



STATE OF WISCONSIN

MONTHLY GENERAL FUND FINANCIAL INFORMATION (FOR MONTH ENDED JUNE 30, 2020)

AND COVID-19 UPDATE

By: Wisconsin Department of Administration
Capital Finance Office
Prepared on August 14, 2020

Table of Contents

1. **Cautionary Information**
2. **State of Wisconsin COVID-19 Update**
3. **General Notes to the Financial Information**
4. **Actual General Fund Cash Flow (Cash Basis)**
This table corresponds to Table II-11, page 48 of the State of Wisconsin Continuing Disclosure Annual Report dated December 27, 2019.
5. **Historical General Fund Cash Flow (Cash Basis)**
This table corresponds to Table II-12, page 49, of the State of Wisconsin Continuing Disclosure Annual Report dated December 27, 2019.
6. **General Fund Receipts and Disbursements Year-To-Date Compared to Estimates and Previous Fiscal Year (Cash Basis) – As of June 30, 2020**
This table corresponds to Table II-13, page 51, of the State of Wisconsin Continuing Disclosure Annual Report dated December 27, 2019.
8. **General Fund Monthly Cash Position (Cash Basis)**
This table corresponds to Table II-14, page 52 of the State of Wisconsin Continuing Disclosure Annual Report dated December 27, 2019.
9. **Cash Balances in Funds Available for Temporary Reallocation**
This table corresponds to Table II-15, page 53, of the State of Wisconsin Continuing Disclosure Annual Report dated December 27, 2019.
10. **General Fund Recorded Revenues (Agency-Recorded Basis)**
This table corresponds to Table II-16, page 55, of the State of Wisconsin Continuing Disclosure Annual Report dated December 27, 2019.
11. **General Fund Recorded Expenditures by Function (Agency-Recorded Basis)**
This table corresponds to Table II-17, page 57, of the State of Wisconsin Continuing Disclosure Annual Report dated December 27, 2019.
12. **Endnotes**
13. **Additional Information**
This includes information on other resources available from the State of Wisconsin.

Cautionary Information

Users of this information should be cautioned about several points:

The General Fund financial information in this document has been prepared using what is believed to be the best available data as of its date. The tables in this document have been prepared using the same procedures used to prepare similar information for the State of Wisconsin Continuing Disclosure Annual Report, Official Statements prepared for specific securities, or reports filed in conjunction with various securities. This information is, however, preliminary in nature and subject to change.

- This information is unaudited and is not a “financial statement.” None of the data presented here has been subjected to customary fiscal period closing procedures or the procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- This information speaks only as of the date on which it was prepared. The State is not obligated to update any of this information unless so required by undertakings related to its Continuing Disclosure Annual Report.
- Information classified as “actual”, and any difference from any prior estimate, does not signify a change to official estimates. Any official revenue or expenditure re-estimates that do occur will be separately identified and, if material, appropriately noted.
- The information is not intended to reflect the State’s projected budgetary balance for FY20 or FY21.
- Projections of results for dates after the date this information is prepared are forward looking. Actual results will almost certainly differ.
 - It is important to note that cash flow projections are expressed on a *cash basis* while the tax revenue collection estimates released by the Department of Revenue (**DOR**) and the Legislative Fiscal Bureau (**LFB**) are expressed on a *budgetary basis* and net of any refunds.
 - Projections are not adjusted to reflect actual revenues and expenditures and routine variability in the timing of receipts and disbursements, but may be adjusted to reflect unique events.
 - Projections of remaining fiscal year cash flow may be adjusted when necessary to reflect unforeseen events or additional revised forecasts of the General Fund condition statement.
 - Projections as of the date of this report do not reflect fiscal effects of the COVID-19 pandemic.
- Data in the tables of financial information are subject to revision and reclassification for prior periods. This is particularly true for revenue data, where proper classification depends on tax returns which are received and processed significantly after the tax payments are received through electronic transfers.
- Some information is presented on a cash basis of accounting while other data is presented on a budgetary or agency-recorded basis. Users should not compare information that is presented on one basis of accounting with information that is presented on a different basis of accounting.
- Comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month. In addition, comparison of year-to-date annual General Fund financial information also has many inherent problems due to the potential of different revenue and budget provisions for each fiscal year.
- The presence of information here does not imply the State of Wisconsin made any determination as to its materiality.
- None of the information in these tables of financial information is required by the State of Wisconsin’s continuing disclosure undertakings pursuant to Securities and Exchange Commission (**SEC**) Rule 15c2-12; however, this information is being filed with the Municipal Securities Rulemaking Board’s (**MSRB**) Electronic Municipal Market Access (**EMMA**) system as an additional / voluntary filing.
 - This information is not, and does not replace, a listed event required by SEC Rule 15c2-12.
 - This information is not, and does not replace, the annual financial information required by SEC Rule 15c2-12.

State of Wisconsin COVID-19 Update (August 13, 2020)

In response to the COVID-19 pandemic, national and State emergency declarations have been put in place, resulting in significant reductions in business, travel, and other economic activity. At this time, only preliminary information on General Fund tax collections for the months of April-June is available.

Past State Declarations and Actions

On March 12, 2020, Governor Tony Evers issued Executive Order #72, which declared a public health emergency and designated the Department of Health Services (**DHS**) as the lead agency to respond to the emergency. Under the Wisconsin Statutes, a state of emergency declared by the Governor cannot exceed 60 days, unless extended by joint resolution of the Legislature. This emergency declaration expired, and the Legislature did not take action on the matter.

