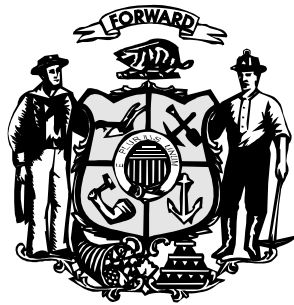


FY20

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
2020

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State of Wisconsin
2020 Annual Fiscal Report

(Budgetary Basis)

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STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary
Brian Pahnke, Administrator

October 15, 2020

The Honorable Tony Evers
The Honorable Members of the Legislature

This report presents statements of fund condition and operations on a budgetary basis for the State of Wisconsin as of and for the fiscal year ended June 30, 2020. This satisfies the requirements of sec. 16.40(3), Wisconsin Statutes. Displayed within the report are major sources of revenues and major categories of expenditures for the General Fund and other funds, including a comparison to the prior year.

The General Fund has an undesignated balance of \$1.172 billion as of the end of the fiscal year. General purpose revenue taxes were \$17.532 billion compared to \$17.341 billion in the prior year, an increase of \$191 million or 1.1 percent. General purpose revenue expenditures, excluding fund transfers, were \$17.327 billion. This is \$502 million less than the budgeted expenditure allocation of \$17.829 billion.

In fiscal year 2020, the State of Wisconsin continued to devote a major share of state tax collections to the assistance of local school districts, municipalities and counties. Local assistance accounted for 51.7 percent of total general purpose revenue expenditures. Aid payments to individuals and organizations represented 24.8 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 6.2 percent of total general purpose revenue expenditures and state operations expenditures for all other state agencies accounted for 17.3 percent of the total.

The State of Wisconsin expects to publish its Comprehensive Annual Financial Report (CAFR) in December of 2020. The CAFR report will be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Respectfully submitted,

Joel T. Brennan
Secretary of Administration

Carol Herwig, CPA
State Controller

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Economic Section

The Year In Summary

Revenue Highlights

General purpose revenue (GPR) taxes for the fiscal year (FY) ending June 30, 2020 totaled \$17,532.1 million, an increase of 1.1 percent from FY 2019 collections of \$17,341.4 million.

Total collections for FY 2020 were \$112.7 million, or 0.6 percent, below the estimate of \$17,644.8 million.

Table 1

General Purpose Revenue (GPR) Taxes By Source GPR Tax Collections (\$ Millions)

Tax Source	FY20	% of Total	FY19	% of Total	\$ Change FY20-FY19	% Change
Individual Income	\$8,742.3	49.9%	\$8,994.1	51.9%	\$(251.8)	(2.8%)
General Sales & Use	5,836.2	33.3%	5,695.5	32.9%	140.7	2.5%
Corporation Franchise & Income	1,607.9	9.2%	1,338.1	7.7%	269.8	20.2%
Excise	679.5	3.9%	661.9	3.8%	17.6	2.7%
Public Utility	357.1	2.0%	364.9	2.1%	(7.8)	(2.1%)
Insurance Companies	217.4	1.2%	194.4	1.1%	23.0	11.8%
Miscellaneous	91.7	0.5%	92.5	0.5%	(0.8)	(0.9%)
TOTAL GPR	\$17,532.1	100.0%	\$17,341.4	100.0%	\$190.7	1.1%

Individual Income Tax

Individual income tax collections decreased \$251.8 million (2.8 percent) from \$8,994.1 million in FY 2019 to \$8,742.3 million in FY 2020. This was \$146.2 million (1.6 percent) below the \$8,888.5 million estimate. The individual income tax share of total GPR taxes decreased from 51.9 percent in FY 2019 to 49.9 percent in FY 2020.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 2.6 percent from \$8,271.9 million to \$8,484.2 million. Estimated payments decreased 12.3 percent from \$1,410.5 million to \$1,237.0 million, while refunds increased 18.0 percent from \$1,790.1 million to \$2,111.4 million. Final payments, or payments with returns, increased 4.4 percent to \$742.0 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased \$140.7 million (2.5 percent) from \$5,695.5 million in FY 2019 to \$5,836.2 million in FY 2020. This was \$93.7 million (1.6 percent) below the \$5,929.9 million estimate. Sales tax collections as a percentage of total GPR taxes increased from 32.9 percent in FY 2019 to 33.3 percent in FY 2020.

Corporation Franchise and Income Tax

Corporate collections increased 20.2 percent from \$1,338.1 million in FY 2019 to \$1,607.9 million in FY 2020. Corporate collections as a percentage of total GPR taxes increased to 9.2 percent in FY 2020 from 7.7 percent in FY 2019. Corporate collections were \$105.6 million (7.0 percent) above the estimate of \$1,502.3 million.

The major source of corporate collections, estimated payments, decreased by 5.7 percent from \$1,225.6 million in FY 2019 to \$1,155.2 million in FY 2020.

A significant amount of corporate income/franchise tax collections accrued to the state in the form of one-time audit payments and increased collections from partnerships under the 2017 Act 368 entity-level tax. According to DOR, several large audit payments were made to the state in the five months following the January estimates such that audit payments in FY 2020 are \$191 million higher compared to FY 2019.

Excise Taxes

Cigarette tax collections increased 1.8 percent from \$514.3 million in FY 2019 to \$523.5 million in FY 2020. Collections in FY 2020 were above the estimate by \$11.5 million (2.3 percent).

Tobacco products tax collections increased 6.9 percent from \$85.5 million in FY 2019 to \$91.4 million in FY 2020. Collections in FY 2020 were above the estimate by \$1.4 million (1.6 percent).

Vapor products tax collections were \$1.3 million in FY 2020. Collections in FY 2020 were below the estimate by \$1.0 million (43.5 percent). A State Supreme Court ruling reduced the base of the vapor products tax after its enactment. In absence of this ruling, collections would have been substantially closer to the estimate.

Liquor and wine tax collections increased 2.2 percent from \$53.6 million in FY 2019 to \$54.8 million in FY 2020. Collections in FY 2020 were below the estimate by \$0.2 million (0.4 percent).

Beer tax collections of \$8.5 million were unchanged in FY2020 from FY 2019. Collections in FY 2020 were above the estimate by \$0.2 million (2.4 percent).

Other Taxes

Public utility tax collections decreased \$7.8 million from \$364.9 million in FY 2019 to \$357.1 million in FY 2020. Collections were \$0.9 million (0.2 percent) below the FY 2020 estimate.

Insurance company taxes (generally based on premiums) increased 11.8 percent from \$194.4 million in FY 2019 to \$217.4 million in FY 2020. Collections were \$16.4 million (8.1 percent) above the FY 2020 estimate.

Miscellaneous taxes decreased 0.9 percent from \$92.5 million in FY 2019 to \$91.7 million in FY 2020. This is \$5.8 million (6.0 percent) below the estimate for the fiscal year. The largest component of miscellaneous taxes, the real estate transfer fee, was \$77.4 million which was unchanged in FY 2020.

Expenditure Highlights

For the eleventh consecutive year, state K-12 school aids and Medical Assistance were the top two GPR state expenditures in FY 2020, representing over half of all GPR spending last year. Of the ten largest programs noted in Table 3, seven had nominal GPR funding increases while three showed declines compared to FY 2019.

The state began FY 2020 with a general fund GPR balance of \$1.1 billion. By the close of FY 2020, this balance had grown to \$1.2 billion, which is almost \$400 million more than the balance previously estimated at the time of the 2019-21 Biennial Budget enactment. In addition to this general fund balance, a transfer of \$105.8 million was made to the budget stabilization ("rainy day") fund as a result of actual general fund tax revenues exceeding the tax revenue estimate included in the enacted 2019-21 Biennial Budget. This transfer increased the budget stabilization fund to \$761.8 million, its largest balance in state history.

Total GPR spending increased by 1.0 percent or \$175.6 million in FY 2020, as shown in Table 2. This compares to a \$720.5 million increase in

FY 2019. The largest portion of GPR expenditures in FY 2020 was directed to school districts and other local units of government, consistent with past years. Local assistance payments increased by 0.9 percent, and these expenditures were \$8,953.8 million or 51.7 percent of total GPR spending in FY 2020 compared to \$8,874.3 million or 51.8 percent of total spending in FY 2019. Aid payments to individuals and organizations decreased by 1.0 percent, and these expenditures were \$4,298.5 million, which was 24.8 percent of total GPR spending in FY 2020, compared to \$4,343.7 million or 25.3 percent in FY 2019. State operations spending increased 3.6 percent in FY 2020, with expenditures of \$4,075.1 million that accounted for 23.5 percent of total GPR spending, compared to \$3,933.8 million or 22.9 percent in FY 2019.

The GPR budget is shaped by its ten largest programs, as detailed in Table 3. These programs comprised 84.9 percent of total GPR expenditures in FY 2020, which was a decrease from the 85.4 percent in FY 2019. Immediately following this section is a brief explanation of each program.

Table 2

GPR BUDGET BY PURPOSE GPR Expenditures (\$ Millions)

	<u>FY20</u>	% of <u>Total</u>	<u>FY19</u>	% of <u>Total</u>	<u>\$ Change</u> <u>FY20-FY19</u>	% <u>Change</u>
Local Assistance	\$8,953.8	51.7%	\$8,874.3	51.8%	\$79.5	0.9%
Aids to Individuals	4,298.5	24.8%	4,343.7	25.3%	-45.2	-1.0%
State Operations:						
UW System	1,075.7	6.2%	1,120.2	6.5%	-44.5	-4.0%
All Other Agencies	<u>2,999.4</u>	<u>17.3%</u>	<u>2,813.6</u>	<u>16.4%</u>	<u>185.8</u>	<u>6.6%</u>
Total	<u>\$17,327.4</u>	<u>100.0%</u>	<u>\$17,151.8</u>	<u>100.0%</u>	<u>\$175.6</u>	<u>1.0%</u>
Transfers*	<u>149.1</u>		<u>363.3</u>			
TOTAL GPR	<u>\$17,476.5</u>		<u>\$17,515.1</u>			

* Includes transfers to the transportation fund and budget stabilization fund in each fiscal year.

