

FY19

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
2019

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State of Wisconsin
2019 Annual Fiscal Report

(Budgetary Basis)

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STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

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

October 15, 2019

The Honorable Tony Evers
The Honorable Members of the Legislature

This report presents statements of fund condition and operations on a budgetary basis for the State of Wisconsin as of and for the fiscal year ended June 30, 2019. This satisfies the requirements of sec. 16.40(3), Wisconsin Statutes. Displayed within the report are major sources of revenues and major categories of expenditures for the General Fund and other funds, including a comparison to the prior year.

The General Fund has an undesignated balance of \$1.087 billion as of the end of the fiscal year. General purpose revenue taxes were \$17.341 billion compared to \$16.144 billion in the prior year, an increase of \$1.197 billion or 7.4 percent. General purpose revenue expenditures, excluding fund transfers, were \$17.152 billion. This is \$126 million more than the budgeted expenditure allocation of \$17.026 billion.

In fiscal year 2019, the State of Wisconsin continued to devote a major share of state tax collections to the assistance of local school districts, municipalities and counties. Local assistance accounted for 51.8 percent of total general purpose revenue expenditures. Aid payments to individuals and organizations represented 25.3 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 6.5 percent of total general purpose revenue expenditures and state operations expenditures for all other state agencies accounted for 16.4 percent of the total.

The State of Wisconsin expects to publish its Comprehensive Annual Financial Report (CAFR) in December of 2019. The CAFR report will be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Respectfully submitted,

Joel T. Brennan
Secretary of Administration

Carol Herwig, CPA
Deputy 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, 2019 totaled \$17,341.4 million, an increase of 7.4 percent from FY 2018 collections of \$16,144.2 million.

Total collections for FY 2019 were \$75.5 million, or 0.4 percent, above the estimate of \$17,265.9 million.

Table 1

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

Tax Source	FY19	% of Total	FY18	% of Total	\$ Change FY19-FY18	% Change
Individual Income	\$8,994.1	51.9%	\$8,479.2	52.5%	\$514.9	6.1%
General Sales & Use	5,695.5	32.9%	5,448.1	33.7%	247.4	4.5%
Corporation Franchise & Income	1,338.1	7.7%	893.9	5.5%	444.2	49.7%
Excise	661.9	3.8%	680.0	4.2%	(18.1)	(2.7%)
Public Utility	364.9	2.1%	365.3	2.3%	(0.4)	(0.1%)
Insurance Companies	194.4	1.1%	186.3	1.2%	8.1	4.3%
Miscellaneous	92.5	0.5%	91.4	0.6%	1.1	1.2%
TOTAL GPR	\$17,341.4	100.0%	\$16,144.2	100.0%	\$1,197.2	7.4%

Individual Income Tax

Individual income tax collections increased \$514.9 million (6.1 percent) from \$8,479.2 million in FY 2018 to \$8,994.1 million in FY 2019. This was \$44.1 million (0.5 percent) above the \$8,950.0 million estimate. The individual income tax share of total GPR taxes decreased from 52.5 percent in FY 2018 to 51.9 percent in FY 2019.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 5.4 percent from \$7,844.5 million to \$8,271.9 million. Estimated payments increased 1.3 percent from \$1,392.8 million to \$1,410.5 million, while refunds increased slightly from \$1,789.6 million to \$1,790.1 million. Final payments, or payments with returns, increased 14.1 percent to \$711.1 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased \$247.4 million (4.5 percent) from \$5,448.1 million in FY 2018 to \$5,695.5 million in FY 2019. This was \$45.5 million (0.8 percent) above the \$5,650.0 million estimate. Sales tax collections as a percentage of total GPR taxes decreased from 33.7 percent in FY 2018 to 32.9 percent in FY 2019.

Corporation Franchise and Income Tax

Corporate collections increased 49.7 percent from \$893.9 million in FY 2018 to \$1,338.1 million in FY 2019. Corporate collections as a percentage of total GPR taxes increased to 7.7 percent in FY 2019 from 5.5 percent in FY 2018. Corporate collections were \$16.9 million (1.2 percent) below the estimate of \$1,355.0 million.

The major source of corporate collections, estimated payments, increased by 51.1 percent from \$811.1 million in FY 2018 to \$1,225.6 million in FY 2019.

The increase in corporate tax collections was due to federal tax law changes which incentivized the shifting of revenue between tax years and the passage of legislation at the state level permitting income from pass-through entities (partnerships and tax option (S) corporations) to be taxed at the entity level instead of the individual level.

Excise Taxes

Cigarette tax collections decreased 4.6 percent from \$538.9 million in FY 2018 to \$514.3 million in FY 2019. Collections in FY 2019 were below the estimate by \$8.7 million (1.7 percent).

Tobacco products tax collections increased 6.6 percent from \$80.2 million in FY 2018 to \$85.5 million in FY 2019. Collections in FY 2019 were below the estimate by \$0.5 million (0.6 percent).

Liquor and wine tax collections increased 3.1 percent from \$52.0 million in FY 2018 to \$53.6 million in FY 2019. Collections in FY 2019 were below the estimate by \$0.4 million (0.7 percent).

Beer tax collections decreased 4.5 percent from \$8.9 million in FY 2018 to \$8.5 million in FY 2019. Collections in FY 2019 were below the estimate by \$0.4 million (4.5 percent).

