

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
1996



**State of Wisconsin
1996 Annual Fiscal Report**

(Budgetary Basis)

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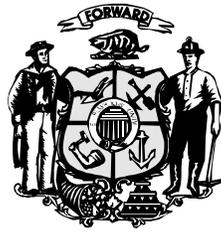
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October 11, 1996

The Honorable Tommy G. Thompson
The Honorable Members of the Legislature

This report presents statements of fund condition and operations (budgetary basis) of the State of Wisconsin for the fiscal year ended June 30, 1996. This satisfies the requirements of sec. 16.40(3), Wisconsin Statutes. Displayed are major sources of revenues and major categories of expenditures for the General Fund and other funds compared to the prior year.

The General Fund has an undesignated balance of \$581.7 million as of the end of the fiscal year. This is \$15.4 million higher than the \$566.3 million estimate that was projected in the final Chapter 20 fund condition statement.

General purpose revenue taxes were \$8.209 billion compared to \$7.778 billion in the prior year, an increase of \$431 million or 5.5 percent. General purpose revenue expenditures were \$8.162 billion compared to \$7.790 billion in the prior year, an increase of \$372 million or 4.8 percent. This increase is primarily attributable to increased school aids and local assistance.

General purpose revenue spending increases in fiscal year 1996 were largely driven by increases in four areas: school aids increased by \$235.0 million, shared revenues increased by \$40.3 million, Medical Assistance increased by \$33.8 million and Corrections increased by \$30.4 million. These increases accounted for over 91 percent of the total increase in general purpose revenue spending.

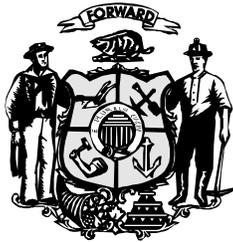
In fiscal year 1996, the State of Wisconsin continued to devote the major share of state tax collections to assistance to local school districts, municipalities and counties. Local assistance accounted for 58.4 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 18.6 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 10.3 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 12.7 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 1996. The report will be prepared under generally accepted accounting principles.

Respectfully submitted,

James R. Klauser
Secretary

William J. Raftery, CPA
State Controller



Economic Section



The Year In Summary

Revenue Highlights

General purpose revenue (GPR) taxes for the fiscal year (FY) ending June 30, 1996 totaled \$8,236 million, an increase of 5.5 percent from FY 1995 collections of \$7,807 million. These amounts are before income tax refunds of \$26.2 million in FY 1996 and \$28.4 million in FY 1995 to federal retirees as a result of settlements related to lawsuits of federal pensions.

Total collections for FY 1996 were \$4.2 million or 0.05 percent above the January 1996 revised estimates of the Legislative Fiscal Bureau (LFB) of \$8,231.4 million.

Individual income tax collections exceeded estimates by \$23.5 million, but sales and corporate franchise/income tax collections were \$19.8 million below estimates.

Table 1

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

Tax Source	FY 96	% of Total	FY 95	% of Total	Change FY96-FY95	% Change
Individual Income	\$4,183.6	50.80%	\$3,932.9	50.38%	250.7	6.4%
General Sales & Use	2,704.2	32.84%	2,571.2	32.93%	133.0	5.2%
Corporation Franchise & Income	636.0	7.72%	631.8	8.09%	4.2	0.7%
Excise	245.4	2.98%	223.4	2.86%	22.0	9.8%
Inheritance, Estate & Gift	45.6	0.55%	40.8	0.52%	4.8	11.8%
Public Utility	285.3	3.46%	272.0	3.48%	13.3	4.9%
Insurance Companies	92.3	1.12%	94.4	1.21%	-2.1	-2.2%
Miscellaneous	43.3	0.53%	40.4	0.52%	2.9	7.2%
Subtotal	8,235.7	100.0%	7,806.9	100.0%	428.8	5.5%
Less: Federal Retirees Refunds	(26.2)		(28.4)			
TOTAL GPR	\$8,209.5		\$7,778.5			

Individual Income Tax

Aside from the \$28.4 million in FY 1995 and \$26.2 million in FY 1996 for federal retiree refunds, individual income tax collections increased 6.4 percent from \$3,932.9 million in FY 1995 to \$4,183.6 million in FY 1996. Collections were \$23.5 million (0.6%) above the \$4,160.1 million estimate. The individual income tax share of total GPR taxes increased from 50.4 percent in FY 1995 to 50.8 percent in FY 1996.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 5.2 percent from \$3,544 million to \$3,730 million. Estimated payments increased 9.0 percent from \$584 million to \$636 million. Payments with tax returns increased 17.1 percent from \$177 million to \$207 million. Refunds (excluding federal retiree refunds) increased 3.4 percent from \$656 million to \$678 million.

The Homestead Credit decreased 4.6 percent from \$100.9 million to \$96.3 million, while the individual portion of the Farmland Preservation Credit

decreased 9.4 percent from \$31.0 million to \$28.1 million. The individual portion of the Farm Tax Relief Credit decreased 1.5 percent from \$15.0 million to \$14.8 million. The earned income credit increased 20.4 percent from \$49.8 million to \$59.9 million. Additional and delinquent collections increased 1.6 percent from \$87.7 million to \$89.1 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 5.2 percent from \$2,571.2 million to \$2,704.2 million. This was \$5.8 million (.2 percent) below the \$2,710 million estimate. Sales tax collections as a percentage of total GPR taxes decreased in FY 1996 from 32.9 percent to 32.8 percent.

Initial sales tax collections increased 4.6 percent from \$2,498 million to \$2,614 million. Additional collections increased 24.2 percent from \$59.6 million to \$74.0 million. Delinquent collections increased 1.1 percent from \$26.6 million to \$26.9 million, and refunds decreased 20.0 percent from \$13.2 million to \$10.6 million.

Corporation Franchise and Income Tax

Corporate collections increased 0.7 percent from \$631.8 million in FY 1995 to \$636.0 million in FY 1996. Corporate collections as a percentage of total GPR taxes decreased in FY 1996 from 8.1 percent to 7.7 percent. Corporate collections were \$14.0 million (2.2 percent) below the estimate of \$650 million.

The major source of corporate collections, estimated payments, increased 4.8 percent from \$618.5 million to \$647.9 million. Payments with tax returns decreased 9.0 percent from \$37.6 million to \$34.2 million. Refunds increased 31.6 percent from \$58.5 million to \$76.7 million. Miscellaneous collections (mostly from additional assessments and delinquent payments) decreased 9.9 percent from \$34.0 million to \$30.6 million.

Excise Tax

Cigarette tax collections increased 11.9 percent in FY 1996 from \$176.9 million to \$198.0 million, or \$1.0 million below the estimate of \$199 million.

Liquor and wine tax collections increased 0.6 percent from \$30.6 million to \$30.8 million compared to the estimate of \$30.5 million.

Beer tax collections increased 2.5 percent from \$9.0 million to \$9.2 million compared to the estimate of \$9.0 million. The peak year for beer tax collections was FY 1984 with \$10.3 million.

Tobacco products tax collections increased 7.2 percent from \$6.9 million to \$7.4 million compared to the estimate of \$7.3 million.

Inheritance, Estate and Gift Taxes

Inheritance, estate and gift taxes increased 11.8 percent from \$40.8 million to \$45.6 million in FY 1996, compared to the estimate of \$41 million.

With the completion of the phase-out of the inheritance and gift taxes, collections from these taxes will be sporadic and limited to transactions that occurred prior to their elimination.

Public Utility Taxes

Utility tax collections increased 4.9 percent in FY 1996 from \$272.0 million to \$285.3 million, or \$0.7 million above the \$284.6 million estimate.

Insurance Company Taxes

Insurance company taxes (generally based on premiums) decreased 2.3 percent from \$94.4 million to \$92.3 million, or \$3.7 million less than the estimate of \$96 million.

Real Estate Transfer Fee

The state's share of the real estate transfer fee, which is included in miscellaneous taxes, increased 12.9 percent from \$27.8 million to \$31.4 million.