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	<u>FY20</u>	<u>% of Total</u>	<u>FY19</u>	<u>% of Total</u>	<u>\$ Change FY20-FY19</u>	<u>% Change</u>
1. School Aids	\$6,210.5	35.8%	\$6,026.0	35.1%	\$184.5	3.0%
2. Medical Assistance	2,845.4	16.4%	3,006.2	17.5%	-160.8	-5.7%
3. State Property Tax Relief	1,359.9	7.9%	1,353.3	7.9%	6.6	0.5%
4. Correctional Services	1,290.0	7.4%	1,224.2	7.2%	65.8	5.1%
5. UW System	1,075.7	6.2%	1,120.3	6.5%	-44.6	-4.1%
6. Shared Revenue	825.1	4.8%	824.9	4.8%	0.2	0.0%
7. WI Technical College System	530.4	3.1%	519.6	3.0%	10.8	2.0%
8. Community Aids	238.4	1.4%	231.5	1.4%	6.9	2.9%
9. Individual Tax Relief	175.0	1.0%	181.9	1.1%	-6.9	-4.0%
10. State Supplement to SSI	162.1	0.9%	157.1	0.9%	5.0	3.1%
All Others	<u>2,614.9</u>	<u>15.1%</u>	<u>2,506.8</u>	<u>14.6%</u>	<u>108.1</u>	<u>4.1%</u>
Subtotal	\$17,327.4	<u>100.0%</u>	\$17,151.8	<u>100.0%</u>	<u>\$175.6</u>	<u>1.0%</u>
Transfers*	<u>149.1</u>		<u>363.3</u>			
TOTAL	<u>\$17,476.5</u>		<u>\$17,515.1</u>			

* Includes transfers to the transportation fund and budget stabilization fund in each fiscal year.

School Aids: State GPR assistance to Wisconsin's 421 school districts increased by 3.0 percent or \$184.5 million in FY 2020. Through a combination of state aid and revenue limit adjustments, school districts were able to increase per pupil revenues by \$204 over the prior year. Additionally, the state provided increased funding for general aid, special education aid, mental health programs and high cost transportation aid, among others.

Overall, through a combination of state aids and property tax credits, the state reimbursed approximately 65.3 percent of school costs in FY 2020, a small decrease from 65.4 percent in FY 2019.

Since the 1993-94 school year, school districts have been subject to statewide revenue limits. These limits control the allowable increase in each school district's revenues by limiting the total revenue a district can collect from the combined sources of property tax levies for nondebt purposes and state general aids. These controls, combined with continued robust funding levels for state school aids and property tax credits, have succeeded in holding the statewide net school property tax levy to an

average annual growth of less than 1.0 percent since FY 2011.

There are two major types of direct school aid. Approximately 78 percent of direct school aids are general aids, distributed by a formula designed to equalize each school district's property tax base per student, and to support special transfer aid programs for pupils transferring between districts and schools with certain concentrations of minority and nonminority populations. The remaining 22 percent of direct aids are categorical aids, generally distributed based on local expenditures for specific activities or educational programs. Major categorical aid programs include per pupil aid, programs for addressing special education needs and maintaining small class sizes.

In addition to direct aid, in FY 2020, the state also provided \$193.3 million GPR for eligible children from the city of Milwaukee to attend private schools participating in the Milwaukee Parental Choice Program at no charge. For FY 2020, the Milwaukee Parental Choice Program was funded 84 percent with GPR and 16 percent by the Milwaukee Public School District through a reduction to its state general equalization aid. The

state also provided an estimated \$10.8 million GPR for eligible children in private schools across the state participating in the Racine and Wisconsin Parental Choice Programs, which are primarily funded through reductions in state school aids from affected school districts.

Medical Assistance: Wisconsin's state- and federally-funded Medical Assistance (MA) program pays for medical services to certain categories of low-income persons. These categories include people with disabilities, seniors, children, low-income adults and pregnant women, and other low-income individuals who have high medical expenses.

In FY 2020, total MA expenditures, including BadgerCare Plus, were \$10,839.4 million, of which \$2,845.4 million was GPR. On an all funds basis, MA expenditures increased by 5.4 percent from FY 2019. In FY 2020, GPR expenditures decreased by \$160.8 million from FY 2019, the decrease was primarily driven by the increased matching rate the MA program received under the Families First Coronavirus Response Act.

During FY 2020 average MA enrollment increased by 1.9 percent, the increase was driven by the economic effects of the Coronavirus pandemic and the continuous coverage provision of the Families First Coronavirus Response Act. Enrollment trends varied within eligibility groups, however. Average monthly enrollment of low-income families (children and parents) increased by 1.5 percent, while the average monthly enrollment of elderly and disabled individuals and childless adults increased by 4.2 percent and 5.8 percent, respectively.

The MA totals do not include expenditures for SeniorCare, Wisconsin's pharmacy assistance program for the elderly. In FY 2020, all funds expenditures totaled \$109.4 million. Of the all funds amounts, actual FY 2020 GPR expenditures totaled \$9.9 million, increasing by 0.8 percent from FY 2019. Average monthly enrollment in SeniorCare increased by 1.7 percent in FY 2020.

State Property Tax Relief: The School Levy and First Dollar Tax Credits help to directly reduce property tax bills of residences and businesses. Funding for the School Levy Tax Credit in FY 2020 was \$940.0 million GPR, unchanged from FY 2019. The credit offset 8.4 percent of 2018 gross property tax levies for all purposes statewide. The First Dollar Credit was created in 2007

Wisconsin Act 20 to provide additional property tax relief to owners of improved property. The credit, funded at \$148.5 million in FY 2020, helps provide greater tax relief to lower-value property by offsetting property taxes on the first \$7,000 of property value for eligible parcels.

Beginning with FY 2018, this category has been modified to better reflect state payments that provide property tax relief by offsetting property taxes. State aid for tax exempt property provides payments to local units of government to compensate for computer-related personal property value that the state exempted from the property tax beginning with FY 2000. By providing this aid, the state ensures that local units of government do not shift property tax burdens to other property taxpayers. In FY 2020, aid payments under the program were \$98.0 million GPR, up \$2.3 million from \$95.7 million in FY 2019.

Beginning with FY 2019, the state also provides a payment to local units of government to compensate for the exemption of machinery, tools and patterns from personal property taxation for nonmanufacturing property. These payments are equal to what the local units of government raised in property taxes on such property based on 2017 assessments. In FY 2020, these payments totaled \$74.7 million.

In FY 2018, the state eliminated the forestry mill tax, which had previously been levied at a rate of \$0.1697 per \$1,000 on all taxable property across the state. To compensate for the revenue loss to the forestry account in the conservation fund, the state provides a GPR payment equal to what the fund would have received under the prior law tax. In FY 2020, this payment was \$98.5 million, an increase of approximately \$5.2 million from FY 2019.

Correctional Services: Total GPR expenditures for the state corrections program increased \$65.8 million, or 5.1 percent, over the prior year, reaching \$1,290.0 million in FY 2020. The number of incarcerated felons under the supervision of the state adult corrections program decreased 2.0 percent from an average daily population of 24,116 in FY 2019 to 23,633 in FY 2020. The decline in population is almost exclusively attributable to the COVID-19 pandemic, which shut down intake facilities in the Department of Corrections. While the population decreased between FY 2019 and FY 2020, the Department of Corrections still has a significant number of fixed

costs related to the operation of correctional facilities. The increase in spending is mainly attributed to an increase in general program operations costs for salary, inmate healthcare and staffing new correctional units.

In January 2016, distribution of community-based juvenile delinquent-related services and youth aids was transferred from the Department of Corrections to the Department of Children and Families. The classification of this program may change as the Department of Children and Families reviews the program and how to best integrate these services with the other services to children and families that the department administers. For now, the program and its associated costs continue to be identified as Correctional Services.

University of Wisconsin System: Total GPR expenditures for the UW System decreased by \$44.6 million, or 4.1 percent in FY 2020. The UW System's general program operations appropriation was changed from annual to biennial in FY 2016, permitting the UW System to move expenditures between fiscal years within a biennium.

In the 2019-20 academic year, resident undergraduate tuition remained frozen at 2012-13 academic year levels. Tuition will remain frozen through the 2020-21 academic year, resulting in a historic eight-year freeze. Compared to the annualized increase of 8.1 percent per year in the ten years prior to the freeze, the average student saves an estimated \$6,311 over a four-year college career as a result of the freeze.

In addition to relatively low basic tuition, access to college for lower income families was protected by maintaining support for the Wisconsin Grant Program, formerly known as the Wisconsin Higher Education Grant (WHEG) and Tuition Grant programs for UW students.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 2020, the shared revenue formulas distributed a total of \$878.7 million, consisting of \$825.1 million GPR and \$53.6 million SEG. The GPR portion of this amount consisted of county and municipal aids of \$689.8 million, utility aids of \$76.0 million, and expenditure restraint payments of \$59.3 million. The Expenditure Restraint Program provides aids to municipalities with tax rates over five mills that restrained their spending increases. Statewide, shared revenue payments provided municipalities with about

11.2 percent and counties with about 2.9 percent of their general revenues.

Wisconsin Technical College System: The Wisconsin Technical College System Board and 16 local technical college districts provide vocational, technical and continuing education across the state. In 2019, 25,857 individuals received a degree from a Wisconsin technical college. The technical colleges also provide customized skills training for businesses, occupational training opportunities for high school students and apprenticeship instruction.

Since FY 2015, when funding was increased by \$406 million GPR annually, state aid has been the largest source of revenue for technical college districts.

Community Aids and Children and Family Aids: Community Aids and Children and Family Aids are state and federal funds distributed to counties to fund human services programs serving primarily low-income persons, children in need of protection, the elderly and the disabled. Beginning in FY 2009, these funds are administered and distributed by both the Department of Health Services and Department of Children and Families, with total GPR expenditures reaching approximately \$238.4 million in FY 2020. Between FY 2019 and FY 2020, the Community Aids funding distributed by the departments increased by approximately \$6.9 million.

Tax Relief to Individuals: Wisconsin paid out \$175.0 million GPR in tax relief to individuals through a variety of refundable tax credit programs during FY 2020, a decline of \$6.9 million from FY 2019. Some of this decline may be due to the delayed tax filing deadline for tax year 2019 returns, which might have pushed some amount of refundable credits into FY 2021.