Other Taxes

Public utility tax collections decreased \$0.4 million from \$365.3 million in FY 2018 to \$364.9 million in FY 2019. Collections were \$11.9 million (3.4 percent) above the FY 2019 estimate.

Insurance company taxes (generally based on premiums) increased 4.3 percent from \$186.3 million in FY 2018 to \$194.4 million in FY 2019. Collections were \$0.6 million (0.3 percent) below the FY 2019 estimate.

Miscellaneous taxes increased 1.2 percent from \$91.4 million in FY 2018 to \$92.5 million in FY 2019. This is \$1.5 million (1.6 percent) above the estimate for the fiscal year. The largest component of miscellaneous taxes, the real estate transfer fee, increased 1.0 percent, from \$76.6 million in FY 2018 to \$77.4 million in FY 2019.

Expenditure Highlights

For the tenth consecutive year, state K-12 school aids and medical assistance were the top two GPR state expenditures. In FY 2019 this represented over half of all GPR spending. Of the ten largest programs noted in Table 3, eight had nominal GPR funding increases while two showed declines compared to FY 2018.

The state began FY 2019 with a general fund GPR balance of \$588.5 million. By the close of FY 2019, this balance had grown to \$1.1 billion, which is more than three times as large as the balance previously estimated at the time of the 2017-19 Biennial Budget enactment. In addition to this general fund balance, a transfer of \$321.7 million was made to the budget stabilization ("rainy day") fund as a result of actual general fund tax revenues exceeding the tax revenue estimate included in the enacted 2017-19 Biennial Budget. This transfer increased the budget stabilization fund to \$649.1 million, its largest balance in state history.

Further, in May 2019, the Governor made a payment of \$58.7 million to refund previously issued state debt. This will result in an estimated future debt savings for Wisconsin taxpayers of \$68.9 million.

Total GPR spending increased \$720.5 million in FY 2019, as shown in Table 2. This compares to a \$606.9 million increase in FY 2018. The largest portion of GPR expenditures in FY 2019 was directed to school districts and other local units of government, consistent with past years. Local assistance payments increased by 5.3 percent, and these expenditures were \$8,874.3 million or 51.8 percent of total GPR spending in FY 2019 compared to \$8,426.1 million or 51.3 percent of total spending in FY 2018. Aid payments to individuals and organizations increased by 1.6 percent, and these expenditures were \$4,343.7 million, which was 25.3 percent of total GPR spending in FY 2019, compared to \$4,275.5 million or 26.0 percent in FY 2018. State operations spending increased 5.5 percent in FY 2019, with expenditures of \$3,933.8 million that accounted for 22.9 percent of total GPR spending, compared to \$3,729.7 million or 22.7 percent in FY 2018.

The GPR budget is shaped by its ten largest programs, as detailed in Table 3. These programs comprised 85.4 percent of total GPR expenditures in FY 2019, which was a decrease from the 86.0 percent in FY 2018. Immediately following this section is a brief explanation of each program.

Table 2

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

	<u>FY19</u>	% of <u>Total</u>	<u>FY18</u>	% of <u>Total</u>	<u>\$ Change</u> <u>FY19-FY18</u>	% <u>Change</u>
Local Assistance	\$8,874.3	51.8%	\$8,426.1	51.3%	\$448.2	5.3%
Aids to Individuals	4,343.7	25.3%	4,275.5	26.0%	68.2	1.6%
State Operations:						
UW System	1,120.2	6.5%	1,045.8	6.4%	74.4	7.1%
All Other Agencies	<u>2,813.6</u>	<u>16.4%</u>	<u>2,683.9</u>	<u>16.3%</u>	<u>129.7</u>	<u>4.8%</u>
Total	<u>\$17,151.8</u>	<u>100.0%</u>	<u>\$16,431.3</u>	<u>100.0%</u>	<u>\$720.5</u>	<u>4.4%</u>
Transfers*	<u>363.3</u>		<u>73.3</u>			
TOTAL GPR	<u>\$17,515.1</u>		<u>\$16,504.6</u>			

* Includes transfers to the transportation fund and budget stabilization fund in each fiscal year. The FY 2018 transfer to the budget stabilization fund was reclassified from State Operations – All Other Agencies to Transfers. Due to this reclassification the percentages and amounts displayed in the table and narrative above may differ from those published in the FY 2018 Annual Fiscal Report.

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	<u>FY19</u>	% of <u>Total</u>	<u>FY18</u>	% of <u>Total</u>	<u>\$ Change</u> <u>FY19-FY18</u>	% <u>Change</u>
1. School Aids	\$6,026.0	35.1%	\$5,742.9	34.9%	\$283.1	4.9%
2. Medical Assistance	3,006.2	17.5%	2,922.2	17.8%	84.0	2.9%
3. State Property Tax Relief	1,353.3	7.9%	1,185.4	7.2%	167.9	14.2%
4. Correctional Services	1,224.2	7.2%	1,213.1	7.4%	11.1	0.9%
5. UW System	1,120.3	6.5%	1,045.8	6.4%	74.5	7.1%
6. Shared Revenue	824.9	4.8%	823.5	5.0%	1.4	0.2%
7. WI Technical College System	519.6	3.0%	520.2	3.2%	-0.6	-0.1%
8. Community Aids	231.5	1.4%	229.3	1.4%	2.2	1.0%
9. Individual Tax Relief	181.9	1.1%	286.5	1.7%	-104.6	-36.5%
10. State Supplement to SSI	157.1	0.9%	156.4	1.0%	0.7	0.4%
All Others	<u>2,506.8</u>	<u>14.6%</u>	<u>2,306.0</u>	<u>14.0%</u>	<u>200.8</u>	<u>8.7%</u>
Subtotal	\$17,151.8	<u>100.0%</u>	\$16,431.3	<u>100.0%</u>	<u>\$720.5</u>	<u>4.4%</u>
Transfers*	<u>363.3</u>		<u>73.3</u>			
TOTAL	<u>\$17,515.1</u>		<u>\$16,504.6</u>			

