

FINANCIAL STATEMENTS

For the Month Ended December 31, 2014



Division of Unemployment Insurance

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED December 30, 2014

	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
<u>ASSETS</u>		
CASH:		
U.I. CONTRIBUTION ACCOUNT	2,608,781.25	1,695,568.07
U.I. BENEFIT ACCOUNTS	1,078,123.09	(1,688,270.73)
U.I. TRUST FUND ACCOUNTS (1)	214,956,122.09	4,700,611.15
TOTAL CASH	218,643,026.43	4,707,908.49
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	124,979,159.63	131,093,986.20
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (2)	(43,860,612.98)	(44,241,868.16)
NET OVERPAYMENTS RECEIVABLE	81,118,546.65	86,852,118.04
TAXABLE EMPLOYER RECEIVABLES (3) (4)	65,819,278.13	73,775,415.59
OTHER RECEIVABLES (5)	6,155,848.07	8,235,032.08
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (2)	(46,416,992.14)	(48,965,421.06)
NET EMPLOYER RECEIVABLES	25,558,134.06	33,045,026.61
TOTAL ACCOUNTS RECEIVABLE	106,676,680.71	119,897,144.65
TOTAL ASSETS	325,319,707.14	124,605,053.14
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
TRUST FUND-FEDERAL ADVANCE	0.00	399,433,695.96
COURT COSTS	53,948.18	41,865.16
CONTINGENT LIABILITIES (6)	49,442,660.83	58,938,004.55
ERROR SUSPENSE	38,891.73	101,785.16
FEDERAL BENEFITS PROGRAMS	598,449.98	(414,109.91)
CHILD SUPPORT HOLDING ACCOUNT	64,118.00	177,016.00
FEDERAL WITHHOLDING TAXES DUE	32,965.00	71,670.00
STATE WITHHOLDING TAXES DUE	1,083,705.00	1,683,770.80
DUE TO OTHER GOVERNMENTS (7)	276,573.75	407,198.51
TOTAL LIABILITIES	51,591,312.47	460,440,896.23
EQUITY:		
RESERVE FUND BALANCE	1,344,526,894.82	1,025,352,433.18
BALANCING ACCOUNT	(1,070,798,500.15)	(1,361,188,276.27)
TOTAL EMPLOYER EQUITY	273,728,394.67	(335,835,843.09)
TOTAL LIABILITIES AND EQUITY	325,319,707.14	124,605,053.14

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1. \$2,414,762 of this balance is for administration purposes and is not available to pay benefits.
2. The allowance for uncollectible benefit overpayments is 37.1%. The allowance for uncollectible delinquent employer taxes is 56.7%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principals.
3. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$840,447. Deferrals for the prior year were \$1,645,944.
4. \$16,395,347, or 24.9%, of this balance is estimated. Estimates are only calculated for Reserve Fund, Solvency and Admin Fee Taxable Employer Receivables.
5. An allowance for doubtful collections of \$100,000 has been established for receivables due from non-profit employers who have elected reimbursement financing. That figure is included in this number.
6. \$37,644,493 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$11,798,168 of this balance is net interest, penalties, SAFI, and other fees assessed to employers and penalties and other fees assessed to claimants which, when collected, will be credited to the state fund.
7. This balance includes SAFI Payable of \$18,544, Interest & Penalty of \$246,938, Concealment 2012 Penalty of \$9,670 and Due to State of Wisconsin-Other of \$1,422. The 12/31/2014 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$11,251,705.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED December 30, 2014