The Earned Income Credit program reduces income taxes or supplements income for about 232,300 low-income working families with children. In FY 2020, this program paid a total of \$94.1 million in all funds to these households, no change from FY 2019.

The Homestead Credit is a refundable credit that aims to offset, at least partially, the amount that property taxes exceed a certain percentage of a tax filer's income. This type of credit is also known as a "circuit-breaker" tax credit. Claimants receive a

credit against their state income tax liability or a refund check.

Wisconsin's Homestead Credit pioneered property tax relief through circuit-breakers. The program remains one of the nation's leaders in circuit-breaker relief. In FY 2020, the credit provided \$65.5 million of tax relief, compared with \$72.7 million in FY 2019. Over 130,600 low-income homeowners and renters – around 30 percent of them elderly – benefitted from the program in FY 2020.

The Veterans and Surviving Spouses Property Tax Credit reduced income taxes for or provided a refund check to approximately 11,540 veterans and surviving spouses by providing a credit for taxes paid on a principal dwelling. Tax credit expenditures were \$38.2 million in FY 2020, an increase of \$4.1 million over FY 2019.

Wisconsin's Farmland Preservation Credit program provides credits to about 11,300 farmers who qualify through exclusive agricultural or farmland preservation zoning or individual farmland preservation agreements. The credit is based on qualifying acres and certain other criteria. Expenditures under the Farmland Preservation Credit program totaled \$17.1 million in FY 2020, a decrease of \$0.2 million relative to FY 2019.

State Supplemental Income: Wisconsin provides a supplement to the federal supplemental security income (SSI) program offering cash assistance to low-income aged, blind and disabled individuals, and to disabled parents as support for their children. In FY 2020, a total of \$162.1 million was expended in SSI payments.

Comparative Condition of the General Fund
 FY20 Actual vs. Budget
 (in Thousands)

	<u>FY20 Actual</u>	<u>Budget</u>	<u>Variance</u>
OPENING BALANCES			
Unreserved, Undesignated Opening Balance	\$ 1,086,869	\$ 1,086,869	\$ 0 ¹
Prior Year Designation of Continuing Balances	97,098	0	97,098 ²
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
Unreserved Opening Balance	<u>1,183,967</u>	<u>1,086,869</u>	<u>97,098</u>
REVENUES			
Taxes	17,532,124	17,644,824	(112,700) ³
Departmental Revenues	<u>533,647</u>	<u>563,964</u>	<u>(30,317) ⁴</u>
Total Revenues	<u>18,065,771</u>	<u>18,208,788</u>	<u>(143,017)</u>
Total Available Resources	<u>19,249,738</u>	<u>19,295,657</u>	<u>(45,919)</u>
APPROPRIATIONS			
Gross Appropriations	18,449,887	18,314,861	(135,026) ⁵
Compensation Reserves	3,658	13,352	9,694 ⁶
Transfers	149,144	205,494	56,350 ⁷
Less: Lapses	<u>(525,305)</u>	<u>(499,613)</u>	<u>25,692 ⁸</u>
Net Appropriations	<u>18,077,384</u>	<u>18,034,094</u>	<u>(43,290)</u>
UNDESIGNATED UNRESERVED BALANCE	<u>\$ 1,172,354</u>	<u>\$ 1,261,563</u>	<u>\$ (89,209)</u>

Notes:

1. UNDESIGNATED, UNRESERVED OPENING BALANCE. The fund condition for fiscal year 2020 is included in the Final Chapter 20 fund condition statement. The opening balance for fiscal year 2020 was based on actual revenues, appropriations and opening balance from the preceding year.
2. PRIOR YEAR DESIGNATION FOR CONTINUING BALANCE. A portion of the previous year's gross ending balance had been designated, or set aside, to cover left over continuing budget authority that could legally be carried forward and spent in the next year. This continuing authority is generated in biennial appropriations in the first year, or even numbered year, of the biennium and in continuing appropriations each year. The fund condition summary does not include an estimate for the amount of continuing authority carried forward, and therefore, the designated amount for continuing balances is always a variance with the budget estimate.
3. TAXES. Actual tax collections were lower than the estimated tax collections contained in the Final Chapter 20 revenue estimates provided by the Legislative Fiscal Bureau.
4. DEPARTMENTAL REVENUES. Departmental revenues are revenues received by individual state agencies and deposited in the general fund. Departmental revenues include tribal gaming revenue.
5. GROSS APPROPRIATIONS. Final gross appropriations varied from estimated gross appropriations as follows:

Gross Appropriations Per the fund condition summary	\$ 18,314,861
Add: continuing appropriation authority brought forward	97,098
Add: increases to sum sufficient appropriations above Chapter 20*	34,522
Add: biennial adjustments	<u>3,406</u>
FINAL GROSS APPROPRIATIONS	<u>\$ 18,449,887</u>

*General Fund Transfer pursuant to 20.875(1)(a), Wis. Stats., is not included in increases to sum sufficient appropriations above Chapter 20.

6. COMPENSATION RESERVES. Compensation reserves are budgetary set-asides for employee wage and benefit increases for the fiscal year.
7. TRANSFERS. Transfers were lower than the amount in the fund condition statement.
8. LAPSES. A lapse is the automatic termination of an appropriation. It represents the amount of unexpended, unencumbered balance of the appropriation at the end of the fiscal year. Actual lapses may differ from budgeted lapses due to the manner in which the legislature treats certain required appropriation reductions.

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Statements of Fund Condition and Operations

20-Year Comparison of Wisconsin's Ending General Fund Unreserved Balances

(In Millions of Dollars)

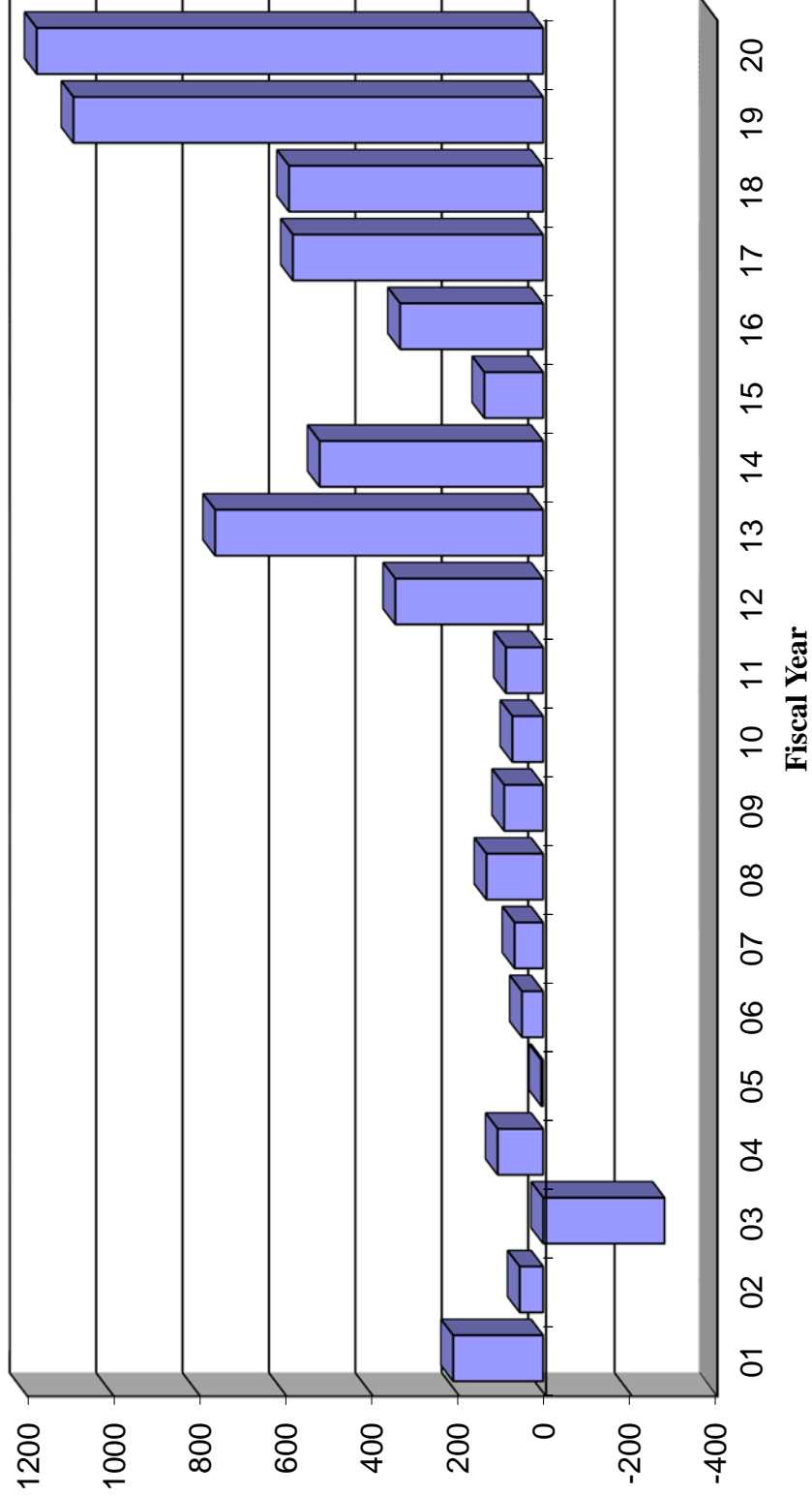


Exhibit A-1

State of Wisconsin
 Statement of Recorded Revenues, Expenditures, and Fund Balance
 Budget vs. Actual-General Purpose Revenues-Statutory Basis
 For the Fiscal Year Ended June 30, 2020
 (In Thousands)