Expenditure Highlights

Total state General Purpose Revenue [GPR] spending increased 4.8 percent or \$372.3 million in FY 1996, as shown in Table 2. This compares with a 7.1 percent increase in FY 1995.

The largest portion of GPR expenditures in FY 1996 was directed to school districts and local units of government, consistent with past years. Local assistance received \$4,767.2 million or 58.4 percent of total GPR spending, an increase from the 57.4 percent share paid in FY 1995. Aids to individuals received \$1,514.6 million, or 18.6 percent of total GPR spending in FY 1996 compared to 19.1 percent in FY 1995. State operations accounted for 23.0 percent of total GPR spending, similar to the 23.5 percent of GPR expenditures accounted for by state operations in FY 1995.

Local assistance represented the largest share of the \$372.3 million increase at \$299.1 million or

80.3 percent. Aids to individuals accounted for \$26.5 million or 7.1 percent of the increase and state operations constituted the remaining \$46.7 million or 12.6 percent of the increase in GPR spending.

By percentage change, local assistance expenditures showed the largest increase in spending at 6.7 percent, compared to 9.2 percent in FY 1995. Aids to individuals increased 1.8 percent, compared to a 1.0 percent increase in FY 1995, while overall state operations spending increased 2.5 percent.

The GPR budget is shaped by the ten largest programs, as detailed in Table 3. These programs comprise 82.8 percent of total GPR expenditures, roughly the same proportion as in FY 1995. Immediately following this section is a brief explanation of each program.

Table 2

GPR BUDGET BY PURPOSE *GPR Expenditures* (\$ Millions)

	FY96	% of Total	FY95	% of Total	\$ Change FY95-FY96	% Change
Local Assistance	\$4,767.2	58.4%	\$4,468.1	57.4%	\$ 299.1	6.7%
Aids to Individuals	1,514.6	18.6%	1,488.1	19.1%	26.5	1.8%
State Operations						
UW System	840.0	10.3%	842.3	10.8%	- 2.3	-0.3%
All Other Agencies	1,040.5	12.7%	991.5	12.7%	49.0	4.9%
TOTAL GPR	\$8,162.3	100.0%	\$7,790.0	100.0%	\$ 372.3	4.8%

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	FY96	% of Total	FY95	% of Total	\$ Change FY95-FY96	% Change
School Aids	\$2,685.8	32.9%	\$2,450.8	31.5%	\$ 235.0	9.6%
Shared Revenues	1,012.6	12.4%	972.3	12.5%	40.3	4.1%
Medical Assistance	877.1	10.7%	843.3	10.8%	33.8	4.0%
UW System	847.4	10.4%	849.8	10.9%	- 2.4	-0.3%
Corrections	367.9	4.5%	337.5	4.3%	30.4	9.0%
Property Tax Credits	319.3	3.9%	319.3	4.1%	0.0	0.0%
Community Aids	217.7	2.7%	216.5	2.8%	1.2	0.6%
Tax Relief to Individuals	192.9	2.4%	188.7	2.4%	4.2	2.2%
Income Maintenance (AFDC)	124.3	1.5%	143.3	1.8%	- 19.0	-13.3%
WI Tech College System Aids	110.2	1.4%	110.2	1.4%	0.0	0.0%
All Others	1,407.1	17.2%	1,358.3	17.5%	48.8	3.6%
TOTAL GPR	\$8,162.3	100.0%	\$7,790.0	100.0%	\$ 372.3	4.8%

School Aids: State assistance to Wisconsin's 427 school districts and 17 public library systems increased by 9.6 percent or \$235 million in FY 1996. Total state aids to schools plus property tax credits enabled the state to reimburse an estimated 52.9 percent of school costs in FY 1996.

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 the large increase in state school aids, succeeded in holding the statewide gross school property tax levy increase to less than 1 percent for the second consecutive year.

There are two major types of school aid. Approximately 85 percent of school aids are general aids, distributed by a formula designed to equalize each school district's property tax base per student. The remaining 15 percent are categorical aids, distributed based on local expenditures for

specific activities or educational programs. The major categorical aid programs are programs for addressing special education needs and supporting the Milwaukee Public Schools voluntary desegregation program.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 1996, the shared revenue formula distributed \$930.5 million primarily through equalized aidable revenue payments and per capita payments. The Expenditure Restraint Program distributed another \$48 million to municipalities with tax rates over 5 mills that restrained their spending increases. Two new programs, Small Municipality Shared Revenue and County Mandate Relief, provided \$14 million to municipalities with populations under 5,000 and \$20.2 million in per capita payments to counties, respectively. The total FY 1996 shared revenue payment was \$1,012.6 million, an increase of \$40.3 million, or 4.1 percent, over FY 1995. Statewide, shared revenue payments provide municipalities with about 26 percent and counties with about 7 percent of their operating revenues.

Medical Assistance: Wisconsin's state and federally funded Medical Assistance [MA] program pays for medical services to certain categories of low income persons. Included are recipients of Aid to Families with Dependent Children and Supplemental Security Income, children and pregnant women in low income families and other low income individuals who have high medical expenses. In FY 1996, total MA expenditures were \$2,373.3 billion; \$877.1 million was GPR and the balance was federally funded. Total MA spending in FY 1996 increased by 3.5 percent over FY 1995 expenditures, compared to a 4.2 percent increase in the previous year. The state funded portion of MA increased 4.0 percent in FY 1996, compared to a 1.0 percent increase the previous year, reflecting declining federal financial participation and cost increases in nursing home care.

University of Wisconsin System: Total general purpose revenue expenditures for the UW System decreased by \$2.4 million, or 0.3 percent in FY 1996, a reduction related to the creation of the separate University of Wisconsin Hospital and Clinics Authority. Tuition at UW institutions, despite annual increases, continues to be a relative bargain in higher education. Resident undergraduate tuition at Madison was \$915 below the "Big Ten" median and all other campuses were approximately \$400 below their peer group medians in FY 1996.

Correctional Services: Wisconsin's correctional population and related expenditures continued to increase in FY 1996. The population of incarcerated felons under the supervision of the state corrections program increased from 10,234 in FY 1995 to 11,510 in FY 1996, a 12.5 percent increase in population. Total GPR expenditures for the state corrections program increased \$30.4 million or 9.0 percent over the prior year, reaching \$367.9 million in FY 1996.

State Property Tax Credits: The School Levy Tax Credit pays local governments to reduce each property owner's taxes. Funding for the credit in FY 1996 was \$319.3 million, unchanged from FY 1994 and FY 1995. The School Levy Tax Credit in FY 1995 offset 6 percent of 1994 gross property tax collections for all purposes statewide.

Community Aids: Community Aids are state and federal funds distributed to counties to fund various human services programs. Total expenditures reached \$330.9 million in FY 1996, of which \$217.7 million was GPR. Total expenditure levels increased 3.1 percent or \$9.9 million from FY 1995 and primarily reflect a 3.0 percent annual increase in calendar year 1995 and the receipt of additional federal funds.

Tax Relief to Individuals: Wisconsin paid out \$192.9 million GPR in tax relief to individuals through a variety of programs during FY 1996.

The Homestead Credit, Farmland Preservation Credit and Farmland Tax Relief Credit are "circuit-breaker" tax credits. Circuit-breakers aid households overburdened by property taxes in excess of their ability to pay. 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 providing circuit-breaker relief, ranking third among the states in comprehensiveness and per capita expenditures for residential property tax relief. The Homestead Credit provided \$96.3 million of tax relief in FY 1996. About 210,000 low-income home owners and renters--over half of them age 60 and older--benefit from the program each year.

The Farmland Preservation Credit provides a refundable credit to farmers who qualify through exclusive agricultural zoning or individual farmland preservation agreements. Wisconsin's Farmland Preservation Credit is one of only two similar state programs in the country. Farmland Preservation Credit expenditures totaled \$28.4 million in FY 1996, a decrease of 8 percent from the prior year, reflecting in part a reduction in farm property tax burdens.

