
State of Wisconsin
Additional/Voluntary Filing #2017-19
Dated October 16, 2017

This Additional/Voluntary Filing does not concern an event described in Securities and Exchange Act Rule 15c2-12, as amended. The State of Wisconsin provides this information as it may be material to financial evaluation of one or more obligations of the State of Wisconsin.

Issuer: State of Wisconsin

CUSIP Numbers: 977055 Prefix (All) 977056 Prefix (All)
97705L Prefix (All) 97705M Prefix (All)
977087 Prefix (All) 97709T Prefix (All)
977092 Prefix (All) 977100 Prefix (All)
977109 Prefix (All) 977123 Prefix (All)

Type of Information: Financial/Operating Data Disclosures; Budget

Attached is the **Annual Fiscal Report (Budgetary Basis) State of Wisconsin 2017**. The attached presents statements of fund condition and operations (budgetary basis) of the State of Wisconsin for the fiscal year ended June 30, 2017. The attached provides annual financial information but is NOT required by the State's undertaking under Rule 15c2-12 and is NOT intended to represent financial statements prepared in accordance with generally accepted accounting principles (GAAP).

The State of Wisconsin is providing this Additional/Voluntary Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. This Additional/Voluntary Filing is also available on the State of Wisconsin Capital Finance Office web site at:

doa.wi.gov/capitalfinance

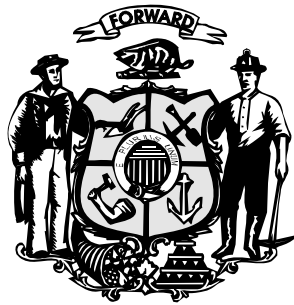
The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office, which is the office of the State of Wisconsin responsible for providing additional/voluntary filings, annual reports, and Event Filings pursuant to the State's Master Agreement on Continuing Disclosure (Amended and Restated December 1, 2010), and is authorized to distribute this information publicly.

/s/ DAVID R. ERDMAN
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FY17

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
2017

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State of Wisconsin
2017 Annual Fiscal Report

(Budgetary Basis)

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**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

SCOTT A. NEITZEL
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October 15, 2017

The Honorable Scott Walker
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, 2017. 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 \$579.0 million as of the end of the fiscal year. The undesignated balance was \$126 million more than the 2017-2019 Executive Budget FY 2017 estimate closing balance and \$111.9 million more than the FY2017 closing balance estimated in 2017 Wisconsin Act 59. General-purpose revenue taxes were \$15.518 billion compared to \$15.098 billion in the prior year, an increase of \$420 million or 2.8 percent. General-purpose revenue expenditures, excluding fund transfers, were \$15.858 billion. This is \$41 million less than the budgeted expenditure allocation of \$15.899 billion.

In fiscal year 2017, 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 52.9 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 24.3 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 6.5 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 16.3 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 2017. The report will be prepared under generally accepted accounting principles.

Respectfully submitted,

Scott A. Neitzel
Secretary of Administration

Jeffery C. Anderson, 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, 2017 totaled \$15,517.6 million, an increase of 2.8 percent from FY 2016 collections of \$15,097.5 million.

Total collections for FY 2017 were \$14.0 million, or 0.1 percent, above the estimate of \$15,503.6 million.

Table 1

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

Tax Source	FY17	% of Total	FY16	% of Total	\$ Change FY17-FY16	% Change
Individual Income	\$8,039.5	51.8%	\$7,740.8	51.3%	\$298.7	3.9%
General Sales & Use	5,223.9	33.7%	5,065.8	33.5%	158.1	3.1%
Corporation Franchise & Income	920.9	5.9%	963.0	6.4%	-42.1	-4.4%
Excise	705.7	4.5%	708.5	4.7%	-2.8	-0.4%
Public Utility	360.5	2.3%	360.6	2.4%	-0.1	0.0%
Insurance Companies	181.6	1.2%	177.3	1.2%	4.3	2.4%
Miscellaneous	85.5	0.6%	81.5	0.5%	4.0	4.9%
TOTAL GPR	\$15,517.6	100.0%	\$15,097.5	100.0%	\$420.1	2.8%

Individual Income Tax

Individual income tax collections increased \$298.7 million (3.9 percent) from \$7,740.8 million in FY 2016 to \$8,039.5 million in FY 2017. This was \$10.5 million (0.1 percent) below the \$8,050.0 million estimate. The individual income tax share of total GPR taxes increased from 51.3 percent in FY 2016 to 51.8 percent in FY 2017.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 5.0 percent from \$7,171.8 million to \$7,528.3 million. Estimated payments decreased 0.1 percent from \$1,273.6 million to \$1,272.5 million, while refunds increased 3.2 percent from \$1,695.4 million to \$1,748.8 million. Final payments, or payments with returns, decreased 2.7 percent to \$611.9 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 3.1 percent from \$5,065.8 million to \$5,223.9 million. This was \$8.9 million (0.2 percent) above the \$5,215.0 million estimate. Sales tax collections as a percentage of total GPR taxes increased from 33.5 percent in FY 2016 to 33.7 percent in FY 2017.

Corporation Franchise and Income Tax

Corporate collections decreased 4.4 percent from \$963.0 million in FY 2016 to \$920.9 million in FY 2017. Corporate collections as a percentage of total GPR taxes declined to 5.9 percent in FY 2017 from 6.4 percent in FY 2016. Corporate collections were \$20.9 million (2.3 percent) above the estimate of \$900.0 million.

The major source of corporate collections, estimated payments, decreased by 5.5 percent from \$868.7 million in FY 2016 to \$820.6 million in FY 2017.

Excise Tax

Cigarette tax collections decreased 1.6 percent from \$573.4 million in FY 2016 to \$564.2 million in FY 2017. Collections in FY 2017 were below the estimate by \$0.8 million (0.1 percent).

Tobacco products tax collections increased 5.5 percent from \$76.1 million in FY 2016 to \$80.3 million in FY 2017. Collections in FY 2017 were below the estimate by \$1.7 million (2.1 percent).

Liquor and wine tax collections increased 4.2 percent from \$50.0 million in FY 2016 to \$52.1 million in FY 2017. Collections in FY 2017 were above the estimate by \$1.1 million (2.2 percent).

Beer tax collections increased 1.1 percent from \$9.0 million in FY 2016 to \$9.1 million in FY 2017. Collections in FY 2017 were above the estimate by \$0.2 million (2.3 percent).

Other Taxes

Public utility tax collections decreased \$0.1 million from \$360.6 million in FY 2016 to \$360.5 million in FY 2017. Collections were \$0.8 million (0.2 percent) above the FY 2017 estimate.

Insurance company taxes (generally based on premiums) increased 2.4 percent from \$177.3 million in FY 2016 to \$181.6 million in FY 2017. Collections were \$5.4 million (2.9 percent) below the FY 2017 estimate.

Miscellaneous taxes increased 4.9 percent from \$81.5 million in FY 2016 to \$85.5 million in FY 2017. This is \$0.5 million above the estimate for the fiscal year. The largest component of miscellaneous taxes, the real estate transfer fee, increased 8.5 percent to \$70.6 million in FY 2017.

Expenditure Highlights

Aid for K-12 education continues to be the top GPR expenditure for the state. Along with significant aid going to local school districts, the Governor and Legislature were able to maintain property and income tax relief in FY 2017. State property tax relief aid kept property taxes lower in 2016(17) than they were in 2010(11) for the median value home. Income tax relief for the median income family was \$243 in tax year 2016 and will total an estimated \$1,403 from tax year 2013 to 2018. This and other tax relief actions have reduced Wisconsin's tax burden as a percentage of personal income to 21st in the nation in 2015 from 9th in the nation in 2010. The tax burden is now lower than the national average. Over this time, this is the third largest improvement to tax burden of any state in the nation.

The state began FY 2017 with a general fund GPR balance of \$331 million. By the close of FY 2017, this balance has grown to \$579.0 million, which is larger than previously estimated at the time of the 2015-17 Biennial Budget enactment. This general fund balance is in addition to maintaining the largest budget stabilization ("rainy day") fund balance in state history at \$282.9 million.

Total GPR spending increased \$516.6 million in FY 2017, as shown in Table 2. This compares to a

\$7.0 million increase in FY 2016. The largest portion of GPR expenditures in FY 2017 was directed to school districts and other local units of government, consistent with past years. Local assistance payments increased by 7.4 percent, and these expenditures were \$8,383.9 million or 52.9 percent of total GPR spending in FY 2017 compared to \$7,809.0 million or 51.0 percent of total spending in FY 2016. Aid payments to individuals and organizations decreased by 3.0 percent, and these expenditures were \$3,859.5 million, which was 24.3 percent of total GPR spending in FY 2017, compared to \$3,979.6 million or 25.9 percent in FY 2016. State operations spending increased 1.7 percent in FY 2017, with expenditures of \$3,614.1 million that accounted for 22.8 percent of total GPR spending, compared to \$3,552.3 million or 23.1 percent in FY 2016. The largest share of the spending increase was from the University of Wisconsin (UW) System.