	Budget			Actual	Variance
	Published Budget	Appropriation Adjustments	Final Budget		
Beginning Unreserved					
Undesignated Balance.....	\$ 1,086,869	\$	\$ 1,086,869	\$ 1,086,869	\$ 0
Beginning Unreserved					
Designated Balance.....		97,098	97,098	97,098	0
Total.....	1,086,869	97,098	1,183,967	1,183,967	0
REVENUES					
Taxes:					
Individual.....	8,888,500		8,888,500	8,742,266	(146,234)
Corporation.....	1,502,300		1,502,300	1,607,873	105,573
Sales & Use.....	5,929,924		5,929,924	5,836,215	(93,709)
Excise.....	667,600		667,600	679,503	11,903
Inheritance & Gift.....	0		0	41	41
Public Utility.....	358,000		358,000	357,152	(848)
Insurance.....	201,000		201,000	217,381	16,381
Miscellaneous.....	97,500		97,500	91,693	(5,807)
Total Taxes.....	17,644,824		17,644,824	17,532,124	(112,700)
Departmental Revenue:					
Indian Gaming Revenue.....	25,156		25,156	5,314	(19,842)
Other.....	538,808		538,808	336,897	(201,911)
Total Department Revenues.....	563,964		563,964	342,211 (2)	(221,753)
Total Revenues.....	18,208,788		18,208,788	17,874,335	(334,453)
TOTAL AVAILABLE	19,295,657	97,098	19,392,755	19,058,302	(334,453)
EXPENDITURES					
LAPSE					
Commerce.....	43,269	181	43,450	35,340	8,110
Education.....	8,335,209	(46,535)	8,288,674	8,050,979	237,695
Environmental Resources.....	307,527	(37,376)	270,151	267,608	2,543
Human Relations & Resources.....	6,050,308	(368,243)	5,682,065	5,635,738	46,327
General Executive.....	688,725	(8,139)	680,586	495,332	185,254
Judicial.....	132,849	(1,041)	131,808	128,951	2,857
Legislative.....	76,951	(2,759)	74,192	73,507	685
General (Incl. Shared Revenue).....	2,680,023	1,710	2,681,733	2,639,899	41,834
Transfer (Gen Fund Cond).....	205,494	0	205,494	149,144 (3)	56,350
Compensation Reserves.....	13,352	(3,658)	9,694	0	9,694
Less: Estimated Lapse.....	(499,613)	0	(499,613)	0	(499,613)
TOTAL EXPENDITURES	18,034,094	(465,860)	17,568,234	17,476,498	91,736
Transfers - General Fund.....	0	0	0	191,436 (2)	191,436
UNRESERVED BALANCE	1,261,563	562,958	1,824,521	1,773,240	(51,281)
Designation for continuing balances.....	0	(600,886)	(600,886)	(600,886)	0
UNRESERVED					
Undesignated Balance.....	\$ 1,261,563	\$ (37,928)	\$ 1,223,635	\$ 1,172,354	\$ (51,281)
	(1)				

The accompanying notes are an integral part of this statement.

(1) See Note E

(2) See Note F

(3) See Note L

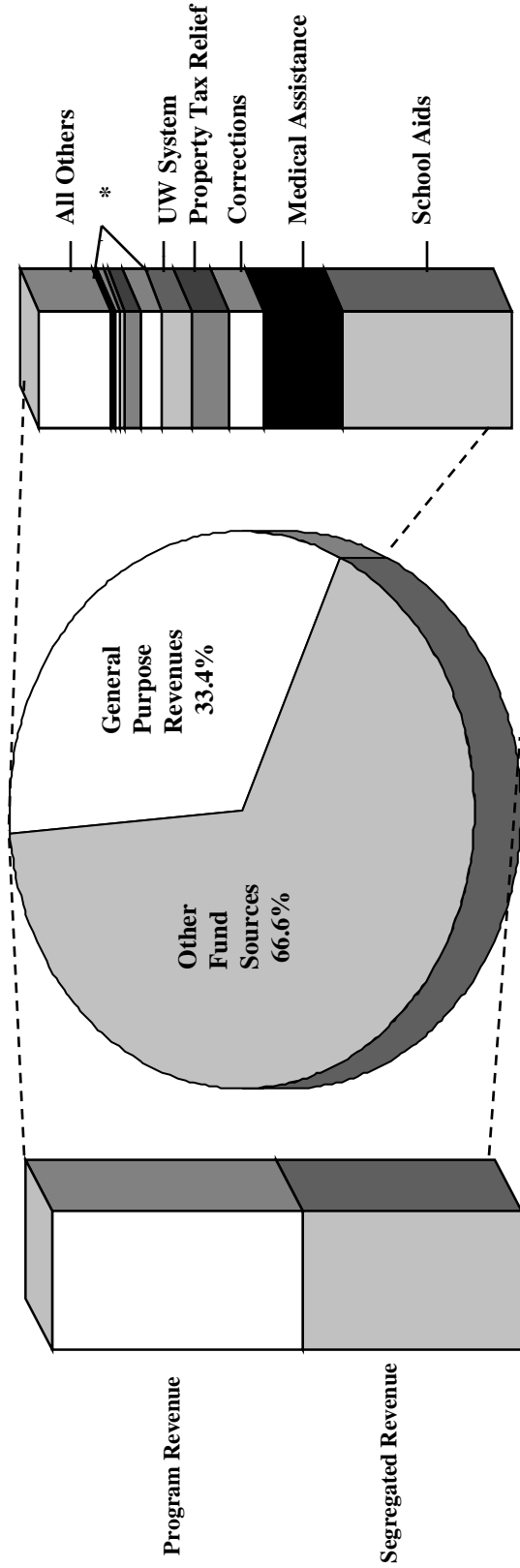
Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2020

Other Expenditures
\$34.5 Billion

Total Expenditures
\$51.8 Billion

General Purpose Revenue Expenditures
\$17.3 Billion



* State Supplement to SSI
Community Aids
Tax Relief to Individuals
WI Technical College System
Shared Revenue

Exhibit A-2

State of Wisconsin
 Statement of Recorded Revenues, Expenditures, and Change in Fund Balances
 All Funds - Statutory Basis
 For the Fiscal Year Ended June 30, 2020
 (In Thousands)

	General Fund			Major Special Revenue Funds			As of June 30, 2020
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation	Other	
REVENUES							
Taxes.....	\$ 17,532,124	\$ 26,405	\$ 17,558,529	\$ 1,082,120	\$ 493	\$ 119,047	\$ 18,760,189
Intergovernmental Revenue (3).....	18,584	13,627,162	13,645,746	1,219,638	66,252	102,101	15,033,737
Licenses.....	63,105	282,098	345,203	674,718	115,277	825,483	1,960,681
Charges for Goods and Services.....	546	3,584,715	3,585,261	39,320	25,798	754,373	4,404,752
Contributions.....	0	0	0	0	0	3,831,957	3,831,957
Interest & Investment Income.....	14,009	114,605	128,614	6,447	1,469	5,374,480	5,511,010
Gifts & Donations.....	17	642,035	642,052	35	1,462	16,898	660,447
Other Revenue.....	174,988	1,599,794	1,774,782	25,148	5,618	1,200,571	3,006,119
Transfers.....	9,368	2,243	11,611	8,343	122,402	1,239,252	1,381,608
Other Transactions.....	61,594	231,499	293,093	24,532	42	60,126	377,793
Proceeds from Bonds & Notes.....	0	0	0	78,139	0	974,669	1,052,808
TOTAL REVENUES	17,874,335	20,110,556	37,984,891	3,158,440	338,813	14,498,957	55,981,101
EXPENDITURES							
Commerce.....	35,340	183,932	219,272	0	1,688	133,492	354,452
Education.....	8,050,979	6,200,632	14,251,611	0	203	429,344	14,681,158
Environmental Resources.....	267,608	101,532	369,140	2,953,162	318,738	533,106	4,174,146
Human Relations & Resources.....	5,635,738	10,898,525	16,534,263	0	0	1,764,895	18,299,158
General Executive.....	495,332	849,504	1,344,836	1,822	0	8,615,449	9,962,107
Judicial.....	128,951	18,868	147,819	0	0	181	148,000
Legislative.....	73,507	1,968	75,475	0	0	0	75,475
General (Incl. Shared Revenue) (2).....	2,639,899	101,971	2,741,870	22,451	12	1,375,229	4,139,562
TOTAL EXPENDITURES	17,327,354	18,356,932	35,684,286	2,977,435	320,641	12,851,696	51,834,058
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES.....	546,981	1,753,624	2,300,605	181,005	18,172	1,647,261	4,147,043
BEGINNING FUND BALANCE							
Prior Period Adjustment.....	0	0	0	0	0	0	0
DESIGNATED.....	97,098	0	97,098	0	0	0	97,098
UNDESIGNATED.....	1,086,869	1,351,118	2,437,987	(1,282,539)	132,084	113,666,647	114,954,179
TOTAL	1,183,967	1,351,118	2,535,085	(1,282,539)	132,084	113,666,647	115,051,277
INTERFUND							
TRANSFERS.....	42,292	(167,433)	(125,141)	104,607	0	20,534	0
ENDING FUND BALANCE	1,773,240	2,937,309	4,710,549	(996,927)	150,256	115,334,442	119,198,320
DESIGNATED.....	(600,886)	0	(600,886)	0	0	0	(600,886)
UNDESIGNATED.....	\$ 1,172,354	\$ 2,937,309	\$ 4,109,663	\$ (996,927)	\$ 150,256	\$ 115,334,442	\$ 118,597,434

(1)

The accompanying notes are an integral part of this statement.