In addition, Governor Evers and the Secretary-designee of DHS issued various executive and emergency orders related to the COVID-19 pandemic:

- On March 13, 2020, Governor Evers issued Emergency Order #1, which directed the closure of all public and private schools in the State, effective March 18, 2020.
- On March 17, 2020, Governor Evers issued Emergency Order #5, which, as modified by Emergency Order #8 on March 20, 2020, prohibited gatherings of ten or more persons.
- On March 24, 2020, the Secretary-designee of DHS issued Emergency Order #12 (Safer at Home Order), which ordered all individuals present within the State to stay at their place of residence through April 24, 2020, with exceptions for essential activities, and to maintain social distancing of at least six feet from any other person, except for household members living in the same unit.
- On April 16, 2020, the Secretary-designee of DHS issued Emergency Order #28, which extended the Safer at Home Order to May 26, 2020 with additional exceptions for essential and other activities.
- On April 20, 2020, the Secretary-designee of DHS issued Emergency Order #31, which included an initiative (referred to as the “Badger Bounce Back”) for the State to adopt a phased approach to re-opening its economy and society with incrementally fewer restrictions on businesses and individuals while protecting the public from COVID-19.

All Executive Orders and Emergency Orders related to COVID-19 are available on the following web site: <https://evers.wi.gov/Pages/Newsroom/Executive-Orders.aspx>. The web site is provided for the convenience of the reader only and is not incorporated by reference into this report. While many of these Executive Orders and Emergency Orders have expired and are no longer in effect, they are mentioned in this summary as their financial impact on the State has not been fully determined.

As part of the State’s plan to reopen the economy, Governor Evers announced that nearly all nonessential businesses would be allowed to re-open with certain capacity limitations on May 11, 2020.

The State’s Legislature filed a lawsuit in the State Supreme Court challenging the validity of Emergency Order #28. On May 13, 2020, the State Supreme Court overturned many provisions of the Emergency Order #28 and its extension of the Safer-At Home Order. This ruling struck down the State ban on business closures and public gatherings. Any further plans from DHS to place restrictions are to be approved by the State’s Legislature prior to implementation. Some local governments implemented stay-at-home orders following the Supreme Court order, but later rescinded such orders.

The United States Internal Revenue Service announced on March 21, 2020 that the deadline for filing federal income tax returns is being extended from April 15, 2020, to July 15, 2020, and that tax payments otherwise due on April 15 will not be due until July 15. The Wisconsin Department of Revenue (**DOR**) adopted the federal deadlines and due dates for State income and franchise tax returns and payments. During the period of the extension, no penalties were incurred, and no interest accrued for payments otherwise due.

Status of Federal Aid

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (**CARES Act**). The CARES Act contains numerous provisions that authorize payments to individuals, businesses, and governments, including the establishment of a Coronavirus Relief Fund. LFB initially identified up to \$2.3 billion of federal funds that the State and local units of government in the State may receive from the Coronavirus Relief Fund, based on 2019 population estimates.

As of June 30, 2020, the State has received approximately \$2.0 billion of funds from the Coronavirus Relief Fund, and Governor Evers has announced plans to set aside approximately nearly \$1.8 billion of these funds for expenditures in the State related to COVID-19, which includes the “Routes to Recovery: Local Government Aid Grants” program of grants to Wisconsin counties, cities, villages, towns, and tribal nations for reimbursements for certain unbudgeted expenditures incurred because of COVID-19. In addition, as of June 30, 2020, approximately \$75 million of the assistance from the Coronavirus Relief Fund had been allocated to expenditures related to COVID-19, and other expenditures have been incurred, but not yet reimbursed with such assistance.

The Coronavirus Relief Fund is just one component of the CARES Act and other federal funds may be available pursuant to other provisions of the CARES Act or future federal legislation. Under current law, most CARES Act funds must be expended by December of 2020.

Current Declarations and State Actions

On July 30, 2020 Governor Evers signed Executive Order #82, declaring a Public Health Emergency and issued Emergency Order#1, which requires individuals to wear face coverings when indoors and not in a private residence.

Certain restrictions limiting capacity at public places and businesses are still in place for the cities of Milwaukee and Madison and other municipalities.

State Legislative and Budget Actions

On April 15, 2020, Governor Evers signed 2019 Wisconsin Act 185, which was adopted by the Legislature in an extraordinary session and includes several amendments to State law in response to the pandemic. The State expects that additional actions will be taken by federal, State, and local governments and private entities to mitigate the spread of and effects of COVID-19, and such actions may result in additional General Fund expenditures. Any such additional State legislation would need to be adopted by the Legislature and approved by the Governor before it becomes effective.

On April 28, 2020, the Secretary of Administration directed State agencies to reduce general fund expenditures for the 2019-20 fiscal year by 5%. The reduction is in addition to prior restrictions on employee travel, a hiring freeze with exceptions for COVID-19-related positions and those essential for business functions, and suspension of discretionary merit compensation. This reduction only applies to State operations and not to local assistance, aid to individuals or organizations.

On July 22, 2020, Governor Evers directed that the Secretary of Administration work with State agencies to identify and additional \$250 million of cost savings for the 2020-21 fiscal year.

Because the effects of COVID-19 started in recent months and the duration and the breadth of the effects of COVID-19 are not yet known, the total economic impact on the State, including General Fund tax collections and General Fund cash flows for fiscal years 2019-2020 and 2020-21, cannot be determined at this time. Neither DOR nor LFB has released any projections of changes in General Fund tax collections or the General Fund condition statement. However, the pandemic and the emergency responses resulted in closures of restaurants, bars, malls, theatres, and other businesses, reductions in travel, and cancellations of numerous events as well as reduced aggregate demand for certain services, worker layoffs, furloughs, and reductions in hours, and supply shortages.