The GPR budget is shaped by its ten largest programs, as detailed in Table 3. These programs comprised 84.7 percent of total GPR expenditures in FY 2017, which was an increase from the 84.2 percent in FY 2016. Immediately following this section is a brief explanation of each program.

Table 2

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

	<u>FY17</u>	% of <u>Total</u>	<u>FY16</u>	% of <u>Total</u>	<u>\$ Change</u> <u>FY17-FY16</u>	% <u>Change</u>
Local Assistance	\$8,383.9	52.9%	\$7,809.0	51.0%	\$574.9	7.4%
Aids to Individuals	3,859.5	24.3%	3,979.6	25.9%	-120.1	-3.0%
State Operations:						
UW System	1,030.5	6.5%	993.5	6.5%	37.0	3.7%
All Other Agencies	<u>2,583.6</u>	<u>16.3%</u>	<u>2,558.8</u>	<u>16.6%</u>	<u>24.8</u>	<u>1.0%</u>
Total	<u>\$15,857.5</u>	<u>100.0%</u>	<u>\$15,340.9</u>	<u>100.0%</u>	<u>\$516.6</u>	<u>3.4%</u>
Transfers	<u>39.5</u>		<u>38.0</u>			
TOTAL GPR	<u>\$15,897.0</u>		<u>\$15,378.9</u>			

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	<u>FY17</u>	<u>% of Total</u>	<u>FY16</u>	<u>% of Total</u>	<u>\$ Change FY17-FY16</u>	<u>% Change</u>
1. School Aids	\$5,681.3	35.8%	\$5,223.6	34.1%	\$457.7	8.8%
2. Medical Assistance	2,636.1	16.7%	2,719.5	17.7%	-83.4	-3.1%
3. Correctional Services	1,175.1	7.4%	1,159.5	7.6%	15.6	1.3%
4. UW System	1,030.5	6.5%	993.5	6.5%	37.0	3.7%
5. State Property Tax Credits	1,001.3	6.3%	895.4	5.8%	105.9	11.8%
6. Shared Revenue	820.8	5.2%	827.4	5.4%	-6.6	-0.8%
7. WI Technical College System	519.4	3.3%	516.1	3.4%	3.3	0.6%
8. Individual Tax Relief	213.5	1.3%	216.9	1.4%	-3.4	-1.6%
9. Community Aids	195.8	1.2%	200.6	1.3%	-4.8	-2.4%
10. State Supplement to SSI	158.8	1.0%	154.8	1.0%	4.0	2.6%
All Others	<u>2,424.9</u>	<u>15.3%</u>	<u>2,433.6</u>	<u>15.8%</u>	<u>-8.7</u>	<u>-0.4%</u>
Subtotal	\$15,857.5	<u>100.0%</u>	\$15,340.9	<u>100.0%</u>	<u>\$516.6</u>	<u>3.4%</u>
Transfers	<u>39.5</u>		<u>38.0</u>			
TOTAL	<u>\$15,897.0</u>		<u>\$15,378.9</u>			

School Aids: State GPR assistance to Wisconsin's 424 school districts increased by 8.8 percent or \$457.7 million in FY 2017. This includes \$126.8 million in per pupil aid budgeted in FY 2017 but spent by school districts in the 2015-16 school year. Overall, through a combination of state aids and property tax credits, the state reimbursed approximately 63.6 percent of school costs in FY 2017, up from 62.7 percent in FY 2016. The percentage of school costs reimbursed by the state in FY 2017 is the largest since FY 2010.

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 0.3 percent since FY 2011.

There are two major types of direct school aid. Approximately 79.9 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 the Milwaukee Public Schools special transfer aid program for pupils transferring between schools with certain concentrations of minority and nonminority populations. The remaining 20.1 percent of direct aids are categorical aids, generally distributed based on local expenditures for specific activities or educational programs. Major categorical aid programs include programs for addressing special education needs and maintaining small class sizes. In addition, during FY 2017, school districts were provided a \$250 adjustment for each pupil through the per pupil categorical program.

In addition to direct aid, in FY 2017 the state also provided \$151.6 million GPR for children from low-income families in the city of Milwaukee and certain eligible school districts statewide to attend private schools at no charge. For FY 2017, the Milwaukee Parental Choice Program was funded 74.4 percent with GPR and 25.6 percent by the Milwaukee Public School District through an adjustment to its general equalization aid

calculation. The state also provided \$15.4 million for choice programs in Racine and across the state.

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 2017, total MA expenditures, including BadgerCare Plus, were \$9,229.0 million, of which \$2,636.1 million was GPR. On an all funds basis, MA expenditures increased by 4.3 percent from FY 2016.

During FY 2017, average MA enrollment remained relatively flat, decreasing by 0.42 percent. Enrollment trends varied within eligibility groups, however. Average monthly enrollment of low-income adults and children in the BadgerCare Plus program decreased by 1.05 percent, while the average monthly enrollment of elderly individuals and people with disabilities increased by 0.94 percent.

The MA totals do not include expenditures for SeniorCare, Wisconsin's pharmacy assistance program for the elderly. In FY 2017, all funds expenditures totaled \$83.8 million. Of the all funds amounts, actual FY 2017 GPR expenditures totaled \$9.7 million, a \$8.5 million decrease from FY 2016. The expenditure reduction from FY 2016 to FY 2017 is attributable to an allocation of SeniorCare expenditure offsets to FY 2017 that occurred on a one-time basis. Average monthly enrollment in SeniorCare increased by 3.3 percent in FY 2017 and the program experienced higher drug utilization and benefits paid to individuals.

Correctional Services: Total GPR expenditures for the state corrections program increased \$15.6 million, or 1.3 percent, over the prior year, reaching \$1,175.1 million in FY 2017. The number of incarcerated felons under the supervision of the state adult corrections program increased 2.3 percent from an average daily population of 22,842 in FY 2016 to 23,370 in FY 2017. The increase in spending is mainly attributed to an increase in general program operations costs for salary, inmate healthcare and county jail bed costs for housing inmates in excess of prison capacity.

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 increased by \$37.0 million, or 3.7 percent in FY 2017. Reductions to the UW System's base budget were smaller in FY 2017 than in FY 2016, which permitted the system to increase general operations spending in FY 2017 relative to the prior year. Additionally, 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 2016-17 academic year, resident undergraduate tuition remained frozen at 2012-13 academic year levels and continues to be a relative bargain in higher education. Tuition will remain frozen through the 2018-19 academic year, resulting in a historic six year freeze. Compared to the annualized increase of 8.1 percent per year in the ten years prior to the freeze, the average student beginning in academic year 2012-13 saved an estimated \$6,311 over a four-year college career.

In addition to low basic tuition, access to college for lower income families was further protected through steady support for the Wisconsin Grant Program, formerly known as the Wisconsin Higher Education Grant (WHEG) and Tuition Grant programs for students pursuing post-secondary education. Since FY 2000, support for these programs has more than doubled.

State Property Tax Credits: 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 2017 was \$853.0 million GPR, an increase of \$105.6 million from FY 2016. The credit offset 8.0 percent of 2015 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 \$149.0 million in FY 2017, helps to give greater tax relief to lower-value property by offsetting property taxes on the first \$6,500 of property value for eligible parcels.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 2017, the shared revenue formulas distributed a total of \$874.8 million, consisting of \$820.8 million GPR and \$54.0 million SEG. The GPR portion of this amount consisted of county and municipal aids of \$689.8 million, utility aids of \$72.9 million, and expenditure restraint payments of \$58.1 million. The Expenditure Restraint Program provides aids to municipalities with tax rates over five mills that restrained their spending increases. The GPR portion of shared revenue payments decreased by 0.8 percent over FY 2016, reflecting a \$3.0 million increase in SEG funding for county and municipal aid and the initial reallocation of \$4.0 million from the shared revenue payments to Milwaukee County to the Wisconsin Center District for the construction of the new Milwaukee Bucks arena. Statewide, shared revenue payments provided municipalities with about 12.3 percent and counties with about 3.0 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 2016, 25,394 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.

Until FY 2015, local technical college districts relied on property taxes for over 50 percent of their funding. Beginning in FY 2015, the state invested \$406 million GPR annually to effectuate a corresponding decrease in property taxes levied by the technical college districts. As a result, state aid is now the largest source of revenue for technical college districts.

Tax Relief to Individuals: Wisconsin paid out \$213.5 million GPR in tax relief to individuals through a variety of refundable tax credit programs during FY 2017.