The Farmland Tax Relief Credit is funded by lottery proceeds. A total of \$15.1 million was provided to farmers in FY 1996, allowing a 10 percent credit on property taxes (up to \$10,000) paid on farm land.

The Earned Income Credit reduces income taxes for low income working families with children. In FY 1996, the Earned Income Credit paid \$59.9

million to these households, an increase of 20 percent over the prior year.

Income Maintenance -- Aid to Families with Dependent Children: The Aid to Families with Dependent Children [AFDC] program is the state's primary cash assistance program that provides income to children and their parents or guardians who lack adequate financial support. An average of 183,393 individuals per month received AFDC benefits in FY 1996. Over two-thirds of these recipients were dependent children.

Wisconsin provided \$317.0 million in AFDC benefits during FY 1996. Of this amount, \$124.3 million was state GPR and \$192.7 million was federal funding. Total expenditures for AFDC in FY 1996 decreased by 11.2 percent from the prior year, with state expenditures decreasing by 13.3 percent, reflecting a growing state economy and a reduced AFDC caseload.

WTCS Aids: State general aid for vocational, technical and adult education totaled \$110.2 million GPR in FY 1996, unchanged over the prior year's GPR allocation. In addition to general aid, Wisconsin Technical College System districts are

eligible for state funding from the incentive grants appropriation, totaling \$7.9 million. The incentive grants provide funding for expansion of adult literacy services, funding for new or expanding programs for emerging occupations, funds for purchase of high cost instructional equipment and funds for the creation or expansion of programs that assist business and industry in adopting new technology. These funds also enable districts to maintain educational programs that would otherwise be eliminated because of the districts' taxing limitations.

The sixteen WTCS districts provide occupational education to approximately 500,000 individuals through programs ranging from associate degrees to short-term course work in specific occupational skill areas. WTCS districts have taken an active role in providing tech-prep and youth apprenticeship services in partnership with K-12 schools, industry and labor. The WTCS districts also contribute to the state's economic development through a variety of technical assistance and customized training efforts.

Comparative Condition of the General Fund

	FY96 Actual	Chapter 20	Variance	Note
OPENING BALANCE	\$ 400,880,848	\$ 408,880,400	\$ (7,999,552)	1
Adjustment to Opening Balance	(306,976)		(306,976)	2
Adjusted Opening Balance	<u>400,573,872</u>	<u>408,880,400</u>	<u>(8,306,528)</u>	
REVENUES				
Taxes	8,235,643,192	8,231,400,000	4,243,192	3
Less Federal Retirees Refunds	(26,159,715)	(26,600,000)	440,285	4
Departmental Revenues	136,929,490	174,683,100	(37,753,610)	5
Total Revenues	<u>8,346,412,967</u>	<u>8,379,483,100</u>	<u>(33,070,133)</u>	
Total Available Per Schedule A-1	8,746,986,838	8,788,363,500	(41,376,662)	
Residual Equity Transfers	37,600,000		37,600,000	6
Total Available including Residual Equity Transfers	<u>8,784,586,838</u>	<u>8,788,363,500</u>	<u>(3,776,662)</u>	
APPROPRIATIONS				
Gross Appropriations Per General Fund Summary	8,241,608,300	8,241,608,300	-	
Budget Increases to Sum Sufficient Appropriations	14,543,767		14,543,767	7
Budget Carried Forward for Continuing Appropriations	(71,298,356)		(71,298,356)	8
Actual Compensation Reserve Authority Used	12,688,682	18,235,000	(5,546,318)	9
Local Government Property Insurance Fund	1,523,948	3,503,800	(1,979,852)	10
Less Lapses of Annual Appropriations	(67,467,620)	(41,322,800)	(26,144,820)	11
Total Expenditures Per Schedule A-1	<u>8,131,598,722</u>	<u>8,222,024,300</u>	<u>(90,425,578)</u>	
General Fund Balance before Designation	652,988,116	566,339,200	86,648,916	
Designation for Appropriation Authority Carried Forward	(71,298,356)	-	(71,298,356)	12
Net	<u>\$ 581,689,761</u>	<u>\$ 566,339,200</u>	<u>\$ 15,350,561</u>	

Notes:

- 1** The opening balance difference represents the difference in the treatment of a loan to the general fund. In the general fund summary approved by the Joint Committee on Finance (JCF) on August 14, 1996, the loan is included in the opening fund balance. The reason for this is that the loan was treated as an increase to fund balance in the year the loan was made and is carried in fund balance until repaid. In the Annual Fiscal Report, the loan does not affect fund balance since it must be repaid, in keeping with accounting convention.
- 2** Minor adjustments to prior year balance were required.
- 3** Actual tax collections were more than the estimated tax collections under the JCF estimates.
- 4** The actual refunds paid to Federal retirees were less than the estimate made by the JCF.
- 5** Actual departmental revenues were less than JCF estimated departmental revenues. However, including residual equity transfers, which the JCF included as departmental revenue in their estimate, departmental revenue and residual equity transfers were equal to the JCF estimate. (see note 6.)

6 Residual Equity Transfers are nonrecurring, nonroutine transfers of equity between funds. For budgetary purposes, transfers from other funds are treated as departmental revenue. In FY96, the following transfers were made to the general fund:

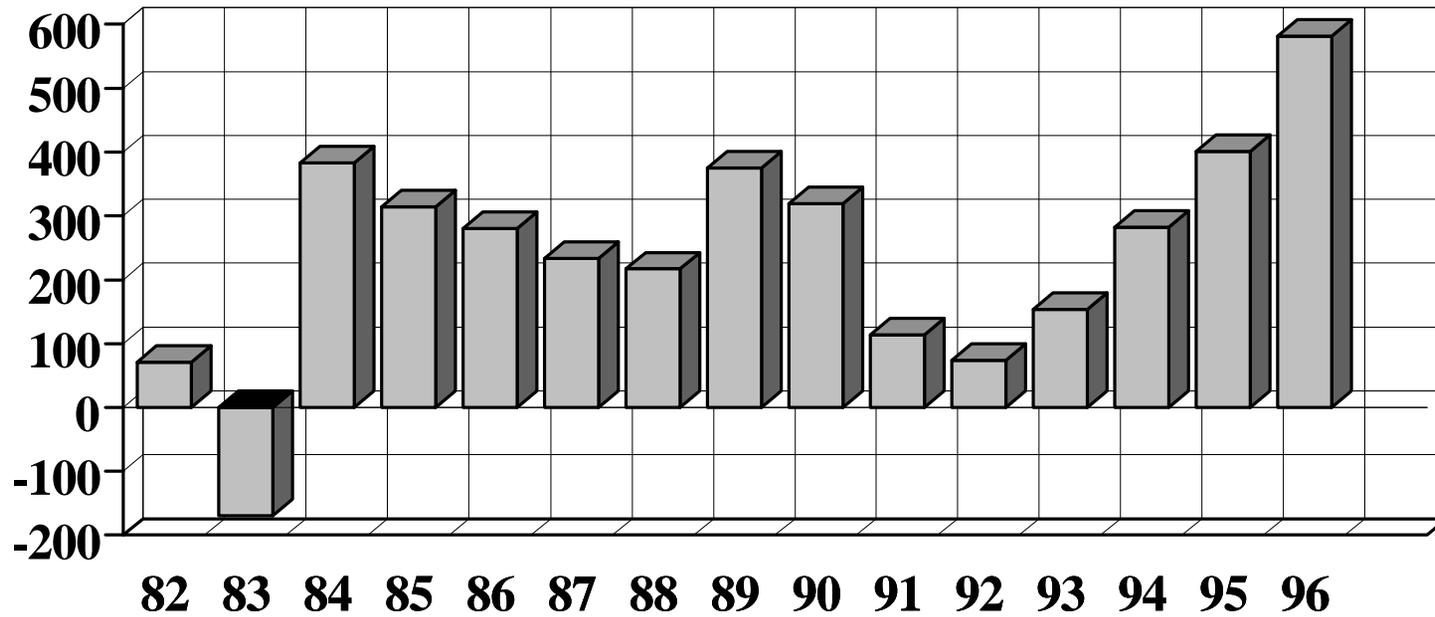
UW Hospital	\$15,000,000
Hill Farms Regional Computing Center	1,500,000
Recycling Fund	<u>21,100,000</u>
Total	<u><u>\$37,600,000</u></u>