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>	
BEGINNING U.I. CASH BALANCE	\$270,123,748.22	(\$396,349,846.31)	(\$867,244,065.62)	3
INCREASES:				
TAX RECEIPTS/RFB PAID	1,126,613.87	720,652,702.06	790,282,877.71	4
U.I. PAYMENTS CREDITED TO SURPLUS	726,565.68	385,794,006.97	382,215,940.35	
FEDERAL INTEREST RECEIVED	1,366,587.33	2,228,248.79	0.00	
FUTA TAX CREDITS	131,726.73	148,257,021.29	95,769,933.15	5
TOTAL INCREASE IN CASH	<u>3,351,493.61</u>	<u>1,256,931,979.11</u>	<u>1,268,268,751.21</u>	
TOTAL CASH AVAILABLE	<u>273,475,241.83</u>	<u>860,582,132.80</u>	<u>401,024,685.59</u>	
DECREASES:				
TAXABLE EMPLOYER DISBURSEMENTS	47,787,510.39	539,170,428.71	664,589,859.33	
BENEFITS CHARGED TO SURPLUS	<u>9,842,808.22</u>	<u>103,280,932.26</u>	<u>128,227,482.13</u>	
TOTAL BENEFITS PAID DURING PERIOD	57,630,318.61	642,451,360.97	792,817,341.46	6
REED ACT EXPENDITURES	0.00	2,285,848.61	4,557,190.44	
ENDING U.I. CASH BALANCE (10) (11)	<u><u>215,844,923.22</u></u>	<u><u>215,844,923.22</u></u>	<u><u>(396,349,846.31)</u></u>	7

10. \$807,434 of this balance was set up in 2008 in the Trust Fund as a Reed Act subaccount to be used for administration purposes and is not available to pay benefits.

11. \$1,607,328 of this balance was set up in 2009 in the Trust Fund as a subaccount per the ARRA UI Modernization Provisions and is not available to pay benefits.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED December 30, 2014

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$1,121,176,658.69)	(\$1,421,702,279.49)	(\$1,560,653,112.42)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	383,951.35	381,626,932.69	376,478,067.94
FORFEITURES	205,449.00	3,513,650.55	6,124,738.79
OTHER INCREASES	<u>137,165.33</u>	<u>653,423.73</u>	<u>(386,866.38)</u>
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	726,565.68	385,794,006.97	382,215,940.35
TRANSFERS BETWEEN SURPLUS ACCTS (12)	112,615.57	(137,692,188.29)	(206,250,368.00)
FEDERAL INTEREST RECEIVED	1,366,587.33	2,228,248.79	0.00
FUTA TAX CREDITS	<u>131,726.73</u>	<u>148,257,021.29</u>	<u>95,769,933.15</u>
TOTAL INCREASES	2,337,495.31	398,587,088.76	271,735,505.50
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	6,961,848.91	69,388,417.56	81,861,854.13
OTHER NON-CHARGE BENEFITS	2,880,959.31	33,892,514.38	46,364,884.83
MISCELLANEOUS EXPENSE	<u>0.00</u>	<u>0.32</u>	<u>743.17</u>
BENEFITS CHARGED TO SURPLUS SUBTOTAL	9,842,808.22	103,280,932.26	128,227,482.13
REED ACT EXPENDITURES	<u>0.00</u>	<u>2,285,848.61</u>	<u>4,557,190.44</u>
BALANCE AT THE END OF THE MONTH/YEAR	<u>(1,128,681,971.60)</u>	<u>(1,128,681,971.60)</u>	<u>(1,421,702,279.49)</u>

12. The 10% writeoff for 2014 was \$114 million and is included in this balance. The 10% writeoff shifts employer benefit charges to the balancing account. The 10% writeoff has no effect on receivable balances.

**DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 12/31/14**

RECEIPTS

	-CURRENT ACTIVITY--	--YEAR TO DATE---	PRIOR YEAR TO DATE
TAX RECEIPTS/RFB	\$1,126,613.87	\$720,652,702.06	\$790,282,877.71
SOLVENCY	383,951.35	381,626,932.69	376,478,067.94
ADMINISTRATIVE FEE	319.32	4,770.41	5,527.42
UNUSED CREDITS	1,702,604.92	1,656,383.89	3,556,867.23
GOVERNMENTAL UNITS	1,469,069.12	21,634,994.70	27,037,722.95
NONPROFITS	1,601,140.94	22,600,975.03	28,704,137.26
REDA PAID	21.05	48,845.01	0.00
INTERSTATE CLAIMS (CWC)	316,086.05	7,511,301.41	8,916,893.65
ERROR SUSPENSE	(588.64)	(98,493.87)	76,565.19
FEDERAL PROGRAMS RECEIPTS	463,978.20	4,489,742.94	370,340,144.63
OVERPAYMENT COLLECTIONS	2,326,576.88	39,731,920.41	47,836,601.13
FORFEITURES	205,449.00	2,915,467.20	7,898,496.82
BENEFIT CONCEALMENT INCOME	106,297.62	991,705.06	23,471.73
EMPLOYER REFUNDS	(761,688.69)	(5,757,521.79)	(5,387,715.70)
COURT COSTS	53,948.18	604,059.26	485,362.78
INTEREST & PENALTY	261,037.48	4,892,533.68	4,460,622.84
SPECIAL ASSESSMENT FOR INTEREST	5,071.03	114,116.78	428,266.70
FEDERAL LOAN	0.00	408,432,080.01	870,194,899.73
INTEREST EARNED ON U.I. TRUST FUND BALANCE	1,366,587.33	2,228,248.79	0.00
MISCELLANEOUS	(33,958.15)	248,854.65	501,270.90
TOTAL RECEIPTS	\$10,592,516.86	\$1,614,529,618.32	\$2,531,840,080.91

DISBURSEMENTS

CHARGES TO TAXABLE EMPLOYERS	\$50,088,301.98	\$580,681,613.52	\$714,257,663.70
NONPROFIT CLAIMANTS	1,558,269.23	20,355,430.26	27,736,928.71
GOVERNMENTAL CLAIMANTS	1,762,644.62	19,554,164.20	24,859,404.49
INTERSTATE CLAIMS (CWC)	664,305.14	6,625,350.24	8,313,022.35
QUITS	6,961,848.91	69,388,417.56	81,861,854.13
OTHER NONCHARGE BENEFITS	2,959,480.15	32,850,630.01	45,949,913.21
CLOSED EMPLOYERS	(2,670.92)	1,576.49	66,517.43
ERROR CLEARING ACCOUNT	0.00	73.19	0.00
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	257,969.41	2,646,131.89	3,753,132.90
EX-MILITARY (UCX)	300,211.36	4,018,261.83	7,352,858.79
TRADE ALLOWANCE (TRA/TRA-NAFTA)	535,972.91	8,431,331.69	7,595,142.06
2003 TEMPORARY EMERGENCY UI (TEUC)	(2,244.09)	(37,320.10)	(72,253.47)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(30,501.59)	(878,724.48)	(1,524,083.16)
FEDERAL EMERGENCY UI (EUC)	(525,733.36)	(10,619,633.12)	352,666,164.50
FEDERAL EXTENDED BENEFITS (EB)	(33,582.49)	(656,893.92)	(1,090,740.09)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	(0.13)	(6,740.78)	(7,757.12)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	(446.91)	(17,249.83)	(19,218.03)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(514.56)	(9,314.23)	(8,090.52)
INTEREST & PENALTY	384,817.66	4,815,600.89	4,375,606.95
SPECIAL ASSESSMENT FOR INTEREST	0.00	321,629.39	505,688.95
COURT COSTS	48,976.70	591,976.24	470,876.15
ADMINISTRATIVE FEE TRANSFER	598.89	4,815.35	5,493.72
FEDERAL WITHHOLDING	107,536.00	38,705.00	278,511.00
STATE WITHHOLDING	(514,015.00)	600,065.80	832,077.25
REED ACT & ARRA SPECIAL ADMIN EXPENDITURES	0.00	2,285,848.61	4,557,190.44
FEDERAL LOAN REPAYMENTS	(131,726.73)	659,608,754.68	1,230,301,147.70
TOTAL DISBURSEMENTS	\$64,389,497.18	\$1,400,594,500.38	\$2,513,017,052.04

NET INCREASE(DECREASE) (53,796,980.32) 213,935,117.94 18,823,028.87

BALANCE AT BEGINNING OF MONTH/YEAR \$272,440,006.75 \$4,707,908.49 (\$14,115,120.38)