The Earned Income Credit program reduces income taxes or supplements income for about 248,920

low-income working families with children. In FY 2017, this program paid a total of \$99.3 million in all funds to these households, a decrease of about \$2.5 million compared to FY 2016.

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 2017, the credit provided \$95.4 million of tax relief, compared with \$99.9 million in FY 2016. Over 183,700 low-income homeowners and renters – around 30 percent of them elderly – benefit from the program each year.

The Veterans and Surviving Spouses Property Tax Credit reduced income taxes for or provided a refund check to approximately 9,360 veterans and surviving spouses by providing a credit for taxes paid on a principal dwelling. Tax credit expenditures were \$29.6 million in FY 2017, an increase of \$1.1 million over FY 2016.

Wisconsin's Farmland Preservation Credit program provides credits to about 12,000 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 \$17.7 million in FY 2017, a decrease of \$1.8 million relative to FY 2016.

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 \$195.8 million in FY 2017. Between FY 2016 and FY 2017, the Community Aids funding distributed by the departments decreased by \$4.8 million GPR, a decrease of 2.4 percent. The decrease is, in part,

due to changes in the department's reimbursement schedule.

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 2017, a total of \$158.8 million was expended in SSI payments. The expenditure increase of \$4.0 million GPR over FY 2016 is due to an increase in caseload.

Comparative Condition of the General Fund
 FY17 Actual vs. Budget
 (in Thousands)

	<u>FY17 Actual</u>	<u>Budget</u>	<u>Variance</u>
OPENING BALANCES			
Unreserved, Undesignated Opening Balance	\$ 331,038	\$ 331,038	\$ 0 ¹
Prior Year Designation of Continuing Balances	131,963	0	131,963 ²
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
Unreserved Opening Balance	<u>463,001</u>	<u>331,038</u>	<u>131,963</u>
REVENUES			
Taxes	15,517,585	15,503,600	13,985 ³
Departmental Revenues	<u>547,508</u>	<u>556,617</u>	<u>(9,109)</u> ⁴
Total Revenues	<u>16,065,093</u>	<u>16,060,217</u>	<u>4,876</u>
Total Available Resources	<u>16,528,094</u>	<u>16,391,255</u>	<u>136,839</u>
APPROPRIATIONS			
Gross Appropriations	17,099,091	16,954,979	(144,112) ⁵
Compensation Reserves	1,225	18,617	17,392 ⁶
Transfers	39,458	39,458	0 ⁷
Less: Lapses	<u>(1,190,695)</u>	<u>(1,074,803)</u>	<u>115,892</u> ⁸
Net Appropriations	<u>15,949,079</u>	<u>15,938,251</u>	<u>(10,828)</u>
UNDESIGNATED UNRESERVED BALANCE	<u>\$ 579,015</u>	<u>\$ 453,004</u>	<u>\$ 126,011</u>

Notes:

1. UNDESIGNATED, UNRESERVED OPENING BALANCE. The fund condition for the fiscal year 2017 is the 2017-2019 Executive Budget fund condition statement. The opening balance for fiscal year 2017 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 higher than the estimated tax collections contained in the January 18, 2017 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. The estimate used in the fund condition summary assumed that the entire amount of DOA-determined lapses and transfers from state agencies would be allocated to departmental revenues. However, some of those reductions actually occurred as lapses from GPR appropriations.
5. GROSS APPROPRIATIONS. Final gross appropriations varied from estimated gross appropriations as follows:

Gross Appropriations Per the fund condition summary	\$ 16,954,979
Add: continuing appropriation authority brought forward	131,963
Add: increases to sum sufficient appropriations above Chapter 20	12,149
Add: new legislation	0
Add: biennial adjustments (included in January re-estimate)	<u>0</u>
FINAL GROSS APPROPRIATIONS	<u>\$17,099,091</u>
6. COMPENSATION RESERVES. Compensation reserves are budgetary set-asides for employee wage and benefit increases for the fiscal year.
7. TRANSFERS. Transfers were equal to 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)

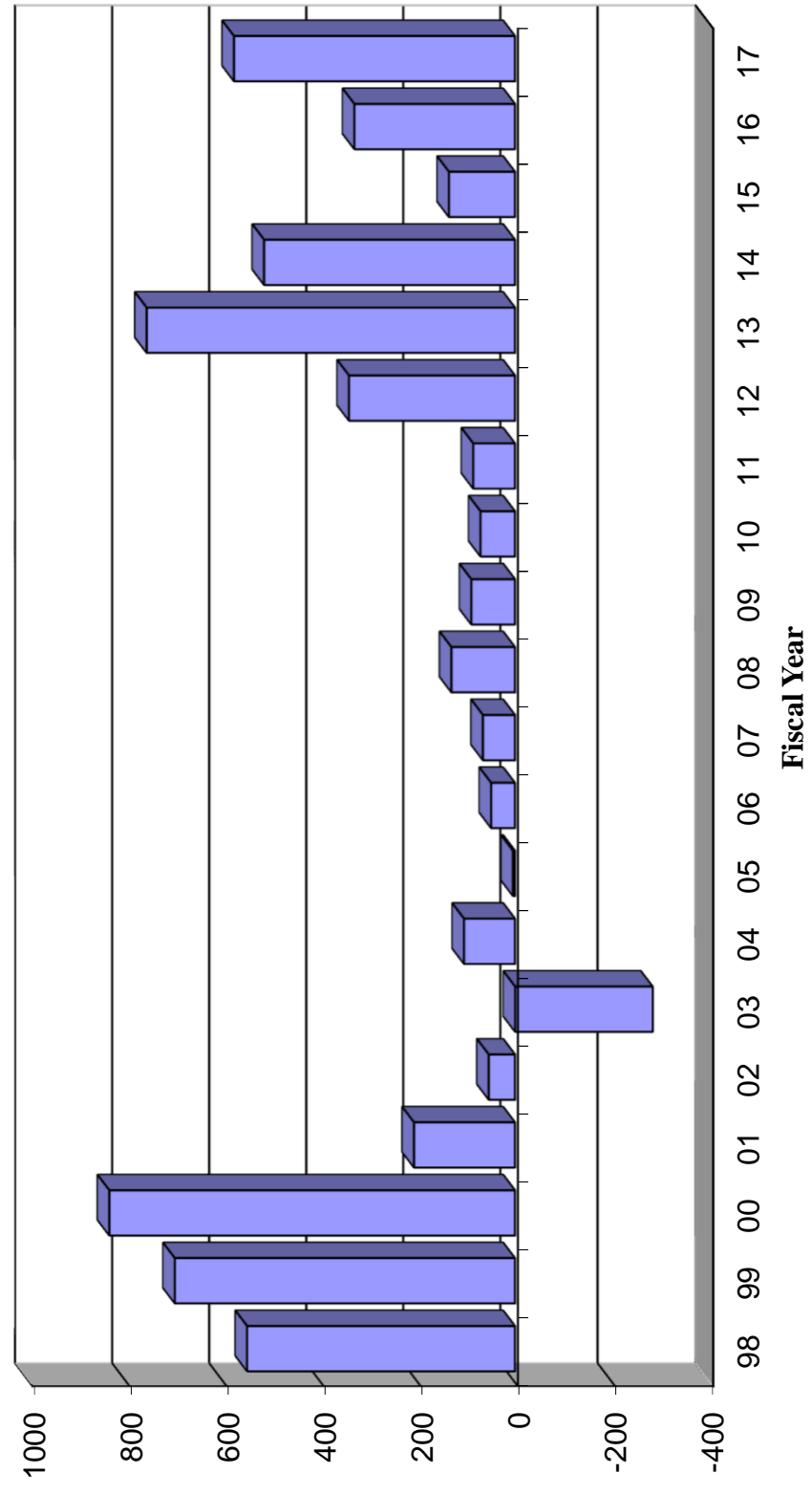


Exhibit A-1

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, 2017
 (In Thousands)