- 7 Sum sufficient appropriations are appropriations that have authority to expend amounts necessary to accomplish the purpose specified by the legislation. Appropriations are increased by expenditures that exceed the JCF estimate.
- 8 Biennial appropriations are not restricted to the annual amounts recorded in the Chapter 20 schedule. The controlling limit is the sum of the annual amounts. Therefore, any budget remaining from the first year of the biennium is carried forward to the second year of the biennium. Similarly, if the first year's budget authority is exceeded in the first year of the biennium, the agency can begin spending against the second year's budget. In FY96, the first year of the biennium, agencies underexpended first year appropriations. The remaining budget authority is therefore carried forward to the second year. Since this amount is available for expenditure in the second year, the amount is designated.
- 9 Actual compensation expenditures applied against the Chapter 20 compensation reserves amounted to \$12,688,682. This total was \$5,546,318 less than the Chapter 20 reserve.
- 10 Repayments of loans made to the general fund are not recorded as expenditures in the AFR. This is consistent with accounting convention which holds that the receipt of loans and their repayments do not affect fund balance. However, interest on the loan is an expenditure to the fund. The \$1,523,948 amount in column 1 represents the amount of interest paid in FY96.
- 11 The amount shown is for lapses of annual appropriations or sum sufficient appropriations with expenditures that were less than the JCF estimate.
- 12 See also Note 8. The amount designated represents the amount of budget authority carried forward from FY96 to FY97.

Statements of Fund Condition and Operations

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

(In Millions of Dollars)



Fiscal Year

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, 1996
(In Thousands)**

	BUDGET			ACTUAL				VARIANCE
	Published Budget	Appropriation Adjustments	Final Budget	Reserve for Encumbrances and GPR Balances				
				Unadjusted	June 30, 1996	June 30, 1995	Adjusted	
Beginning Unreserved								
Undesignated Balance.....	\$ 408,880	\$ 0	\$ 408,880	\$ 400,881	-	-	\$ 400,881	\$ (7,999)
Adjustment to								
Undesignated Balance.....	0	0	0	(307)	0	0	(307)	(307)
Total.....	408,880	0	408,880	400,574	-	-	400,574	(8,306)
REVENUES								
Taxes:								
Individual.....	4,160,100		4,160,100	4,183,604	-	-	4,183,604	23,504
Corporation.....	650,000		650,000	636,010	-	-	636,010	(13,990)
Federal Retiree Refunds.....	(26,600)		(26,600)	(26,160)	-	-	(26,160)	440
Sales and Use.....	2,710,000		2,710,000	2,704,226	-	-	2,704,226	(5,774)
Excise.....	245,800		245,800	245,350	-	-	245,350	(450)
Inheritance.....	41,000		41,000	45,391	-	-	45,391	4,391
Gift.....	0		0	211	-	-	211	211
Public Utility.....	284,600		284,600	285,288	-	-	285,288	688
Insurance.....	96,000		96,000	92,285	-	-	92,285	(3,715)
Miscellaneous.....	43,900		43,900	43,279	-	-	43,279	(621)
<i>Total Taxes.....</i>	<i>8,204,800</i>	<i>0</i>	<i>8,204,800</i>	<i>8,209,484</i>	<i>-</i>	<i>-</i>	<i>8,209,484</i>	<i>4,684</i>
Departmental Revenue.....	174,683		174,683	136,929	-	-	136,929	(37,754)
<i>Total Revenues.....</i>	<i>8,379,483</i>	<i>0</i>	<i>8,379,483</i>	<i>8,346,413</i>	<i>-</i>	<i>-</i>	<i>8,346,413</i>	<i>(33,070)</i>
TOTAL AVAILABLE.....	8,788,363	0	8,788,363	8,746,987	-	-	8,746,987	(41,376)
EXPENDITURES								
Commerce.....	47,060	(6,678)	40,382	49,021	18,063	(30,613)	36,471	3,911
Education.....	3,788,314	8,355	3,796,669	3,778,613	10,207	(16,560)	3,772,260	24,409
Environmental Resources.....	193,262	75	193,337	196,047	2,125	(7,350)	190,822	2,515
Human Relations and Resources.....	2,304,734	(27,274)	2,277,460	2,263,322	52,721	(57,157)	2,258,886	18,574
General Executive.....	148,840	6,244	155,084	153,135	6,500	(6,322)	153,313	1,771
Judicial.....	74,805	165	74,970	75,164	49	(1,654)	73,559	1,411
Legislative.....	48,789	(177)	48,612	48,788	0	(452)	48,336	276
General.....	1,635,804	(23,251)	1,612,553	1,598,173	0	(221)	1,597,952	14,601
Transfer to Local Government								
Property Insurance Fund.....	3,504	(1,524)	1,980	0	0	0	0	1,980
Compensation Reserves.....	18,235	(12,689)	5,546	0	0	0	0	5,546
Less: Estimated Lapse.....	(41,323)	0	(41,323)	0	0	0	0	(41,323)
TOTAL EXPENDITURES.....	8,222,024	(56,754)	8,165,270	8,162,263	89,665	(120,329)	8,131,599	33,671
Residual Equity Transfer.....	0	0	0	37,600	0	0	37,600	37,600
ACTUAL BALANCE.....	566,339	56,754	623,093	622,324	(89,665)	120,329	652,988	29,895
Designation for continuing balances	0	71,298	71,298	0	(71,298)	0	(71,298)	0
UNDESIGNATED BALANCE.....	\$ 566,339	\$ (14,544)	\$ 551,795	\$ 622,324	\$ (160,963)	\$ 120,329	\$ 581,690	\$ 29,895

The accompanying notes are an integral part of this statement.

Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 1996

Other Expenditures
\$10.5 Billion

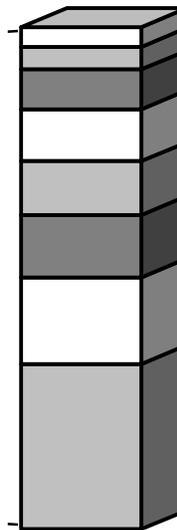
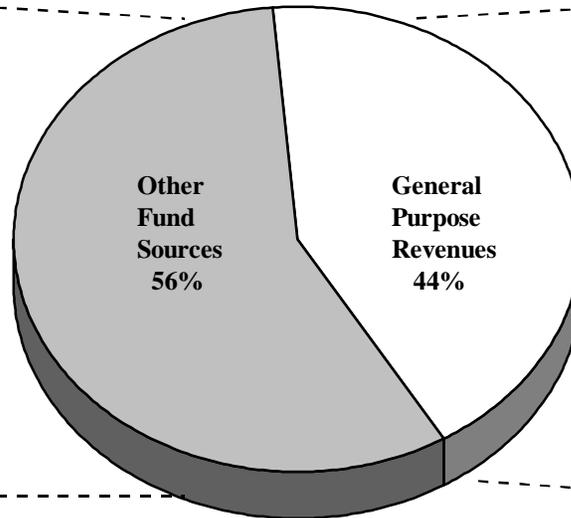
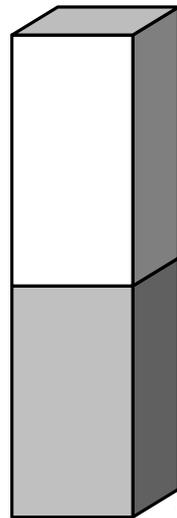
Total Expenditures
\$18.7 Billion