- (1) See Note I
- (2) See Note L
- (3) See Note M

Exhibit A-3

State of Wisconsin
 Summary of Recorded Revenues and Expenditures-All Other Funds-
 Statutory Basis (Including Interfund Transfers)
 For the Fiscal Year Ended June 30, 2020
 (In Thousands)

Funds By Category	Undesignated Fund Balance as of June 30, 2019	Revenues	Expenditures	Interfund Transfers	Undesignated Fund Balance as of June 30, 2020
<u>OTHER GOVERNMENTAL FUNDS</u>					
<u>Other Special Revenue</u>					
213 Heritage State Parks & Forests.....	\$ 1,267	\$ 53	\$ 35	\$ 0	\$ 1,285
214 Unemployment Interest Payment.....	0	20	0	0	20
217 Waste Management.....	7,412	122	153	0	7,381
219 Investment and Local Impact.....	80	1	0	0	81
220 Election Administration.....	6,507	15,905	4,334	0	18,078
222 Industrial Building Construction.....	0	0	0	0	0
224 Self-Insured Employer Liability.....	224	3	0	0	227
225 Medical Assistance Trust.....	18,396	100,825	350,623	251,361	19,959
226 Work Injury Benefits.....	25,054	10,803	7,611	0	28,246
227 Workers Compensation.....	1,304	14,773	14,274	0	1,803
228 Unemployment Program Integrity.....	14,681	4,526	4,779	0	14,428
229 Uninsured Employers.....	26,788	5,371	2,923	0	29,236
234 Hospital Assessment Fund.....	19,010	431,942	230,007	(184,676)	36,269
235 Utility Public Benefits.....	24,212	109,490	114,308	0	19,394
237 Critical Access Hospital Assessment.....	(48)	6,455	4,527	(1,210)	670
238 Mediation.....	163	129	181	0	111
239 Police and Fire Protection.....	(805)	55,416	54,394	0	217
241 Working Lands.....	118	11	12	0	117
248 Economic Development.....	256	34,680	34,817	0	119
249 Read To Lead Development.....	27	0	0	0	27
250 State Capitol Restoration.....	192	3	0	0	195
257 Agricultural Chemical Cleanup.....	6,455	109	1,084	0	5,480
258 Farms For The Future.....	0	0	0	0	0
259 Agrichemical Management.....	12,564	7,817	7,722	0	12,659
261 Agricultural Producer Security.....	11,005	2,361	1,173	0	12,193
264 Historical Legacy Trust.....	76	1	0	0	77
266 Historical Preservation Partnership Trust.....	370	2,384	1,589	0	1,165
272 Petroleum Inspection.....	11,058	84,783	30,295	(61,306)	4,240
274 Environmental.....	39,227	89,807	86,542	0	42,492
277 Dry Cleaner Environmental Responsibility.....	(6,225)	538	447	0	(6,134)
280 Information Technology Investment.....	(2,564)	25	0	0	(2,539)
281 Military Family Relief.....	381	96	96	0	381
285 Universal Service.....	14,198	44,277	61,296	22,000	19,179
286 Budget Stabilization.....	649,104	6,829	0	105,843	761,776
289 Land Information.....	(1,555)	7,363	6,372	0	(564)
291 Permanent Endowment.....	0	119,741	0	(119,741)	0
723 Children's Trust.....	15	0	0	0	15
Total Other Special Revenue.....	<u>878,947</u>	<u>1,156,659</u>	<u>1,019,594</u>	<u>12,271</u>	<u>1,028,283</u>
<u>Debt Service</u>					
315 Bond Security and Redemption.....	<u>6,672</u>	<u>1,029,175</u>	<u>1,029,589</u>	<u>0</u>	<u>6,258</u>

Exhibit A-3

State of Wisconsin
 Summary of Recorded Revenues and Expenditures-All Other Funds-
 Statutory Basis (Including Interfund Transfers)
 For the Fiscal Year Ended June 30, 2020
 (In Thousands)

Funds By Category	Undesignated Fund Balance as of June 30, 2019	Revenues	Expenditures	Interfund Transfers	Undesignated Fund Balance as of June 30, 2020
<u>Capital Projects</u>					
490 State Building Trust.....	244,656	136,900	162,758	10,000	228,798
495 Capital Improvement.....	50,418	842,040	638,492	0	253,966
Total Capital Projects.....	<u>295,074</u>	<u>978,940</u>	<u>801,250</u>	<u>10,000</u>	<u>482,764</u>
<u>Permanent</u>					
743 Agriculture College.....	305	0	0	0	305
744 Common School Principal.....	1,150,028	43,670	0	0	1,193,698
745 Normal School.....	31,100	422	450	0	31,072
746 University.....	234	0	0	0	234
760 Historical Society Trust.....	17,812	1,317	513	0	18,616
763 Common School Income.....	22,432	38,269	43,450	0	17,251
767 Benevolent.....	15	0	0	0	15
875 University Trust Principal.....	176,167	4,542	0	0	180,709
876 University Trust Income.....	134,529	34,857	28,736	0	140,650
Total Permanent.....	<u>1,532,622</u>	<u>123,077</u>	<u>73,149</u>	<u>0</u>	<u>1,582,550</u>
TOTAL OTHER GOVERNMENTAL FUNDS	<u>2,713,315</u>	<u>3,287,851</u>	<u>2,923,582</u>	<u>22,271</u>	<u>3,099,855</u>
<u>FIDUCIARY AND OTHER</u>					
<u>Pension (and Other Employee Benefit)</u>					
262 Public Employe Trust.....	1,543,155	96,860	98,386	0	1,541,629
747 Core Retirement Investment Trust.....	99,425,010	8,613,046	7,343,080	0	100,694,976
751 Variable Retirement Investment.....	8,111,192	443,265	563,444	0	7,991,013
Total Pension (and Other Employee Benefit).....	<u>109,079,357</u>	<u>9,153,171</u>	<u>8,004,910</u>	<u>0</u>	<u>110,227,618</u>
<u>Private Purposes</u>					
570 Tuition Trust.....	2,558	29	1,600	0	987
769 College Savings Program Trust.....	17,789	1,688	493	0	18,984
Total Private Purposes.....	<u>20,347</u>	<u>1,717</u>	<u>2,093</u>	<u>0</u>	<u>19,971</u>
<u>Agency</u>					
788 Support Collections Trust.....	15,120	1,015,882	1,002,161	0	28,841
<u>Other (Business-type funds)</u>					
521 Lottery.....	14,820	704,303	742,962	0	(23,839)
531 Local Govt Property Insurance.....	2,206	29	159	(1,737)	339
532 State Life Insurance.....	121,670	19,055	4,354	0	136,371
533 Injured Patients & Families Compensation.....	1,436,987	181,830	23,774	0	1,595,043
573 Environmental Improvement.....	261,002	119,772	130,567	0	250,207
582 Veterans Trust.....	1,455	14,617	16,335	0	(263)
583 Veterans Mortgage Loan Repayment.....	(507)	507	0	0	0
587 Transportation Infrastructure Loan.....	875	223	799	0	299
Total Other (Business-type funds).....	<u>1,838,508</u>	<u>1,040,336</u>	<u>918,950</u>	<u>(1,737)</u>	<u>1,958,157</u>
TOTAL FIDUCIARY AND OTHER	<u>110,953,332</u>	<u>11,211,106</u>	<u>9,928,114</u>	<u>(1,737)</u>	<u>112,234,587</u>
TOTAL - ALL FUNDS	<u>\$ 113,666,647</u>	<u>\$ 14,498,957</u>	<u>\$ 12,851,696</u>	<u>\$ 20,534</u>	<u>\$ 115,334,442</u>

The accompanying notes are an integral part of this statement.

Exhibit A-4

State of Wisconsin
 Comparative General Fund Statement of Assets, Liabilities and Fund Balance
 Fiscal Years Ended June 30, 2020, 2019, and 2018
 (In Thousands)

	June 30, 2020	June 30, 2019	June 30, 2018
<u>ASSETS</u>			
Cash (1).....	\$ 4,033,053	\$ 2,514,253	\$ 1,531,487
Contingent Fund Advances.....	5,003	5,015	2,726
Investments.....	0	0	0
Accounts Receivable.....	2,456,547	1,673,013	1,671,524
Due from Other Funds.....	182,741	267,882	260,088
Inventory.....	0	0	0
Prepayments.....	4,274	1,150	1,245
Other Assets.....	113,930	110,242	134,825
TOTAL ASSETS.....	<u>6,795,548</u>	<u>4,571,555</u>	<u>3,601,895</u>
<u>LIABILITIES</u>			
Accounts Payable.....	897,300	668,735	556,116
Operating Notes Payable.....	0	0	0
Due to Other Funds.....	215,784	526,651	276,438
Tax and Other Deposits.....	37,425	58,556	58,267
Deferred Revenue.....	215,551	218,723	203,125
TOTAL LIABILITIES.....	<u>1,366,060</u>	<u>1,472,665</u>	<u>1,093,946</u>
<u>FUND BALANCE</u>			
<u>Reserved Balances</u>			
GPR Encumbrances.....	226,906	164,907	147,516
PR Encumbrances.....	492,033	398,898	376,911
Total Reserved Balances.....	<u>718,939</u>	<u>563,805</u>	<u>524,427</u>
<u>Unreserved Designated Balances</u>			
GPR Designation for Continuing Balances.....	600,886	97,098	238,549
<u>Unreserved Balances</u>			
GPR Unreserved Balance.....	1,172,354	1,086,869	588,472
PR Unreserved Balance.....	2,937,309	1,351,118	1,156,501
Total Unreserved Balances.....	<u>4,109,663</u>	<u>2,437,987</u>	<u>1,744,973</u>
TOTAL FUND BALANCE.....	<u>5,429,488</u>	<u>3,098,890</u>	<u>2,507,949</u>
TOTAL LIABILITIES AND FUND BALANCE.....	<u>\$ 6,795,548</u>	<u>\$ 4,571,555</u>	<u>\$ 3,601,895</u>

The accompanying notes are an integral part of this statement
 (1) See Note M

Exhibit A-5
 Budget vs. Actual Expenditures
 All Funds Statutory Basis
 For the Fiscal Year Ended June 30, 2020
 (In Thousands)

Function/Expenditure Description	Budget			Actual	Lapses and Balances
	Published Budget ¹	Budget Adjustments	Final Budget	Expenditures ²	
Commerce	\$ 383,439	\$ 42,658	\$ 426,097	\$ 345,702	\$ 80,395
Education	14,744,174	1,071,918	15,816,092	14,346,962	1,469,130
Environmental Resources	3,935,055	951,632	4,886,687	3,774,574	1,112,113
Human Relations and Resources	16,343,496	1,774,490	18,117,986	16,101,948	2,016,038
General Executive	1,426,352	765,899	2,192,251	1,536,315	655,936
Judicial	147,986	9,393	157,379	148,000	9,379
Legislative	79,423	580	80,003	75,475	4,528
General Appropriations	3,103,766	49,533	3,153,299	3,100,009	53,290
Total Chapter 20	<u>\$ 40,163,691</u>	<u>\$ 4,666,103</u>	<u>\$ 44,829,794</u>	<u>\$ 39,428,985</u>	<u>\$ 5,400,809</u>
Retirement Annuities			7,906,387	7,906,387	0
Support Collection Trust Payments			1,004,000	1,002,062	1,938
Insurance Premiums			48,634	48,634	0
Debt Service Payments			1,029,589	1,029,589	0
Capital Projects Expenditures			797,884	797,884	0
Lottery Prizes			458,419	457,894	525
Other Segregated Revenue			506,986	120,311	386,675
Program Revenue Appropriations			1,275,751	1,038,011	237,740
Clearing and Custody Accounts			481,310	(33,270)	514,580
Total Non Chapter 20 Expenditures			<u>\$ 13,508,960</u>	<u>\$ 12,367,502</u>	<u>\$ 1,141,458</u>
Total State Expenditures Excluding Transfers			<u>\$ 58,338,754</u>	<u>\$ 51,796,487</u>	<u>\$ 6,542,267</u>

The accompanying notes are an integral part of this statement.