	Budget			Actual	Variance
	Published Budget	Appropriation Adjustments	Final Budget		
Beginning Unreserved					
Undesignated Balance..... \$	331,038	\$	\$ 331,038	\$ 331,038	\$ 0
Beginning Unreserved					
Designated Balance.....		131,963	131,963	131,963	0
Total.....	331,038	131,963	463,001	463,001	0
REVENUES					
Taxes:					
Individual.....	8,050,000		8,050,000	8,039,506	(10,494)
Corporation.....	900,000		900,000	920,947	20,947
Sales & Use.....	5,215,000		5,215,000	5,223,935	8,935
Excise.....	706,900		706,900	705,681	(1,219)
Inheritance & Gift.....	0		0	434	434
Public Utility.....	359,700		359,700	360,473	773
Insurance.....	187,000		187,000	181,584	(5,416)
Miscellaneous.....	85,000		85,000	85,025	25
Total Taxes.....	15,503,600		15,503,600	15,517,585	13,985
Departmental Revenue:					
Indian Gaming Revenue.....	26,771		26,771	27,378	607
Other.....	529,846		529,846	309,928	(219,918)
Total Department Revenues.....	556,617		556,617	337,306 (2)	(219,311)
Total Revenues.....	16,060,217		16,060,217	15,854,891	(205,326)
TOTAL AVAILABLE.....	16,391,255	131,963	16,523,218	16,317,892	(205,326)
EXPENDITURES					
					LAPSE
Commerce.....	42,391	232	42,623	41,961	662
Education.....	7,636,686	10,563	7,647,249	7,464,792	182,457
Environmental Resources.....	239,193	3,055	242,248	238,294	3,954
Human Relations & Resources.....	5,493,318	72,693	5,566,011	5,180,849	385,162
General Executive.....	983,755	4,412	988,167	443,346	544,821
Judicial.....	124,106	1,081	125,187	124,416	771
Legislative.....	74,073	2,557	76,630	66,786	9,844
General (Incl. Shared Revenue).....	2,361,457	(1,345)	2,360,112	2,297,088	63,024
Transfer (Gen Fund Cond).....	39,458	0	39,458	39,458	0
Compensation Reserves.....	18,617	(1,225)	17,392	0	17,392
Less: Estimated Lapse.....	(1,074,803)	0	(1,074,803)	0	(1,074,803)
TOTAL EXPENDITURES.....	15,938,251	92,023	16,030,274	15,896,990	133,284
Transfers - General Fund.....	0	0	0	210,202 (2)	210,202
UNRESERVED BALANCE	453,004	39,940	492,944	631,104	138,160
Designation for continuing balances.....	0	(52,089)	(52,089)	(52,089)	0
UNRESERVED					
Undesignated Balance..... \$	453,004	(12,149) \$	440,855	579,015	138,160

(1)

The accompanying notes are an integral part of this statement.

(1) See Note E

(2) See Note F

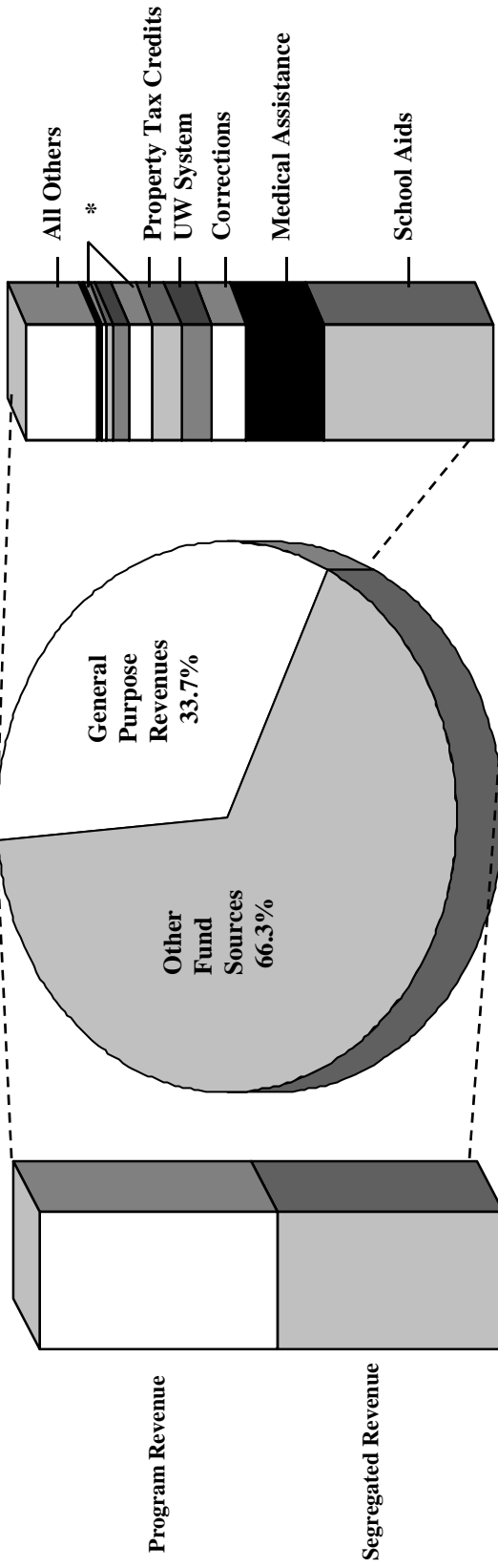
Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2017

Other Expenditures
\$31.1 Billion

General Purpose Revenue Expenditures
\$15.9 Billion

Total Expenditures
\$47.0 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 Changes in Fund Balance
 All Funds - Statutory Basis
 For the Fiscal Year Ended June 30, 2017
 (In Thousands)

	General Fund			Major Special Revenue Funds		Other	As of June 30, 2017
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation		
REVENUES							
Taxes..... \$	15,517,585	\$ 24,568	\$ 15,542,153	\$ 1,108,276	\$ 96,017	\$ 85,141	16,831,587
Intergovernmental Revenue.....	15,780	10,415,325	10,431,105	662,190	43,322	69,970	11,206,587
Licenses.....	66,464	284,628	351,092	523,616	125,635	846,559	1,846,902
Charges for Goods and Services.....	(871)	3,510,416	3,509,545	39,298	25,115	662,306	4,236,264
Contributions.....	0	0	0	0	0	3,875,831	3,875,831
Interest & Investment Income.....	297	92,353	92,650	1,653	185	11,362,803	11,457,291
Gifts & Donations.....	50	629,395	629,445	3	1,076	12,489	643,013
Other Revenue.....	167,707	1,443,403	1,611,110	9,392	5,733	1,171,787	2,798,022
Transfers.....	9,741	(25,177)	(15,436)	8,267	23,063	1,684,680	1,700,574
Other Transactions.....	78,138	160,352	238,490	323	(17,107)	23,875	245,581
Proceeds from Bonds & Notes.....	0	0	0	81,054	0	753,391	834,445
TOTAL REVENUES	15,854,891	16,535,263	32,390,154	2,434,072	303,039	20,548,832	55,676,097
EXPENDITURES							
Commerce.....	41,961	167,056	209,017	0	1,661	85,121	295,799
Education.....	7,464,792	5,903,994	13,368,786	0	195	362,817	13,731,798
Environmental Resources.....	238,294	82,169	320,463	2,484,686	289,744	629,194	3,724,087
Human Relations & Resources.....	5,180,849	9,162,552	14,343,401	0	0	1,847,652	16,191,053
General Executive.....	443,346	631,975	1,075,321	1,800	0	8,151,564	9,228,685
Judicial.....	124,416	14,611	139,027	0	0	215	139,242
Legislative.....	66,786	1,789	68,575	0	0	0	68,575
General (Incl. Shared Revenue).....	2,297,088	69,987	2,367,075	22,220	1	1,223,064	3,612,360
TOTAL EXPENDITURES	15,857,532	16,034,133	31,891,665	2,508,706	291,601	12,299,627	46,991,599
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES.....	(2,641)	501,130	498,489	(74,634)	11,438	8,249,205	8,684,498
BEGINNING FUND BALANCE							
DESIGNATED.....	131,963	0	131,963	0	0	0	131,963
UNDESIGNATED.....	331,038	1,325,027	1,656,065	(954,304)	60,473	95,914,795	96,677,029
TOTAL	463,001	1,325,027	1,788,028	(954,304)	60,473	95,914,795	96,808,992
INTER-FUND							
TRANSFERS.....	170,744	(150,718)	20,026	60,458	0	(80,484)	0
ENDING FUND BALANCE	631,104	1,675,439	2,306,543	(968,480)	71,911	104,083,516	105,493,490
DESIGNATED.....	(52,089)	0	(52,089)	0	0	0	(52,089)
UNDESIGNATED..... \$	\$ 579,015	\$ 1,675,439	\$ 2,254,454	\$ (968,480)	\$ 71,911	\$ 104,083,516	\$ 105,441,401
				(1)			

The accompanying notes are an integral part of this statement.

