, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2023	\$ 147.8	\$ 38.9
2024	162.8	34.3
2025	177.9	27.7
2026	195.6	20.1
2027	145.7	12.1
2028 - 2032	414.4	25.7
	1,244.1	158.9
Unamortized Prem./Discount	(0.2)	
Total, net	\$ 1,243.9	\$ 158.9

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 \$192.5 million bear interest rates from 2.05 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 \$416.9 million bear interest rates from 2.68 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 \$101.9 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 \$388.8 million bear

interest rates from 2.51 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 \$316.70 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, 2022, the debt service requirements for principal and interest on these bonds are as follows (in millions):

Fiscal Year Ended June 30	Principal	Interest
2023	\$ 46.1	\$ 55.5
2024	58.0	53.4
2025	53.7	50.7
2026	58.1	48.3
2027	436.3	45.6
2028 - 2032	183.9	130.3
2033 - 2037	580.8	75.7
	1,416.7	459.5
Unamortized Premium/Discount	42.6	
Total	\$ 1,459.3	\$ 459.5

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 \$4.3 billion of revenue bonds. Presently, there are twelve issues of Transportation Revenue Bonds outstanding totaling \$1.7 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, 2022 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2021 1	8/21	0.6 - 2.3	7/37	\$ 143,180	\$ 143,180
2021 A	3/21	3.0 - 5.0	7/41	148,490	148,490
2020 1	7/20	0.3 - 1.9	7/34	315,840	315,840
2019 A	4/19	5.0	7/39	155,950	140,655
2017 2	12/17	5.0	7/32	368,595	362,625
2017 1	5/17	5.0	7/37	284,520	193,650
2015 A	12/15	3.0 - 5.0	7/36	225,000	139,270
2015 1	4/15	5.0	7/29	207,240	114,330
2014 2	12/14	5.0	7/27	94,130	68,790
2013 1	3/13	4.0 - 5.0	7/31	259,680	15,255
2012 2	6/12	5.0	7/22	116,400	27,315
2012 1	4/12	5.0	7/22	343,725	41,590
Total				2,662,750	1,710,990
Unamortized Premium / Discount					174,239
Total				\$2,662,750	\$ 1,885,229

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 \$2.6 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, 2022, there were five issues of Environmental Improvement Fund Revenue Bonds outstanding totaling \$345.0 million.

Bonds issued and outstanding for the Environmental Improvement Fund as of June 30, 2022 were as follows (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2021-A	9/21	4.0 to 5.0	6/40	\$ 100,000	\$ 100,000
2020-A	5/20	5.0	6/39	80,000	76,745
2018-A	9/18	5.0	6/26	92,080	58,215
2017-A	6/17	3.0 to 5.0	6/35	218,705	101,770
2015-A	12/15	3.0 to 5.0	6/30	43,380	8,240
				534,165	344,970
Unamortized Premium / Discount					53,640
Total				\$ 534,165	\$ 398,610

As of June 30, 2022, 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		Environmental Improvement Fund Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 145,685	\$ 64,453	\$ 29,375	\$ 16,664
2024	137,645	58,604	30,840	15,195
2025	131,820	54,046	30,990	13,653
2026	126,565	49,478	30,470	12,104
2027	113,955	44,840	15,575	10,580
2028 - 2032	602,020	138,256	77,130	41,445
2033 - 2037	358,750	40,302	101,055	20,148
2038 - 2042	94,550	7,002	29,535	2,222
	1,710,990	456,981	344,970	132,011
Unamortized Premium / Discount	174,239		53,640	
Total	\$ 1,885,229	\$ 456,981	\$ 398,610	\$ 132,011

E. 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, 2022 was as follows:

Balance Due	Average Life (Weighted Term)
\$67.7 Million	3.02 Years

At June 30, 2022, the following parity Master Lease certificates were outstanding (in thousands):

Issue	Issue Date	Interest Rates	Maturity Through	Issued	Outstanding
2022-A	1/22	3.0 to 5.0	9/31	\$ 23,960	\$ 23,960
2021-A	2/21	3.0 to 5.0	3/29	31,375	29,160
2013-A	9/13	variable*	3/42	8,392 *	8,392
				63,727	61,512
Unamortized Premium / Discount					6,148
Total				\$ 63,727	\$ 67,660

*see Revolving Credit Agreement

As of June 30, 2022, Master Lease certificate 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
2023	\$ 10,825	\$ 2,023	\$ 1,348	\$ 386
2024	8,398	1,683	1,370	315
2025	7,922	1,335	1,407	259
2026	7,843	1,002	1,420	203
2027	6,834	634	1,401	139
2028-2032	10,287	515	2,130	178
2033-2037	144	66		
2038-2042	184	26		
	52,436	7,284	9,076	1,480
Unamortized Premium / Discount	4,988		1,160	
Total	57,425	7,284	10,236	1,480

Revolving Credit Agreement

Master Lease Certificates of Participation of 2013, Series A (Revolving Credit Agreement – Taxable) in the amount of \$8.4 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, 2024. 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.

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, 2022, the State has not deposited with the Trustee amounts, that when invested, will terminate lease schedules.

F. 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

In September 2021, the State issued \$326.4 million of general obligation refunding bonds (2021 Series 4), the proceeds of \$324.7 million were deposited in an escrow account to provide for future debt service payments and redemption of \$285.6 million of various general obligation bonds for which future debt service payments and redemption are paid from the escrow account are considered defeased and the associated liability removed from the financial statements. The refunding resulted in a decrease in total debt service payments by \$62.9 million and an economic gain of \$50.3 million.

In March 2022, the State issued \$73.5 million of general obligation refunding bonds (2022 Series 1), of which \$32.4 million is allocable to just the refunding and the remaining \$41.1 million is allocable to the funding of commercial paper. The proceeds of \$34.6 million were deposited in the bond security and redemption fund for the redemption of \$34.6 million of various general obligation bonds for which redemption was paid from the bond security and redemption fund are considered defeased and the associated liability removed from the financial statements. The refunding resulted in a decrease in total debt service payments by \$3.0 million and an economic gain of \$2.7 million.

In March 2022, the State issued \$180.0 million of general obligation refunding bonds (2022 Series 2), the proceeds of \$179.1 million were deposited in an escrow account to provide for future debt service payments and redemption of \$164.4 million of various general obligation bonds for which future debt service payments and redemption are paid from the escrow account are considered defeased and the associated liability removed from the financial statements. The refunding resulted in a decrease in total debt service payments by \$19.2 million and an economic gain of \$17.6 million.

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, 2022, \$982.5 million of general obligation bond principal has been defeased.

Current Fiscal Year Refundings/Revenue Bonds

In August 2021, the State issued \$143.2 million of Transportation Revenue Refunding Bonds (2021 Series 1), the proceeds of \$142.4 million were deposited in an escrow account to provide for future debt service payments and redemption of \$126.5 million of various Transportation revenue bonds for which future debt service payments and redemption are paid from the escrow account and considered defeased and the associated liability removed from the financial statements. The refunding resulted in a decrease in total debt service payments by \$23.0 million and an economic gain of \$21.9 million.

In August 2021, a cash defeasance using funds from the State's Environmental Improvement Fund occurred. At that time, the State deposited \$18.7 million of cash from the Environmental Improvement Fund into an escrow account to provide for future debt service payments and redemption of \$16.4 million of various Environmental Improvement Fund revenue bonds. As a result of the cash defeasance, the \$16.4 million of Environmental Improvement Fund revenue bonds for which future debt service payments and redemptions are paid from the escrow account are considered defeased and the associated liability removed from the financial statements.

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, 2022, revenue bonds outstanding of \$268.2 million have been defeased.
- Transportation Revenue Bonds – At June 30, 2022, revenue bonds outstanding of \$689.4 million have been defeased.

G. 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. With the issuance on March 1, 2022 of its General Obligation Refunding Bonds (2022 Series 1), the State retired all of the outstanding commercial paper notes, and as of June 30, 2022, no commercial paper notes remain outstanding.

Short-term debt activity for the year ended June 30, 2022 for general obligation commercial paper notes was as follows (in millions):

Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
\$ 92.5	—	\$ 92.5	\$ —

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, 2022, the amount of extendible municipal commercial paper outstanding was \$73.4 million which had interest rates ranging from 1.10 percent to 1.35 percent and maturities from July 12, 2022, to August 17, 2022.

Short-term debt activity for the year ended June 30, 2022 for general obligation extendible municipal commercial paper was as follows (in millions):

Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
\$ 125.4	—	\$ 52.0	\$ 73.4

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, 2022, 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. One district, the Wisconsin Center District, is currently authorized to issue bonds for specific purposes, 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 district's special debt service reserve fund. To date, the Wisconsin Center District has the authority for up to \$300.0 million in bonds for this purpose, plus refunding bonds.

The Wisconsin Center District has one outstanding series of bonds in the outstanding balance of \$300.0 million and two outstanding refunding series with an outstanding balance of \$111.8 million that are subject to the moral obligation pledge to appropriate moneys to make up deficiencies in the debt service reserve funds.

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 \$19.0 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. To date, one series of the Village of Mount Pleasant Tax Increment Revenue Bonds were issued (in 2018) with an outstanding balance of \$120.0 million that is subject to the moral obligation.

J. Credit Agreements

In March 2019, the State 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. In January 2020, the line of credit was reduced to \$155.0 million. In May 2021, the line of credit was further reduced to \$113.0 million. In August 2021, the line of credit was further reduced to \$93.0 million. With the issuance on March 1, 2022 of its General Obligation Refunding Bonds (2022 Series 1), the State retired all of the outstanding commercial paper notes. As result of the issuance, the of line of credit was not renewed prior to its expiration in March 2022.

**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. Lease payments are generally fixed monthly or annually.

The State also leases land, facility space, and equipment to various third parties as the lessor. The University of Wisconsin System recognized revenue related to these leases totaling \$5.4 million during FY 2022.

The University of Wisconsin System leases certain assets that are subsequently subleased to a third party. The non-cancelable terms of these leasing arrangements mature between 2023 and 2036. The discount rates applicable to these leasing arrangements range from 0.53% to 1.81%.

The State does not currently report any sale-leaseback or lease-leaseback transactions under GASB 87 as of June 30, 2022.

The State does not currently report any contracts with residual value guarantees, termination penalties, commitments prior to the commencement of the lease, or impairment under GASB 87 as of June 30, 2022.