It is likely that the full financial impact of COVID-19 on the State, the State’s economy, and the State’s financial position will change as circumstances and events evolve. It is not possible at present to project with a reasonable degree of certainty the impact on State revenues, expenditures, reserves, budget, or financial position. The information in this summary is subject to change without notice and only speaks as of its date. While it may be, some time before it can determine the full economic and financial impact of

the COVID-19 pandemic, the State intends to file any appropriate reports from DOR or LFB on the EMMA system of the MSRB.

LFB Preliminary April, May, and June General Fund Tax Collections

LFB has released the following memoranda that provides preliminary information on General Fund tax collections for April, May, and June 2020.

- On May 6, 2020, LFB released a memorandum that provided preliminary information on General Fund tax collections for April 2020, which were approximately \$870 million less than General Fund tax collections in April 2019.
- On June 10, 2020, LFB released a memorandum that provided preliminary information on General Fund tax collections for May 2020, which were approximately \$66 million less than General Fund tax collections in May 2019.
- On July 9, 2020, LFB released a memorandum that provided preliminary information on General Fund tax collections for June 2020, which were approximately \$370 million less than General Fund tax collections in June 2019.

LFB notes that for the 12 months of the 2019-20 fiscal year, preliminary information for General Fund tax collections is \$749 million, or 4.7%, below those over the same 12 months of the 2018-19 fiscal year. None of the LFB memoranda identified the amount of revenues that might be delayed until July 2020 due to the extension of the income tax filing to July 2020 from April 2020, and the amount of revenues that are lost as a result of the COVID-19 pandemic. However, income and franchise tax returns and estimated payments filed by July 15 will accrue to the 2019-20 fiscal year. As a result, preliminary final collections for 2019-20 will not be known before late August 2020.

Additional details of these preliminary April, May, and June 2020 collections from the LFB memoranda are outlined below:

- Preliminary individual income tax collections for April 2020 were \$676 million lower than those collected in April 2019, \$4 million lower for May 2020 compared to those collected in May 2019, and \$246 million lower for June 2020 compared to those collected in June 2019. LFB notes that most of the decline individual income tax collections is likely caused by the delayed filing dates for estimated payments and final payments.
- Sales tax collections reported for April 2020 generally reflect taxes paid for retail sales occurring in March 2020. Sales tax collections for April 2020 were lower than April collections in the previous year by \$48 million. Likewise, sales tax collections reported for May 2020 generally reflect taxes paid for retail sales occurring in April 2020. Sales tax collections for May 2020 were lower than May collections in the previous year by \$46 million. Sales tax collections reported for June 2020 generally reflect taxes paid for retail sales occurring in May 2020. Sales tax collections for June 2020 were lower than June collections in the previous year by \$9 million.
- Corporate income/franchise tax collections for April 2020 were \$177 million lower than those collected in April 2019, \$14 million more in May 2020 compared to May 2019, and \$108 million less in June 2020 compared to June 2019. LFB notes that most corporate tax collections are paid to the state as estimated payments, and similar to individual income tax collections, most corporations have likely taken advantage of the filing date extension and will wait to make payments until the July date. LFB also notes the corporate tax collections are generally due for most filers in April, June, September, and December. As a result, the collections for May is a relatively less significant month for comparing changes to corporate tax collections.

With respect to the projected 2019-20 fiscal year General Fund condition statement, the LFB memoranda stated the following:

- Due to the COVID-19 pandemic, General Fund tax collections are likely to be less than those included in the 2019-21 biennial budget for that fiscal year. An expected transfer of \$189 million to the Budget Stabilization Fund from the general fund for the 2019-20 fiscal year, as identified in

a report released by LFB in January 2020, is now unlikely. The funds will likely remain in the General Fund.

- Other actions taken to mitigate the decline in the 2019-20 General Fund balance include the administration's direction for agencies to lapse or transfer 5% (approximately \$70 million) from appropriations to the General Fund and the re-amortization of variable rate debt that will reduce the scheduled reduction of such obligations from General Fund appropriations by \$66 million.

The LFB memoranda do not provide any forecast or updated estimates of General Fund tax collections and General Fund condition statement, although the recent memoranda indicate that the gross General Fund balance at June 30, 2020 may be less than the projections released by LFB in January 2020. The July 9, 2020 memorandum indicates that the next report from LFB will likely be at the end of August when preliminary actual tax collections for the 2019-20 fiscal year are available.

General Notes to the Financial Information

- **Impact of COVID-19.** Many of the tables in this document include information as of June 30, 2020, and many of the tables in this document include projections and estimates that were made prior the start of COVID-19 pandemic and its impact on the State. See the section entitled “State of Wisconsin COVID-19 Update” for information on actions the State has taken in response to this epidemic and the potential impacts of the epidemic on the State.
- **Updated General Fund Condition Statement and Revenue Estimates – FY20.** The LFB released a report on January 23, 2020 (**January 2020 LFB Report**) that included estimated General Fund condition statement and updated General Fund tax revenue collections for both years of the 2019-21 biennium. The provisions of the January 2020 LFB Report were prepared prior to, and do not reflect, the COVID-19 pandemic. For additional detail, see section titled “State of Wisconsin COVID-19 Update.”

Pursuant to that January 2020 LFB Report, the net ending balance for FY20 was expected to be \$355 million greater than the projections included in the 2019-21 biennial budget (**2019 Wisconsin Act 9**). The estimated General Fund tax revenues for FY20 were expected to be \$358 million (or 2.1%) greater than General Fund tax revenues in FY19 and \$396 million greater than the projections included in the 2019 Wisconsin Act 9.