(1) See Note I

Exhibit A-3

State of Wisconsin
 Summary of Recorded Revenues and Expenditures-All Other Funds-
 Statutory Basis (Including Inter-Fund Transfers)
 For the Fiscal Year Ended June 30, 2017
 (In Thousands)

Funds By Category	Undesignated Fund Balance as of June 30, 2016	Revenues	Expenditures	Inter-Fund Transfers	Undesignated Fund Balance as of June 30, 2017
OTHER GOVERNMENTAL FUNDS					
<u>Other Special Revenue</u>					
213 Heritage State Parks & Forests	\$ 1,245	\$ 148	\$ 76	\$ 0	\$ 1,317
214 Unemployment Interest Payment	9,382	(9,382)	0	0	0
217 Waste Management	7,507	(27)	18	0	7,462
219 Investment and Local Impact	77	0	0	0	77
220 Election Administration	4,916	380	1,695	0	3,601
222 Industrial Building Construction	0	0	0	0	0
224 Self-Insured Employer Liability	217	1	0	0	218
225 Medical Assistance Trust	30,317	271,539	366,552	64,070	(626)
226 Work Injury Benefits	12,284	9,058	5,463	0	15,879
227 Workers Compensation	2,481	15,139	14,414	0	3,206
228 Unemployment Program Integrity	1,392	12,615	7,637	0	6,370
229 Uninsured Employers	101,330	5,719	1,531	0	105,518
234 Hospital Assessment Fund	2,742	443,403	409,041	0	37,104
235 Utility Public Benefits	18,389	110,181	110,284	0	18,286
237 Critical Access Hospital Assessment	846	7,430	5,431	(2,574)	271
238 Mediation	60	175	215	0	20
239 Police and Fire Protection	(5)	56,557	53,998	0	2,554
241 Working Lands	141	3	8	0	136
248 Economic Development (1)	8,725	38,857	21,968	0	25,614
249 Read To Lead Development	129	1	98	0	32
250 State Capitol Restoration	90	7	2	0	95
257 Agricultural Chemical Cleanup	5,568	2,310	572	(1,000)	6,306
258 Farms For The Future	0	0	0	0	0
259 Agrichemical Management	8,073	8,914	6,368	0	10,619
261 Agricultural Producer Security	7,018	1,930	998	0	7,950
264 Historical Legacy Trust	73	0	0	0	73
266 Historical Preservation Partnership Trust	590	3,547	3,995	0	142
268 Wireless 911	32	0	0	0	32
272 Petroleum Inspection	18,926	46,126	27,017	(21,000)	17,035
274 Environmental	23,367	81,056	83,114	1,000	22,309
277 Dry Cleaner Environmental Responsibility	(5,974)	667	591	0	(5,898)
279 Recycling and Renewable Energy (1)	0	0	0	0	0
280 Information Technology Investment	(2,639)	25	0	0	(2,614)
281 Military Family Relief	325	225	91	0	459
285 Universal Service	14,594	42,917	41,254	0	16,257
286 Budget Stabilization	281,179	1,671	0	0	282,850
289 Land Information	681	6,891	8,159	0	(587)
291 Permanent Endowment	0	132,080	0	(132,080)	0
723 Children's Trust	61	0	46	0	15
Total Other Special Revenue	<u>554,139</u>	<u>1,290,163</u>	<u>1,170,636</u>	<u>(91,584)</u>	<u>582,082</u>
<u>Debt Service</u>					
315 Bond Security and Redemption	<u>6,575</u>	<u>837,607</u>	<u>837,523</u>	<u>0</u>	<u>6,659</u>

Exhibit A-3

State of Wisconsin
 Summary of Recorded Revenues and Expenditures-All Other Funds-
 Statutory Basis (Including Inter-Fund Transfers)
 For the Fiscal Year Ended June 30, 2017
 (In Thousands)

Funds By Category	Undesignated Fund Balance as of June 30, 2016	Revenues	Expenditures	Inter-Fund Transfers	Undesignated Fund Balance as of June 30, 2017
<u>Capital Projects</u>					
490 State Building Trust	107,021	149,681	93,090	0	163,612
495 Capital Improvement	20,062	998,539	827,556	0	191,045
Total Capital Projects	<u>127,083</u>	<u>1,148,220</u>	<u>920,646</u>	<u>0</u>	<u>354,657</u>
<u>Permanent</u>					
743 Agriculture College	305	0	0	0	305
744 Common School Principal	1,025,434	46,751	0	0	1,072,185
745 Normal School	29,322	1,659	320	0	30,661
746 University	234	0	0	0	234
760 Historical Society Trust	14,860	1,970	702	0	16,128
763 Common School Income	7,188	40,224	32,100	0	15,312
767 Benevolent	14	0	0	0	14
875 University Trust Principal	208,288	4,039	0	0	212,327
876 University Trust Income	55,216	25,152	21,759	0	58,609
Total Permanent	<u>1,340,861</u>	<u>119,795</u>	<u>54,881</u>	<u>0</u>	<u>1,405,775</u>
TOTAL OTHER GOVERNMENTAL FUNDS	<u>2,028,658</u>	<u>3,395,785</u>	<u>2,983,686</u>	<u>(91,584)</u>	<u>2,349,173</u>
<u>FIDUCIARY AND OTHER</u>					
<u>Pension (and Other Employee Benefit)</u>					
262 Public Employee Trust	1,532,311	156,425	142,949	0	1,545,787
747 Core Retirement Investment Trust	83,839,641	13,783,147	6,764,448	0	90,858,340
751 Variable Retirement Investment	6,697,137	1,465,777	610,237	0	7,552,677
Total Pension (and Other Employee Benefit)	<u>92,069,089</u>	<u>15,405,349</u>	<u>7,517,634</u>	<u>0</u>	<u>99,956,804</u>
<u>Private Purposes</u>					
570 Tuition Trust	4,463	15	762	0	3,716
769 College Savings Program Trust	13,041	1,800	455	0	14,386
Total Private Purposes.....	<u>17,504</u>	<u>1,815</u>	<u>1,217</u>	<u>0</u>	<u>18,102</u>
<u>Agency</u>					
788 Support Collections Trust	15,969	962,133	961,082	0	17,020
<u>Other (Business-type funds)</u>					
521 Lottery	32,671	591,991	623,054	0	1,608
531 Local Govt Property Insurance	35	1,785	7,834	11,100	5,086
532 State Life Insurance	121,583	4,103	4,511	0	121,175
533 Injured Patients & Families Compensation	1,287,488	66,850	10,292	0	1,344,046
573 Environmental Improvement	313,609	83,013	160,039	0	236,583
582 Veterans Trust	4,872	12,109	14,515	0	2,466
583 Veterans Mortgage Loan Repayment	22,751	23,529	15,763	0	30,517
587 Transportation Infrastructure Loan	566	370	0	0	936
Total Other (Business-type funds).....	<u>1,783,575</u>	<u>783,750</u>	<u>836,008</u>	<u>11,100</u>	<u>1,742,417</u>
TOTAL FIDUCIARY AND OTHER.....	<u>93,886,137</u>	<u>17,153,047</u>	<u>9,315,941</u>	<u>11,100</u>	<u>101,734,343</u>
TOTAL - ALL FUNDS.....	<u>\$ 95,914,795</u>	<u>\$ 20,548,832</u>	<u>\$ 12,299,627</u>	<u>\$ (80,484)</u>	<u>\$ 104,083,516</u>

The accompanying notes are an integral part of this statement

(1) See Note L

Exhibit A-4

State of Wisconsin
 Comparative General Fund Statement of Assets, Liabilities and Fund Balance
 Fiscal Years Ended June 30, 2017, 2016, and 2015
 (In Thousands)

	June 30, 2017	June 30, 2016	June 30, 2015
<u>ASSETS</u>			
Cash.....	\$ 1,588,588	\$ 1,214,077	\$ 1,375,275
Contingent Fund Advances.....	2,776	2,774	2,909
Investments.....	7	0	0
Accounts Receivable.....	1,768,591	1,885,869	1,418,149
Due from Other Funds.....	92,666	85,276	160,950
Inventory.....	0	0	588
Prepayments.....	4,017	3,304	72,749
Other Assets.....	111,211	128,547	127,622
TOTAL ASSETS.....	<u>3,567,856</u>	<u>3,319,847</u>	<u>3,158,242</u>
<u>LIABILITIES</u>			
Accounts Payable.....	393,794	673,468	591,323
Operating Notes Payable.....	0	0	0
Due to Other Funds.....	66,970	63,915	337,782
Tax and Other Deposits.....	80,895	40,672	28,271
Deferred Revenue.....	191,895	197,131	185,747
TOTAL LIABILITIES.....	<u>733,554</u>	<u>975,186</u>	<u>1,143,123</u>
<u>FUND BALANCE</u>			
<u>Reserved Balances</u>			
GPR Encumbrances.....	159,541	191,784	145,639
PR Encumbrances.....	368,218	364,849	419,048
Total Reserved Balances.....	<u>527,759</u>	<u>556,633</u>	<u>564,687</u>
<u>Unreserved Designated Balances</u>			
GPR Designation for Continuing Balances.....	52,089	131,963	91,276
<u>Unreserved Balances</u>			
GPR Unreserved Balance.....	579,015	331,038	135,555
PR Unreserved Balance.....	1,675,439	1,325,027	1,223,601
Total Unreserved Balances.....	<u>2,254,454</u>	<u>1,656,065</u>	<u>1,359,156</u>
TOTAL FUND BALANCE.....	<u>2,834,302</u>	<u>2,344,661</u>	<u>2,015,119</u>
TOTAL LIABILITIES AND FUND BALANCE.....	<u>\$ 3,567,856</u>	<u>\$ 3,319,847</u>	<u>\$ 3,158,242</u>