A. GASB 87 Leases

GASB Statement No. 87, *Leases*, became effective for the reporting period ending June 30, 2022. With certain exceptions, under GASB 87 all leases are considered finance leases and are reported accordingly. The concept is that leases represent a means to finance the right to use an underlying asset. Lease commitments in the government-wide and proprietary fund statements are reported as liabilities at lease inception. The related assets along with the amortization are also reported at that time as right-to-use assets. Right-to-use assets at inception are recorded at the present value of total lease payments as shown in Note 7. These payments are discounted at the State's incremental borrowing rate. Lease payments are reported as a reduction of the liability.

For lessor transactions, the State records lease receivables and deferred inflows of resources based on the present value of expected receipts over the lease term. The expected receipts are recorded at the present value of total lease payments using the State's incremental borrowing rate.

Primary Government

For leases in governmental funds, "Other Financing Sources - Lease Acquisitions" and expenditures are recorded at lease inception. Lease payments are recorded as expenditures.

The following is an analysis of future principal and interest payment requirements related to the State's lease liability as of June 30, 2022 (in thousands):

Fiscal Year	Governmental Activities	
	Principal	Interest
2023	\$ 29,046	\$ 5,017
2024	27,551	4,622
2025	27,663	4,220
2026	27,208	3,810
2027	26,519	3,397
2028-2032	113,066	11,047
2033-2037	58,540	3,604
2038-2042	13,990	429
2043-2047	1,013	46
Total	\$ 324,596	36,192

Fiscal Year	Business- type Activities	
	Principal	Interest
2023	\$ 25,100	\$ 4,602
2024	19,954	4,310
2025	17,749	4,036
2026	16,732	3,769
2027	15,143	3,507
2028-2032	67,589	13,788
2033-2037	53,795	8,103
2038-2042	35,325	4,090
2043-2047	23,939	813
Thereafter	13	—
Total	\$ 275,339	\$ 47,018

**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.

During the fiscal year, the State expended \$5.6 million to clean up sites. Estimates of existing pollution remediation liabilities were also increased by \$0.4 million. In total, the restated beginning liability of \$5.5 million decreased to \$0.2 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, 2022 (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	\$ 0.2	\$ —
Voluntary commencement by the State to clean up heavy metal contamination of canal near former industrial site	—	—
Total estimated obligations	\$ 0.2	\$ —

In addition to the liability reported in the table above, the State expects to incur estimated costs of \$10,000 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

GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83), 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 \$13.1 million as of June 30, 2022, 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, 2021, is available at 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, 2021, the number of participating employers was:

State Agencies	56
Cities	189
Counties	71
Villages	291
Towns	287
School Districts	421
Wisconsin Technical College System Board Districts	16
Cooperative Educational Service Agencies	12
Other	212
Total Employers	1,555

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 Retirement Investment Trust 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, 2022 are:

	Employee	Employer
General (including teachers)	6.50%	6.50%
Executives & Elected Officials	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

State of Wisconsin Net Pension Asset, Pension Contributions, Pension Revenue, and Deferred Outflows and Inflows of Resources

At June 30, 2022 the State reported a net pension asset of \$2.30 billion for its proportionate share of the WRS' net pension asset. It is presented as a net pension asset on the Statement of Net Position for proprietary funds and on the government-wide Statement of Net Position.

The net pension asset was measured as of December 31, 2021, and the total pension liability was based on an actuarial valuation as of December 31, 2020. 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 asset was determined based on the State's share of contributions to the WRS relative to the contributions of all participating employers. At December 31, 2021, the State's proportionate share was 28.5 percent, which is an increase of 0.4 percent from its proportionate share as of December 31, 2020.

For calendar year 2021, State employers made \$333.9 million in contributions recognized by the WRS.

For the year ended June 30, 2022, the State recognized pension revenue of \$196.5 million. At June 30, 2022, the State reported deferred outflows and inflows of resources related to pensions of \$4.30 billion and \$5.40 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):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Pension Experience	\$ 3,705,525	\$ (267,208)
Changes of Pension Assumptions	427,946	—
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(5,131,432)
Changes in Proportionate Share	7,192	(4,609)
Pension Contributions Subsequent to the Measurement Date	162,200	—
Total	<u>\$ 4,302,863</u>	<u>\$ (5,403,249)</u>

The \$162.2 million in deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability or an increase to the net pension asset in the year ended June 30, 2023. 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
2023	\$ (105,479)
2024	(620,983)
2025	(273,322)
2026	(262,802)
2027	—
	<u>\$ (1,262,586)</u>

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, 2021 were based upon the following actuarial assumptions:

Actuarial Valuation Date	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	6.8%
Discount Rate	6.8%
Salary Increases	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

* No post-retirement adjustments are guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. The assumed annual adjustment is 1.7%, 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 2021 using experience from 2018-2020. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 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, 2021, these best estimates of geometric long-term real rates of return were used:

Asset Class	Target Allocation	Rate of Return
Global Equities	52.0%	4.2%
Fixed Income	25.0	1.8
Inflation Sensitive	19.0	0.2
Real Estate	7.0	3.0
Private Equity/Debt	12.0	7.0

For each major asset class that is included in the Variable Retirement Investment Trust fund's target asset allocation as of

December 31, 2021, these best estimates of geometric long-term real rates of return were used:

Asset Class	Target Allocation	Rate of Return
Domestic Equity	70.0%	3.7%
International Equity	30.0	4.6

The money-weighted rates of return on pension plan investment for the Core and Variable funds for the calendar year ended 2021 were 17.03% and 19.98%, 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 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. The discount rate is based on the expected rate of return on pension plan investments. Because of the unique structure of the WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 6.8%, 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 (5.8%)	\$ 1,627,617,268
Current Rate (6.8%)	\$ (2,293,804,977)
1% Increase (7.8%)	\$ (5,116,499,336)

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 the 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 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 or may be obtained upon request from:

State of Wisconsin Investment Board
P.O. Box 7842
Madison, Wisconsin 53707-7842

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, along with the Supplemental Health Insurance Conversion Credit Program (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 ACFR.

ETF's separately issued financial statements contain further information. ETF's report may be obtained at 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/(revenue), 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 393 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, 2021, included

28,756 former state employees or their beneficiaries and 2,095 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 724 local government employers as of December 31, 2021 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, 2021 are as listed below:

Attained Age	State Basic	State Supplemental	Local Basic	Local Supplemental
Under 30	\$0.0463	\$0.0463	\$0.0500	\$0.0500
30-34	0.0463	0.0463	0.0600	0.0600
35-39	0.0463	0.0463	0.0700	0.0700
40-44	0.0695	0.0695	0.0800	0.0800
45-49	0.1158	0.1158	0.1200	0.1200
50-54	0.1852	0.1852	0.2200	0.2200
55-59	0.2547	0.2547	0.3900	0.3900
60-64	0.3473	0.3473	0.4900	0.4900
65-69	0.4515	0.4515	0.5700	0.5700

*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, 2021, included:

	State	Local	Total
Active*	50,355	75,179	125,534
Inactive Pre-Age 65 Annuitants	6,360	9,848	16,208
Inactive Post-Age 64 Annuitants	28,967	39,633	68,600
Totals	85,682	124,660	210,342

* Active membership includes disabled

Supplemental Health Insurance Conversion Credit (SHICC) Program

The SHICC program 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 Department of Employee Trust Funds (ETF) and the ETF Board have the authority for program administration and oversight. The SHICC program is reported as an Other Post-Employment Benefit Trust Fund. The SHICC program was established by Wisconsin Statute 40.95 and is defined in the state compensation plan (Wis. Stat. 230.12(9)).

The SHICC program allows members with more than 15 years of eligible service to convert unused sick leave balances into credits to pay for post-retirement health insurance premiums. The SHICC benefit provides a limited match of the members credits earned through the Accumulated Sick Leave Conversion Credit (ASLCC) program. ASLCC program credits are computed at the time of retirement, layoff, or death by multiplying the number of hours of unused sick leave by the highest hourly pay rate at which the employee accrued sick leave that is eligible for conversion. Employment category and number of years of service are also factored into the calculation. The SHICC program also includes a provision for the restoration of 500 hours of credits upon retirement, layoff or death provided at least 500 hours or accrued sick leave were used for a single injury or illness during the three years immediately preceding the retirement, layoff or death while in state service.

All ASLCC program credits must be used before the SHICC program credits. Unused ASLCC and SHICC credits have no cash value, are carried forward from year to year without interest,

and when total health insurance premiums paid on behalf of the retired employee equal or exceed the conversion credits, no further payments are made under the ASLCC and SHICC programs. ASLCC and SHICC credits may be escrowed indefinitely after retirement for participants who provide evidence of comparable health insurance coverage from another source.

Eligibility and Membership

Generally to be eligible to use SHICC credits to pay post-retirement health insurance premiums, members with 15 years of adjusted continuous service (or their insured surviving spouse and/or dependents) must be covered under the State of Wisconsin Group Health Insurance Program. If a member with 20 years of service leaves eligible service prior to retirement, the benefit is vested.

Membership as of December 31, 2021, included:

Employment Status	Count
Retirees and Beneficiaries	21,715
Inactive, Non-retired Members	366
Active Members	72,701
Total	94,782

At retirement, the member must have State of Wisconsin Group Health Insurance Program coverage and satisfy the following:

- Retire on an immediate annuity; or
- Retire and receive a lump-sum benefit; or
- Qualify for a Wisconsin Retirement System (WRS) disability retirement benefit, long-term disability benefit or a protective occupation duty disability benefit under Wisconsin Statute 40.65; or
- Have 20 years of WRS creditable service and are eligible for an immediate retirement benefit, but have chosen not to apply for retirement or disability benefit immediately

Eligible members may elect to escrow their SHICC credits (to be used at a later date) if they have comparable health insurance coverage through another source. If SHICC eligible members are not immediately eligible for an annuity, they must satisfy the following to defer vested (preserved) SHICC credits to pay health premiums when becoming a WRS annuitant:

- Terminate with 20 years of WRS creditable service (providing they do not elect a WRS separation benefit) or
- State constitutional officer, a member or an officer of the legislature of the head of a state department or agency who was appointed by the governor with senate confirmation and are not eligible for an immediate annuity when terminating from state employment (providing they do not elect a WRS separation benefit).

If not eligible for an immediate annuity and the member is permanently laid off from State employment, the member must have at least 15 years of adjusted continuous service to use SHICC credits to pay health premiums for up to five years after the layoff begins.

Contributions and Benefits

The ETF Board approves contribution rates annually, based on recommendations from the actuary. 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, in accordance with Wis. Stat. § 40.05 (4) (by). Employer contributions made during a member's working lifetime funds a post-retirement benefit. Employers made contributions totaling \$15.7 million based upon a percentage of active member earnings for the year ending December 31, 2021.