(1) The fund condition for fiscal year 2020 is the fund condition approved by Legislative Joint Finance Committee at its September 29, 2020 (13.10 Wisconsin Statutes) meeting.

(2) Expenditures exclude non-budgetary transfers and expenses.

Notes To Fund Statements

Note A Statutory Basis of Accounting

The State of Wisconsin Annual Fiscal Report (AFR) is a report of financial results recognized on the statutory basis of accounting (also referred to as budgetary basis), for the fiscal year, against the state's budget as reflected in Chapter 20 of the Wisconsin Statutes. The report is not intended to display accounting information in accordance with Generally Accepted Accounting Principles (GAAP).

The State's Comprehensive Annual Financial Report (CAFR), which is prepared in accordance with GAAP, is issued under a separate cover at the end of the calendar year.

Except for specific exceptions, statutes generally require that revenues and expenditures be recognized in the fiscal year in which they are received or disbursed. The legislature may change the recognition of revenues and expenditures among fiscal years.

The state's centralized accounting records remain open until July 31 (August 15 for income, sales and use tax receipts) to permit the state departments to record revenues and expenditures applicable to the fiscal year ended June 30.

The July and August recording of prior fiscal years' revenues and expenditures results in accrued revenues and accounts payable in the statement of assets, liabilities, and fund balances. Included in the amounts presented on the statements are receivables and payables between funds which are presented as "due to" or "due from" other funds.

Encumbrances are treated as expenditures in the initial year. However, the recording of charges against encumbrances applicable to the prior year is limited by the available appropriation balances of that year. Expenditures reported in this report are equal to current year disbursements and encumbrance balances less the prior year encumbrance balances.

Life insurance premiums are paid one month in advance of the actual coverage month. The life insurance costs for the last month of the fiscal year are recorded as expenditures in the following fiscal year.

Health insurance premiums are paid in the actual coverage month.

Revenues and expenditures are recognized on a statutory basis with the exception of investments owned by the state retirement funds because these investments are adjusted to market and the resultant unrealized gains or losses are reflected in the accounts of those funds.

State statutes also provide that contributions to the state retirement funds received after August 1, which relate to earnings paid for services rendered in the previous fiscal year, may be recorded as revenues of the previous fiscal year.

In addition, state administrative policies require that revenues and expenditures be reported on a net basis; i.e., overcollections refunded are deducted from revenues, and overpayments collected are deducted from expenditures. Collections on loan principal and interest are recorded as receipts.

Certain unused appropriation balances are allowed to continue for use in future years, rather than lapse to the General Fund. In these cases the continuing balances are treated as reserves for General Purpose Revenue (GPR) or Program Revenue (PR). GPR consists of general taxes and miscellaneous revenues which are paid into the general fund and are then available for appropriation by the legislature. PR consists of funds also paid into the General Fund which are dedicated for specific purposes and are appropriated by the legislature as estimates through revolving accounts.

Note B Fiscal Controls

The State Constitution provides that no money shall be paid out of the Treasury except as appropriated by law. The Secretary of Administration exercises detail allotment control over all agency appropriations and approval authority over all encumbrances. The Secretary of Administration is also responsible for the audit of expenditures.

The Department of Administration maintains separate accounts for all appropriations showing the amounts appropriated, the amounts allotted, the amounts encumbered, the amounts disbursed, and certain other data necessary to the financial management and control of all state accounts. The department also maintains the general ledgers of the funds of the state including the General Fund.

Note C Classification of Funds

Funds are generally classified in accordance with classification criteria prescribed by governmental accounting standards.

However, certain activities of a proprietary and fiduciary nature are combined within the Governmental and Trust, Agency, and Other Funds. In addition, the activities of the State Building Trust Fund, included within the Capital Projects classification, consist of capital projects as well as projects for the maintenance and repair of state facilities.

Note D Extraordinary Transfers and Transactions Affecting Fund Balance

Compensation Reserve

In fiscal year 2020, Chapter 20 included a compensation reserve for employee salary and fringe benefit increases. The total amount reserved (appropriated) was \$13,351,800 and the amount allotted was \$3,658,308 leaving a lapse amount of \$9,693,492.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are based on the fund condition statement for the appropriation summaries in Chapter 20 of the Wisconsin Statutes, approved in the meeting of the Legislative Joint Finance Committee held on September 29, 2020.

The adjustments column reflects legislation passed subsequent to the budget act, statutorily required appropriation adjustments to sum-sufficient and biennial appropriations, and appropriation changes enacted under the statutory authority of the Legislative Joint Finance Committee or by statutory authority under program supplements.

The State of Wisconsin utilizes a budgetary procedure within the General Fund which treats most federal grant revenues, licenses and fees, and revenues for proprietary activities as dedicated for the activities to which they relate. As such, variable budgeting techniques are used and the official state budget includes them only as estimates. These accounts, referred to as Program Revenue (PR) Appropriations, are not included in Exhibit A-1. Only those appropriations made from nondedicated General Purpose Revenues (GPR) are included.

Note F Total Departmental Revenues

For budget comparison purposes, interfund transfers are added to other revenues to arrive at total departmental revenues. Exhibit A-1 displays departmental revenues of \$342.2 million and net transfers in of \$191.4 million. The fund condition captured these funds more generically as revenue. In order to properly compare actual revenues to budgeted revenues, actual revenues and transfers should be added together in order to compare against the departmental revenues in the fund condition statement, totaling \$533.6 million.

Note G Projected-to-Actual General Fund Condition

The variance between the published budgeted ending balance and actual undesignated balance at the end of fiscal year 2020 is explained as follows:

	(thousands)
ENDING FUND BALANCE	
(UNDESIGNATED) PER FUND	
CONDITION STATEMENT	\$ 1,261,563
OPENING BALANCE ADJUSTMENTS	
Prior year designation for continuing	
balances	<u>97,098</u>
Total opening balance adjustments	<u>97,098</u>
REVENUE ADJUSTMENTS	
Taxes received below estimate	(112,700)
Departmental revenues less than	
estimate	<u>(221,753)</u>
Total revenue below estimate	<u>(334,453)</u>
APPROPRIATION ADJUSTMENTS	
Sum Sufficient Changes	
Reestimates*	(34,522)
Biennial Adjustments	(3,406)
Budget brought forward from previous	
year	(97,098)
Budget carried to next year for	
continuing appropriations	<u>600,886</u>
Total Appropriation Adjustments	<u>465,860</u>
LAPSES MORE THAN BUDGETED	91,736
INTERFUND TRANSFERS	191,436
DESIGNATION FOR CONTINUING	
BALANCES	<u>(600,886)</u>
UNDESIGNATED FUND BALANCE	<u>\$ 1,172,354</u>

*General Fund Transfer pursuant to 20.875(1)(a), Wis. Stats., is not included in Sum Sufficient Changes Reestimates presented in Note G.

Note H General Fund Cash Flow

Due to the timing of receipts and disbursements, the General Fund experiences lower cash balances during the first half of each fiscal year. In some years, the State has issued Operating Notes to mitigate this imbalance. However, an Operating Note was not required for fiscal year 2020.

Note I Negative Transportation Fund Balances

The negative ending fund balance in the Transportation Fund, as displayed in Exhibit A-2, represents commitments (encumbrances) recorded as expenditures in the current year which will be funded by the Federal, state, and/or local governments in the future.

Note J Unappropriated Activities

The Department of Safety and Professional Services enters into contracts with private vendors to provide services for programs that they manage. These contracts have not been budgeted within a state appropriation; therefore, this activity is summarized in the table below to provide full disclosure of state agency operations.

	Safety & Professional Services
Revenues	\$ 442,371.64
Expenditures	442,371.64
Balance	\$ 0.00

Note K Sum Sufficient Increases

Exhibit B-2 shows both lapsing amounts and adjustments to sum sufficient appropriations. In order to correctly show the lapsing amounts the increase column includes supplements. These supplements need to be removed to calculate the Actual Sum Sufficient Increases.

(thousands)	
Exhibit B-2 Sum Sufficient Increases	\$ 140,365
Less: Supplements (included in total above)	0
Actual Sum Sufficient Increases	\$ 140,365

Note L General Fund Transfer to Budget Stabilization Fund

The General Fund Transfer pursuant to 20.875(1)(a), Wis. Stats., is displayed as an expenditure in Exhibit B-2.

The General Fund Transfer pursuant to 20.875(1)(a), Wis. Stats., is displayed as a transfer on the Comparative Condition of the General Fund, Expenditure Highlights, Exhibit A-1, and Exhibit A-2 in order to be consistent with the presentation of the Legislative Fiscal Bureau’s fund condition statement.

Note M Coronavirus Relief Fund

Pursuant to the CARES Act signed into law on March 27, 2020, the State of Wisconsin received \$1.997 billion from the Coronavirus Relief Fund (CRF) in FY2020. This amount is reflected as Intergovernmental Revenue in Exhibit A-2/Exhibit B-1 and Cash in Exhibit A-4. The CRF funds impacted the PR Undesignated Balance as shown in Exhibit A-2 and the PR Unreserved Balance as shown in Exhibit A-4.