The accompanying notes are an integral part of this statement

Exhibit A-5
 Budget vs Actual Expenditures
 All Funds Statutory Basis
 For the Fiscal Year Ended June 30, 2017
 (In Thousands)

Function/Expenditure Description	Budget			Actual	Lapses and Balances
	Published Budget ¹	Budget Adjustments	Final Budget	Expenditures ²	
Commerce	\$ 364,168	\$ 18,475	\$ 382,643	\$ 284,875	\$ 97,768
Education	13,533,607	422,936	13,956,543	13,445,261	511,282
Environmental Resources	3,376,846	511,239	3,888,085	3,370,222	517,863
Human Relations and Resources	14,898,873	926,747	15,825,620	14,271,836	1,553,784
General Executive	1,728,382	248,026	1,976,408	1,302,041	674,367
Judicial	138,334	3,612	141,946	139,241	2,705
Legislative	76,164	2,541	78,705	68,554	10,151
General Appropriations	2,678,108	29,350	2,707,458	2,638,495	68,963
Total Chapter 20	<u>\$ 36,794,482</u>	<u>\$ 2,162,926</u>	<u>\$ 38,957,408</u>	<u>\$ 35,520,525</u>	<u>\$ 3,436,883</u>
Retirement Annuities			7,374,684	7,374,684	-
Support Collection Trust Payments			980,021	961,056	18,965
Insurance Premiums			92,954	92,954	-
Debt Service Payments			837,523	837,523	-
Capital Projects Expenditures			916,866	916,866	-
Lottery Prizes			375,006	362,968	12,038
Other Segregated Revenue			700,424	128,760	571,664
Program Revenue Appropriations			1,288,677	946,521	342,156
Clearing and Custody Accounts			1,550,999	(183,059)	1,734,058
Total Non Chapter 20 Expenditures			<u>\$ 14,117,154</u>	<u>\$ 11,438,273</u>	<u>\$ 2,678,881</u>
Total State Expenditures Excluding Transfers			<u>\$ 53,074,562</u>	<u>\$ 46,958,798</u>	<u>\$ 6,115,764</u>

The accompanying notes are an integral part of this statement.

(1) The fund condition for the fiscal year 2017 is the fund condition approved by Legislative Joint Finance Committee at its January 18, 2017 meeting modified by the 2017-2019 Executive Budget.

(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 is a report of financial results recognized on the statutory basis of accounting, 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 generally require that revenues and expenditures be recognized in the fiscal year in which they are received or paid, with specific exceptions. 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 these amounts are receivables and payables between funds which are not eliminated for presentation 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 disbursement 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.

All investments owned by the state retirement funds are an exception to the requirement to recognize revenues and expenditures on the cash basis since 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 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 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 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

Compensation Reserve

In FY 2017, Chapter 20 included a compensation reserve for employee salary and fringe benefit increases. The total amount reserved (appropriated) was \$18,616,800 and the amount allotted was \$1,224,500 leaving a lapse amount of \$17,392,300.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are based on the fund condition statement for the 2017-2019 Executive Budget revenue estimates.

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

The following table details the difference between the ending FY 2017 General Fund gross balance contained in the 2017-2019 Executive Budget and the FY 2018 beginning General Fund balance estimated in 2017 Wisconsin Act 59.

FY 2017 Gen Fd Gross Balance - 2017-2019 Executive Budget	453,003,800.00
<u>Revenue Adjustment</u>	
Secretary of State GPR-E Reestimate	-13,400.00
<u>Appropriation and Lapse Adjustments</u>	
MN-WI Tuition Reciprocity	-3,041,000.00
Debt Service	1,816,300.00
Jobs Tax Credit	8,000,000.00
Discretionary Merit Compensation Awards	607,600.00
Comp Reserves	<u>6,775,500.00</u>
Subtotal	<u>14,158,400.00</u>
2017 Act 59 Beginning FY 2018 General Fund Balance	467,148,800.00

Note F Total Departmental Revenues

For budget comparison purposes, inter-fund transfers are added to other revenues to arrive at total departmental revenues. Exhibit A-1 displays departmental revenues of \$337.3 million and net transfers in of \$210.2 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 to the departmental revenues in the fund condition statement, totaling \$547.5 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 2017 is explained as follows:

	(thousands)
ENDING FUND BALANCE (UNDESIGNATED) PER FUND CONDITION STATEMENT	\$ 453,004
OPENING BALANCE	
ADJUSTMENTS:	
Prior year designation for continuing balances	131,963
Total opening balance adjustments	131,963
REVENUE ADJUSTMENTS	
Taxes received more than estimate	13,985
Departmental revenues less than estimate	(219,311)
Total revenue below estimate	(205,326)
APPROPRIATION ADJUSTMENTS	
Sum Sufficient Changes	
Reestimates	(12,149)
Budget brought forward from previous year	(131,963)
Budget carried to next year for continuing appropriations	52,089
Total Appropriation Adjustments	(92,023)
LAPSES MORE THAN BUDGETED	133,284
INTER-FUND TRANSFERS	210,202
DESIGNATION FOR CONTINUING BALANCES	(52,089)
UNDESIGNATED FUND BALANCE	\$ 579,015

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 2017.

Note I Negative Transportation Fund Balances

The negative ending fund balance in the Transportation Fund 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 and therefore, this activity is summarized here to provide full disclosure of state agency operations.

	Safety & Professional Services
Revenues	\$960,046.71
Expenditures	\$960,046.71
Balance	\$0

Note K Sum Sufficient Increases

The B-2 Exhibit 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.

B-2 Sum Sufficient Increases	\$12,149
Less Supplements (included in total above)	\$0
Actual Sum Sufficient Increases	\$12,149

Note L Economic Development Fund

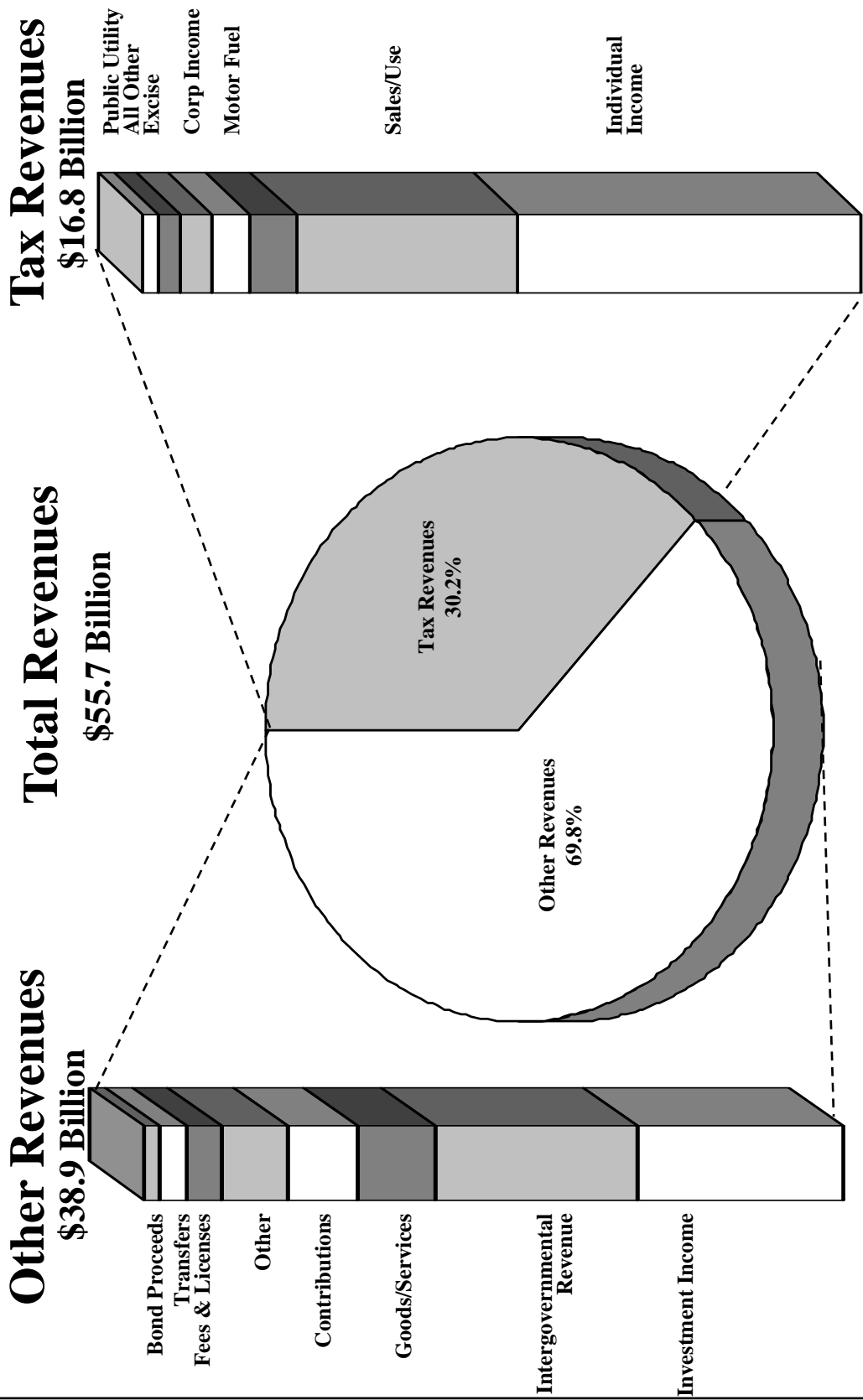
The Recycling and Renewable Energy fund was renamed the Economic Development fund in 2011 Wisconsin Act 32 (budget bill). To better reflect the closing of the Recycling and Renewable Energy fund and the creation of the Economic Development fund in the A-3 Exhibit, these funds have been shown separately.