The next page contains the estimated General Fund condition statement and General Fund tax collections from the January 2020 LFB Report, which include for comparison both the projections for FY20 as included in 2019 Wisconsin Act 9 and the actuals for FY19. As stated above, the provisions of the January 2020 LFB Report were prepared prior to, and do not reflect, the COVID-19 pandemic. For additional detail, see section titled “State of Wisconsin COVID-19 Update.”

The State filed the January 2020 LFB Report with the MSRB through its EMMA system, and a copy is available from the Capital Finance Office websites.

- **Actual FY20 General Fund Tax Revenues and Disbursements.** Compared to projections in the monthly General Fund flows reflecting from the enacted budget bill as updated with the January 2020 LFB Report, the actual FY20 General Fund tax receipts (cash basis) for the period ending June 30, 2020 were higher by \$332 million. Compared to the same period for FY19, General Fund tax receipts (cash basis) were lower by \$262 million. Regarding fiscal year disbursements, the actual FY20 General Fund disbursements (cash basis) for the period ending June 30, 2020 were higher than projections by \$247 million. Compared to the same period for FY19, disbursements increased by \$1.5 billion.
- **Receipt of Cares Act Funds/June 30, 2020 General Fund Cash Balance.** The June 30, 2020 General Fund cash balance of \$4.0 billion reflects receipt, as of June 30, 2020, of approximately \$2.0 billion of federal Cares Act assistance. In addition, as of June 30, 2020, approximately \$75 million of this Cares Act assistance had been allocated to expenditures related to COVID-19 and other expenditures have been incurred, but not yet reimbursed with Cares Act assistance.
- **FY21 General Fund Cash Flows.** While General Fund cash flow projections for FY21 have been prepared by the State, they are not being disclosed at this time since they reflect only 2019 Wisconsin Act 9 and January 2020 LFB Report, and have not yet been updated to reflect the expected impact on the State from the COVID-19 pandemic.
- **Tax Filing Update.** As of July 18, 2020, the total number of State of Wisconsin tax returns completely processed in CY20 was similar to those processed during the same time in CY19. The total number of refunds issued in CY20 is 4% higher when compared to CY19. The average dollar amount of refunds was \$734 which is an 10% increase from CY19 levels. The portion of processed returns with refunds increased to 82%, which had been 79% at the same time in CY19. Due to the COVID-19 emergency, the State extended its tax filing deadline to July 15, 2020 without interest or penalty.

**ESTIMATED FY20
GENERAL FUND CONDITION STATEMENT
(in Millions)**

	FY19 Annual <u>Fiscal Report</u>	FY20*	
		2019 <u>Wisconsin Act 9</u>	January 2020 <u>LFB Report</u>
Revenues			
Opening Balance	\$ 588.5	\$ 947.7	\$ 1,086.8
Taxes	238.5	17,303.6	17,699.1
Department Revenues	17,341.4		
Tribal Gaming	29.0	23.8	24.6
Other	<u>501.7</u>	<u>540.5</u>	<u>535.9</u>
Total Available	\$18,699.1	\$18,815.6	\$19,346.5
Appropriations			
Gross Appropriations	\$17,964.3	\$18,386.9	\$18,386.9
Compensation Reserves	40.5	13.4	13.4
Transfers	363.3	43.3	232.6
Less: Lapses	<u>(755.8)</u>	<u>(420.2)</u>	<u>(420.4)</u>
Net Appropriations	\$17,612.2	\$18,023.4	\$18,198.8
Balances			
Gross Balance	\$ 1,086.9	\$ 792.3	\$ 1,147.6
Less: Req. Statutory Balance	n/a	<u>(80.0)</u>	<u>(80.0)</u>
Net Balance, June 30	\$ 1,086.9	\$ 712.3	\$ 1,067.6

* Does not reflect the COVID-19 Update. Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues. Did not reflect the ending General Fund balance of the 2018-19 fiscal year, which was \$1,007 million, per the Annual Fiscal Report (budgetary basis) released on October 15, 2019.

**ESTIMATED FY20
GENERAL FUND TAX REVENUE COLLECTIONS
(in Millions)**

	FY19 Annual <u>Fiscal Report</u>	FY20*	
		2019 <u>Wisconsin Act 9</u>	January 2020 <u>LFB Report</u>
Individual Income	\$ 8,994.0	\$ 8,923.1	\$8,950.0
Sales and Use	5,695.5	5,877.3	5,930.0
Corp. Income & Franchise	1,338.1	1,165.5	1,495.0
Public Utility	364.4	366.0	358.0
Excise			
Cigarettes	514.3	515.0	512.0
Tobacco Products	85.5	90.0	90.0
Liquor & Wine	53.6	55.0	55.0
Vapor Products		2.3	2.3
Beer	8.5	8.9	8.3
Insurance Company	194.4	203.0	201.0
Miscellaneous Taxes	<u>92.5</u>	<u>97.5</u>	<u>97.5</u>
TOTAL	\$17,341.4	\$17,303.6	\$17,699.1

* Does not reflect the COVID-19 Update. Reflects 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2019 TO JUNE 30, 2020^(a)
(Cash Basis)
(Amounts in Thousands)