Supplemental Data

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Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2020

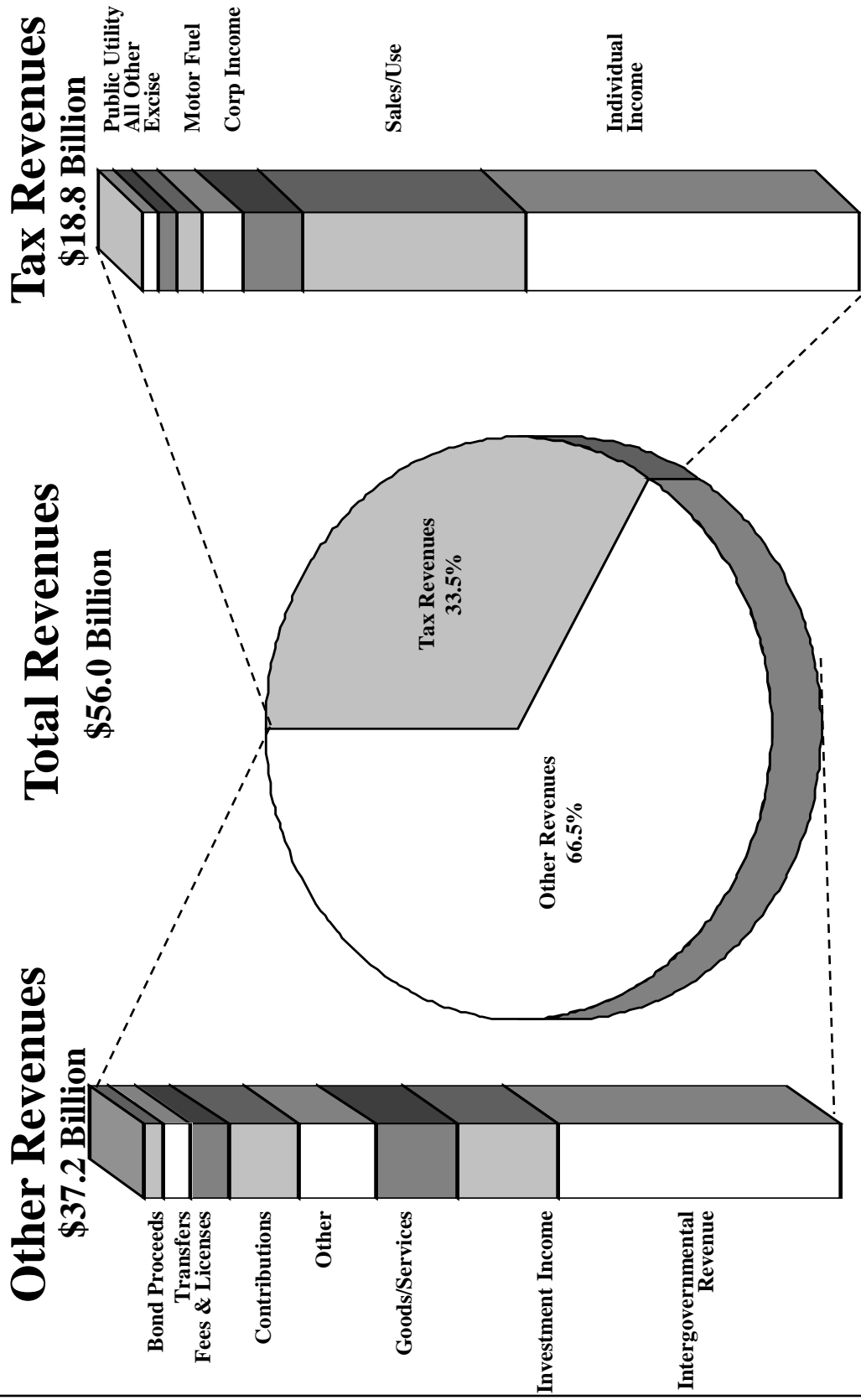


Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2020, 2019, and 2018
 (In Thousands)

	June 30, 2020	June 30, 2019	June 30, 2018
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
Individual.....	\$ 8,742,266	\$ 8,994,096	\$ 8,479,150
Corporation.....	1,607,873	1,338,063	893,892
Total Income Taxes.....	10,350,139	10,332,159	9,373,042
Sales and Excise Taxes			
General Sales and Use.....	5,836,215	5,695,548	5,448,118
Cigarette.....	523,557	514,273	538,898
Other Tobacco Products.....	91,364	85,521	80,202
Vapor Products.....	1,319	0	0
Liquor and Wine.....	54,776	53,600	51,970
Malt Beverage (Beer).....	8,487	8,524	8,909
Total Sales and Excise Taxes.....	6,515,718	6,357,466	6,128,097
Public Utility Taxes			
Private Light, Heat and Power.....	225,411	231,474	235,390
Municipal Light, Heat and Power.....	2,729	2,695	3,065
Telephone.....	66,173	67,197	63,591
Pipeline.....	44,513	44,884	45,531
Electric Cooperative.....	12,752	13,353	12,464
Municipal Electric.....	4,445	4,714	4,802
Conservation and Regulation.....	473	601	434
Other.....	656	23	66
Total Public Utility Taxes.....	357,152	364,941	365,343
Inheritance and Estate Taxes			
Inheritance and Estate.....	41	6	(33)
Total Inheritance and Estate Taxes.....	41	6	(33)
Miscellaneous Taxes			
Insurance Companies (Premiums).....	217,381	194,356	186,273
Real Estate Transfer Fee.....	77,430	77,388	76,600
Lawsuits (Courts).....	14,263	15,023	14,795
Other.....	0	48	50
Total Miscellaneous Taxes.....	309,074	286,815	277,718
TOTAL GPR TAX REVENUES.....	17,532,124	17,341,387	16,144,167
Program Tax Revenues			
Fire Dues.....	23,122	22,398	20,570
Pari-mutuel Taxes.....	0	0	0
County Expo Tax Administration.....	776	985	905
Baseball Park Administration Fee.....	390	507	480

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2020, 2019, and 2018
 (In Thousands)

	June 30, 2020	June 30, 2019	June 30, 2018
Program Tax Revenues, Cont.			
Business Trust Regulation Fee.....	\$ 1,439	\$ 3,153	\$ 2,133
Other.....	678	598	495
TOTAL PROGRAM TAX REVENUES.....	26,405	27,641	24,583
TOTAL-GENERAL FUND TAX REVENUES.....	17,558,529	17,369,028	16,168,750
Type of Revenues			
Transportation Fund			
Motor Fuel Tax.....	1,022,464	1,066,310	1,065,936
Air-Carrier Tax.....	7,047	7,375	6,176
Railroad Tax.....	42,020	42,960	40,765
Aviation Fuel Tax.....	1,264	1,315	1,338
Other Taxes.....	9,325	10,136	9,005
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	(796)	(21)	22,335
Forest Crop Taxes.....	1,289	497	1,318
Motor Fuel Tax.....	0	0	1
Dry Cleaner Fund.....	533	561	619
Mediation Fund.....	1	1	1
Petroleum Inspection Tax.....	83,892	51,262	51,073
Historical Preservation Partnership Trust.....	0	9	0
Economic Development Fund			
Temporary Service Charges.....	34,621	26,981	25,739
TOTAL STATE TAX REVENUES.....	18,760,189	18,576,414	17,393,056
Intergovernmental Revenue (1).....	15,033,737	12,115,331	11,149,472
Licenses and Permits.....	1,960,681	1,867,293	1,779,406
Charges for Goods and Services.....	4,404,752	4,512,950	4,457,319
Contributions.....	3,831,957	3,774,485	3,827,381
Interest and Investment Income.....	5,511,010	8,284,624	8,849,596
Gifts and Donations.....	660,447	685,800	667,540
Proceeds from Sale of Bonds.....	1,052,808	447,615	703,623
Other Revenues.....	3,006,119	2,942,375	2,627,829
Other Transactions.....	377,793	316,775	399,111
TOTAL DEPARTMENTAL REVENUES.....	35,839,304	34,947,248	34,461,277
TRANSFERS.....	1,381,608	1,740,584	1,502,566
TOTAL REVENUES.....	\$ 55,981,101	\$ 55,264,246	\$ 53,356,899