* Includes transfers to the transportation fund and budget stabilization fund in each fiscal year. The FY 2018 transfer to the budget stabilization fund was reclassified from State Operations – All Other Agencies to Transfers. Due to this reclassification the percentages and amounts displayed in the table and narrative above may differ from those published in the FY 2018 Annual Fiscal Report.

School Aids: State GPR assistance to Wisconsin's 421 school districts increased by 4.9 percent or \$283.1 million in FY 2019. School districts were provided with a per pupil aid increase of \$204 for each student in FY 2019, as well as increased funding for general aid, mental health programs and high cost transportation aid, among others.

Overall, through a combination of state aids and property tax credits, the state reimbursed approximately 65.4 percent of school costs in FY 2019, up from 64.9 percent in FY 2018. The percentage of school costs reimbursed by the state in FY 2019 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 0.4 percent since FY 2011.

There are two major types of direct school aid. Approximately 79 percent of direct school aids are general aids, distributed by a formula designed to equalize each school district's property tax base per student, and to support special transfer aid programs for pupils transferring between districts and schools with certain concentrations of minority and nonminority populations. The remaining 21 percent of direct aids are categorical aids, generally distributed based on local expenditures for specific activities or educational programs. Major categorical aid programs include per pupil aid, programs for addressing special education needs and maintaining small class sizes.

In addition to direct aid, in FY 2019, the state also provided \$179.2 million GPR for eligible children from the city of Milwaukee to attend private schools participating in the Milwaukee Parental Choice Program at no charge. For FY 2019, the Milwaukee Parental Choice Program was funded 80.8 percent with GPR and 19.2 percent by the Milwaukee Public School District through a reduction to its state general equalization aid. The state also provided an estimated \$11.9 million GPR for eligible children in private schools across the state participating in the Racine and Wisconsin Parental Choice Programs, which are primarily funded through reductions in state school aids from affected school districts.

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

In FY 2019, total MA expenditures, including BadgerCare Plus, were \$10,282.8 million, of which \$3,006.2 million was GPR. On an all funds basis, MA expenditures increased by 7.8 percent from FY 2018.

During FY 2019, average MA enrollment remained relatively flat, decreasing by 0.54 percent. Enrollment trends varied within eligibility groups, however. Average monthly enrollment of low-income families (children and parents) decreased by 1.83 percent, while the average monthly enrollment of elderly and disabled individuals and childless adults increased by 0.64 percent and 0.60 percent, respectively.

The MA totals do not include expenditures for SeniorCare, Wisconsin's pharmacy assistance program for the elderly. In FY 2019, all funds expenditures totaled \$105.4 million. Of the all funds amounts, actual FY 2019 GPR expenditures totaled \$9.8 million, a \$7.4 million decrease from FY 2018. Average monthly enrollment in SeniorCare increased by 1.20 percent in FY 2019.

State Property Tax Relief: The School Levy and First Dollar Tax Credits help to directly reduce property tax bills of residences and businesses. Funding for the School Levy Tax Credit in FY 2019 was \$940.0 million GPR, an increase of \$87.0

million compared to FY 2018. The credit offset 8.5 percent of 2017 gross property tax levies for all purposes statewide. The First Dollar Credit was created in 2007 Wisconsin Act 20 to provide additional property tax relief to owners of improved property. The credit, funded at \$148.9 million in FY 2019, helps provide greater tax relief to lower-value property by offsetting property taxes on the first \$6,800 of property value for eligible parcels.

Beginning with FY 2018, this category has been modified to better reflect state payments that provide property tax relief by offsetting property taxes. State aid for tax exempt property provides payments to local units of government to compensate for computer-related personal property value that the state exempted from the property tax beginning with FY 2000. By providing this aid, the state ensures that local units of government do not shift property tax burdens to other property taxpayers. In FY 2019, aid payments under the program were \$95.7 million GPR, up \$1.4 million from \$94.3 million in FY 2018.

Beginning with FY 2019, the state also provides a payment to local units of government to compensate for the exemption of machinery, tools and patterns from personal property taxation for nonmanufacturing property. These payments are equal to what the local units of government raised in property taxes on such property based on 2017 assessments. In FY 2019, these payments totaled \$75.4 million.

In FY 2018, the state eliminated the forestry mill tax, which had previously been levied at a rate of \$0.1697 per \$1,000 on all taxable property across the state. To compensate for the revenue loss to the forestry account in the conservation fund, the state provides a GPR payment equal to what the fund would have received under the prior law tax. In FY 2019, this payment was \$93.3 million, an increase of approximately \$4.0 million from FY 2018.