	July	August	September	October	November	December	January	February	March	April	May	June
	2019	2019	2019	2019	2019	2019	2020	2020	2020	2020	2020	2020
BALANCES^(c)												
Beginning Balance	\$ 2,509,532	\$ 1,696,340	\$ 1,631,925	\$ 3,110,416	\$ 3,878,045	\$ 3,076,744	\$ 3,007,283	\$ 3,965,154	\$ 3,496,859	\$ 2,436,180	\$ 4,216,852	\$ 4,272,382
Ending Balance	\$ 1,696,340	\$ 1,631,925	\$ 3,110,416	\$ 3,878,045	\$ 3,076,744	\$ 3,007,283	\$ 3,965,154	\$ 3,496,859	\$ 2,436,180	\$ 4,216,852	\$ 4,272,382	\$ 4,028,316
Lowest Daily Balance ^(d)	\$ 1,423,684	\$ 1,149,561	\$ 1,631,925	\$ 2,768,821	\$ 2,991,765	\$ 1,933,672	\$ 2,603,879	\$ 3,496,859	\$ 2,179,107	\$ 1,781,893	\$ 3,649,749	\$ 3,339,908
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 977,646	\$ 450,182	\$ 1,151,013	\$ 856,978	\$ 502,663	\$ 977,868	\$ 1,227,226	\$ 549,522	\$ 1,097,793	\$ 890,714	\$ 465,784	\$ 990,631
Sales & Use	578,086	557,654	572,319	555,892	515,980	503,381	626,742	463,529	437,355	463,373	438,457	541,003
Corporate Income	50,934	33,646	313,638	62,031	54,209	312,991	88,248	82,451	263,528	110,216	41,302	138,208
Public Utility	39	2	556	22,910	193,659	524	170	47	4	8,225	176,709	6,668
Excise	50,830	66,273	62,536	55,848	59,107	53,335	55,102	46,678	50,440	72,128	39,373	55,405
Insurance	416	3,843	41,448	320	1,572	44,242	2,457	25,224	30,112	47,104	1,876	43,614
Subtotal Tax Receipts	\$ 1,657,951	\$ 1,111,600	\$ 2,141,510	\$ 1,553,979	\$ 1,327,190	\$ 1,892,341	\$ 1,999,945	\$ 1,167,451	\$ 1,879,232	\$ 1,591,760	\$ 1,163,501	\$ 1,775,529
NON-TAX RECEIPTS												
Federal	\$ 959,908	\$ 681,496	\$ 1,214,847	\$ 649,556	\$ 900,685	\$ 882,614	\$ 816,879	\$ 997,804	\$ 768,134	\$ 2,849,461	\$ 887,566	\$ 1,116,809
Other & Transfers	504,975	386,006	747,389	660,743	296,665	488,398	538,632	636,006	541,143	412,817	197,149	477,475
Subtotal Non-Tax Receipts	\$ 1,464,883	\$ 1,067,502	\$ 1,962,236	\$ 1,310,299	\$ 1,197,350	\$ 1,371,012	\$ 1,355,511	\$ 1,633,810	\$ 1,309,277	\$ 3,262,278	\$ 1,084,715	\$ 1,594,284
TOTAL RECEIPTS	\$ 3,122,834	\$ 2,179,102	\$ 4,103,746	\$ 2,864,278	\$ 2,524,540	\$ 3,263,353	\$ 3,355,456	\$ 2,801,261	\$ 3,188,509	\$ 4,854,038	\$ 2,248,216	\$ 3,369,813
DISBURSEMENTS												
Local Aids	\$ 1,609,156	\$ 133,860	\$ 894,453	\$ 79,732	\$ 920,253	\$ 1,314,467	\$ 164,214	\$ 695,651	\$ 1,901,137	\$ 89,693	\$ 287,000	\$ 1,827,518
Income Maintenance	1,093,492	862,355	781,888	831,436	787,037	882,775	874,365	853,942	876,830	980,453	812,582	489,694
Payroll and Related	427,817	543,757	348,625	383,392	632,085	334,117	650,742	532,279	348,368	420,785	445,819	565,611
Tax Refunds	98,807	110,417	102,278	153,084	133,919	240,784	122,034	639,787	628,317	444,544	176,058	142,588
Debt Service	201,441	-	-	143,234	1,334	-	-	2,107	-	526,244	980	-
Miscellaneous	505,313	593,128	498,011	505,771	851,213	560,671	586,230	545,790	494,536	611,647	470,247	588,468
TOTAL DISBURSEMENTS	\$ 3,936,026	\$ 2,243,517	\$ 2,625,255	\$ 2,096,649	\$ 3,325,841	\$ 3,332,814	\$ 2,397,585	\$ 3,269,556	\$ 4,249,188	\$ 3,073,366	\$ 2,192,686	\$ 3,613,879

Note: All footnotes to this table appear at the end of this report in the section entitled "Endnotes".

HISTORICAL GENERAL FUND CASH FLOW
ACTUAL FISCAL YEARS 2016 TO 2020^(a)
(Cash Basis)

(Amounts in Thousands)