The SHICC program provides matching sick leave hours, that are in addition to, but generally not to exceed the unused sick leave balances that are used to calculate benefits provided under the ASLCC program, to participants retiring (or terminating employment) with 15 or more years of eligible service, as follows:

Employment Category	Benefit Eligible Hours*
Protective	Match up to 78 hours (9.75 days) per full year of service through 24 years, plus 104 hours (13 days) per full year of service over 24 years.
Others	Match up to 52 hours (6.5 days) per full year of service through 24 years, plus up to 104 hours (13 days) per full year of service over 24 years.

*The SHICC program also includes a restoration benefit of up to 500 hours when certain criteria are met.

The SHICC program also provides benefits after a member's death. The member's surviving spouse and/or dependents may be eligible to use SHICC credits to pay State of Wisconsin Group Health Insurance premiums under the following conditions:

- Member was covered by the State of Wisconsin Group Health Insurance Program under a family policy on the member's date of death or the member is receiving a retirement disability benefit; or
- Member has preserved SHICC credits and the member dies before becoming a WRS annuitant; or
- Member has escrowed SHICC credits and the member dies.

All Plans Total OPEB Expense/(Revenue)

For the year ended June 30, 2022, OPEB expense/(Revenue) for all plans combined was \$46.6 million by participating employers:

Primary Government	
State of Wisconsin	\$ 25,969,616
University of WI System	15,856,795
Component Units	
UW Hospital and Clinics Auth.	4,328,331
WI Housing & Economic Development Auth.	294,703
WI Economic Development Corp.	186,237
Total	<u>\$ 46,635,682</u>

A detailed schedule of OPEB expense (revenue) by plan can be found in note 17.

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 or supplemental health insurance 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 \$618 to \$1,470 for single coverage and \$1,509 to \$3,641 for family coverage.

As of January 1, 2021 (most recent actuarial valuation date), membership consisted of:

Member Type	Number
Retired members or beneficiaries receiving OPEB benefits	8,219
Vested terminated members not yet receiving OPEB benefits	1,214
Active members	62,805
Total Members	72,238

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/(revenue) 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, 2020 and adjusted for changes such as interest earned, contributions paid, and benefits paid through June 30, 2021. Based on this, the actuary determined the OPEB liability totaled \$712.9 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, 2022 reporting date, are indicated in the table below (in millions):

Participating Employer	OPEB Liability
Primary Government	
State of Wisconsin	\$ 316.5
University of Wisconsin System	316.7
Component Units	
UW Hospital and Clinics Auth.	77.4
WI Housing & Economic Development Auth.	1.4
WI Economic Development Corp.	0.9
Total OPEB Liability	<u>\$ 712.9</u>

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, 2020	\$ 642.0
Changes for the Year:	
Service cost	52.5
Interest	14.9
Difference between expected & actual experience	92.1
Changes of assumptions	(41.2)
Benefit payments*	(47.4)
Net Change in Total OPEB Liability	<u>70.9</u>
Total OPEB Liability June 30, 2021	<u>\$ 712.9</u>

* Employer benefit payments of \$47.4 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, 2021 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, 2021
Measurement Date of Total OPEB Liability	June 30, 2021
Actuarial cost method	Entry Age Normal
Asset Valuation Method	N/A
Inflation	2.4%
Salary increases	Separate merit and longevity increase rates by employer and service, plus 3%
Discount Rate	Discount rate was changed to 2.16% for the June 30, 2021 measurement from 2.21% for the June 30, 2020 measurement

Healthcare Cost Trend Rates:

Medical	4.10% for the first year then 6.75% grading down 0.25% per year to 4.50%
Prescription drug	10.67% for the first year then 7.50% grading down 0.25% per year to 4.50%
Dental	0.00% for first two years then 3.00% thereafter
Administrative Costs	(4.03) % for first year then 3.00% every year after

Mortality Rates	Wisconsin 2020 Mortality Table
Benefit Changes	None
Participation Rates	Active: 60% are assumed to elect coverage at retirement, and 12.5% of the 40% that defer are assumed to be covered over the next 5 years (1.0% per year), so 65% assumed to be covered after 5 years Deferred: 5% per year over 8 years
Assumed Claims	Per capita claims costs were based on premium equivalent rates for plan year 2021 and actuarial factors applied to weighted average premium rates to estimate costs

Termination Rates	Rates for General, University, Protective, Executive and Elected employees matched the 2018-2020 experience study for the pension valuation
Disability Rates	Rates for General, University, Protective, Executive and Elected employees matched the 2018-2020 experience study for the pension valuation
Normal Retirement Rates	Rates for General, University, Protective, Executive and Elected employees matched the 2018-2020 experience study for the pension valuation
Lapse Rate	5% per year after the later of assumed commencement or the valuation date
Retiree Contribution Increase Rate	Retiree contributions are expected to increase with average benefit trend
Benefit End Date	Benefits end when participants turn 65 years old

Actuarial assumptions are based on the Wisconsin Retirement System experience study conducted in 2021 using experience from 2018 to 2020. An actuarial experience loss increased the liability by \$92.1 million due to demographic changes and actual 2021 contributions and benefit payments that were different from expected. Valuation assumption changes also decreased the liability by \$41.2 million as the result of a decrease in obligations due to changes in the participation rate assumptions and the valuation-year per capita health costs based on recent experience, which was offset by an increase in obligations due to updating the healthcare trend rates, adopting updated demographic assumptions based on the WRS Experience Study for the period 2018 - 2020 and lowering the discount rate.

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 (1.16%)	Current Discount Rate (2.16%)	1% Increase in Discount Rate (3.16%)
Primary Government	\$ 679.2	\$ 633.1	\$ 589.5
Component Units	85.7	79.8	74.3
Total OPEB Liability	<u>\$ 764.9</u>	<u>\$ 712.9</u>	<u>\$ 663.8</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
Primary Government	\$ 563.6	\$ 633.1	\$ 715.6
Component Units	71.1	79.8	90.3
Total OPEB Liability	<u>\$ 634.7</u>	<u>\$ 712.9</u>	<u>\$ 805.9</u>

OPEB Expense/(Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, OPEB expense/(revenue) of \$(2.5) million was recognized by participating employers:

Primary Government

State of Wisconsin	\$ (1,972,352)
University of WI System	(1,034,183)

Component Units

UW Hospital and Clinics Auth.	454,861
WI Housing & Economic Development Auth.	7,725
WI Economic Development Corp	5,820
Total	<u>\$ (2,538,129)</u>

At June 30, 2022, 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	\$ 131,586,782	\$ (35,039,298)
Changes of Assumptions	41,218,552	(245,502,817)
Changes in Proportion	14,121,798	(14,121,798)
Amounts Paid Subsequent to the Measurement Date	47,688,080	—
Total	<u>\$ 234,615,212</u>	<u>\$ (294,663,913)</u>

Deferred outflows of resources and deferred inflows of resources for the state (primary government) as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 116,849,470	\$ (31,115,005)
Changes of Assumptions	36,602,202	(218,007,260)
Changes in Proportion	8,357,097	(13,053,548)
Amounts Paid Subsequent to the Measurement Date	42,347,163	—
Total	<u>\$ 204,155,932</u>	<u>\$ (262,175,813)</u>

Deferred outflows of resources and deferred inflows of resources for component units as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 14,737,312	\$ (3,924,293)
Changes of Assumptions	4,616,350	(27,495,557)
Changes in Proportion	5,764,701	(1,068,250)
Amounts Paid Subsequent to the Measurement Date	5,340,917	—
Total	<u>\$ 30,459,280</u>	<u>\$ (32,488,100)</u>

The \$47,688,080 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, 2023 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/(revenue) as follows:

FY 2023	\$ (22,154,736)
FY 2024	(22,154,736)
FY 2025	(22,154,736)
FY 2026	(22,154,736)
FY 2027	(22,154,736)
Thereafter	3,036,900

The \$42,347,163 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, 2023 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/(revenue) as follows:

FY 2023	\$ (20,448,777)
FY 2024	(20,448,777)
FY 2025	(20,448,777)
FY 2026	(20,448,777)
FY 2027	(20,448,777)
Thereafter	1,876,831

The \$5,340,917 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, 2023 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/(revenue) as follows:

FY 2023	\$ (1,705,959)
FY 2024	(1,705,959)
FY 2025	(1,705,959)
FY 2026	(1,705,959)
FY 2027	(1,705,959)
Thereafter	1,160,069

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 life 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 contributions 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, 2022, the State, including the University of Wisconsin System, reported a liability of \$841.6 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the State's proportion was 88.8 percent which was an increase of 0.7 percent from its proportion of 88.1 percent measured as of December 31, 2020.

Net OPEB liability amounts, by participating employers as of a June 30, 2022 reporting date, are indicated in the table below (in millions):

Participating Employer	Net OPEB Liability
Primary Government	
State of Wisconsin	\$ 449.0
University of Wisconsin System	392.6
Component Units	
UW Hospital and Clinics Auth.	101.6
WI Housing & Economic Development Auth.	3.2
Wisconsin Economic Development Corp.	1.3
Total Net OPEB Liability	\$ 947.7

For the year ended June 30, 2022, OPEB expense of \$109.8 million was recognized by participating employers:

Primary Government

State of Wisconsin	\$ 53,319,654
University of WI System	44,293,360

Component Units

UW Hospital and Clinics Auth.	11,541,539
WI Housing & Economic Development Auth.	429,262
WI Economic Development Corp.	180,417
Total	\$ 109,764,232

For the year ended June 30, 2022, contributions of \$1.7 million were recognized by the plan from participating employers:

Primary Government

State of Wisconsin	\$ 791,118
University of WI System	691,620

Component Units

UW Hospital and Clinics Auth.	179,082
WI Housing & Economic Development Auth.	5,668
WI Economic Development Corp.	2,367
Total	\$ 1,669,855

Changes in the Net OPEB Liability

Changes to the net OPEB plan liability during the fiscal year include the following (in millions):

Total OPEB Liability December 31, 2020	\$ 1,200.7
Changes for the Year:	
Service cost	46.3
Interest	27.4
Difference between expected & actual experience	3.2
Changes of assumptions	13.4
Benefit payments	(23.7)
Net Change in Total OPEB Liability	66.6
Total OPEB Liability December 31, 2021	\$ 1,267.3
Plan Fiduciary Net Position December 31, 2020	\$ 333.7
Changes for the Year:	
Contributions from employers	1.7
Net investment income	8.7
Administrative expense	(0.9)
Benefit payments	(23.7)
Net change in Plan Fiduciary Net Position	(14.2)
Plan Fiduciary Net Position December 31, 2021	\$ 319.5
Collective Net OPEB Liability December 31, 2020	\$ 867.0
Net change in Collective Net OPEB Liability	80.8
Collective Net OPEB Liability December 31, 2021	\$ 947.8