Correctional Services: Total GPR expenditures for the state corrections program increased \$11.1 million, or 0.9 percent, over the prior year, reaching \$1,224.2 million in FY 2019. The number of incarcerated felons under the supervision of the state adult corrections program increased 1.0 percent from an average daily population of 23,885 in FY 2018 to 24,116 in FY 2019. 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 \$74.5 million, or 7.1 percent in FY 2019. 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 2018-19 academic year, resident undergraduate tuition remained frozen at 2012-13 academic year levels. Tuition will remain frozen through the 2020-21 academic year, resulting in a historic eight-year freeze. Compared to the annualized increase of 8.1 percent per year in the ten years prior to the freeze, the average student saves an estimated \$6,311 over a four-year college career as a result of the freeze.

In addition to relatively low basic tuition, access to college for lower income families was further protected through increased support for the Wisconsin Grant Program, formerly known as the Wisconsin Higher Education Grant (WHEG) and Tuition Grant programs for UW students. An additional \$8.8 million was provided in FY 2019 for grants to students attending UW schools, technical colleges and private nonprofit colleges.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 2019, the shared revenue formulas distributed a total of \$878.4 million, consisting of \$824.9 million GPR and \$53.5 million SEG. The GPR portion of this amount consisted of county and municipal aids of \$690.2 million, utility aids of \$75.4 million, and expenditure restraint payments of \$59.3 million. The Expenditure Restraint Program provides aids to municipalities with tax rates over five mills that restrained their spending increases. Statewide, shared revenue

payments provided municipalities with about 11.6 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 2018, 25,342 individuals received a degree from a Wisconsin technical college. The technical colleges also provide customized skills training for businesses, occupational training opportunities for high school students and apprenticeship instruction.

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

Community Aids and Children and Family Aids: Community Aids and Children and Family Aids are state and federal funds distributed to counties to fund human services programs serving primarily low-income persons, children in need of protection, the elderly and the disabled. Beginning in FY 2009, these funds are administered and distributed by both the Department of Health Services and Department of Children and Families, with total GPR expenditures reaching approximately \$231.5 million in FY 2019. Between FY 2018 and FY 2019, the Community Aids funding distributed by the departments increased by approximately \$2.2 million.

Tax Relief to Individuals: Wisconsin paid out \$181.9 million GPR in tax relief to individuals through a variety of refundable tax credit programs during FY 2019. Most of the decline from FY 2018 to FY 2019 for this category occurred because the \$96.3 million expended in FY 2018 for the one-time child sales tax rebate did not continue into FY 2019.

The Earned Income Credit program reduces income taxes or supplements income for about 232,500 low-income working families with children. In FY 2019, this program paid a total of \$94.1 million in all funds to these households, a decrease of about \$3.0 million compared to FY 2018.

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 2019, the credit provided \$72.7 million of tax relief, compared with \$83.5 million in FY 2018. Over 143,470 low-income homeowners and renters – around 30 percent of them elderly – benefitted from the program in FY 2019.

The Veterans and Surviving Spouses Property Tax Credit reduced income taxes for, or provided a refund check to, approximately 10,730 veterans and surviving spouses by providing a credit for taxes paid on a principal dwelling. Tax credit expenditures were \$34.1 million in FY 2019, an increase of \$1.6 million over FY 2018.

Wisconsin's Farmland Preservation Credit program provides credits to about 11,000 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 \$17.3 million in FY 2019, an increase of \$0.1 million relative to FY 2018.

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 2019, a total of \$157.1 million was expended in SSI payments.

Comparative Condition of the General Fund
FY19 Actual vs. Budget
(in Thousands)

	<u>FY19 Actual</u>	<u>Budget</u>	<u>Variance</u>
OPENING BALANCES			
Unreserved, Undesignated Opening Balance	\$ 588,472	\$ 588,472	\$ 0 ¹
Prior Year Designation of Continuing Balances	238,549	0	238,549 ²
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
Unreserved Opening Balance	<u>827,021</u>	<u>588,472</u>	<u>238,549</u>
REVENUES			
Taxes	17,341,387	17,265,900	75,487 ³
Departmental Revenues	<u>530,680</u>	<u>509,924</u>	<u>20,756</u> ⁴
Total Revenues	<u>17,872,067</u>	<u>17,775,824</u>	<u>96,243</u>
Total Available Resources	<u>18,699,088</u>	<u>18,364,296</u>	<u>334,792</u>
APPROPRIATIONS			
Gross Appropriations	17,964,257	17,666,048	(298,209) ⁵
Compensation Reserves	40,524	52,082	11,558 ⁶
Transfers	363,271	334,265	(29,006) ⁷
Less: Lapses	<u>(755,833)</u>	<u>(691,751)</u>	<u>64,082</u> ⁸
Net Appropriations	<u>17,612,219</u>	<u>17,360,644</u>	<u>(251,575)</u>
UNDESIGNATED UNRESERVED BALANCE	<u>\$ 1,086,869</u>	<u>\$ 1,003,652</u>	<u>\$ 83,217</u>

Notes:

1. UNDESIGNATED, UNRESERVED OPENING BALANCE. The fund condition for fiscal year 2019 is included in the Legislative Fiscal Bureau May 15 revenue estimates. The opening balance for fiscal year 2019 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 May 15 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. In addition, the estimate assumed no tribal gaming revenue; however, some departmental revenue includes tribal gaming.
5. GROSS APPROPRIATIONS. Final gross appropriations varied from estimated gross appropriations as follows:

Gross Appropriations Per the fund condition summary	\$ 17,666,048
Add: continuing appropriation authority brought forward	238,549
Add: increases to sum sufficient appropriations above Chapter 20*	61,393
Add: other adjustments	-1,733
FINAL GROSS APPROPRIATIONS	<u>\$ 17,964,257</u>

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

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

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Statements of Fund Condition and Operations

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

(In Millions of Dollars)

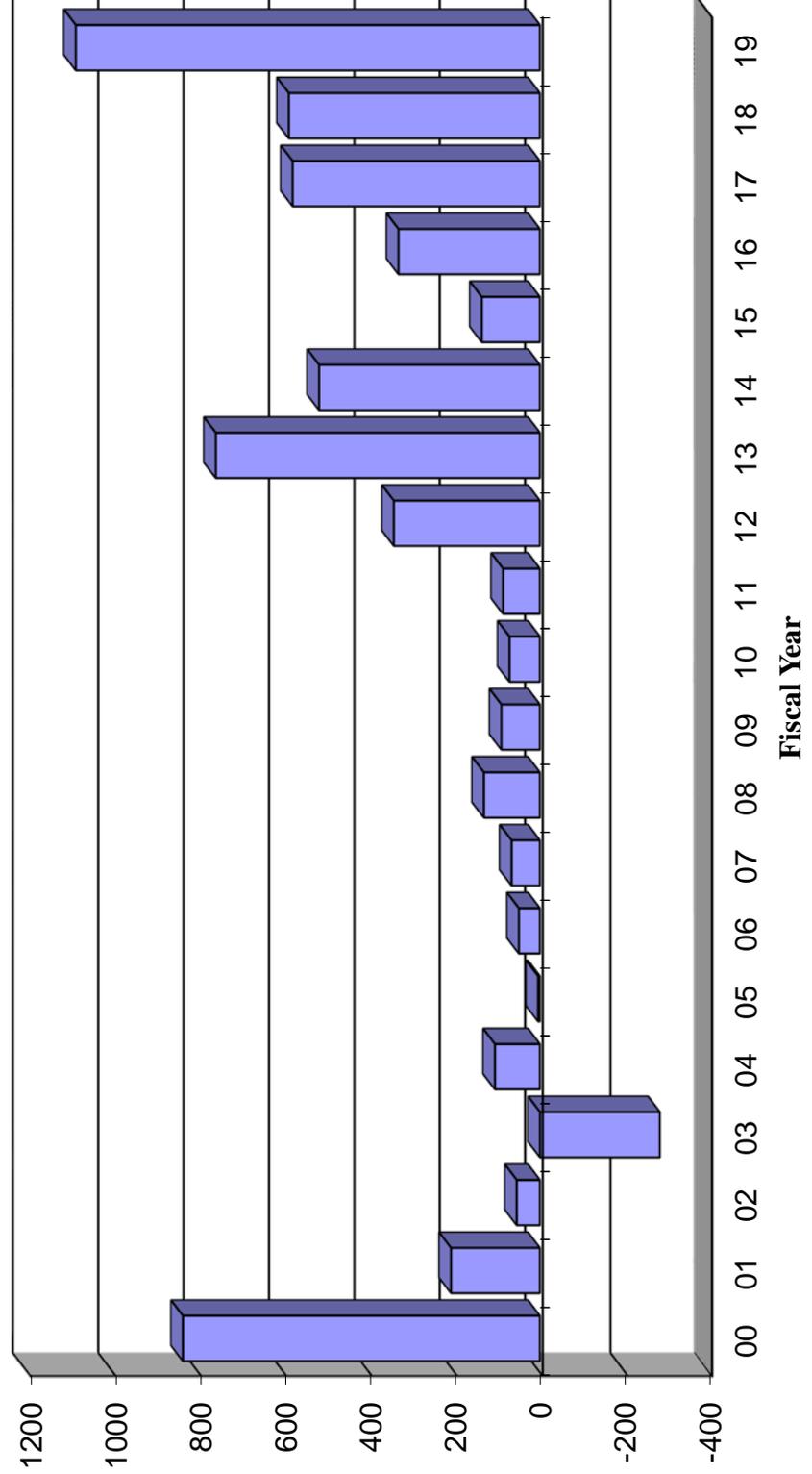


Exhibit A-1

State of Wisconsin
 Statement of Recorded Revenues, Expenditures, and Fund Balance
 Budget vs. Actual-General Purpose Revenues-Statutory Basis
 For the Fiscal Year Ended June 30, 2019
 (In Thousands)