Supplemental Data

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Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2017



For more detail on revenues, see Schedule A-2

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2017, 2016, and 2015
 (In Thousands)

	June 30, 2017	June 30, 2016	June 30, 2015
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
Individual.....	\$ 8,039,506	\$ 7,740,825	\$ 7,325,817
Corporation.....	920,947	963,027	1,004,926
Total Income Taxes.....	8,960,453	8,703,852	8,330,743
Sales and Excise Taxes			
General Sales and Use.....	5,223,935	5,065,762	4,892,126
Cigarette.....	564,199	573,411	569,547
Other Tobacco Products.....	80,279	76,127	71,916
Liquor and Wine.....	52,078	49,991	48,767
Malt Beverage (Beer).....	9,125	8,980	8,830
Total Sales and Excise Taxes.....	5,929,616	5,774,271	5,591,186
Public Utility Taxes			
Private Light, Heat and Power.....	229,622	226,050	243,789
Municipal Light, Heat and Power.....	2,895	3,488	3,298
Telephone.....	70,783	76,474	81,943
Pipeline.....	39,727	37,316	34,994
Electric Cooperative.....	12,046	11,747	12,231
Municipal Electric.....	4,934	4,947	5,162
Conservation and Regulation.....	349	375	386
Utility Tax (Refunds) Interest and Penalties.....	117	200	16
Total Public Utility Taxes.....	360,473	360,597	381,819
Inheritance and Estate Taxes			
Inheritance and Estate.....	434	1,745	(112)
Total Inheritance and Estate Taxes.....	434	1,745	(112)
Miscellaneous Taxes			
Insurance Companies (Premiums).....	181,584	177,326	165,448
Real Estate Transfer Fee.....	70,553	65,133	57,820
Lawsuits (Courts).....	14,397	14,491	14,225
Other.....	75	74	72
Total Miscellaneous Taxes.....	266,609	257,024	237,565
TOTAL GPR TAX REVENUES.....	15,517,585	15,097,489	14,541,201
Program Tax Revenues			
Fire Dues.....	20,802	19,217	18,717
Pari-mutuel Taxes.....	0	0	0
County Expo Tax Administration.....	854	850	799
Baseball Park Administration Fee.....	466	454	440

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2017, 2016, and 2015
 (In Thousands)

	June 30, 2017	June 30, 2016	June 30, 2015
Program Tax Revenues, Cont.			
Business Trust Regulation Fee.....	\$ 1,889	\$ 2,059	\$ 1,419
Other.....	557	19,261	7,184
TOTAL PROGRAM TAX REVENUES.....	24,568	41,841	28,559
TOTAL-GENERAL FUND TAX REVENUES.....	15,542,153	15,139,330	14,569,760
Type of Revenues			
Transportation Fund			
Motor Fuel Tax.....	1,044,543	1,037,723	1,013,434
Air-Carrier Tax.....	7,126	5,103	7,963
Railroad Tax.....	45,323	38,498	35,686
Aviation Fuel Tax.....	1,271	1,227	1,222
Other Taxes.....	10,013	9,093	8,691
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	85,760	83,306	81,350
Forest Crop Taxes.....	10,256	10,555	9,263
Motor Fuel Tax.....	1	1	1
Dry Cleaner Fund			
Dry Cleaner Fund.....	665	0	0
Mediation Fund			
Mediation Fund.....	1	1	1
Petroleum Inspection Tax			
Petroleum Inspection Tax.....	45,707	45,798	50,333
Economic Development Fund			
Temporary Service Charges.....	38,768	23,758	27,485
TOTAL STATE TAX REVENUES.....	16,831,587	16,394,393	15,805,189
Intergovernmental Revenue.....	11,206,587	11,046,123	11,342,954
Licenses and Permits.....	1,846,902	1,816,237	1,735,246
Charges for Goods and Services.....	4,236,264	4,188,998	4,008,673
Contributions.....	3,875,831	3,411,872	3,612,450
Interest and Investment Income.....	11,457,291	1,166,878	1,871,830
Gifts and Donations.....	643,013	596,606	612,225
Proceeds from Sale of Bonds.....	834,445	981,571	1,298,903
Other Revenues.....	2,798,022	2,775,527	2,641,205
Other Transactions.....	245,581	143,409	281,413
TOTAL DEPARTMENTAL REVENUES.....	37,143,936	26,127,221	27,404,899
TRANSFERS.....	1,700,574	1,402,824	1,508,790
TOTAL REVENUES.....	\$ 55,676,097	\$ 43,924,438	\$ 44,718,878