BALANCE AT END OF MONTH/YEAR \$218,643,026.43 \$218,643,026.43 \$4,707,908.49

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED December 30, 2014

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	1,849,404,505.69	1,491,174,864.16	1,161,979,224.48
BALANCING ACCOUNT	<u>(1,524,396,130.31)</u>	<u>(1,827,010,707.25)</u>	<u>(1,966,578,939.88)</u>
TOTAL BALANCE	325,008,375.38	(335,835,843.09)	(804,599,715.40)
INCREASES:			
TAX RECEIPTS/RFB PAID	1,126,613.87	720,652,702.06	790,282,877.71
ACCRUED REVENUES	3,037,307.53	(5,679,460.65)	(2,278,508.13)
SOLVENCY PAID	383,951.35	381,626,932.69	376,478,067.94
REDA PAID	21.05	48,845.01	0.00
FORFEITURES	205,449.00	3,513,650.55	6,124,738.79
BENEFIT CONCEALMENT INCOME	106,297.62	991,705.06	23,471.73
INTEREST EARNED ON TRUST FUND	1,366,587.33	2,228,248.79	0.00
FUTA TAX CREDITS	131,726.73	148,257,021.29	95,769,933.15
OTHER CHANGES	<u>(7,616.58)</u>	<u>1,374,024.17</u>	<u>1,792,210.38</u>
TOTAL INCREASES	6,350,337.90	1,253,013,668.97	1,268,192,791.57
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	47,787,510.39	539,170,428.71	664,589,859.33
QUIT NONCHARGE BENEFITS	6,961,848.91	69,388,417.56	81,861,854.13
OTHER DECREASES	110,254.79	2,191,737.87	7,900,400.05
OTHER NONCHARGE BENEFITS	<u>2,770,704.52</u>	<u>32,698,847.07</u>	<u>45,076,805.75</u>
TOTAL DECREASES	57,630,318.61	643,449,431.21	799,428,919.26
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	1,344,526,894.82	1,344,526,894.82	1,025,352,433.18
BALANCING ACCOUNT	<u>(1,070,798,500.15)</u>	<u>(1,070,798,500.15)</u>	<u>(1,361,188,276.27)</u>
TOTAL BALANCE (8) (9)	<u>273,728,394.67</u>	<u>273,728,394.67</u>	<u>(335,835,843.09)</u>

8. This balance differs from the cash balance related to taxable employers of \$215,844,923 because of non-cash accrual items.

9. \$2,414,762 of this balance is set up in the Trust Fund in two subaccounts to be used for administration purposes and is not available to pay benefits.

UI Reserve Fund Highlights
2014

1. 2014 Year-end Tax Receipts (Reserve Fund Balance and Solvency) decreased by \$66 million, or 5.6%, to a total of \$1.1 billion. The decrease reflects the reduction in average tax rates from 2013 to 2014 due to experience rating improvement with the improving economy.
2. FUTA Tax Credits received in 2014 were \$148.3 million. FUTA Tax Credits received life-to-date through year-end 2014 were \$290.8 million. With the November 9, 2014 positive trust fund balance, employers will again have the full FUTA tax credit. The effective FUTA tax rate for 2014, payable January 2015 returned to 0.6% on the first \$7,000 of employee's wages.
3. Regular UI Benefits paid in 2014 decreased by \$150 million, or 19.0% compared to 2013. The number of claimants paid and the benefits payment have been decreasing since the record high of the recession in 2009:

Year	Regular Benefits Paid	Total Benefits Paid	Claimants Paid
2014	\$ 642,451,361	\$ 716,258,465	233,129
2013	792,817,341	1,283,637,389	312,325
2012	875,746,233	1,571,815,129	366,829
2011	1,011,840,124	2,076,607,917	445,538
2010	1,288,529,429	3,118,412,271	530,886
2009	1,873,576,982	3,166,852,114	566,353
2008	996,772,338	1,243,700,322	386,574

4. There has been no borrowing since July 23, 2014. The ending UI Cash Balance for 2014 was \$215.9 million, an increase of \$612.2 million over year-end 2013. Interest earned on the trust fund in 2014 was \$2.2 million.

1099s Issued

Twenty Year History

