

## Governor Reports Largest Positive GAAP Balance in Wisconsin State History

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<http://newiprogressive.com/images/stories/S5/evers-budget-sign-s5.jpg>



***State will have a positive GAAP balance for the second year in a row, \$1.18 billion positive GAAP balance in state's general fund for Fiscal Year 2020-21***

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MADISON — Gov. Tony Evers announced Tuesday that the state's General Fund recorded the largest positive balance in Wisconsin state history at the end of the 2020-21 fiscal year using Generally Accepted Accounting Principles (GAAP). Last year, the governor [announced](#) that for the first time since the state began publishing its Annual Comprehensive Financial Report (ACFR) in 1990 the state's General Fund was no longer running a deficit. The report released today shows the state has a GAAP positive balance for the second consecutive year in a row. The positive balance increased from \$6.7 million at the end of the 2019-20 fiscal year to a record high of \$1.18 billion at the end of the 2020-21 fiscal year.

"This record positive GAAP balance is great news for Wisconsinites as it puts our state in a solid fiscal position to ensure the long-term economic success and security of our state," said Gov. Evers. "This report shows just how far we've come since the state reported a GAAP deficit of \$1.25 billion in 2017-18—the last full fiscal year before I became governor. We've worked hard to pay down the state's debt and pay bills on time so we can continue building a strong economy by investing in the issues Wisconsinites care about from schools to roads to affordable, accessible healthcare."

The significant increase in the state's positive GAAP general fund balance reflects the continued improved financial position of the state that has resulted from greatly expanded budget reserves, increased ending fund balances, and stellar liquidity. It is anticipated that the reporting of the state's vastly increased positive GAAP general fund balance will be well received by investors, which could result in even lower costs of borrowing for the state. The announcement today comes as Gov. Evers [earlier this year](#) also announced upgraded bond

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ratings for the state.

As stated in this report: “In August 2021, S&P Global Ratings and Kroll Bond Rating Agency raised Wisconsin's credit ratings to AA+ from AA and to AAA from AA+, respectively. Kroll Bond Rating Agency cited Wisconsin's substantial liquidity, continuing healthy revenue growth and an ongoing COVID-19 recovery. S&P Global Ratings noted an expectation that the State will continue to take responsive budgetary actions to ensure the State's fiscal stability. Higher credit ratings will lower borrowing costs and continue to improve Wisconsin's fiscal position.”

Further, the state deposited a record-high \$967.4 million into its Budget Stabilization Fund, also known as the “rainy-day” fund, earlier this year. The current balance in the state's Budget Stabilization Fund now totals nearly \$1.73 billion, a figure that is by far the largest in state history.

The state's ACFR for the 2020-21 fiscal year can be found [here](#).

The Department of Administration has published the state's ACFR since 1990. The report is prepared on a GAAP basis. The adoption of GAAP by the state of Wisconsin for financial reporting purposes serves to present the state's financial position in a business-like manner. GAAP reporting accurately measures financial operations, fully discloses financial positions, provides an externally accepted presentation, and provides information for financial managers.

The state of Wisconsin ACFR has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association each year since 1996.