At June 30, 2022, deferred outflows of resources and deferred inflows of resources for 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	\$ 2,719,361	\$ (19,466,482)
Changes of Assumptions	246,910,494	(39,056,323)
Changes in Proportion	11,511,663	(11,511,667)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	10,359,620	—
Total	<u>\$ 271,501,138</u>	<u>\$ (70,034,472)</u>

Deferred outflows of resources and deferred inflows of resources for the state (primary government) as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 2,414,640	\$ (17,285,146)
Changes of Assumptions	219,242,691	(34,679,827)
Changes in Proportion	9,642,135	(7,630,806)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	9,198,761	—
Total	<u>\$ 240,498,227</u>	<u>\$ (59,595,779)</u>

Deferred outflows of resources and deferred inflows of resources for component units as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 304,721	\$ (2,181,336)
Changes of Assumptions	27,667,803	(4,376,496)
Changes in Proportion	1,869,528	(3,880,861)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,160,859	—
Total	<u>\$ 31,002,911</u>	<u>\$ (10,438,693)</u>

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 2023	\$ 47,672,523
FY 2024	46,425,379
FY 2025	42,362,920
FY 2026	46,536,522
FY 2027	16,911,642
Thereafter	1,557,685

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 2023	\$ 42,479,051
FY 2024	41,371,657
FY 2025	37,971,289
FY 2026	41,785,683
FY 2027	15,517,715
Thereafter	1,777,053

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 2023	\$ 5,193,469
FY 2024	5,053,719
FY 2025	4,391,632
FY 2026	4,750,833
FY 2027	1,393,931
Thereafter	(219,369)

Sensitivity of the Net 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 (1.15%)	Current Discount Rate (2.15%)	1% Increase in Discount Rate (3.15%)
Primary Government	\$ 1,107.0	\$ 841.6	\$ 639.3
Component Units	139.7	106.2	80.7
Net OPEB Liability	<u>\$ 1,246.7</u>	<u>\$ 947.8</u>	<u>\$ 720.0</u>

Single Discount Rate

A single discount rate of 2.15% was used to measure the total OPEB liability for the current year as opposed to 2.22% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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, 2021 were:

Asset Class	Index	Long-Term Expected	
		Target Allocation	Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg Interm Credit	45 %	1.68 %
US Long Credit Bonds	Bloomberg Long Credit	5 %	1.82 %
US Mortgages	Bloomberg MBS	50 %	1.94 %
Inflation			2.30 %
Long-Term Expected Rate of Return			4.25 %

Actuarial assumptions

Actuarial assumptions are based on the Wisconsin Retirement System experience study conducted in 2021 using experience from 2018 to 2020. 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability:	December 31, 2021
Actuarial Cost Method:	Entry Age Normal
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.15%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

C. Supplemental Health Insurance Conversion Credit OPEB

The Supplemental Health Insurance Conversion Credit plan provides all eligible employees of the State, the University of Wisconsin, University of Wisconsin Hospital and Clinics Authority and Wisconsin Housing and Economic Development Authority with credits that can be used to pay for post-retirement health insurance. Each employer's proportionate share of the net OPEB liability/(asset) and collective OPEB expense/(revenue), deferred inflows and outflows is based on the employer's contributions 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 Assets, OPEB Expense/(Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the State, including the University of Wisconsin System, reported an asset of \$286.7 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The State's proportion of the net OPEB asset was based on the State's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the State's proportion was 87.1 percent which decreased by 0.7 percent from its proportion of 87.8 percent measured as of December 31, 2020.

Net OPEB liability/(asset) amounts, by participating employers as of a June 30, 2022 reporting date, are indicated in the table below (in millions):

Participating Employer	Net OPEB Liability/(Asset)
Primary Government	
State of Wisconsin	\$ (138.3)
University of Wisconsin System	(148.3)
Component Units	
UW Hospital and Clinics Auth.	(41.5)
WI Housing & Economic Development Auth.	(0.8)
Total Net OPEB Liability/(Asset)	<u>\$ (328.9)</u>

For the year ended June 30, 2022, OPEB expense/(revenue) of \$(60.6) million was recognized by participating employers:

Primary Government	
State of Wisconsin	\$ (25,377,686)
University of WI System	(27,402,382)
Component Units	
UW Hospital and Clinics Auth.	(7,668,069)
WI Housing & Economic Development Auth.	(142,284)
Total	<u>\$ (60,590,421)</u>

For the year ended June 30, 2022, contributions of \$15.7 million were recognized by the plan from participating employers:

Primary Government	
State of Wisconsin	\$ 6,584,744
University of WI System	7,059,851
Component Units	
UW Hospital and Clinics Auth.	1,976,349
WI Housing & Economic Development Auth.	36,993
Total	<u>\$ 15,657,937</u>

Changes in the Net OPEB Liability/(Asset)

Changes to the net OPEB plan liability during the fiscal year include the following (in millions):

Total OPEB Liability December 31, 2020	\$ 924.0
Changes for the Year:	
Service cost	23.5
Interest	63.7
Difference between expected & actual experience	(36.2)
Changes of assumptions	120.4
Benefit payments	(52.6)
Net Change in Total OPEB Liability	<u>118.8</u>
Total OPEB Liability December 31, 2021	\$ 1,042.8
 Plan Fiduciary Net Position December 31, 2020	 \$ 1,208.8
Changes for the Year:	
Contributions from employers	15.7
Net investment income	200.6
Administrative expense	(0.7)
Benefit payments	(52.6)
Net change in Plan Fiduciary Net Position	<u>163.0</u>
Plan Fiduciary Net Position December 31, 2021	\$ 1,371.8
 Collective Net OPEB Liability December 31, 2020	 \$ (284.8)
Net change in Collective Net OPEB Liability/(Asset)	<u>(44.2)</u>
Collective Net OPEB Liability/(Asset) December 31, 2021	\$ (329.0)

At June 30, 2022, deferred outflows of resources and deferred inflows of resources for 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	\$ —	\$ (142,480,861)
Changes of Assumptions	121,199,551	—
Changes in Proportion	1,354,698	(1,354,698)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	—	(169,277,134)
OPEB Contributions Subsequent to the Measurement Date	5,245,483	—
Total	<u>\$ 127,799,732</u>	<u>\$ (313,112,693)</u>

Deferred outflows of resources and deferred inflows of resources for the state (primary government) as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ —	\$ (124,160,267)
Changes of Assumptions	105,615,369	—
Changes in Proportion	1,201,662	(983,246)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	—	(147,511,000)
OPEB Contributions Subsequent to the Measurement Date	2,414,483	—
Total	<u>\$ 109,231,514</u>	<u>\$ (272,654,513)</u>

Deferred outflows of resources and deferred inflows of resources for component units as of a June 30, 2022 reporting date were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ —	\$ (18,320,594)
Changes of Assumptions	15,584,182	—
Changes in Proportion	153,036	(371,452)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	—	(21,766,134)
OPEB Contributions Subsequent to the Measurement Date	2,831,000	—
Total	<u>\$ 18,568,218</u>	<u>\$ (40,458,180)</u>

The \$5,245,483 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, 2023 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/(revenue) as follows:

FY 2023	\$ (49,683,537)
FY 2024	(71,369,368)
FY 2025	(48,245,287)
FY 2026	(31,287,685)
FY 2027	(4,989,835)
Thereafter	15,017,269

The \$2,414,483 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, 2023 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/(revenue) as follows:

FY 2023	\$ (43,275,622)
FY 2024	(62,173,028)
FY 2025	(42,022,308)
FY 2026	(27,245,162)
FY 2027	(4,319,348)
Thereafter	13,197,986

The \$2,831,000 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, 2023 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/(revenue) as follows:

FY 2023	\$ (6,407,915)
FY 2024	(9,196,340)
FY 2025	(6,222,979)
FY 2026	(4,042,523)
FY 2027	(670,487)
Thereafter	1,819,283

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents participating employer's proportionate share of the net OPEB liability/(asset) and what the liability/(asset) 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 (5.80%)	Current Discount Rate (6.80%)	1% Increase in Discount Rate (7.80%)
Primary Government	\$ (190.5)	\$ (286.7)	\$ (369.5)
Component Units	(28.1)	(42.3)	(54.5)
Net OPEB Liability/ (Asset)	<u>\$ (218.6)</u>	<u>\$ (329.0)</u>	<u>\$ (424.0)</u>

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

The following presents each employer's proportionate share of the net OPEB liability/(asset) 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
Primary Government	\$ (346.2)	\$ (286.7)	\$ (230.3)
Component Units	(51.1)	(42.3)	(34.0)
Net OPEB Liability/ (Asset)	<u>\$ (397.3)</u>	<u>\$ (329.0)</u>	<u>\$ (264.3)</u>

Single Discount Rate

A single discount rate of 6.8% was used to measure the Total OPEB Liability for the current year, a decrease from 7.0% in the prior year. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.8%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability and projections were excluded from this report.

Long-term expected Return on Plan Assets

The assets of the SHICC are commingled with assets from other benefit programs and invested in the Core Retirement Investment Trust (Core Fund). Earnings are allocated between the benefit programs based on the average balance invested for each program. The State of Wisconsin Investment Board (SWIB) manages the Core Fund with oversight by the SWIB Board of Trustees, as authorized in Wis. Stat. § 25.17. The long-term expected rate of return is reviewed every three years in conjunction with the Wisconsin Retirement System experience study. Best estimates of geometric real rates of return of each major asset class included in the OPEB plan's target allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Global Equities	52.0 %	4.2 %
Fixed Income	25.0 %	1.8 %
Inflation Sensitive Assets	19.0 %	0.2 %
Real Estate	7.0 %	3.0 %
Private Equity/Debt	12.0 %	7.0 %
Cash	(15.0)%	0.9 %
Total Fund	100.0 %	4.0 %
Inflation		2.4 %
Long-Term Expected Rate of Return		6.8 %

The long-term expected rate of return is 6.8% which is a decrease from 7.0% from the prior year. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These 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.