	Budget			Actual	Variance
	Published Budget	Appropriation Adjustments	Final Budget		
Beginning Unreserved					
Undesignated Balance.....	\$ 588,472	\$	\$ 588,472	\$ 588,472	\$ 0
Beginning Unreserved					
Designated Balance.....		238,549	238,549	238,549	0
Total.....	<u>588,472</u>	<u>238,549</u>	<u>827,021</u>	<u>827,021</u>	<u>0</u>
REVENUES					
Taxes:					
Individual.....	8,950,000		8,950,000	8,994,096	44,096
Corporation.....	1,355,000		1,355,000	1,338,063	(16,937)
Sales & Use.....	5,650,000		5,650,000	5,695,548	45,548
Excise.....	671,900		671,900	661,918	(9,982)
Inheritance & Gift.....	0		0	6	6
Public Utility.....	353,000		353,000	364,941	11,941
Insurance.....	195,000		195,000	194,356	(644)
Miscellaneous.....	91,000		91,000	92,459	1,459
Total Taxes.....	<u>17,265,900</u>		<u>17,265,900</u>	<u>17,341,387</u>	<u>75,487</u>
Departmental Revenue:					
Indian Gaming Revenue.....	26,140		26,140	29,066	2,926
Other.....	483,784		483,784	302,464	(181,320)
Total Department Revenues.....	<u>509,924</u>		<u>509,924</u>	<u>331,530</u>	<u>(2)</u> (178,394)
Total Revenues.....	<u>17,775,824</u>		<u>17,775,824</u>	<u>17,672,917</u>	<u>(102,907)</u>
TOTAL AVAILABLE	<u>18,364,296</u>	<u>238,549</u>	<u>18,602,845</u>	<u>18,499,938</u>	<u>(102,907)</u>
EXPENDITURES					
LAPSE					
Commerce.....	42,423	1,981	44,404	43,537	867
Education.....	8,063,363	52,901	8,116,264	7,904,742	211,522
Environmental Resources.....	240,174	21,669	261,843	261,630	213
Human Relations & Resources.....	5,772,754	165,646	5,938,400	5,707,503	230,897
General Executive.....	677,087	4,182	681,269	432,071	249,198
Judicial.....	130,270	3,633	133,903	126,957	6,946
Legislative.....	74,292	3,290	77,582	71,310	6,272
General (Incl. Shared Revenue).....	2,665,685	(11,667)	2,654,018	2,604,100	49,918
Transfer (Gen Fund Cond).....	334,265	0	334,265	363,271	(3)
Compensation Reserves.....	52,082	(40,524)	11,558	0	11,558
Less: Estimated Lapse.....	(691,751)	0	(691,751)	0	(691,751)
TOTAL EXPENDITURES	<u>17,360,644</u>	<u>201,111</u>	<u>17,561,755</u>	<u>17,515,121</u>	<u>46,634</u>
Transfers - General Fund.....	0	0	0	199,150	(2)
UNRESERVED BALANCE	<u>1,003,652</u>	<u>37,438</u>	<u>1,041,090</u>	<u>1,183,967</u>	<u>142,877</u>
Designation for continuing balances.....	0	(97,098)	(97,098)	(97,098)	0
UNRESERVED					
Undesignated Balance.....	<u>\$ 1,003,652</u>	<u>\$ (59,660)</u>	<u>\$ 943,992</u>	<u>\$ 1,086,869</u>	<u>\$ 142,877</u>

(1)

The accompanying notes are an integral part of this statement.

(1) See Note E

(2) See Note F

(3) See Note L

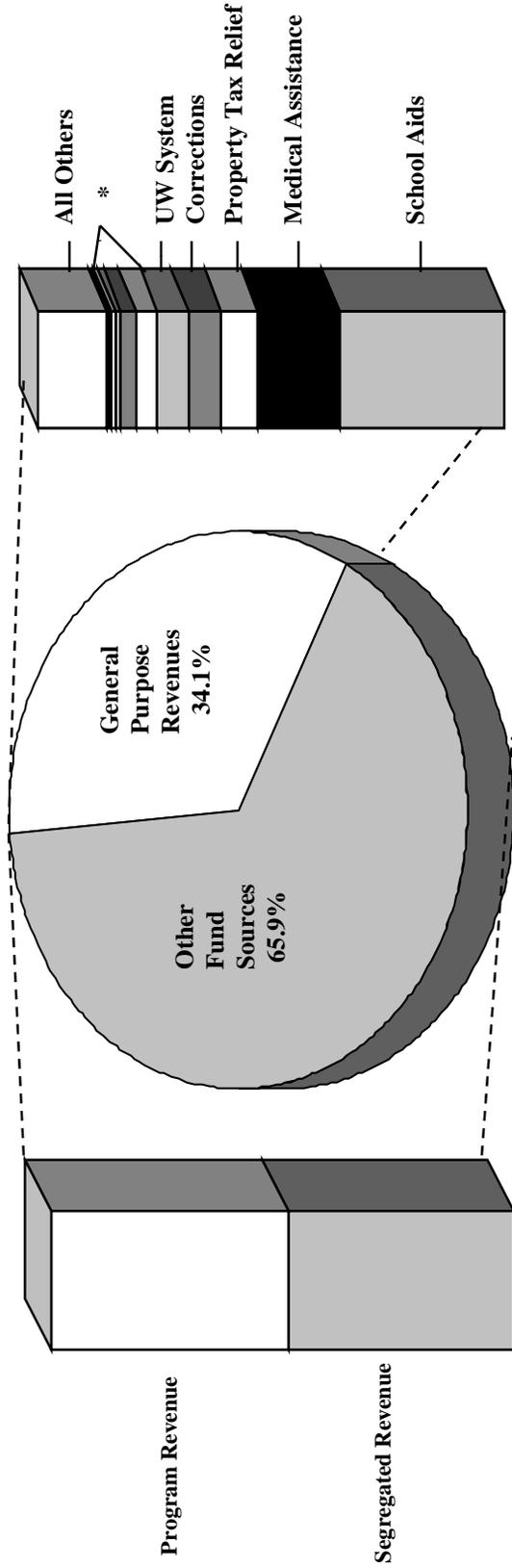
Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2019