General Purpose Revenue Expenditures
\$8.2 Billion

18

Program Revenue

Segregated Revenue



Property Tax Credit
Corrections
* See Below
UW System
Medical Assistance
Shared Revenues
All Other
School Aids

* Community Aids
Tax Relief to Individuals
Income Maintenance (AFDC)
WI Tech College System Aids

Exhibit A-2

**State of Wisconsin
Statement of Recorded Revenues, Expenditures, and Changes in Fund Balance -
All Funds - Statutory Basis
For The Fiscal Year Ended June 30, 1996
(In Thousands)**

	GOVERNMENTAL FUNDS						TOTAL
	General Fund			Major Special Revenue Funds			June 30, 1996
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation	Other	
REVENUES							
Taxes (Net of Federal Retiree Refund)	\$ 8,209,484	\$ 11,757	\$ 8,221,241	\$ 710,885	\$ 42,943	\$ 47,990	\$ 9,023,059
Intergovernmental Revenue.....	8,673	3,267,122	3,275,795	558,478	18,081	42,437	3,894,791
Licenses.....	58,901	108,079	166,980	249,819	62,447	188,137	667,383
Charges For Goods and Services.....	5,040	1,544,227	1,549,267	33,211	17,898	509,215	2,109,591
Contributions.....	0	0	0	0	0	1,318,995	1,318,995
Interest and Investment Income.....	32,429	56,521	88,950	5,164	2,404	5,349,518	5,446,036
Gifts and Donations.....	4	182,748	182,752	0	1,210	26,676	210,638
Other Revenue.....	13,790	210,833	224,623	5,436	623	119,894	350,576
Transfers.....	7,782	3,686	11,468	760	11,699	379,922	403,849
Other Transactions.....	10,310	73,013	83,323	0	0	4,169	87,492
Proceeds from							
Sale of Bonds and Notes.....	0	0	0	0	0	330,950	330,950
TOTAL REVENUES	8,346,413	5,457,986	13,804,399	1,563,753	157,305	8,317,903	23,843,360
EXPENDITURES							
Commerce.....	49,021	115,493	164,514	329	939	409,458	575,240
Education.....	3,778,613	2,058,526	5,837,139	4,984	0	136,592	5,978,715
Environmental Resources.....	196,047	46,314	242,361	1,454,622	148,729	211,609	2,057,321
Human Relations and Resources	2,263,322	2,992,552	5,255,874	5,588	0	362,037	5,623,499
General Executive.....	153,135	259,771	412,906	1,237	2	1,732,342	2,146,487
Judicial.....	75,164	6,990	82,154	0	0	349	82,503
Legislative.....	48,788	1,260	50,048	0	0	0	50,048
General (incl. Shared Revenue).....	1,598,173	5,432	1,603,605	16,041	0	572,204	2,191,850
TOTAL EXPENDITURES	8,162,263	5,486,338	13,648,601	1,482,801	149,670	3,424,591	18,705,663
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES.....							
	184,150	(28,352)	155,798	80,952	7,635	4,893,312	5,137,697
FUND BALANCES AT BEGINNING OF YEAR.....							
	521,210	326,045	847,255	140,029	48,325	36,185,231	37,220,840
PRIOR PERIOD ADJUSTMENTS.....							
	(307)	0	(307)	0	0	0	(307)
RESIDUAL EQUITY TRANSFERS.....							
	37,600	(121,721)	(84,121)	0	0	(19,329)	(103,450)
FUND BALANCES AT END OF YEAR.....							
	\$ 742,653	\$ 175,972	\$ 918,625	\$ 220,981	\$ 55,960	\$ 41,059,214	\$ 42,254,780

The accompanying notes are an integral part of this statement.

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, 1996
(In Thousands)**

Funds by Category	Fund	FY 1996			Fund
	Balance June 30, 1995	Revenues	Expenditures	Fund Transfers	Balance June 30, 1996
<u>OTHER FUNDS</u>					
<u>Other Special Revenue</u>					
Wisconsin Health Education Loan Repay	\$ 5	\$ 109	\$ 141	\$ 0	\$ (27)
Waste Management.....	11,585	282	7,547	0	4,320
Wisconsin Election Campaign.....	75	335	64	0	346
Investment and Local Impact.....	3,800	4,079	1,712	0	6,167
Industrial Building Construction	236	13	0	0	249
Work Injury Benefits.....	10,202	1,628	2,174	0	9,656
Uninsured Employers.....	3,442	1,476	336	0	4,582
Mediation.....	331	363	349	0	345
Agrichemical Management.....	9,199	8,116	5,013	0	12,302
Badger.....	2,451	2,700	0	0	5,151
Petroleum Inspection.....	32,256	113,226	127,930	0	17,552
Environmental.....	12,293	21,254	24,802	1,250	9,995
Recycling.....	54,864	44,053	44,742	(20,579)	33,596
<i>Total Other Special Revenue.....</i>	<i>140,739</i>	<i>197,634</i>	<i>214,810</i>	<i>(19,329)</i>	<i>104,234</i>
<u>Debt Service</u>					
Bond Redemption.....	10,896	395,438	399,322	0	7,012
<u>Capital Projects</u>					
State Building Trust.....	14,832	2,504	1,504	0	15,832
Energy Efficiency.....	3,517	827	0	0	4,344
Capital Improvement.....	62,570	351,702	309,320	0	104,952
<i>Total Capital Projects.....</i>	<i>80,919</i>	<i>355,033</i>	<i>310,824</i>	<i>0</i>	<i>125,128</i>
<u>TRUST & OTHER</u>					
<u>Expendable</u>					
Children's Trust.....	80	19	0	0	99
State Capital Restoration.....	0	80	42	0	38
Historical Society Trust.....	5,979	919	375	0	6,523
Common School Income.....	13,304	17,932	14,365	0	16,871
University Trust Income.....	36,838	(10,341)	15,818	0	10,679
<i>Total Expendable.....</i>	<i>\$ 56,201</i>	<i>\$ 8,609</i>	<i>\$ 30,600</i>	<i>\$ 0</i>	<i>\$ 34,210</i>

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, 1996
(In Thousands)**

Funds by Category	Fund	FY 1996			Fund
	Balance June 30, 1995	Revenues	Expenditures	Fund Transfers	Balance June 30, 1996
<u>TRUST & OTHER (Continued)</u>					
<u>Nonexpendable</u>					
Agriculture College.....	\$ 305	\$ 0	\$ 0	\$ 0	\$ 305
Common School Principal.....	308,306	18,362	0	0	326,668
Normal School.....	17,528	198	0	0	17,726
University.....	234	0	0	0	234
Benevolent.....	13	0	0	0	13
University Trust Principal.....	138,928	32,693	0	0	171,621
State Housing Authority Reserve.....	4,895	1	0	0	4,896
<i>Total Nonexpendable.....</i>	<i>470,209</i>	<i>51,254</i>	<i>0</i>	<i>0</i>	<i>521,463</i>
<u>Pension</u>					
Fixed Retirement Trust.....	29,948,176	5,337,612	1,126,043	0	34,159,745
Variable Retirement Trust.....	4,135,024	863,291	191,725	0	4,806,590
<i>Total Pension.....</i>	<i>34,083,200</i>	<i>6,200,903</i>	<i>1,317,768</i>	<i>0</i>	<i>38,966,335</i>
<u>Other</u>					
Lottery.....	26,239	486,608	505,038	0	7,809
Health Insurance Risk Sharing Plan.....	81	0	95	0	(14)
Local Government Property Insurance.....	22,295	10,815	11,357	0	21,753
State Life Insurance.....	60,530	6,059	2,690	0	63,899
Patients Compensation Fund.....	299,930	80,505	45,592	0	334,843
Public Employe Trust.....	75,595	363,471	373,299	0	65,767
Clean Water.....	239,572	51,114	61,225	0	229,461
Veterans Trust.....	26,295	12,583	9,274	0	29,604
Veterans Mortgage Loan.....	592,530	97,877	142,697	0	547,710
<i>Total Other.....</i>	<i>1,343,067</i>	<i>1,109,032</i>	<i>1,151,267</i>	<i>0</i>	<i>1,300,832</i>
TOTAL TRUST & OTHER.....	35,952,677	7,369,798	2,499,635	0	40,822,840
TOTAL - - ALL FUNDS.....	\$ 36,185,231	\$ 8,317,903	\$ 3,424,591	\$ (19,329)	\$ 41,059,214

The accompanying notes are an integral part of this statement.