Actuarial assumptions

Actuarial assumptions are based on the Wisconsin Retirement System experience study conducted in 2021 using experience from 2018 to 2020. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net OPEB Liability/(Asset):	December 31, 2021
Experience Study	January 1, 2018 - December 31, 2020 Published November 18, 2021
Actuarial Cost Method:	Entry Age Normal
Long-Term Expected Rate of Return:	6.80%
Discount Rate:	6.80%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Health Care Cost Trend Rate:	6.0% for the first year grading down to an ultimate health care trend rate of 3.5% over a 12 year period.
Health Care Premiums	Actual premium amounts are used for current annuitants. For all non annuitants (active, preserved, and escrowed members), average premiums are calculated based on non Medicare and Medicare rates for one person and two person coverages.
Participation	100% of active and preserved members will begin using sick leave credits immediately upon reaching eligibility.
Usage for Escrowed Benefits:	50% of members currently in escrow status will at some point begin using their sick leave balances to pay for health care costs.
Sick Leave Accumulation:	The assumed annual sick leave accumulation for each individual is at their same rate as in the past (earned less used), but not more than 100% of the gross earned rate based on the person's employer and not less than 25% of their gross earned rate. The assumed annual gross earned rates range from 6.4 to 16.25 days depending on the employer.

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 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 three public entity risk pools: group health insurance, group income continuation insurance and duty disability insurance. ETF's separately issued financial statements, which contain historical trend, revenue, and claims development information, are available at 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, 2021.

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. The State and 393 local employers 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), a self-insured plan that provides for pharmacy benefits of covered members and a self-insured dental plan that provides dental benefits for members selecting dental insurance.

The Income Continuation Insurance Fund offers both long-term and short-term disability benefits (up to 75% of the average monthly earnings) for current employees of the State and of participating local public employers. All public employers in the State are eligible to participate. The State and 278 local employers currently participate in the plan and it is self-insured. The State and local government portions of the fund are accounted for separately and have separate contribution rates, benefits, and actuarial valuations. Since March 2012, premiums have been suspended for the local employers as a result of the funded status of the local employer program.

The Duty Disability Fund offers special disability insurance for the State and local WRS participants in protective occupations. Participation in the program is mandatory for all WRS employers with protective occupation employees. The State and 500 local employers currently participate. The plan is self-insured, and the risk is shared between the State and local government employers in the plan. Contributions are actuarially determined and are employer paid. Contributions are based on a graduated, experience-rated formula. During 2021, contribution rates ranged from 0.09% to 2.24% of covered payroll based on employer experience.

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, 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 6.8 percent for income continuation and duty disability insurance, as face value of the liability for these programs is not available. 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.

Statutory Authority - All programs are operated under the authority of Chapter 40, Wisconsin Statutes.

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 2021 (in millions):

	Income Continuation Insurance		Duty Disability Insurance		Pharmacy Benefits		Dental	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Unpaid claims and claim adjustment expenses at beginning of the calendar year	\$ 96.4	\$ 96.1	\$ 467.7	\$ 466.3	\$ (33.7)	\$ (27.9)	\$ 1.5	\$ 1.8
Incurred claims and claim adjustment expenses:								
Provision for insured events of the current calendar year	24.5	24.8	38.1	34.0	188.4	176.1	46.0	38.1
Changes in provision for insured events of prior calendar years	(4.7)	(5.2)	54.3	4.0	0.2	0.1	(0.1)	(0.7)
Total incurred claims and claim adjustment expenses	19.8	19.6	92.4	38.0	188.6	176.2	45.9	37.4
Payments:								
Claims and claim adjustment expenses attributable to insured events of the current calendar year	4.7	4.0	0.0	0.0	227.4	209.8	44.4	36.6
Claims and claim adjustment expenses attributable to insured events of prior calendar years	15.8	15.3	36.4	36.6	(33.5)	(27.8)	1.4	1.1
Total payments	20.5	19.3	36.4	36.6	193.9	182.0	45.8	37.7
Total unpaid claims and claim adjustment expenses at end of the calendar year	<u>\$ 95.7</u>	<u>\$ 96.4</u>	<u>\$ 523.8</u>	<u>\$ 467.7</u>	<u>\$ (39.0)*</u>	<u>\$ (33.7)*</u>	<u>\$ 1.6</u>	<u>\$ 1.5</u>

*Total unpaid claims at the end of 2021 is \$39.0 million in rebates due from pharmaceutical companies. Total unpaid claims at the end of 2020 is \$33.7 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 \$4.0 million per occurrence and \$6.5 million annual aggregate. When claims, which exceed \$100,000 per occurrence, total \$6.5 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 2022, 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, 2022 are estimated to total \$12.7 million.

Property Damages and Bodily Injuries to Third Parties

The State is self-funded for third party liability and effective 7/1/20 retains \$5.0 million per occurrence and participates in a 1/6th quota share for the next \$6 million excess of the \$5 million per occurrence retention. Additional layers of excess insurance are in place above \$11 million, with total policy limits during Fiscal Year 2022 at \$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, 2022 are estimated to total \$56.2 million.

Worker's Compensation

The Worker's Compensation Program was created by Wisconsin Statutes Chapter 102 to provide benefits to workers injured on the job. All employees of the State are included in the program. An

injury is covered under worker's compensation if it is caused by an accident that arose out of and in the course of employment.

The responsibility for claiming compensation is on the employee. A claim must be filed with the program within two years from the date of injury; otherwise the claim is not allowable.

The worker's compensation liability has been determined by an actuary using paid claims and current claims reserves. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities are affected by external factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims incurred but not paid as of June 30, 2022 are estimated to total \$87.0 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):

	2022	2021
Beginning of fiscal year liability	\$ 146,478	\$ 128,242
Current year claims and changes in estimates	40,443	52,533
Claim payments	(31,076)	(32,873)
	155,845	147,902
Excess insurance reimbursable	(2,923)	(1,424)
Balance at fiscal year-end	\$ 152,922	\$ 146,478

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, 2022 is \$4.7 million.

NOTE 20. INSURANCE FUNDS**A. 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 Board of Governors authorized a premium holiday beginning in the fiscal year 2021 and extended the holiday through fiscal year 2022. Also during fiscal year 2021, the Board approved an investment portfolio automatic rebalancing policy, changing the threshold from 20 percent to 17.5 percent.

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, 2022, 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	\$ 1,238,455
Less: Net loss paid from inception	(944,398)
Less: Liability for reported losses	(171,174)
Risk Margin	73,514
Liability for incurred but not reported losses	\$ 196,397

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 18 percent of the estimated unpaid losses as of June 30, 2022. 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, 2022, are deducted from the projected ultimate LAE to determine the liability for LAE as June 30, 2022 as follows (in thousands):

Projected ultimate LAE liability	\$ 167,816
Less: LAE paid from inception	(115,215)
Risk Margin	13,150
Liability for LAE	\$ 65,751

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 0.928, 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, 2022 (in thousands):

Estimated liability for incurred but not reported losses	\$ 196,397
Estimated liability for reported losses	171,174
Estimated liability for loss adjustment expense	65,751
Total estimated loss liabilities	433,322
Less: Amount representing interest	(31,176)
Discounted loss liabilities	\$ 402,146

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 2022 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, 2022 (in thousands), is as follows:

Discounted loss liabilities	\$ 402,146
Future medical expense liability	61,707
Total estimated loss liabilities	463,853
Current portion	(56,039)
Noncurrent portion	\$ 407,814

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 2022 (in thousands):

Liability at the beginning of the year	\$ 428,807
Inurred claims and related expenses for the current year and the change in estimated amounts for claims incurred in prior years	45,015
Less: current year payments attributable to claims incurred in current and prior years	(9,968)
Liability at the end of the year	\$ 463,854

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	\$ 4,885	\$ 4,094
1967-1976	22,340	14,992
1977-1985	56,728	25,553
1986-1994	41,439	10,589
1995-2012	40,800	8,597
2013-2018	5,648	569
2019+	2,118	102
	<u>\$ 173,956</u>	<u>\$ 64,496</u>

Basis of Assumption

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
2019-2020	3.5	2017 CSO, ALB, Aggregate
2021+	3.0	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 statutorily 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, 2021 were \$112.9 million and statutory capital and surplus was \$10.5 million. Fund equity at June 30, 2022 was \$11.6 million.

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, 2022 is presented below (in thousands):

Condensed Statement of Net Position		Condensed Statement of Revenues, Expenses and Changes in Net Position	
Assets:		Operating Revenues (Expenses):	
Current Assets	\$ 385,257	Loan Interest	\$ —
Other Assets	1,641,236	Interest Income used as Security for Revenue Bonds	37,704
Total Assets	2,026,493	Miscellaneous Other	1,649
Deferred Outflows of Resources	819	Interest Expense	(9,086)
		Other Operating Expenses	(4,050)
Total Assets and Deferred Outflows of Resources	\$ 2,027,312	Operating Income (Loss)	26,218
		Nonoperating Revenues (Expenses):	
Liabilities:		Investment Income	187
Due to Other Funds	10,510	Intergovernmental Grants	42,856
Other Current Liabilities (Including Current Portion of Long-term Debt)	29,319	Grants Awarded	(17,606)
Noncurrent Liabilities	321,746		
Total Liabilities	361,574	Income (Loss) before Transfers	51,655
		Transfers In (Out)	(6,453)
		Change in Net Position	45,201
		Beginning Net Position	1,620,536
Net position:		Ending Net Position	\$ 1,665,737
Restricted	1,665,737		
Total Net Position	1,665,737	Condensed Statement of Cash Flows	
Total Liabilities and Net Position	\$ 2,027,312	Net Cash Provided (Used) by:	
		Operating Activities	\$ (104,490)
		Noncapital Financing Activities	81,460
		Investing Activities	187
		Net Increase (Decrease)	(22,843)
		Beginning Cash and Cash Equivalents	239,165
		Ending Cash and Cash Equivalents	\$ 216,322