	Actual		Actual		Actual		Actual		Actual
	2015-16		2016-17		2017-18		2018-19		2019-20
	<u>Fiscal Year</u>		<u>Fiscal Year</u>		<u>Fiscal Year</u>		<u>Fiscal Year</u>		<u>Fiscal Year</u>
RECEIPTS									
Tax Receipts									
Individual Income	\$ 9,058,349	\$	9,487,657	\$	9,837,742	\$	10,557,272	\$	10,138,020
Sales	5,425,943		5,549,486		5,867,099		6,132,089		6,253,771
Corporate Income	1,173,106		1,151,868		1,070,879		1,519,561		1,551,402
Public Utility	404,820		415,784		416,406		415,047		409,513
Excise	710,742		708,762		689,653		681,262		667,055
Insurance	62,730		204,510		207,953		218,304		242,228
Total Tax Receipts	\$ 16,835,690	\$	17,518,067	\$	18,089,732	\$	19,523,535	\$	19,261,989
Non-Tax Receipts									
Federal	\$ 9,375,674	\$	9,396,361	\$	9,214,957	\$	10,093,533	\$	12,381,818
Other and Transfers	4,790,882		5,673,340		6,113,708		6,241,726		6,151,742
Total Non-Tax Receipts	\$ 14,166,556	\$	15,069,701	\$	15,328,665	\$	16,335,259	\$	18,533,560
TOTAL RECEIPTS	\$ 31,002,246	\$	32,587,768	\$	33,418,397	\$	35,858,794	\$	37,795,549
DISBURSEMENTS									
Local Aids	\$ 8,575,297	\$	9,223,782	\$	9,202,809	\$	9,698,906	\$	9,917,134
Income Maintenance	8,848,420		9,186,111		9,370,303		9,747,283		10,126,849
Payroll & Related	5,126,869		5,000,390		5,174,225		5,333,395		5,633,397
Tax Refunds	2,508,923		2,550,017		2,703,269		2,785,514		2,992,617
Debt Service	952,280		891,234		908,172		914,688		875,340
Miscellaneous	5,300,700		5,427,066		5,902,369		6,396,205		6,811,025
TOTAL DISBURSEMENTS	\$ 31,312,489	\$	32,278,600	\$	33,261,147	\$	34,875,991	\$	36,356,362
NET CASH FLOW	\$ (310,243)	\$	309,168	\$	157,250	\$	982,803	\$	1,439,187

Note: All footnotes to this table appear at the end of this report in the section entitled "Endnotes".

**GENERAL FUND RECEIPTS AND
DISBURSEMENTS YEAR-TO-DATE COMPARED TO
ESTIMATES AND PREVIOUS FISCAL YEAR ^(a)
(Cash Basis)
As of JUNE 30, 2020
(Amounts in Thousands)**

	FY19 through June 30, 2019		FY20 through June 30, 2020			Adjusted Variance ^(f)	Difference FY20 Actual to FY19 Actual
	Actual		Actual	Estimate ^(b)	Variance		
RECEIPTS							
Taxes:							
Ind. Income	\$ 10,557,272		\$ 10,138,020	\$ 9,947,988	\$ 190,032	\$ 190,032	\$ (419,252)
Sales	6,132,089		6,253,771	6,412,181	(158,410)	(158,410)	121,682
Corp. Income	1,519,561		1,551,402	1,238,676	312,726	312,726	31,841
Public Utility	415,047		409,513	425,886	(16,373)	(16,373)	(5,534)
Excise	681,262		667,055	679,114	(12,059)	(12,059)	(14,207)
Insurance	218,304		242,228	225,974	16,254	16,254	23,924
Total Tax Receipts	\$ 19,523,535		\$ 19,261,989	\$ 18,929,819	\$ 332,170	\$ 332,170	\$ (261,546)
Federal	\$ 10,093,533		\$ 12,725,759	\$ 10,449,400	2,276,359	\$ 2,276,359	\$ 2,632,226
Other and Transfers	6,241,726		5,887,397	6,295,990	(408,593)	(408,593)	(354,329)
Total Non-Tax Receipts	\$ 16,335,259		\$ 18,613,156	\$ 16,745,390	\$ 1,867,766	\$ 1,867,766	\$ 2,277,897
TOTAL RECEIPTS	\$ 35,858,794		\$ 37,875,145	\$ 35,675,209	\$ 2,199,936	\$ 2,199,936	\$ 2,016,351
DISBURSEMENTS							
Local Aids	\$ 9,698,906		\$ 9,917,134	\$ 9,867,471	\$ (49,663)	\$ (49,663)	\$ 218,228
Income Maintenance	9,747,283		10,126,849	10,229,501	102,652	102,652	379,566
Payroll & Related	5,333,395		5,633,397	5,626,175	(7,222)	(7,222)	300,002
Tax Refunds	2,785,514		2,992,617	2,986,077	(6,540)	(6,540)	207,103
Debt Service	914,688		875,340	1,003,699	128,359	128,359	(39,348)
Miscellaneous	6,396,205		6,811,025	6,889,984	78,959	78,959	414,820
TOTAL DISBURSEMENTS	\$ 34,875,991		\$ 36,356,362	\$ 36,602,907	\$ 246,545	\$ 246,545	\$ 1,480,371
FY20 VARIANCE YEAR-TO-DATE					\$ 2,446,481	\$ 2,446,481	

Note: All footnotes to this table appear at the end of this report in the section entitled "Endnotes".

GENERAL FUND MONTHLY CASH POSITION ^{(a) (c)}
(Cash Basis)
July 1, 2017 through June 30, 2020 — Actual