Exhibit A-4

**Comparative Condition of the General Fund
Fiscal Years Ended June 30, 1996, 1995 and 1994
(In Thousands)**

	June 30, 1996	June 30, 1995	June 30, 1994
ASSETS			
Cash & Investment Pool Shares.....	\$ 574,513	\$ 489,935	\$ 186,705
Contingent Fund Advances.....	4,108	4,107	4,107
Investments.....	445	445	445
Accounts Receivable.....	684,739	763,515	714,859
Due from Other Funds.....	16,716	9,244	135,924
Inventory	0	0	379
Prepayments	34,361	39,878	33,406
TOTAL ASSETS.....	1,314,882	1,307,124	1,075,825
LIABILITIES			
Accounts Payable.....	295,189	333,644	251,849
Due to Other Funds.....	32,251	36,564	57,093
Tax and Other Deposits.....	40,400	59,666	44,490
Advance from other funds.....	6,000	8,000	14,226
Deferred Revenue	22,417	21,995	26,235
TOTAL LIABILITIES.....	396,257	459,869	393,893
FUND BALANCE			
<u>Reserved Balances</u>			
Encumbrances.....	89,665	110,081	92,593
Program Revenue Balances.....	171,864	321,938	284,242
Contingent Fund Advances.....	4,108	4,107	3,685
Total Reserved Balances.....	265,637	436,126	380,520
<u>Unreserved Balances</u>			
Designation For Continuing Balances.....	71,298	10,248	66,535
Undesignated Balance.....	581,690	400,881	234,877
Total Unreserved Balances.....	652,988	411,129	301,412
TOTAL FUND BALANCE.....	918,625	847,255	681,932
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 1,314,882	\$ 1,307,124	\$ 1,075,825

The accompanying notes are an integral part of this statement.

Notes To Fund Statements

Note A Statutory Basis of Accounting

The State of Wisconsin Annual Fiscal Report is a report of actual financial data 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, which is prepared in accordance with GAAP is issued under a separate cover at the end of the calendar year. Statutes require that revenues and expenditures be recognized in the fiscal year in which they are received or paid. Exceptions are health and life insurance premiums which are paid two months in advance of the actual coverage months. The costs for the last two months of the fiscal year are recorded as expenditures in the following fiscal year. All investments owned by the state retirement funds are an exception since they 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, 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. Exceptions are the Building Trust Fund, the Capital Improvement Fund, and the Bond Security and Redemption Fund, which are closed as of June 30. However, the recording of charges and encumbrances applicable to the prior year is limited by the available appropriation balances of that 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.

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 these amounts are receivables and payables between funds which are not eliminated for presentation as "due to" or "due from" other funds. Fixed assets as well as inventories purchased are recorded as expenditures in the period in which they are paid.

Encumbrances are not treated as expenditures but are recorded separately for purposes of establishing reserves. Unused appropriation balances may be 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 Program Revenue (PR) or General Purpose Revenue (GPR) balances. 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 the use of 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 statutes require that the Secretary of Administration and the State Treasurer approve all payments. 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 audit of expenditures prior to disbursement.

The Department of Administration maintains separate accounts for all appropriations showing the amounts appropriated, the amounts allotted, the amounts encumbered, the amounts expended 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 appropriate for governmental accounting.

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

Loan to the General Fund

At the beginning of fiscal year 1996, the general fund had an outstanding loan of \$8,000,000 from the Local Government Property Insurance Fund. During FY 1996, \$2,000,000 of the loan from the Local Government Property Insurance Fund was repaid.

As of June 30, 1996, the general fund balance sheet included an outstanding loan balance, totaling \$6,000,000, from the Local Government Property Insurance Fund. This loan is an adjusting item to the Chapter 20 fund balance because of differing treatments of the loan in Chapter 20 versus accounting convention. In Chapter 20, the loan directly affects fund balance, increasing the balance in the year the loan was made to the general fund and decreasing fund balance when repaid.

Accounting convention holds that loans have no effect on fund balance, as the amounts received must be repaid. As a result, the loan is shown as debt of the receiving fund and an asset of the paying fund.

Compensation Reserve

In FY96, Chapter 20 included a compensation reserve for employe salary and fringe benefit increases. The total amount reserved (appropriated) was \$18,235,000 and the amount expended was \$12,688,682 leaving an unspent reserve of \$5,546,318.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are those shown for "General Purpose Revenues" (GPR) under state statute Chapter 20, Appropriations and Budget Management, compiled August, 1996.

The adjustments column reflects 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 Appropriations, are not included in Exhibit A-1. Only those appropriations made from nondedicated General Purpose Revenues are included.

Note F Projected to Actual General Fund Condition

The variance between the published budgeted ending balance and actual undesignated balance at the end of fiscal year 1996 is explained as follows:

	<u>(thousands)</u>
Ending fund balance (Undesignated) per chapter 20	\$ 566,339
Opening balance adjustments:	
Prior year adjustment	(307)
Adjustment for loan	<u>(8,000)</u>
Total opening balance adjustments	<u>(8,307)</u>
REVENUE ADJUSTMENTS	
Taxes received more than estimate	4,244
Payment for Federal Retirees less than estimate	440
Departmental revenues less than estimate	(37,754)
Residual Equity Transfers	<u>37,600</u>
Total revenue in excess of estimate	<u>4,530</u>
APPROPRIATION ADJUSTMENTS	
Sum sufficient appropriations more than budgeted	(14,543)
Net appropriation authority carried forward	71,298
Total Appropriation Adjustments	<u>56,755</u>
LAPSES MORE THAN BUDGETED	33,671
DESIGNATION FOR BIENNIAL AND CONTINUING BALANCES	(71,298)
UNDESIGNATED FUND BALANCE	<u>\$ 581,690</u>

Note G General Fund Cash Flow

Without corrective action, the General Fund would have experienced a short-term cash flow problem during the first half of the year. A temporary reduction in cash balances occurs every year due to a mismatch between the timing of receipts and disbursements. The majority of receipts were collected in the second half of the year while payments were more evenly distributed.

Because of this mismatch, an operating note was issued as usual in fiscal year 1996. Without the operating note the General Fund’s cash balance would have dropped from an opening balance of \$451 million to a yearly low of \$-113 million, a reduction of \$564 million.

With the \$250 million operating note, this did not occur. The note prevented borrowing from other operating funds and ensured timely payments to local governments and the state’s suppliers. The note allowed the state to acquire sufficient funds to offset July’s, November’s, and December’s sizeable cash payments for local assistance. The proceeds of the note and its timely repayment allowed the General Fund to more closely match receipts and payments. The operating note sinking fund payments were met as scheduled and the full amount of the note plus accrued interest was repaid on June 17, 1996.

The operating note served as a cost-effective method of acquiring short term funds. The note saved the general fund \$4.3 million through increased investment earnings and reduced interfund borrowing.

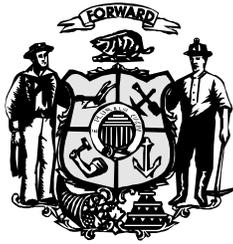
Note H Unappropriated Activities

The Universal Service Fund (USF) was created by the Legislature by 1993 Wisconsin Act 496 and s. 196.218 Wis. Stats. The act requires the Public Service Commission to develop programs to promote universal telecommunication services. Although the revenues and expenditures for the USF have not been budgeted in a state appropriation, they are state funds administered by a state agency, and are therefore summarized below.