Other Expenditures
\$33.1 Billion

Total Expenditures
\$50.2 Billion

General Purpose Revenue Expenditures
\$17.1 Billion



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

Exhibit A-2

State of Wisconsin
 Statement of Recorded Revenues, Expenditures, and Change in Fund Balances
 All Funds - Statutory Basis
 For the Fiscal Year Ended June 30, 2019
 (In Thousands)

	General Fund			Major Special Revenue Funds			As of June 30, 2019
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation	Other	
REVENUES							
Taxes.....	\$ 17,341,387	\$ 27,641	\$ 17,369,028	\$ 1,128,096	\$ 476	\$ 78,814	\$ 18,576,414
Intergovernmental Revenue.....	16,077	10,827,561	10,843,638	1,113,504	72,743	85,446	12,115,331
Licenses.....	65,560	293,149	358,709	545,612	114,683	848,289	1,867,293
Charges for Goods and Services.....	472	3,690,229	3,690,701	42,758	24,375	755,116	4,512,950
Contributions.....	0	0	0	0	0	3,774,485	3,774,485
Interest & Investment Income.....	14,919	125,852	140,771	8,960	1,635	8,133,258	8,284,624
Gifts & Donations.....	18	666,110	666,128	4	2,120	17,548	685,800
Other Revenue.....	132,053	1,590,794	1,722,847	34,137	5,550	1,179,841	2,942,375
Transfers.....	9,469	5,620	15,089	10,022	117,441	1,598,032	1,740,584
Other Transactions.....	92,962	135,033	227,995	7,239	1,152	80,389	316,775
Proceeds from Bonds & Notes.....	0	1	1	105,703	0	341,911	447,615
TOTAL REVENUES	17,672,917	17,361,990	35,034,907	2,996,035	340,175	16,893,129	55,264,246
EXPENDITURES							
Commerce.....	43,537	182,254	225,791	0	1,705	115,784	343,280
Education.....	7,904,742	6,262,913	14,167,655	0	200	436,784	14,604,639
Environmental Resources.....	261,630	87,389	349,019	3,109,115	312,168	408,853	4,179,155
Human Relations & Resources.....	5,707,503	9,775,998	15,483,501	0	0	1,749,664	17,233,165
General Executive.....	432,071	625,387	1,057,458	1,693	0	8,549,222	9,608,373
Judicial.....	126,957	16,270	143,227	0	0	177	143,404
Legislative.....	71,310	1,900	73,210	0	0	0	73,210
General (Incl. Shared Revenue) (2).....	2,604,100	69,976	2,674,076	22,907	17	1,361,088	4,058,088
TOTAL EXPENDITURES	17,151,850	17,022,087	34,173,937	3,133,715	314,090	12,621,572	50,243,314
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES.....	521,067	339,903	860,970	(137,680)	26,085	4,271,557	5,020,932
BEGINNING FUND BALANCE							
Prior Period Adjustment.....	0	0	0	0	0	0	0
DESIGNATED.....	238,549	0	238,549	0	0	0	238,549
UNDESIGNATED.....	588,472	1,156,501	1,744,973	(1,210,456)	105,999	109,151,280	109,791,796
TOTAL	827,021	1,156,501	1,983,522	(1,210,456)	105,999	109,151,280	110,030,345
INTERFUND							
TRANSFERS.....	(164,121)	(145,286)	(309,407)	65,597	0	243,810	0
ENDING FUND BALANCE	1,183,967	1,351,118	2,535,085	(1,282,539)	132,084	113,666,647	115,051,277
DESIGNATED.....	(97,098)	0	(97,098)	0	0	0	(97,098)
UNDESIGNATED.....	\$ 1,086,869	\$ 1,351,118	\$ 2,437,987	\$ (1,282,539)	\$ 132,084	\$ 113,666,647	\$ 114,954,179

(1)

The accompanying notes are an integral part of this statement.

(1) See Note I

(2) See Note L

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, 2019
 (In Thousands)