NOTE 22. COMPONENT UNITS – CONDENSED FINANCIAL INFORMATION

Significant financial data for the State's discretely presented component units for the year ended December 31, 2021 or June 30, 2022 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
Condensed Statement of Net Position						
Assets:						
Cash, Investments and Other Assets	\$ 2,902,538	\$ 62,862	\$ 3,972,108	\$ 90,929	\$ 4,951,112	\$ 11,979,550
Due from Primary Governments	—	—	22,215	—	—	22,215
Cash and Investments with other Component Units	—	—	170,783	—	—	170,783
Capital Assets, net	37,874	—	1,406,616	790	14,098	1,459,378
Total Assets	2,940,412	62,862	5,571,722	91,719	4,965,210	13,631,926
Deferred Outflows of Resources						
	18,408	—	659,989	8,308	—	686,705
Total Assets and Deferred Outflows	\$ 2,958,820	\$ 62,862	\$ 6,231,711	\$ 100,027	\$ 4,965,210	\$ 14,318,630
Liabilities:						
Accounts Payable and Other Current Liabilities	\$ 163,775	\$ 3,360	\$ 732,381	\$ 12,593	\$ 211,731	\$ 1,123,839
Due to Primary Government	—	—	39,077	—	—	39,077
Amounts Held for Other Component Units	—	—	—	—	162,860	162,860
Other Liabilities	5,913	—	1,876	—	—	7,789
Long-term Liabilities (Current and Noncurrent portions)	1,889,340	18,458	1,447,972	4,258	40,645	3,400,674
Total Liabilities	2,059,028	21,818	2,221,306	16,851	415,236	4,734,239
Deferred Inflows of Resources	25,370	—	811,251	10,381	—	847,002
Net Position:						
Net Investment in Capital Assets	17,874	—	549,887	138	14,098	581,998
Restricted	839,374	41,044	389,037	45,822	4,426,856	5,742,134
Unrestricted	17,174	—	2,260,230	26,834	109,020	2,413,257
Total Net Position	874,422	41,044	3,199,154	72,795	4,549,974	8,737,389
Total Liabilities, Deferred Inflows and Net Position	\$ 2,958,820	\$ 62,862	\$ 6,231,711	\$ 100,027	\$ 4,965,210	\$ 14,318,630
Condensed Statement of Activities						
Program Expenses:						
Depreciation	\$ 605	\$ —	\$ 135,660	\$ 847	\$ 2,122	\$ 139,235
Payments to Primary Government	—	—	72,182	—	272,226	344,408
Other	283,942	4,778	3,697,367	108,118	57,926	4,152,132
Total Program Expenses:	284,547	4,778	3,905,209	108,966	332,274	4,635,774
Program Revenues:						
Charges for Goods and Services	7,994	2,020	3,951,733	170	—	3,961,918
Investment and Interest Income	57,088	1,376	—	—	(466,213)	(407,749)
Operating Grants and Contributions	208,454	—	—	106,681	378,420	693,555
Miscellaneous	16,719	30	76,213	—	4,404	97,366
Total Program Revenues	290,255	3,427	4,027,946	106,852	(83,390)	4,345,089
Net Program Revenue/(Expense)	5,708	(1,352)	122,737	(2,114)	(415,664)	(290,685)
General Revenues:						
Interest and Investment Earnings	(93,404)	—	(221,598)	(569)	—	(315,571)
Miscellaneous	—	—	57,569	3,031	—	60,600
Contributions to Endowments	—	—	13,799	—	—	13,799
Change in Net Position	(87,696)	(1,352)	(27,493)	348	(415,664)	(531,858)
Net Position, Beginning of Year	962,118	42,396	3,226,647	72,447	4,965,639	9,269,246
Net Position, End of Year	\$ 874,422	\$ 41,044	\$ 3,199,154	\$ 72,795	\$ 4,549,974	\$ 8,737,389

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 2021 Annual Comprehensive Financial Report to the beginning-of-year amounts reported for Fiscal Year 2022 (in thousands):

A. Fund Statements – Governmental Funds

	Major Funds		Nonmajor Funds	Total Governmental
	General	Transportation		
Fund Balances at June 30, 2021 as reported in the 2021 Annual Comprehensive Financial Report	\$ 1,180,415	\$ 1,041,061	\$ 2,112,819	\$ 4,334,296
Enterprise fund reclassification	2,105			\$ 2,105
Correction of Accounts Payable	3,269			\$ 3,269
Correction of accounts receivable		1,675		\$ 1,675
Revenue Corrections			47	\$ 47
Fund Balances July 1, 2021 as restated	<u>\$ 1,185,789</u>	<u>\$ 1,042,737</u>	<u>\$ 2,112,866</u>	<u>\$ 4,341,392</u>
Effect of adjustments on the amount of excess revenues and other sources over expenditures and other uses of Fiscal Year 2021	\$ 3,269	\$ 1,675	\$ 47	\$ 4,991

B. Fund Statements – Proprietary Funds

	Major Funds			Nonmajor Funds	Total Enterprise	Internal Service Funds
	Environmental Improvement	University of Wisconsin System	Unemployment Reserve			
Net Positions at June 30, 2021 as reported in the 2021 Annual Comprehensive Financial Report	\$ 2,174,848	\$ 6,000,279	\$ 1,151,759	\$ 2,352,188	\$ 11,679,074	\$ (428,001)
Adoption of GASB Statement No. 87, Leases	—	(1,465)	—	—	(1,465)	—
Adjustments to assets and liabilities	—	—	—	(5,309)	(5,309)	—
Enterprise fund reclassification	—	—	—	(2,098)	(2,098)	—
Capital assets adjustments	—	—	—	(563)	(563)	—
Net Positions July 1, 2021 as restated	<u>\$ 2,174,848</u>	<u>\$ 5,998,814</u>	<u>\$ 1,151,759</u>	<u>\$ 2,344,217</u>	<u>\$ 11,669,639</u>	<u>\$ (428,001)</u>
Effect of adjustments on the amount of net increase (decrease) in net positions of Fiscal Year 2021	\$ —	\$ —	\$ —	\$ (5,873)	\$ (5,873)	\$ —

C. Government-wide Statements

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
Net Positions at June 30, 2021 as reported in the 2021 Annual Comprehensive Financial Report	\$ 19,555,404	\$ 11,598,329	\$ 31,153,733	\$ 9,270,820
Capital asset corrections	(4,080)	—	(4,080)	—
Enterprise fund reclassification	(7)	(2,098)	(2,105)	—
Liability Correction	2,778		2,778	—
Adoption of GASB Statement No. 87, Leases	—	(1,465)	(1,465)	(1,574)
Other adjustments of assets and liabilities as of June 30, 2021	7,096	(5,873)	1,223	—
Net Positions July 1, 2021 as restated	\$ 19,561,190	\$ 11,588,894	\$ 31,150,084	\$ 9,269,246
Effect of adjustments on the amount of net increase (decrease) in net positions of Fiscal Year 2021	\$ 3,689	\$ (5,873)	\$ (2,184)	\$ —

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 \$0.6 million on June 30, 2022 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, 2022.

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. DHS partially disagreed with the report. The Centers for Medicare and Medicaid Services (CMS) reviewed the report and determined that DHHS underreported the settlement and requested that DHS refund \$31.0 million to the federal government. In February 2021 DHS submitted a formal objection letter to CMS and in August 2022 CMS issued a disallowance in the amount of \$24.9 million. DHS intends to appeal this disallowance.

St. Mary's Springs Academy filed a just compensation appeal against the Department of Transportation (DOT). The issue is the amount of compensation to St. Mary's Springs Academy for property acquisition as part of a highway project. Depending on the verdict, DOT may be liable for additional damages and attorney's fees. It is believed that the maximum total liability would be approximately \$1.8 million because of damages already paid by DOT. It is the State's position that it is not liable for any new compensation or fees and costs of St. Mary's. The State is vigorously defending this case, with mediation scheduled for December 2022 and a trial scheduled for March 2023.

KJS Amoco Inc. filed a civil lawsuit against DOT for relocation benefits due to commercial displacement following DOT's total acquisition of leased property. The plaintiff is seeking payment of approximately \$11.4 million. DOT successfully obtained dismissal of a second plaintiff and the claims of that plaintiff. Cross motions for summary judgement on the remaining claim have been filed and are in the process of being briefed, with a trial date not yet scheduled. It is the State's position that it is not liable for this claim and is vigorously defending this case.

At the end of FY 2022, the Unemployment Reserve Fund, administered by the Department of Workforce Development (DWD), had a backlog related to weekly claims filed. DWD accrued a liability in the Unemployment Reserve Fund for benefits paid through October 31, 2022 that were related to weeks prior to June 30, 2022. However, an estimate of payments related to the remaining backlog, totaling 5,926 adjudication issues and 1,369 appeals as of October 30, 2022, cannot be estimated and therefore a liability for these claims has not been reported.

A class action lawsuit alleging discrimination under the Rehabilitation Act and the ADA as well violation of the "when due" clause of the Social Security Act and the Due Process Clause of the Fourteenth Amendment was filed against the DWD in September 2021. The plaintiffs seek to invalidate Wis Stat. 108.04(12)(f) and 108.04(2)(h) which prohibit recipients of social security disability insurance payments from receiving regular unemployment compensation benefits. In addition to an injunction, the plaintiffs seek back payments for any weeks that members of the class would have been eligible for regular unemployment benefits, excluding the weeks for which they received PUA instead, and reimbursement for any collection costs and penalties.

The case was pled as a class action, but the State successfully moved for an order allowing the district court to rule on a summary judgement motion first. That summary judgement motion is now pending, which seeks complete dismissal of the case.

Several employees of the Department of Corrections (DOC) filed a Wis. Stat. Chapter 109 wage claim action against DOC seeking unpaid wages for tasks they claim are integral and indispensable to their primary work duties. The plaintiffs are seeking class action certification, which was granted in September 2022 by the circuit court. DOJ has appealed the decision certifying the class, with an opening brief due in December 2022. The State is vigorously defending its position.

In FY 2020, Intersystems Corporation filed a claim against the Department of Revenue (DOR) asserting that DOR owed Intersystems Corporation a refund of \$73.9 million plus interest for 2010-2017. The issue is whether or not fees from sublicensing software sold to Epic, who is domiciled in Wisconsin, may be treated as Wisconsin sales in the sales factor. The case is currently being appealed to the Wisconsin Tax Appeals Commission, but DOR believes that its position is meritorious and will defend the matter vigorously.

In FY 2022, Caidan Enterprises Incorporated filed a claim against DOR asserting that DOR owed Caidan approximately \$15.0 million in income tax and interest for the 2015-2018 tax years because Caidan should not pay taxes on gain that was not unitary. The case is currently being appealed to the Wisconsin Tax Appeals Commission, but DOR believes the gain was not unitary and will defend the matter vigorously.

B. Commitments

Primary Government

As of June 30, 2022, encumbrances of the General Fund totaled \$1.9 billion, encumbrances of the Transportation Fund totaled \$2.1 billion, and encumbrances of other non-major governmental funds totaled \$216.2 million. Obligations at June 30, 2022 representing multi-year, long-term commitments included (in thousands):

Transportation Fund	\$	565,961
Capital Improvement Fund – WisDOT Harbors, Rails and Highway Programs		30,515
Transportation Revenue Bonds Capital Projects Fund		30,770
General Fund – Housing Programs		81,987

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 \$257.6 million as of June 30, 2022. 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, 2022 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, 2022, the appropriation available totaled \$75.4 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 ACFR are certified by the Wisconsin Economic Development Corporation (WEDC), a separate legal entity also reported as a component unit in the ACFR. 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.