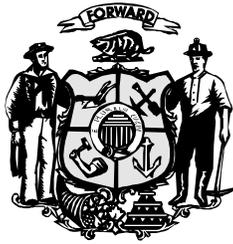
	Universal Service Fund
Revenues	\$3,876,095
Expenditures	<u>1,343,993</u>
Balance	<u><u>\$2,532,102</u></u>

In addition, the Department of Regulation and Licensing, and the Commissioner of Insurance enter into contracts with private vendors for programs that they manage. These contracts have not been budgeted within a state appropriation and therefore, this activity is summarized here to provide full disclosure of state agency operations.

	Commisioner of Insurance	Regulation and Licensing
Revenues	\$1,018,717	\$1,395,426
Expenditures	<u>1,018,717</u>	<u>1,395,426</u>
Balance	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>



Supplemental Data



Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 1996

Other Revenues

\$14.8 Billion

Total Revenues

\$23.8 Billion

Tax Revenues

\$9.0 Billion

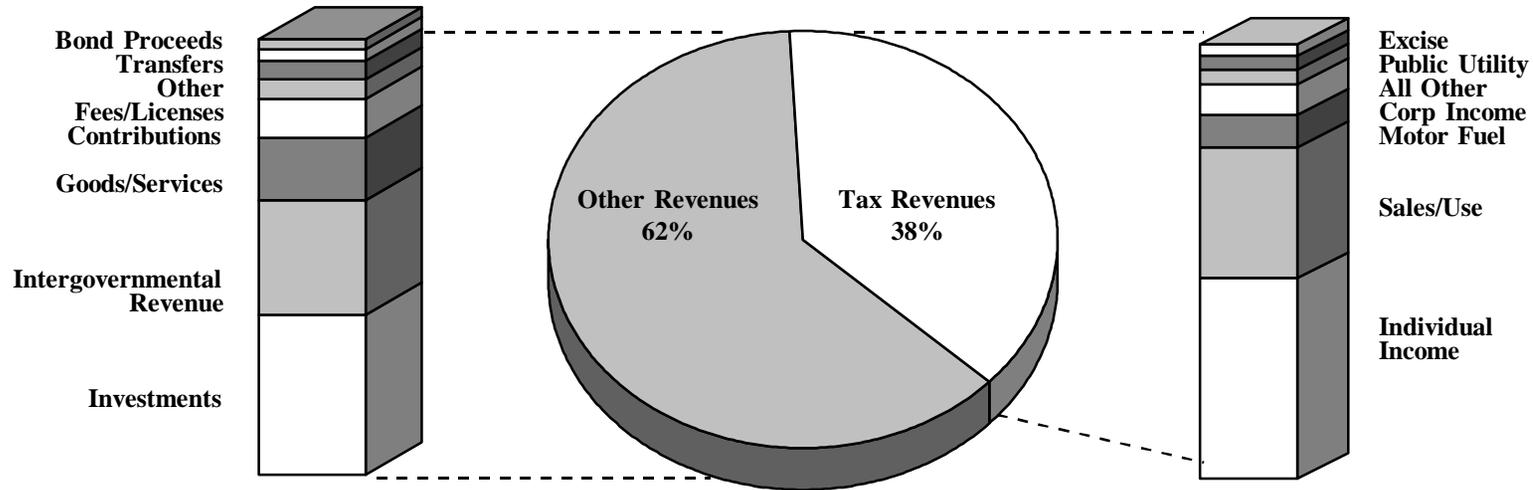


Exhibit B-1

**Analysis of Revenues - - All Funds
As of June 30
(In Thousands)**

	FY 1996	FY 1995	FY 1994
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
Individual.....	\$ 4,183,604	\$ 3,961,393	\$ 3,648,760
Corporation.....	636,010	631,750	541,284
Federal Retiree Refund.....	(26,160)	(28,445)	(10,050)
<i>Total Income Taxes.....</i>	<u>4,793,454</u>	<u>4,564,698</u>	<u>4,179,994</u>
Sales and Excise Taxes			
General Sales and Use.....	2,704,226	2,571,212	2,427,900
Cigarette	197,965	176,888	173,846
Tobacco Products.....	7,385	6,948	6,325
Liquor and Wine.....	30,813	30,624	30,292
Malt Beverage (Beer).....	9,187	8,960	9,104
<i>Total Sales and Excise Taxes.....</i>	<u>2,949,576</u>	<u>2,794,632</u>	<u>2,647,467</u>
Public Utility Taxes			
Private Light, Heat & Power.....	106,033	102,947	103,152
Municipal Light, Heat and Power.....	1,395	1,385	1,176
Telephone.....	160,120	149,729	145,975
Pipeline.....	9,165	9,729	9,432
Electric Cooperative.....	7,504	6,962	6,893
Municipal Electric.....	942	1,077	1,336
Conservation & Regulation.....	141	160	170
Utility Tax (Refunds) Interest and Penalty.....	(12)	(9)	104
<i>Total Public Utility Taxes.....</i>	<u>285,288</u>	<u>271,980</u>	<u>268,238</u>
Inheritance, Estate and Gift Taxes			
Inheritance and Estate.....	45,391	39,729	52,244
Gift.....	211	1,055	958
<i>Total Death & Gift Taxes.....</i>	<u>45,602</u>	<u>40,784</u>	<u>53,202</u>
Miscellaneous Taxes			
Insurance Companies (Premiums).....	92,285	94,416	95,991
Real Estate Transfer Fee.....	31,394	27,805	29,301
Lawsuits (Courts).....	7,628	7,184	6,846
Pari-mutuel Tax.....	3,645	4,743	5,898
Other.....	611	625	666
<i>Total Miscellaneous Taxes.....</i>	<u>135,563</u>	<u>134,773</u>	<u>138,702</u>
TOTAL GPR TAX REVENUES.....	<u>8,209,483</u>	<u>7,806,867</u>	<u>7,287,603</u>
Program Tax Revenues			
Fire Dues.....	9,315	7,362	7,815
Pari-mutuel Taxes.....	1,375	1,817	2,066
County Expo Tax Administration.....	295	68	0
Baseball Park Administration Fee.....	208	0	0
Business Trust Regulation Fee.....	313	0	0
Other.....	250	2	3
<i>TOTAL PROGRAM TAX REVENUES.....</i>	<u>11,756</u>	<u>9,249</u>	<u>9,884</u>
TOTAL - GENERAL FUND TAX REVENUES.....	<u>\$ 8,221,239</u>	<u>\$ 7,816,116</u>	<u>\$ 7,297,487</u>

Exhibit B-1 (continued)

**Analysis of Revenues - - All Funds
As of June 30
(In Thousands)**

	FY 1996	FY 1995	FY 1994
Type of Revenue:			
Transportation Fund			
Motor Fuel Tax.....	\$ 676,003	\$ 651,186	\$ 634,621
Air-Carrier.....	8,717	9,542	9,445
Railroad.....	25,157	12,802	8,601
Aviation Fuel.....	1,009	1,003	1,003
International Fuel Tax Administration.....	0	0	0
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	40,316	36,938	34,632
Forest Crop Taxes.....	2,627	2,255	1,881
Recycling Fund			
Temporary Service Charges.....	41,578	40,585	47,630
Investment & Local Impact Fund			
Metalliferous Minerals Taxes.....	3,846	3,675	0
Badger Fund			
Metalliferous Minerals Taxes.....	2,564	2,450	0
Mediation Fund.....	3	4	3
TOTAL STATE TAX REVENUES.....	9,023,059	8,576,556	8,035,303
Intergovernmental Revenue	3,894,791	3,776,043	3,678,490
Licenses and Permits	667,382	628,908	632,813
Charges for Goods and Services.....	2,109,590	2,095,860	2,022,346
Contributions.....	1,318,995	1,478,712	1,310,111
Interest and Investment Income	5,446,036	5,146,837	1,276,946
Gifts and Donations	210,639	176,311	165,760
Proceeds from Sale of Bonds	330,950	324,941	243,712
Other Revenues	350,576	400,083	276,104
Other Transactions.....	87,492	93,370	92,547
TOTAL DEPARTMENTAL REVENUES.....	14,416,451	14,121,065	9,698,829
TRANSFERS.....	403,850	385,961	521,022
TOTAL REVENUES.....	\$ 23,843,360	\$ 23,083,582	\$ 18,255,154

The accompanying notes are an integral part of this statement.