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, 2017
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
State Operations							
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
41000	10400	1c	Reimbursement Claims of Counties Containing State Prisons.....	33	0	29	4
45500	20200	2am	Officer Training Reimbursement.....	150	0	150	0
45500	50400	5d	Reimbursement for Forensic Examinations.....	772	77	846	3
46500	10300	1c	Public Emergencies.....	300	0	275	25
46500	30200	3am	Worker's Compensation for Local Unit of Government Volunteers.....	28	0	23	5
50500	10400	1d	Special Counsel.....	612	419	1,031	0
50500	40500	4d	Claims Awards.....	25	0	0	25
50500	80100	8am	Interest on Racing & Bingo Money s.....	0	0	0	0
51100	10300	1be	Investigations.....	0	0	0	0
52500	10100	1a	Governor's Office Administration.....	3,609	0	3,563	46
52500	10200	1b	Contingent Fund.....	20	0	19	1
52500	10300	1c	Membership In National Associations.....	118	0	118	0
52500	20100	2a	Executive Residence.....	229	0	229	0
62500	10100	1a	Circuit Courts.....	72,794	0	72,507	287
66000	10100	1a	Court Of Appeals.....	10,707	0	10,669	38
68000	10100	1a	Supreme Court.....	5,293	0	5,124	169
76500	10100	1a	Assembly.....	26,581	0	24,331	2,250
76500	10300	1b	Senate.....	18,714	0	16,896	1,818
76500	10400	1d	Legislative Documents.....	3,919	0	3,269	650
76500	30800	3fa	Membership In National Associations.....	257	0	257	0
85500	10800	1bm	Payment of Cancelled Drafts.....	2,000	1,125	1,552	1,573
85500	11300	1f	Payment of Fees to Financial Institutions.....	1,500	240	1,740	0
85500	40100	4a	Interest on Overpayment of Taxes.....	1,000	0	64	936
85500	40500	4e	Transfer to Conservation Fund - Land Acquisition.....	0	0	0	0
85500	41300	4cm	Illinois Income Tax Reciprocity.....	64,458	0	64,458	0
85500	11100	1DM	Interest Reimbursements to Federal Government.....	0	15	15	0
85500	40600	4FR	Transfer to Transportation Fund; Disaster Damage Aids.....	3,238	0	0	3,238
<i>Total State Operations.....</i>				\$216,858	\$1,876	\$207,665	\$11,069
Aids and Local Assistance							
11500	20200	2b	Animal Disease Indemnities.....	0	0	0	0
23500	10400	1e	MN-WI Student Reciprocity.....	5,142	3,241	8,383	0
23500	10600	1fe	Wisconsin grants; University of Wisconsin System Students.....	60,751	242	60,970	23
23500	10800	1fm	Wisconsin Covenant Scholars Grants.....	7,970	8	7,978	0
23500	10900	1fy	Academic Excellence Higher Education Scholarship Program.....	2,865	55	2,920	0
23500	11900	1fw	Technical Excellence Higher Education Scholarships.....	796	0	744	52
25500	21800	2fm	Charter Schools.....	62,223	0	61,623	600
25500	22400	2fr	Parental Choice Program for Eligible School Districts.....	41,000	0	40,392	608
25500	23500	2fu	Milwaukee Parental Choice Program.....	203,700	0	200,577	3,123
25500	30600	3c	Grants for National Teacher Certification or Master Educator Licensure	2,535	0	2,209	326
29200	16200	1dp	Property Tax Relief Aid.....	406,000	0	406,000	0
37000	50300	5da	Aids In Lieu Of Taxes General Fund.....	6,745	873	7,434	184
43500	17500	1bn	Workplace Wellness Program Grants.....	60	0	33	27
43500	40300	4ed	State Supplement to Federal Supplemental Security Income Program..	159,021	0	158,787	234
43500	57400	5da	Reimburse Local Units of Government.....	420	0	345	75
46500	20100	2a	Tuition Grants.....	6,738	0	6,429	309
46500	30500	3e	Disaster Recovery Aids Public Health Emergency Quarantine Costs...	2,300	0	749	1,551
50500	41200	4er	Service Award Program.....	2,035	0	1,963	72
51500	10100	1a	Annuity Supplements And Payments.....	134	0	131	3
83500	10100	1c	Expenditure Restraint Program Account.....	58,146	0	58,146	0
83500	10500	1db	County and Municipal Aids Account.....	693,076	0	689,768	3,308
83500	10900	1e	State Aid; Tax Exempt Property.....	89,720	0	89,720	0
83500	11000	1dm	Public Utility Distribution Account.....	72,958	0	72,882	76
83500	20200	2b	Claim of Right Credit.....	191	27	218	0
83500	20300	2c	Homestead Tax Credit.....	96,000	0	95,425	575
83500	20500	2dm	Farmland Preservation Credit.....	828	0	6	822
83500	20900	2ep	Cigarette and Tobacco Product Tax Refunds.....	44,100	0	41,276	2,824
83500	21100	2co	Enterprise Zone Jobs Credit.....	31,900	0	23,399	8,501
83500	21200	2f	Earned Income Tax Credit.....	31,300	0	29,695	1,705
83500	21300	2bm	Film Production Services Credit.....	0	0	0	0
83500	21500	2em	Veterans & Surviving Spouse Property Tax Credit.....	29,800	0	29,551	249
83500	21600	2bn	Dairy Manufacturing Facility Investment Credits.....	0	0	0	0
83500	21700	2br	Interest Payments on Overassessments on Manufacturing Property.....	20	0	0	20
83500	21800	2do	Farmland Preservation Credit, 2010 and Beyond.....	18,750	0	17,695	1,055
83500	21900	2bd	Meat Processing Facility Investment Credit.....	0	0	0	0
83500	22000	2bp	Dairy Manufacturing Facility Investment Credits; Dairy Cooperatives.....	0	2	1	1

Exhibit B-2

**General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2017
(In Thousands)**

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
Aids and Local Assistance (Continued)							
83500	22500	2bb	Jobs Tax Credit.....	16,000	0	10,575	5,425
83500	22800	2be	Food Processing Plant and Food Warehouse Investment Credit.....	0	0	0	0
83500	22900	2bc	Woody Biomass Harvesting and Processing Credit.....	0	0	0	0
83500	30200	3b	School Levy Tax Credit and First Dollar Credit.....	1,001,350	0	1,001,350	0
85500	40400	4bm	Oil Pipeline Terminal Tax Distribution.....	4,185	800	4,185	800
25500	25000	2AZ	Special Needs Scholarship Program.....	2,429	2,470	2,579	2,320
25500	27900	2AQ	Per Pupil Aid.....	337,065	2	337,067	0
44500	10200	1AA	Special Death Benefit.....	525	0	373	152
83500	20700	2BG	Business Development Credit.....	6,250	0	615	5,635
Total Aids and Local Assistance.....				\$3,505,028	\$7,720	\$3,472,093	\$40,655

Principal Repayment and Lease Rental

11500	20500	2d	Principal Repayment and Interest.....	4	0	4	0
11500	70200	7b	Principal Repayment and Interest.....	802	0	801	1
19000	10100	1c	Principal Repayment and Interest.....	1,102	0	1,102	0
19000	10200	1d	Principal Repayment and Interest.....	2,168	160	2,328	0
22500	10300	1c	Principal Repayment and Interest.....	2,761	16	2,777	0
24500	10600	1e	Principal Repayment and Interest.....	3,574	149	3,723	0
25000	10300	1c	Principal Repayment and Interest.....	3,445	18	3,463	0
25000	10500	1e	Principal Repayment and Interest.....	178	1	178	1
25500	10400	1d	Principal Repayment and Interest.....	1,066	2	1,067	1
28500	11000	1d	Principal Repayment and Interest.....	222,207	125	222,332	0
32000	10300	1c	Principal Repayment and Interest.....	12,925	13	12,938	0
32000	28200	2c	Principal Repayment and Interest.....	5,310	0	5,283	27
37000	70100	7aa	Principal Repayment and Interest.....	70,827	0	70,380	447
37000	70600	7cb	Principal Repayment and Interest.....	0	0	(380)	380
37000	70700	7cc	Principal Repayment and Interest.....	1,929	0	1,929	0
37000	70800	7cd	Principal Repayment and Interest.....	222	0	222	0
37000	70900	7ea	Principal Repayment and Interest.....	702	0	702	0
39500	66400	6af	Principal Repayment and Interest.....	101,558	600	101,312	846
41000	10700	1e	Principal Repayment and Interest.....	73,134	322	73,456	0
41000	30700	3e	Principal Repayment and Interest.....	4,184	21	4,205	0
43500	20700	2ee	Principal Repayment and Interest.....	21,694	133	21,827	0
46500	10400	1d	Principal Repayment and Interest.....	6,623	168	6,786	5
48500	10600	1f	Principal Repayment and Interest.....	1,551	1	1,551	1
50500	41300	4et	Principal Repayment and Interest.....	8	0	0	8
50500	41400	4es	Principal Repayment and Interest.....	998	0	0	998
50500	50300	5c	Principal Repayment and Interest.....	197	10	206	1
85500	80100	8a	Principal Repayment and Interest.....	2,174	33	2,173	34
86700	10200	1b	Principal Repayment and Interest.....	10,661	53	10,707	7
86700	30100	3a	Principal Repayment and Interest.....	6,347	0	3,512	2,835
86700	30200	3b	Principal Repayment and Interest.....	1,670	0	1,361	309
86700	30300	3bl	Principal Repayment and Interest.....	448	0	448	0
86700	30600	3br	Principal Repayment and Interest.....	93	0	93	0
86700	30800	3bb	Principal Repayment and Interest.....	23	0	21	2
86700	30900	3bm	Principal Repayment and Interest.....	111	0	111	0
86700	31000	3bc	Principal Repayment and Interest.....	37	0	37	0
86700	31100	3bq	Principal Repayment and Interest.....	1,145	13	1,153	5
86700	31200	3bn	Principal Repayment and Interest.....	22	0	21	1
86700	31300	3bu	Principal Repayment and Interest.....	43	0	42	1
86700	31400	3bv	Principal Repayment and Interest.....	67	2	67	2
86700	31500	3bd	Principal Repayment and Interest.....	36	0	36	0
86700	31600	3be	Principal Repayment and Interest.....	1,698	113	1,798	13
86700	31700	3bf	Principal Repayment and Interest.....	61	0	56	5
86700	31800	3bg	Principal Repayment and Interest.....	19	0	18	1
86700	31900	3bh	Principal Repayment and Interest.....	38	0	38	0
86700	32000	3bj	Principal Repayment and Interest.....	19	0	19	0
86700	32200	3cb	Principal Repayment and Interest.....	42	0	42	0
86700	32300	3cd	Principal Repayment and Interest.....	123	0	123	0
86700	32400	3cf	Principal Repayment and Interest.....	693	0	693	0
39500	66500	6AE	Principal repayment and interest.....	5,552	600	5,944	208
86700	32900	3BX	Principal repayment and interest.....	46	0	46	0
Total Principal Repayment and Lease Rental.....				\$570,337	\$2,553	\$566,751	\$6,139

Pay Plan & Supplement

86500	10300	1c	Salary.....	0	0	0	0
86500	10400	1d	Fringe.....	0	0	0	0
Total Pay Plan & Supplements.....				0	0	0	0

TOTAL GENERAL FUND SUM SUFFICIENTS

\$4,292,223 \$12,149 \$4,246,509 \$57,863

(1) See Note K

(1)