

**WISCONSIN LEGISLATIVE AUDIT BUREAU
AUDIT SUMMARY**



Report 02-22

December 2002

UNEMPLOYMENT RESERVE FUND

The Unemployment Reserve Fund, which is administered by the Department of Workforce Development, accounts for unemployment taxes paid by employers and subsequent benefits paid to unemployed workers. As requested by the Department of Workforce Development, we performed an audit of the Fund's financial statements for fiscal years 2001-02 and 2000-01.

As necessary parts of the financial audit, we reviewed the Fund's control procedures, assessed the fair presentation of its financial statements, and reviewed compliance with applicable laws and regulations. We were able to provide an unqualified auditor's report on the Fund's financial statements, and we found no instances of material weaknesses in the internal control structure and no instances of material noncompliance.

The Unemployment Reserve Fund's cash balance related to taxable employers declined \$236 million during the past fiscal year, to \$1.47 billion as of June 30, 2002. This cash balance is used to determine the tax rate schedule to apply to taxable employers. Since the cash reserves continues to exceed the amount that allows employers to be taxed under the lowest rate schedule, the Fund is able to charge employers the lowest authorized unemployment tax rates.

[full report, PDF file \(185KB\)](#)