Exhibit B-2

**General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 1996
(In Thousands)**

Agency	Appr.		Prior Year			Expenditures	Lapse
			Encumbrance	Chapter 20	Increases		
State Operations							
115	DJ	Food Regulation Lapse Restoration.....	\$ 0	202	0	202	\$ 0
370	DX	Endangered Resources-General Fund.....	0	500	0	500	0
410	DJ	Reimbursement Claims from Counties With State Institutions.....	0	146	17	163	0
435	V5	Administrative Expenses For State Supplement to Federal SSI Program.....	0	2,771	17	2,787	0
455	DG	Special Counsel.....	0	1,050	100	1,150	0
455	GM	Officer Training Reimbursement.....	0	85	0	30	55
465	DH	Public Emergencies.....	0	49	121	169	0
505	PY	Claims Awards.....	0	30	770	800	0
525	DF	Governor'S Office Administration.....	0	2,172	0	2,161	10
525	DG	Contingent Fund.....	0	22	0	13	8
525	DH	Membership In National Assoc.....	0	110	0	110	0
525	GK	Executive Residence.....	0	160	12	172	0
625	DF	Circuit Courts.....	0	43,450	2	42,149	1,303
660	DF	Court Of Appeals.....	0	6,209	1	6,110	99
680	DF	Supreme Court.....	0	3,239	40	3,279	0
765	DF	Assembly.....	0	18,453	258	18,603	108
765	DH	Senate.....	0	12,058	0	11,940	118
765	DJ	Legislative Documents.....	0	5,286	322	5,609	0
765	KX	Membership In National Assoc.....	0	214	0	214	0
855	DF	Obligation On Operating Notes.....	0	6,500	0	6,358	142
855	DG	Operating Notes Expenses.....	10	90	0	90	11
855	KQ	Capitol Offices Relocation.....	0	3,054	74	3,128	0
855	PU	Interest On Overpayment Of Taxes.....	0	300	0	285	15
855	PY	Transfer To Conservation Fund - Land Acquisition.....	0	228	0	226	2
855	PW	Minnesota Income Tax Reciprocity.....	0	28,504	0	28,504	0
865	DF	Judgement & Legal Expenses.....	0	50	8	58	0
<i>Total State Operations.....</i>			10	134,932	1,740	134,810	1,872
Aids And Local Assistance							
115	GM	Animal Disease Indemnities.....	0	109	0	64	45
115	PV	Aids To County & District Fairs.....	0	585	0	585	0
235	GM	Student Loan Interest.....	0	274	0	263	11
255	HN	Milwaukee Parental Choice Program	0	5,400	0	4,563	837
370	S1	Aids In Lieu Of Taxes.....	0	1,450	170	1,620	0
435	P2	Income Maintenance Payments To Individuals.....	0	124,300	0	124,300	0
435	R6	Relief Needy Indian Persons.....	0	1,600	268	1,868	0
435	ON	State Supplement to Federal Supplemental Security Income Program	0	131,901	0	131,890	11
435	2G	Reimbursement Local Units Of Government.....	0	400	0	322	78
445	DG	Special Death Benefit.....	0	400	0	259	141
465	KU	Disaster Recovery Aids.....	1	1,231	0	1,131	101
515	DF	Annuity Supplements And Payments.....	0	380	0	379	1
835	DP	Small Municipalities Shared Revenue.....	0	14,000	0	14,000	0
835	DF	Expenditure Restraint Program Acct.....	0	48,000	0	48,000	0
835	DG	Shared Revenue Account.....	0	930,460	0	930,459	1
835	DH	County Mandate Relief Account.....	0	20,159	0	20,159	0
835	GN	Homestead Tax Credit.....	0	98,500	0	96,324	2,176

Exhibit B-2 (continued)

**General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 1996
(In Thousands)**

Agency	Appr.		Prior Year			Expenditures	Lapse
			Encumbrance	Chapter 20	Increases		
Aids And Local Assistance (Continued)							
835	GT	Development Zones Investment Credit.....	\$ 0	3	0	0	\$ 3
835	GV	Development Zones Location Credit.....	0	2	0	0	2
835	GP	Development Zones Jobs Credit.....	0	900	287	1,187	0
835	GR	Development Zones Sales Tax Credit.....	0	225	69	294	0
835	GQ	Farmland Preservation Credit.....	0	30,600	0	28,402	2,198
835	GX	Earned Income Tax Credit.....	0	55,000	4,925	59,925	0
835	KR	School Levy Tax Credit.....	0	319,305	0	319,305	0
835	GU	Cigarette Tax Refunds.....	0	7,300	1,035	8,335	0
835	V3	County Assessment Aid.....	0	930	0	930	0
855	PV	Election Campaign Payment.....	0	315	0	315	0
<i>Total Aids And Local Assistance.....</i>			<i>1</i>	<i>1,793,727</i>	<i>6,754</i>	<i>1,794,878</i>	<i>5,605</i>
Principal Repayment And Lease Rental							
225	DH	Principal Repayment and Interest.....	0	908	0	904	4
245	GV	Principal Repayment and Interest.....	0	568	108	676	0
245	S3	Principal Repayment and Interest.....	0	416	33	448	0
250	DK	Principal Repayment and Interest.....	0	452	0	451	1
255	DJ	Principal Repayment and Interest.....	0	889	145	1,034	0
285	DR	Principal Repayment and Interest.....	0	68,432	2,814	71,246	0
320	DH	Principal Repayment and Interest.....	0	18,587	0	18,083	504
370	PY	Principal Repayment and Interest.....	57	0	0	15	42
370	Y7	Resource Acquisition Principal Repayment and Interest.....	0	14,544	55	14,599	0
370	OA	Debt Service Remedial Action.....	0	762	0	750	12
370	OB	Nonpoint Source Grants Principal Repayment and Interest.....	0	698	133	831	0
370	OC	Pollution Abatement Bonds Principal Repayment and Interest.....	0	81,234	0	80,523	711
370	OD	Combined Sewer Overflow Principal Repayment and Interest.....	0	18,761	0	18,552	209
370	OE	Municipal Clean Drinking Water Grants Principal Repayment and Interest.....	0	798	0	644	154
370	OF	Administrative Facilities Principal Repayment and Interest.....	0	468	0	415	54
410	DN	Principal Repayment and Interest.....	0	39,134	876	40,011	0
435	GS	Principal Repayment and Interest.....	0	6,801	701	7,502	0
435	KW	Principal Repayment and Interest.....	0	1,611	222	1,832	0
435	S5	Principal Repayment and Interest.....	0	22	7	29	0
465	DJ	Principal Repayment and Interest.....	0	2,241	0	2,152	89
485	DM	Principal Repayment and Interest.....	0	1,201	0	1,109	93
867	DG	Capitol and Executive Residence Principal Repayment and Interest.....	0	3,383	0	1,705	1,678
867	KQ	Principal Repayment and Interest.....	0	13,947	0	6,741	7,206
867	KR	Principal Repayment and Interest.....	0	0	708	708	0
<i>Total Principal Repayment And Lease Rental.....</i>			<i>57</i>	<i>275,855</i>	<i>5,803</i>	<i>270,960</i>	<i>10,755</i>
Pay Plan & Supplements							
865	DH	Salary.....	0	17,679	0	12,133	5,546
865	DJ	Fringe.....	0	3,667	0	3,667	(0)
<i>Total Pay Plan & Supplements.....</i>			<i>0</i>	<i>21,346</i>	<i>0</i>	<i>15,800</i>	<i>5,546</i>
TOTAL GENERAL FUND SUM SUFFICIENTS.....			\$ 69	2,225,860	14,296	2,216,447	\$ 23,777