(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(e)</u>	<u>Disbursements^(e)</u>
2017	July.....	\$ 1,369,479	\$ 2,817,598	\$ 3,503,499
	August.....	683,578 ^(d)	2,213,505	2,122,310
	September.....	774,773	3,066,043	2,709,334
	October.....	1,131,482	3,015,806	1,894,354
	November.....	2,252,934	2,447,851	2,621,739
	December.....	2,079,046	2,643,697	3,169,822
2018	January.....	1,552,921	3,275,821	1,883,523
	February.....	2,945,219	2,867,326	2,880,688
	March.....	2,931,857	2,419,631	4,221,851
	April.....	1,129,637	3,381,659	2,728,707
	May.....	1,782,589	2,751,853	1,927,755
	June.....	2,606,687	2,517,607	3,597,565
	July.....	1,526,729	3,008,353	3,784,639
	August.....	750,443	2,543,464	2,223,489
	September.....	1,070,418	3,391,628	2,607,829
	October.....	1,854,217	3,022,826	1,944,350
	November.....	2,932,693	2,602,316	2,865,162
	December.....	2,669,847	2,567,700	3,189,593
2019	January.....	2,047,954	3,316,179	2,091,074
	February.....	3,273,059	2,743,358	2,909,387
	March.....	3,107,030	2,714,410	4,122,640
	April.....	1,698,800	4,416,156	3,243,107
	May.....	2,871,849	2,677,757	2,405,885
	June.....	3,143,721	2,854,647	3,488,836
	July.....	2,509,532	3,122,834	3,936,026
	August.....	1,696,340	2,179,102	2,243,517
	September.....	1,631,925	4,103,746	2,625,255
	October.....	3,110,416	2,864,278	2,096,649
	November.....	3,878,045	2,524,540	3,325,841
	December.....	3,076,744	3,263,353	3,332,814
2020	January.....	3,007,283	3,355,456	2,397,585
	February.....	3,965,154	2,801,261	3,269,556
	March.....	3,496,859	3,188,509	4,249,188
	April.....	2,436,180	4,854,038	3,073,366
	May.....	4,216,852	2,248,216	2,192,686
	June.....	4,272,382	3,369,813	3,613,879

Note: All footnotes to this table appear at the end of this report in the section entitled “Endnotes”.

**CASH BALANCES IN FUNDS AVAILABLE FOR
TEMPORARY REALLOCATION ^{(a) (g)}
July 31, 2017 to June 30, 2020 — Actual**

(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool (LGIP) and the second table does include such balances. Though the LGIP is available for temporary reallocations, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of \$2.4 billion during November 2015 to a high of \$5.1 billion during March 2020. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

<u>Month (Last Day)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
January		\$1,548	\$1,622	\$ 1,910
February		1,620	1,742	1,929
March		1,633	1,795	1,815
April		1,681	1,795	1,716
May		1,403	1,684	1,670
June		1,507	1,879	1,806
July	\$1,388	1,383	1,783	
August	1,464	1,429	1,776	
September.....	1,625	1,524	2,025	
October.....	1,532	1,304	1,907	
November.....	1,444	1,448	1,801	
December	1,592	1,667	1,967	

Available Balances; Includes Balances in the LGIP

<u>Month (Last Day)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
January		\$5,205	\$5,641	\$ 6,502
February		5,457	5,991	6,603
March		5,699	6,317	6,970
April		5,462	5,982	6,990
May		4,906	5,554	6,469
June		5,028	5,853	6,524
July	\$5,461	5,781	6,804	
August	4,762	5,058	5,839	
September.....	4,865	4,670	5,600	
October.....	4,624	4,103	5,474	
November.....	4,256	4,527	5,213	
December	4,761	5,141	6,137	

Note: All footnotes to this table appear at the end of this report in the section entitled "Endnotes".

GENERAL FUND RECORDED REVENUES^(a)
(Agency-Recorded Basis)
July 1, 2019 to June 30, 2020 compared with previous year

	Annual Fiscal Report Revenues <u>FY19^(j)</u>	Projected Revenues <u>FY20^(k)</u>	Recorded Revenues July 1, 2018 to <u>June 30, 2019^(l)</u>	Recorded Revenues July 1, 2019 to <u>June 30, 2020^(m)</u>
Individual Income Tax	\$ 8,994,096,000	\$ 8,923,100,000	\$ 8,153,115,785	\$ 7,306,034,536
General Sales and Use Tax	5,695,548,000	5,877,300,000	5,102,668,154	5,192,812,274
Corporate Franchise and Income Tax	1,338,063,000	1,165,500,000	1,218,052,231	1,266,557,766
Public Utility Taxes	364,941,000	366,000,000	364,942,348	357,153,498
Excise Taxes	661,918,000	671,200,000	621,533,656	618,412,715
Inheritance Taxes	6,000	-	6,221	41,353
Insurance Company Taxes	194,356,000	203,000,000	194,355,589	217,380,611
Miscellaneous Taxes	92,459,000	97,538,500	362,764,679	323,720,932
SUBTOTAL.....	<u>\$ 17,341,387,000</u>	<u>\$ 17,303,638,500</u>	<u>\$ 16,017,438,662</u>	<u>\$ 15,282,113,684</u>
Federal and Other Inter- Governmental Revenues ^(h)	10,843,638,000	11,414,533,600	10,879,802,875	13,734,173,512
Dedicated and Other Revenues ⁽ⁱ⁾	<u>6,849,882,000</u>	<u>7,417,977,800</u>	<u>6,941,653,963</u>	<u>6,709,025,047</u>
TOTAL.....	<u>\$ 35,034,907,000</u>	<u>\$ 36,136,149,900</u>	<u>\$ 33,838,895,500</u>	<u>\$ 35,725,312,243</u>

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency-Recorded Basis)
July 1, 2019 to June 30, 2020 compared with previous year

	Annual Fiscal Report Expenditures <u>FY19^(j)</u>	Estimated Appropriations <u>FY20^(k)</u>	Recorded Expenditures July 1, 2018 to <u>June 30, 2019^(m)</u>	Recorded Expenditures July 1, 2019 to <u>June 30, 2020⁽ⁿ⁾</u>
Commerce.....	\$ 225,791,000	\$ 486,963,800	\$ 223,809,016	\$ 226,112,027
Education.....	14,167,655,000	14,759,411,200	14,120,574,182	14,245,868,846
Environmental Resources.....	349,019,000	327,711,400	337,345,342	292,264,635
Human Relations & Resources	15,483,501,000	16,283,939,500	15,547,379,345	16,496,443,776
General Executive.....	1,057,458,000	1,352,667,300	1,100,586,634	1,254,810,768
Judicial.....	143,227,000	148,435,600	143,452,228	147,904,253
Legislative.....	73,210,000	79,301,700	73,185,159	75,488,589
General Appropriations.....	2,674,076,000	3,051,907,900	2,673,480,160	2,758,677,032
TOTAL.....	<u>\$ 34,173,937,000</u>	<u>\$ 36,490,338,400</u>	<u>\$ 34,219,812,066</u>	<u>\$ 35,497,569,924</u>

Note: All footnotes to this table appear at the end of this report in the section entitled "Endnotes".