State Agency Programs	Authority	Purpose	Tax Abated	Primary Criteria	Mechanism	Abatement Calculation	Recapturing Abatements
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
WHEDA Programs	Authority	Purpose	Tax Abated	Primary Criteria	Mechanism	Abatement Calculation	Recapturing Abatements
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	<p>Incent new and expanding businesses in the cities of Beloit, Janesville, and Kenosha</p> <p>Incent the creation of jobs for target group members</p>	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>	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 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
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 ¹	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

¹ 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, 2022 (in millions):

	Amount
State Agency Administered Program	
Historical Homeowners Tax Credit	\$ 1.6
WEDC Administered Programs	
Business Development Credit *	12.2
Development Opportunity Zone Tax Credit	0.3
Enterprise Zone Tax Credit	74.8
Qualified New Business Venture	8.7
Historical Preservation Tax Credit	14.7
Total State Agency and WEDC:	\$ 112.3

* 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 February 2022, the State entered into a forward delivery bond purchase agreement for the issuance of general obligation refunding bonds and a preliminary closing for those bonds occurred in March 2022. Subject to the forward delivery agreement, the State expects to issue \$125.8 million of 2023 Series 1 general obligation refunding bonds in January 2023 to be used for the current refunding of certain principal of previously issued general obligation bonds. When issued, the interest rates are expected to be 5.0 percent payable semiannually beginning November 1, 2023. The bonds mature May 1, 2024, May 1, 2027, and May 1, 2028.

In July 2022, the State issued \$134.8 million of 2022 Series A general obligation floating rate notes to be used for the acquisition, construction, development, extension, enlargement or improvement of land, water, property, highways, buildings, equipment of facilities for public purposes. The interest rates associated with these notes are variable rate with interest payable monthly beginning August 1, 2022. The notes mature May 1, 2023 and May 1, 2025.

In October 2022, the State issued \$54.1 million of 2022 Series 3 general obligation refunding bonds to be used for the current refunding of certain principal of previously issued general obligation bonds. The interest rate associated with these bonds was set at 5.0 percent payable May 1, and November 1, 2023. The bonds mature November 1, 2023.

In November 2022, the State issued \$257.1 million of 2022 Series 4 general obligation refunding bonds to be used for the current and advance refunding of certain principal of previously issued general obligation bonds. The interest rates associated with these bonds were set at 5.0 percent payable semiannually beginning May 1 2023. The bonds mature annually beginning May 1, 2025 through May 1, 2043.

In November 2022, the State issued \$20.6 million of 2022 Series 5 general obligation refunding bonds (taxable) to be used for the advance refunding of certain principal of previously issued general obligation bonds. The interest rates associated with these bonds were set at 4.8 percent to 5.7 percent payable semiannually beginning May 1, 2023. The bonds mature May 1, 2027, May 1, 2028, May 1, 2031, and then annually beginning May 1, 2033 through May 1, 2037.

Environmental Improvement Fund Revenue Bonds – In November 2022, the State issued \$50.0 million of 2022 Series A environmental improvement fund revenue bonds (green bonds) to make pledged loans for the program. The interest rates associated with these bonds were set at 5.0 percent payable semiannually beginning June 1, 2023. The bonds mature annually beginning June 1, 2024 through June 1, 2043.

Short-term Debt

General Obligation Notes – In August 2022, the State issued \$73.5 million of general obligation extendible municipal commercial paper notes to be used to finance, or to fund previously issued general obligation extendible municipal commercial paper notes.

Investments

In December 2022, the State became aware that one of its limited partnership investments, the Blackstone Real Estate Income Trust (BREIT), had received repurchase requests in the third quarter of 2022 that exceeded the 2% of NAV monthly redemption limit and 5% of NAV quarterly limitation for the fund. Consequently, BREIT repurchased approximately 43% of each investor's repurchase request in November 2022. In December 2022, redemption restrictions were implemented and only 0.3% of the fund NAV will be eligible for repurchase. If BREIT receives elevated repurchase requests in the first quarter of 2023, Blackstone intends to fulfill repurchases at the 2% of NAV monthly limit, subject to the 5% of NAV quarterly limit. As of June 30th, 2022, the Common School Fund had approximately \$66.0 million invested in BREIT. In August 2022, the Common School Fund redeemed approximately \$10.0 million of shares in BREIT. The Common School Fund has no intention of selling additional shares of BREIT at this time.

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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	2019	2020	2021
Total OPEB Liability:					
Service cost	\$ 72.1	\$ 58.0	\$ 40.3	\$ 48.5	\$ 52.5
Interest	23.6	27.1	21.7	24.5	14.9
Difference between expected & actual experience	(4.1)	0.8	65.1	(40.1)	92.1
Changes of assumptions	(109.3)	(224.8)	56.7	(16.6)	(41.2)
Benefit payments	(38.4)	(40.8)	(40.9)	(56.8)	(47.4)
Net Change in Total OPEB Liability	(56.1)	(179.7)	142.9	(40.5)	70.9
Total OPEB Liability – Beginning	775.4	719.3	539.6	682.5	642.0
Total OPEB Liability – Ending	\$ 719.3	\$ 539.6	\$ 682.5	\$ 642.0	\$ 712.9
Covered-employee payroll	\$ 3,690.7	\$ 3,729.7	\$ 3,905.8	\$ 4,030.8	\$ 4,107.0
Total OPEB Liability as a percentage of covered-employee payroll	19.49 %	14.47 %	17.47 %	15.93 %	17.36 %

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).

Note to preceding required supplementary information - State Health Insurance Program

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.

Postemployment Benefits - State Life Insurance Program

Schedule of Changes in the Total OPEB Liability/(Asset) and Related Ratios (in millions)

As of the Measurement Date December 31

	2017	2018	2019	2020	2021
Total OPEB Liability:					
Service cost	\$ 26.2	\$ 30.7	\$ 25.4	\$ 36.3	\$ 46.3
Interest	30.7	31.2	33.2	29.9	27.4
Difference between expected & actual experience	(5.3)	(17.5)	(6.1)	(10.4)	3.2
Changes of assumptions	49.0	(94.9)	223.0	138.5	13.4
Benefit payments	(17.7)	(19.5)	(19.9)	(24.7)	(23.7)
Net Change in Total OPEB Liability	82.9	(70.1)	255.6	169.6	66.6
Total OPEB Liability - Beginning	762.6	845.5	775.5	1,031.1	1,200.7
Total OPEB Liability - Ending	845.5	775.5	1,031.1	1,200.7	1,267.3
Plan Fiduciary Net Position:					
Contributions from employers	1.4	1.4	1.2	1.5	1.7
Transfer from active life insurance program	—	—	13.1	—	—
Net investment income	11.6	10.9	10.4	9.8	8.7
Administrative expense	(0.7)	(0.7)	(0.8)	(0.9)	(0.9)
Benefit payments	(17.7)	(19.5)	(19.9)	(24.7)	(23.7)
Net change in Plan Fiduciary Net Position	(5.4)	(8.0)	4.0	(14.3)	(14.2)
Plan Fiduciary Net Position – Beginning	357.4	352.0	344.0	348.0	333.7
Plan Fiduciary Net Position – Ending	352.0	344.0	348.0	333.7	319.5
Collective Net OPEB Liability/(Asset) – Beginning	405.1	493.5	431.5	683.1	867.0
Net change in Collective Net OPEB Liability/(Asset)	88.4	(62.0)	251.6	183.9	80.8
Collective Net OPEB Liability/(Asset) – Ending	\$ 493.5	\$ 431.5	\$ 683.1	\$ 867.0	\$ 947.8
Plan Fiduciary Net Position as a percentage of the total OPEB Liability/(Asset)	41.63 %	44.36 %	33.75 %	27.79 %	25.21 %
Covered-employee payroll	\$ 3,184.0	\$ 3,182.5	\$ 3,299.5	\$ 3,456.5	\$ 3,529.3
Net OPEB Liability as a percentage of covered-employee payroll	15.50 %	13.56 %	20.70 %	25.08 %	26.86 %

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	2019	2020	2021
Contractually required contribution	\$ 1.4	\$ 1.4	\$ 1.1	\$ 1.5	\$ 1.7
Contributions in relation to the contractually required contribution	1.4	1.4	1.1	1.5	1.7
Contribution deficiency	—	—	—	—	—
Covered-employee payroll	\$ 3,184.0	\$ 3,182.5	\$ 3,299.5	\$ 3,456.5	\$ 3,529.3
Contributions as a percentage of covered-employee payroll	0.042 %	0.044 %	0.033 %	0.043 %	0.048 %

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).