The accompanying notes are an integral part of this statement

(1) See Note M

Exhibit B-2

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2020
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
Slate Operations							
19200	10100	1A	Operations And Programs	11,550	0	4,937	6,613
25500	31800	3F	Interstate Compact On Educational Opportunity For Military Children	1	0	0	1
37000	11600	1FE	Endangered Resources -- General Fund	500	0	500	0
37000	91300	9JB	Off-Highway Motorcycle Administration	0	0	0	0
41000	10400	1C	Reimbursement Claims Of Counties Containing State Prisons	41	0	36	5
41000	30800	3C	Reimbursement Claims Of Counties Containing Juvenile Correctional Facilities	80	3	83	0
45500	20200	2AM	Officer Training Reimbursement	150	0	150	0
45500	50400	5D	Reimbursement For Forensic Examinations	1,275	0	1,059	216
46500	10300	1C	Public Emergencies	700	9,630	4,362	5,968
46500	30200	3AM	Worker's Compensation For Local Unit Of Government Volunteers	21	3	24	0
50500	10400	1D	Special Counsel	612	284	488	408
50500	40500	4D	Claims Awards	50	0	25	25
50500	80100	8AM	Interest On Racing And Bingo Moneys	0	0	0	0
51100	10300	1BE	Investigations	0	0	0	0
52500	10100	1A	General Program Operations	3,541	0	3,351	190
52500	10200	1B	Contingent Fund	20	0	19	1
52500	10300	1C	Membership In National Associations	141	0	130	11
52500	10500	1A	Transition Team	0	0	0	0
52500	20100	2A	General Program Operations	347	0	343	4
62500	10100	1A	Circuit Courts	77,812	0	75,486	2,326
66000	10100	1A	General Program Operations - Appeals	11,341	0	11,051	290
68000	10100	1A	General Program Operations - Supreme Court	5,531	0	5,335	196
76500	10100	1A	General Program Operations--Assembly	27,471	361	27,832	0
76500	10300	1B	General Program Operations--Senate	19,389	213	19,602	0
76500	10400	1D	Legislative Documents	3,919	0	3,234	685
76500	30800	3FA	Membership In National Associations	279	0	279	0
83500	30300	3EF	Transfer To Conservation Fund: Forestry	98,574	0	98,574	0
85500	10800	1BM	Payment Of Canceled Drafts	2,000	1,109	3,109	0
85500	11300	1F	Payment Of Fees To Financial Institutions	0	0	0	0
85500	40100	4A	Interest On Overpayment Of Taxes	1,500	0	890	610
85500	40500	4E	Transfer To Conservation Fund: Land Acquisition Reimbursement	0	0	0	0
85500	41300	4CM	Illinois Income Tax Reciprocity	103,729	0	103,729	0
85500	11100	1DM	Interest Reimbursements To Federal Government	0	0	0	0
85500	40600	4FR	Transfer To Transportation Fund: Disaster Damage Aids	0	0	0	0
85500	48500	4BV	General Fund Supplement To Veterans Trust Fund	13,800	0	11,910	1,890
85500	48600	4EM	Transfer To The Conservation Fund: Off-Highway Motorcycle Fees	111	0	111	0
87500	10100	1A	General Fund Transfer (2)	0	105,843	105,843	0
Total State Operations.....				384,485	117,446	482,492	19,439
Aids and Local Assistance							
11500	20200	2B	Animal Disease Indemnities	185	124	181	128
23500	10400	1E	Minnesota-Wisconsin Student Reciprocity Agreement	5,500	9	5,509	0
23500	10800	1FM	Wisconsin Covenant Scholars Grants	210	0	163	47
23500	10900	1FY	Academic Excellence Higher Education Scholarships	3,022	0	2,978	44
23500	11900	1FW	Technical Excellence Higher Education Scholarships	1,100	0	948	152
25500	21800	2FM	Charter Schools	75,919	0	75,335	584
25500	22400	2FR	Parental Choice Program For Eligible School Districts And Other School Districts	106,533	0	105,088	1,445
25500	23500	2FU	Milwaukee Parental Choice Program	231,899	34	229,433	2,500
25500	25000	2AZ	Special Needs Scholarship Program	13,032	56	13,063	25
25500	27900	2AQ	Per Pupil Aid	619,049	0	618,906	143
25500	28200	2FQ	Charter Schools; Office Of Educational Opportunity Recovery Charter Schools	0	0	0	0
25500	28900	2FP	Charter Schools; Office Of Educational Opportunity	2,711	0	2,640	71
25500	30600	3C	Grants For National Teacher Certification Or Master Educator Licensure	2,464	763	3,227	0
29200	16200	1DP	Property Tax Relief Aid	406,000	0	406,000	0
37000	50300	5DA	Aids In Lieu Of Taxes - General Fund	6,672	0	6,668	4
43500	10500	1C	Public Health Emergency Quarantine Costs	0	10,000	96	9,904
43500	17500	1BN	Workplace Wellness Program Grants	0	0	0	0
43500	40300	4ED	State Supplement To Federal Supplemental Security Income Program	158,637	3,600	162,143	94
43500	57400	5DA	Reimbursements To Local Units Of Government	300	100	302	98
44500	10200	1AA	Special Death Benefit	229	0	229	0
44500	11300	1C	Career and Technical Education Completion Awards	52	16	68	0
46500	20100	2A	Tuition Grants	6,200	0	5,453	747
46500	30500	3E	Disaster Recovery Aid: Public Health Emergency Quarantine Costs	3,160	66	3,082	144
50500	41200	4ER	Service Award Program: State Matching Awards	2,806	0	2,617	189
51500	10100	1A	Annuity Supplements And Payments	65	0	61	4
83500	10100	1C	Expenditure Restraint Program Account	59,312	0	59,276	36
83500	10500	1DB	County And Municipal Aid Account	704,915	0	689,765	15,150
83500	10900	1E	State Aid: Tax Exempt Property	98,047	0	98,047	0
83500	11000	1DM	Public Utility Distribution Account	76,045	0	76,038	7
83500	11100	1F	State Aid: Personal Property Tax Exemption	74,730	0	74,730	0
83500	20200	2B	Claim Of Right Credit	110	4	114	0
83500	20300	2C	Homestead Tax Credit	71,700	0	65,525	6,175
83500	20500	2DM	Farmland Preservation Credit	450	0	0	450
83500	20700	2BG	Business Development Credit	17,700	0	16,057	1,643
83500	20900	2EP	Cigarette And Tobacco Product Tax Refunds	32,200	0	29,770	2,430
83500	21100	2CO	Enterprise Zone Jobs Credit	64,300	0	55,330	8,970

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2020
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
Aids and Local Assistance Continued.							
83500	21200	2F	Earned Income Tax Credit	24,800	0	24,395	405
83500	21500	2EM	Veterans And Surviving Spouses Property Tax Credit	35,000	3,218	38,217	1
83500	21700	2BR	Interest Payments On Overassessments Of Manufacturing Property	10	0	0	10
83500	21800	2DO	Farmland Preservation Credit, 2010 And Beyond	16,900	205	17,105	0
83500	21900	2BD	Meat Processing Facility Investment Credit	0	0	0	0
83500	22000	2BP	Dairy Manufacturing Facility Investment Credit: Dairy Cooperatives	0	0	0	0
83500	22500	2BB	Jobs Tax Credit	8,300	2,337	9,700	937
83500	23000	2D	Research Credit	7,500	1,743	8,747	496
83500	23200	2CC	Qualified Child Sales And Use Tax Rebate For 2018	0	1	1	0
83500	30200	3B	School Levy Tax Credit And First Dollar Credit	1,088,537	0	1,088,537	0
85500	40400	4BM	Oil Pipeline Terminal Tax Distribution	5,969	0	5,969	0
Total Aids and Local Assistance.....				4,032,270	22,276	4,001,513	53,033

Principal Repayment and Lease Rental

11500	20500	2D	Principal Repayment And Interest	3	0	3	0
11500	70200	7B	Principal Repayment And Interest	1,145	0	1,145	0
19000	10100	1C	Principal Repayment And Interest	188	0	188	0
19000	10200	1D	Principal Repayment And Interest	2,551	0	2,551	0
22500	10300	1C	Principal Repayment And Interest	2,335	0	2,335	0
24500	10600	1E	Principal Repayment And Interest	4,522	5	4,527	0
25000	10300	1C	Principal Repayment And Interest	2,448	0	2,448	0
25000	10500	1E	Principal Repayment And Interest	421	0	421	0
25500	10400	1D	Principal Repayment And Interest	1,038	0	1,038	0
28500	11000	1D	Principal Repayment And Interest	190,349	0	190,349	0
32000	10300	1C	Principal Repayment And Interest	6,899	0	6,899	0
32000	28200	2C	Principal Repayment And Interest	4,336	0	4,336	0
37000	70100	7AA	Principal Repayment And Interest	62,713	0	61,743	970
37000	70600	7CB	Principal Repayment And Interest	0	1	1	0
37000	70700	7CC	Principal Repayment And Interest	1,375	0	1,375	0
37000	70800	7CD	Principal Repayment And Interest	172	86	172	86
37000	70900	7EA	Principal Repayment And Interest	565	0	565	0
39500	60500	6AD	Principal Repayment And Interest	8,605	0	8,605	0
39500	66400	6AF	Principal Repayment And Interest	76,630	0	76,630	0
39500	66500	6AE	Principal Repayment And Interest	14,289	0	14,289	0
41000	10700	1E	Principal Repayment And Interest	56,133	0	56,133	0
41000	30700	3E	Principal Repayment And Interest	2,802	0	2,802	0
43500	20700	2EE	Principal Repayment And Interest	17,848	0	17,848	0
46500	10400	1D	Principal Repayment And Interest	6,506	0	6,506	0
48500	10600	1F	Principal Repayment And Interest	1,420	0	1,420	0
50500	41300	4ET	Principal Repayment And Interest	2	0	0	2
50500	41400	4ES	Principal Repayment And Interest	872	0	0	872
50500	50300	5C	Principal Repayment And Interest	213	0	213	0
85500	80100	8A	Principal Repayment And Interest	2,357	0	2,357	0
86700	10200	1B	Principal Repayment And Interest	7,935	0	7,935	0
86700	30100	3A	Principal Repayment And Interest	7,226	551	7,777	0
86700	30200	3B	Principal Repayment And Interest	1,207	0	892	315
86700	30300	3BL	Principal Repayment And Interest	758	0	758	0
86700	30600	3BR	Principal Repayment And Interest	91	0	91	0
86700	30800	3BB	Principal Repayment And Interest	20	0	20	0
86700	30900	3BM	Principal Repayment And Interest	123	0	123	0
86700	31000	3BC	Principal Repayment And Interest	14	0	14	0
86700	31100	3BQ	Principal Repayment And Interest	832	0	832	0
86700	31200	3BN	Principal Repayment And Interest	22	0	22	0
86700	31300	3BU	Principal Repayment And Interest	34	0	34	0
86700	31400	3BV	Principal Repayment And Interest	23	0	23	0
86700	31500	3BD	Principal Repayment And Interest	38	0	38	0
86700	31600	3BE	Principal Repayment And Interest	1,207	0	1,207	0
86700	31700	3BF	Principal Repayment And Interest	54	0	54	0
86700	31800	3BG	Principal Repayment And Interest	17	0	17	0
86700	31900	3BH	Principal Repayment And Interest	34	0	34	0
86700	32000	3BJ	Principal Repayment And Interest	18	0	18	0
86700	32200	3CB	Principal Repayment And Interest	40	0	40	0
86700	32300	3CD	Principal Repayment And Interest	136	0	136	0
86700	32400	3CF	Principal Repayment And Interest	653	0	653	0
86700	32500	3CH	Principal Repayment And Interest	399	0	399	0
86700	32700	3BT	Principal Repayment And Interest	310	0	310	0
86700	32800	3BW	Principal Repayment And Interest	971	0	971	0
86700	32900	3BX	Principal Repayment And Interest	189	0	189	0
86700	35100	3CR	Principal Repayment And Interest	152	0	152	0
86700	35200	3CS	Principal Repayment And Interest	73	0	73	0
Total Principal Repayment and Lease Rental.....				491,313	643	489,711	2,245

TOTAL GENERAL FUND SUM SUFFICIENTS \$ 4,908,068 \$ 140,365 \$ 4,973,716 \$ 74,717

(1)

The accompanying notes are an integral part of this statement
(1) See Note K
(2) See Note L