Endnotes

- (a) Please refer to the cautionary statements at the beginning of this document. The cautionary statements are an integral part of this report. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (b) The results, projections, and estimates for FY20 (cash basis) reflect the enacted budget for the 2019-21 biennium (2019 Wisconsin Act 9) and the January 2020 LFB Report. ***The projections and estimates for FY20 (cash basis) had not been updated to reflect impacts from the COVID-19 epidemic. In addition, the June 30, 2020 General Fund cash balance reflects receipt, as of June 30, 2020, of approximately \$2.0 billion of federal Cares Act assistance, which as of June 30, 2020, only approximately \$75 million had been allocated to COVID-19 expenditures.*** See the section entitled “State of Wisconsin COVID-19 Update” for information on actions the State has taken in response to this epidemic and the potential impacts of the epidemic on the State.
- (c) The General Fund cash balances presented are not based on Generally Accepted Accounting Principles. The General Fund includes funds designated for operations and capital purposes for certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds ranged from \$1.1 billion to \$1.8 billion during FY17 and FY18, from \$1.2 billion to \$1.9 billion during FY19 and, were expected to range from \$1.2 billion to \$1.9 billion, as of June 30, 2020. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds have averaged, and are expected to continue to average, approximately \$25 million in each fiscal year. In addition, the June 30, 2020 General Fund cash balance reflects receipt, as of June 30, 2020, of approximately \$2.0 billion of federal Cares Act assistance, which at that time have not been materially allocated to COVID-19 expenditures.
- (d) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the gross general-purpose revenue appropriations then in effect (approximately \$1.655 billion in FY 20 based on 2019 Wisconsin Act 9) and may also temporarily reallocate for a period of up to 30 days an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately \$552 in FY20 based on 2019 Wisconsin Act 9). If the amount of available to the General Fund is not sufficient, the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.
- (e) Reflects no operating notes issued for FY18, FY19, or FY20.
- (f) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed and the result is a large variance. This column includes adjustments, if any, to the variances to more accurately reflect the variance between the estimated and actual amounts.
- (g) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and temporary reallocations were made from such fund.
- (h) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis. In addition, reflects receipt, as of June 30, 2020, of approximately \$2.0 billion of federal Cares Act assistance.
- (i) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.
- (j) The amounts are from the Annual Fiscal Report (unaudited, budgetary basis) for FY19, dated October 15, 2019.
- (k) The estimates reflect the 2019-21 biennial budget (2019 Wisconsin Act 9), but do not reflect 2019 Wisconsin Act 7 and 2019 Wisconsin Act 10, which reduced individual income tax revenue, but increased sales/use tax and corporate/franchise tax revenues, or the January 2020 LFB Report. At this time, the projections and estimates for

FY20 (cash basis) have not been updated to reflect impacts from the COVID-19 epidemic. See the section entitled “State of Wisconsin COVID-19 Update” for information on actions the State has taken in response to this epidemic and the impacts of the epidemic on the State.

- (l) The amounts shown are FY19 general purpose revenues and program revenues taxes as recorded by State agencies. The amounts shown are as of June 30, 2019 and do not include revenues for FY19 that were recorded by State agencies during the months of July and August 2019. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (m) The amounts shown are FY20 general purpose revenues and program revenue taxes as recorded by State agencies. The amounts shown are as of June 30, 2020 and do not include revenues for FY20 that may be recorded by State agencies during the months of July and August 2020. There may be differences between the tax revenues shown in this report and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (n) The amounts shown are FY19 expenditures as recorded by State agencies. The amounts shown are as of June 30, 2019 and do not include expenditures for FY19 that were recorded by State agencies during the months of July and August 2019.
- (o) The amounts shown are FY20 expenditures as recorded by State agencies. The amounts shown are as of June 30, 2020 and do not include expenditures for the FY20 that may be recorded by State agencies during the months of July and August 2020.

Additional Information

The following items may provide additional information related to the financial status of the State of Wisconsin General Fund and the State of Wisconsin. The external websites are provided for user convenience only, are not included as part of these documents, are not under the Capital Finance Office control, and neither the accuracy of any information that may appear on those websites or their long-term availability is guaranteed.

- State of Wisconsin Official Disclosure
doa.wi.gov/capitalfinance
- State of Wisconsin Investor Relations
wisconsinbonds.com
- Wisconsin Retirement System Audited Financial Statements
etf.wi.gov
- Legislative Fiscal Bureau Publications
legis.wisconsin.gov/lfb

Please contact the Capital Finance Office within the Department of Administration with any questions or additional information that you may need.

- David Erdman, Capital Finance Director
DOACapitalFinanceOffice@wisconsin.gov; (608) 267-0374
- Aaron Heintz, Deputy Capital Finance Director
DOACapitalFinanceOffice@wisconsin.gov; (608) 267-1836
- Juan Gomez, Capital Finance Officer
DOACapitalFinanceOffice@wisconsin.gov; (608) 267-2734