Postemployment Benefits - Supplemental Health Insurance Conversion Credit Program

Schedule of Changes in the Total OPEB Liability/(Asset) and Related Ratios (in millions)

As of the Measurement Date December 31

	2017	2018	2019	2020	2021
Total OPEB Liability:					
Service cost	\$ 23.1	\$ 23.4	\$ 25.5	\$ 24.1	\$ 23.5
Interest	65.8	66.0	65.5	64.4	63.7
Difference between expected & actual experience	(31.6)	(41.6)	(55.3)	(47.6)	(36.2)
Changes of assumptions	—	25.2	—	—	120.4
Benefit payments	(56.4)	(55.4)	(52.9)	(49.5)	(52.6)
Net Change in Total OPEB Liability	0.9	17.6	(17.2)	(8.6)	118.8
Total OPEB Liability - Beginning	931.3	932.2	949.8	932.6	924.0
Total OPEB Liability - Ending	932.2	949.8	932.6	924.0	1,042.8
Plan Fiduciary Net Position:					
Contributions from employers	17.9	18.2	14.3	15.1	15.7
Net investment income	141.7	(36.5)	180.2	159.4	200.6
Administrative expense	(0.3)	(0.2)	(0.3)	(0.6)	(0.7)
Benefit payments	(56.4)	(55.4)	(52.9)	(49.5)	(52.6)
Net change in Plan Fiduciary Net Position	102.9	(73.9)	141.3	124.4	163.0
Plan Fiduciary Net Position – Beginning	914.1	1,017.0	943.1	1,084.4	1,208.8
Plan Fiduciary Net Position – Ending	1,017.0	943.1	1,084.4	1,208.8	1,371.8
Collective Net OPEB Liability/(Asset) – Beginning	17.2	(84.8)	6.7	(151.8)	(284.8)
Net change in Collective Net OPEB Liability/(Asset)	(102.0)	91.5	(158.5)	(133.0)	(44.2)
Collective Net OPEB Liability/(Asset) – Ending	\$ (84.8)	\$ 6.7	\$ (151.8)	\$ (284.8)	\$ (329.0)
Plan Fiduciary Net Position as a percentage of the total OPEB Liability/(Asset)	109.10 %	99.29 %	116.28 %	130.82 %	131.55 %
Covered-employee payroll	\$ 4,454.5	\$ 4,562.6	\$ 4,796.1	\$ 5,018.5	\$ 5,215.5
Net OPEB Liability as a percentage of covered-employee payroll	(1.90)%	0.15 %	(3.17)%	(5.68)%	(6.31)%

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 Supplemental Health Insurance Conversion Credit OPEB Plan (in millions)

As of the Measurement Date December 31

	2017	2018	2019	2020	2021
Contractually required contribution	\$ 17.9	\$ 18.2	\$ 14.4	\$ 15.1	\$ 15.7
Contributions in relation to the contractually required contribution	17.9	18.2	14.4	15.1	15.7
Contribution deficiency	—	—	—	—	—
Covered-employee payroll	\$ 4,454.5	\$ 4,562.6	\$ 4,796.1	\$ 5,018.5	\$ 5,215.5
Contributions as a percentage of covered-employee payroll	0.400 %	0.399 %	0.300 %	0.301 %	0.301 %

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).

*In FY 2020 it was determined that the SHICC Program was an OPEB to the State and should've been reported with the implementation of GASB 75. Therefore, FY 2020 was the first year it is reported in the statements.

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:

Fiscal Year*	State's Proportion of the NPL/(NPA) (a)	State's Proportionate Share of the NPL/(NPA) (b)	State's Covered Payroll (c)	State's Share of the NPL/(NPA) as a Percentage of Covered Payroll (b / c)	WRS' Net Position as a Percentage of the Total Pension Liability (d)
2022	(28.5)%	\$ (2,293,804,977)	\$ 4,540,800,913	(50.5)%	106.0%
2021	(28.1)	(1,756,102,234)	4,401,057,149	(39.9)	105.3
2020	(27.7)	(895,288,646)	4,159,693,791	(21.5)	103.0
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.

State's Pension Contributions

The State's pension contributions to the Wisconsin Retirement System are provided below:

Fiscal Year*		State's Actuarially Determined Contributions (a)		State's Contributions Made (b)	Contribution Excess/ (Deficiency) (b - a)	State's Covered Payroll (c)	State's Contributions Made as a Percentage of Covered Payroll (b / c)
2022	\$	333,860,600	\$	333,860,600	\$ —	\$ 4,540,800,913	7.4%
2021		324,683,196		324,683,196	—	4,401,057,149	7.4
2020		292,078,527		292,078,527	—	4,159,693,791	7.0
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.

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 5,100 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)
2022	11,200	7.8	15.0	7.2
2021	11,200	7.5	15.0	7.5
2020	11,200	7.6	15.0	7.4
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

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)
2022	\$ 1,265.2	\$ 688.9	\$ 576.3
2021	939.8	571.4	368.4
2020	828.6	671.0	157.6
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

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)
2022	5,100	2.5	15.0	12.5
2021	5,100	2.3	15.0	12.7
2020	5,200	2.3	15.0	12.7
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

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)
2022	\$ 58.0	\$ 58.6	\$ (0.6)
2021	59.0	77.2	(18.2)
2020	107.3	67.5	39.8
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

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.

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Budgetary Comparison Schedule - General Fund

For the Fiscal Year Ended June 30, 2022

(In Thousands)

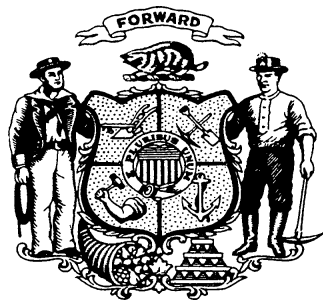
	Original Budget		Final Budget		Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year					\$ 5,308,758
Revenues and Transfers (Inflows):					
Taxes	\$ 17,916,777		\$ 18,957,509		20,578,238
Departmental:					
Tribal Gaming	—		—		—
Other	27,555,746	(A)	27,553,052	(A)	27,498,447
Transfers from:					
Nonmajor Governmental Funds	(A)		(A)		1,939
Nonmajor Enterprise Funds	(A)		(A)		—
Total Revenues and Transfers (Inflows)	\$ 45,472,523		\$ 46,510,561		\$ 48,078,624
Amounts Available for Appropriation					\$ 53,387,382
Appropriations (Outflows):					
Commerce	412,288		599,763		423,974
Education	15,195,985		18,395,419		15,779,830
Environmental Resources	301,996		484,560		331,695
Human Relations and Resources	17,473,214		24,733,064		21,459,946
General Executive	1,248,078		5,367,260		3,049,138
Judicial	154,065		161,149		156,445
Legislative	88,552		88,592		81,695
Tax Relief and Other General	2,831,708		2,876,465		2,758,366
Transfers to:					
Transportation Fund	178,870		178,870		178,870
Nonmajor Governmental Funds	—		—		15,683
Nonmajor Enterprise Funds	—		—		249,666
Total Appropriations (Outflows)	\$ 37,884,756		\$ 52,885,142		\$ 44,485,308
Fund Balances, End of Year					8,902,074
Less Encumbrances Outstanding at June 30, 2022					(2,300,737)
Fund Balances, End of Year - Budgetary Basis					6,601,337
Reconciliation of the End of Year,					
Budgetary Basis, Fund Balance to the Detail					
Reported in the Annual Fiscal Report:					
General Purpose:					
Designated				\$	677,779
Undesignated					4,298,919
Total General Purpose					4,976,698
Program Revenue					1,624,639
Fund Balances, End of Year Budgetary Basis				\$	6,601,337

(A) Interfund transfers to the General Fund were budgeted under departmental revenue during Fiscal Year 2022.

Budgetary Comparison Schedule - Transportation Fund**For the Fiscal Year Ended June 30, 2022**

(In Thousands)

	Original Budget	Final Budget	Actual Amounts
Unexpended Budgetary Fund Balances, Beginning of Year			<u>\$ 845,610</u>
Revenues (Inflows):			
Taxes	\$ 1,160,411	\$ 1,160,411	1,160,411
Departmental	2,061,251	2,061,251	2,061,251
Transfers from:			
General Fund	178,870	178,870	178,870
Nonmajor Governmental Funds	17,019	17,019	17,019
Total Revenues (Inflows)	<u>3,417,551</u>	<u>3,417,551</u>	<u>3,417,551</u>
Amounts Available for Appropriation			<u>4,263,161</u>
Appropriations and Transfers (Outflows):			
Environmental Resources	3,238,105	6,894,649	3,120,983
General Executive	2,135	2,135	1,755
Tax Relief and Other General	23,468	25,179	23,766
Total Appropriations and Transfers (Outflows)	<u>\$ 3,263,708</u>	<u>\$ 6,921,963</u>	<u>3,146,504</u>
Fund Balances, End of Year			<u>1,116,657</u>
Less Encumbrances Outstanding at June 30, 2022			<u>(2,220,641)</u>
Fund Balances, End of Year			
Budgetary Basis			<u><u>\$ (1,103,984)</u></u>



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, 2022 is presented below (in thousands):

	General Fund	Transportation Fund
Fund balance June 30, 2022 (budgetary basis – budgetary fund structure):		
General Purpose Revenue – fund balance per budgetary basis <i>Annual Fiscal Report</i>		
Undesignated fund balance	\$ 4,298,919	
Designated fund balance	677,779	
Total General Purpose Revenue fund balance	4,976,698	
Program Revenue – fund balance per budgetary basis <i>Annual Fiscal Report</i>	1,624,639	
Fund balance June 30, 2022 (budgetary basis – budgetary fund structure) as reported on the budgetary comparison schedule	6,601,337	\$ (1,103,985)
Reclassifications:		
To eliminate encumbrances reported as expenditures under budgetary reporting (<i>basis difference</i>)	2,300,737	2,220,641
To eliminate the effect of uncollected revenue adjustments under budgetary reporting (<i>basis difference</i>)	806,680	
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>)	2,012,800	—
To remove activities reported in another GAAP fund type (<i>perspective differences</i>):		
Enterprise funds (except for the University of Wisconsin System)	2,551	—
University of Wisconsin System	(1,602,074)	—
Internal Service funds	(93,636)	—
Transportation Revenue Bonds capital project fund	—	—
Fund balance June 30, 2022 (GAAP fund structure – budgetary basis, excluding encumbrances treated as expenditures at year end)	10,028,395	1,116,656
Adjustments (<i>basis differences</i>):		
To accrue receivables and establish payables for individual income taxes (net)	(833,669)	—
To defer revenues for gross receipts public utility taxes	(260,486)	—
To adjust revenues and expenditures for tax-related items and other tax credit/aid programs (net)	(713,060)	(497)
To adjust expenditures for the intergovernmental shared revenue program	(498,343)	—
To adjust expenditures for State property tax credit/relief program	(804,917)	—
To record unspent CRF and ARPA funds as unearned as of 6/30/2022	(2,141,940)	—
To accrue unpaid Medicaid payments to providers (net of receivable from federal government)	(127,928)	—
To adjust revenues and expenditures for certain major Health Services, and Children and Families human services payments to local governments	(174,848)	—
To accrue receivable for Medicaid drug rebates (net of payable to federal government)	211,016	—
To accrue WHISP payments and claims	(73,642)	—
To adjust expenditures/revenues for other Health Services, Workforce Development, Children and Families, and Corrections accruals and deferrals	(21,935)	—
To recognize the tobacco settlement revenue receivable	64,279	—
To adjust expenditures and revenues for State Energy Program and other revolving loan programs	674	—
To adjust revenues and expenditures for other items (net)	(8,114)	201,752
Fund balance June 30, 2022 (GAAP fund structure – GAAP basis) as reported on the governmental fund statements	\$ 4,645,482	\$ 1,317,911

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 statutorily 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 statutorily 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 July 8, 2021 and published on July 9, 2021. 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 Annual Comprehensive Financial Report. Accordingly, a supplementary report is available upon request which provides budgetary comparisons at the legal level of control.

Unexpended appropriation 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.

