



WISCONSIN'S FINANCES ON THE MEND

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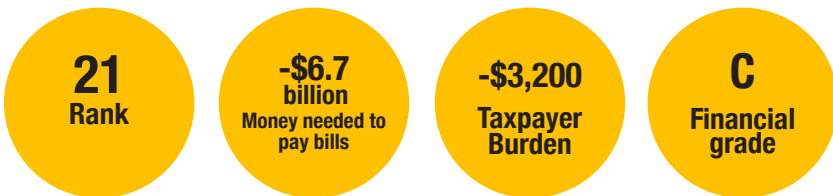
THE FINANCIAL STATE OF WISCONSIN

A new analysis of the latest available audited financial reports found Wisconsin has a Taxpayer Burden™ of \$3,200, earning it a “C” grade from Truth in Accounting. Wisconsin’s pension plan appears to be overfunded by \$931.2 million due, in part, to the state borrowing money to fund the plan. Maintaining a surplus is advisable because the value of pension plan assets can fluctuate dramatically.

Wisconsin’s elected officials have made repeated financial decisions that have left the state with a debt burden of \$6.7 billion. That burden equates to \$3,200 for every state taxpayer. Wisconsin’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. While the state has set aside more than enough money for its pension plans, Wisconsin has not funded \$1.2 billion in retiree health care benefits.

Wisconsin and other states have become more transparent over the last few years, thanks to the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), which now require governments to disclose pension (GASB 68) and other post-employment (GASB 75) benefits on their balance sheets.

THE TRUTH:



WISCONSIN FINANCIAL BREAKDOWN

FAST FACTS

- Wisconsin has \$12.4 billion available to pay \$19.1 billion worth of bills.
- The outcome is a \$6.7 billion shortfall, which breaks down to a burden of \$3,200 per taxpayer.
- This means that each taxpayer would pay \$3,200 in future taxes without receiving any related services or benefits.

THE STATE'S BILLS EXCEED ITS ASSETS

Total assets	\$57,731,525,000
<i>Minus:</i> Capital assets	-\$31,084,357,000
Restricted assets	-\$14,225,272,000
Assets available to pay bills	\$12,421,896,000
<i>Minus:</i> Total bills	-\$19,082,226,000
Money available (needed) to pay future bills	-\$6,660,330,000
Each taxpayer’s share of this debt	-\$3,200

BILLS THE STATE HAS ACCUMULATED

Bonds	\$13,859,223,000
Other liabilities	\$11,994,261,000
<i>Minus:</i> Debt related to capital assets	-\$7,052,878,000
Overfunded pension benefits	-\$931,230,000
Unfunded retiree health care benefits	\$1,212,850,000
Total bills	\$19,082,226,000

GRADE: C

Bottom line: Wisconsin would need \$3,200 from each of its taxpayers to pay all of its bills, so it has received a “C” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$0 and \$4,900 receives a “C.”

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