Funds By Category	Undesignated Fund Balance as of June 30, 2018	Revenues	Expenditures	Interfund Transfers	Undesignated Fund Balance as of June 30, 2019
<u>OTHER GOVERNMENTAL FUNDS</u>					
<u>Other Special Revenue</u>					
213 Heritage State Parks & Forests.....	\$ 1,350	\$ 100	\$ 183	\$ 0	\$ 1,267
214 Unemployment Interest Payment.....	0	0	0	0	0
217 Waste Management.....	7,677	42	307	0	7,412
219 Investment and Local Impact.....	78	2	0	0	80
220 Election Administration.....	8,694	506	2,693	0	6,507
222 Industrial Building Construction.....	0	0	0	0	0
224 Self-Insured Employer Liability.....	220	4	0	0	224
225 Medical Assistance Trust.....	64,452	103,742	391,651	241,853	18,396
226 Work Injury Benefits.....	18,869	12,938	6,753	0	25,054
227 Workers Compensation.....	1,964	13,328	13,988	0	1,304
228 Unemployment Program Integrity.....	10,235	5,088	642	0	14,681
229 Uninsured Employers.....	23,347	6,421	2,980	0	26,788
234 Hospital Assessment Fund.....	12,195	422,787	241,506	(174,466)	19,010
235 Utility Public Benefits.....	13,834	111,659	101,281	0	24,212
237 Critical Access Hospital Assessment.....	266	6,552	4,961	(1,905)	(48)
238 Mediation.....	97	243	177	0	163
239 Police and Fire Protection.....	(200)	53,459	54,064	0	(805)
241 Working Lands.....	127	3	12	0	118
248 Economic Development.....	576	27,119	27,439	0	256
249 Read To Lead Development.....	26	1	0	0	27
250 State Capitol Restoration.....	188	4	0	0	192
257 Agricultural Chemical Cleanup.....	6,551	877	973	0	6,455
258 Farms For The Future.....	0	0	0	0	0
259 Agrichemical Management.....	11,801	8,011	7,248	0	12,564
261 Agricultural Producer Security.....	9,610	2,582	1,187	0	11,005
264 Historical Legacy Trust.....	74	2	0	0	76
266 Historical Preservation Partnership Trust.....	299	3,369	3,298	0	370
268 Wireless 911.....	32	0	0	(32)	0
272 Petroleum Inspection.....	15,661	52,479	33,082	(24,000)	11,058
274 Environmental.....	34,935	88,167	83,875	0	39,227
277 Dry Cleaner Environmental Responsibility.....	(5,858)	569	936	0	(6,225)
280 Information Technology Investment.....	(2,589)	25	0	0	(2,564)
281 Military Family Relief.....	446	113	178	0	381
285 Universal Service.....	14,405	45,967	46,174	0	14,198
286 Budget Stabilization.....	320,054	7,376	0	321,674	649,104
289 Land Information.....	(752)	6,099	6,902	0	(1,555)
291 Permanent Endowment.....	0	122,634	0	(122,634)	0
723 Children's Trust.....	15	0	0	0	15
Total Other Special Revenue.....	568,679	1,102,268	1,032,490	240,490	878,947
<u>Debt Service</u>					
315 Bond Security and Redemption.....	6,849	961,464	961,641	0	6,672

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, 2019
 (In Thousands)

Funds By Category	Undesignated Fund Balance as of June 30, 2018	Revenues	Expenditures	Interfund Transfers	Undesignated Fund Balance as of June 30, 2019
<u>Capital Projects</u>					
490 State Building Trust.....	207,840	181,235	144,419	0	244,656
495 Capital Improvement.....	170,791	438,535	558,908	0	50,418
Total Capital Projects.....	<u>378,631</u>	<u>619,770</u>	<u>703,327</u>	<u>0</u>	<u>295,074</u>
<u>Permanent</u>					
743 Agriculture College.....	305	0	0	0	305
744 Common School Principal.....	1,100,005	50,023	0	0	1,150,028
745 Normal School.....	30,267	1,305	472	0	31,100
746 University.....	234	0	0	0	234
760 Historical Society Trust.....	16,918	1,472	578	0	17,812
763 Common School Income.....	17,036	41,596	36,200	0	22,432
767 Benevolent.....	14	1	0	0	15
875 University Trust Principal.....	158,644	17,523	0	0	176,167
876 University Trust Income.....	138,176	22,257	25,904	0	134,529
Total Permanent.....	<u>1,461,599</u>	<u>134,177</u>	<u>63,154</u>	<u>0</u>	<u>1,532,622</u>
TOTAL OTHER GOVERNMENTAL FUNDS	<u>2,415,758</u>	<u>2,817,679</u>	<u>2,760,612</u>	<u>240,490</u>	<u>2,713,315</u>
<u>FIDUCIARY AND OTHER</u>					
<u>Pension (and Other Employee Benefit)</u>					
262 Public Employe Trust.....	1,549,207	88,340	94,392	0	1,543,155
747 Core Retirement Investment Trust.....	95,312,206	11,312,238	7,199,434	0	99,425,010
751 Variable Retirement Investment.....	8,064,692	689,880	643,380	0	8,111,192
Total Pension (and Other Employee Benefit).....	<u>104,926,105</u>	<u>12,090,458</u>	<u>7,937,206</u>	<u>0</u>	<u>109,079,357</u>
<u>Private Purposes</u>					
570 Tuition Trust.....	3,149	65	656	0	2,558
769 College Savings Program Trust.....	16,340	1,910	461	0	17,789
Total Private Purposes.....	<u>19,489</u>	<u>1,975</u>	<u>1,117</u>	<u>0</u>	<u>20,347</u>
<u>Agency</u>					
788 Support Collections Trust.....	15,885	960,146	960,911	0	15,120
<u>Other (Business-type funds)</u>					
521 Lottery.....	18,190	713,744	717,114	0	14,820
531 Local Govt Property Insurance.....	932	41	2,087	3,320	2,206
532 State Life Insurance.....	116,967	10,033	5,330	0	121,670
533 Injured Patients & Families Compensation.....	1,347,781	119,536	30,330	0	1,436,987
573 Environmental Improvement.....	281,948	139,059	160,005	0	261,002
582 Veterans Trust.....	488	16,944	15,977	0	1,455
583 Veterans Mortgage Loan Repayment.....	6,616	23,260	30,383	0	(507)
587 Transportation Infrastructure Loan.....	1,121	254	500	0	875
Total Other (Business-type funds).....	<u>1,774,043</u>	<u>1,022,871</u>	<u>961,726</u>	<u>3,320</u>	<u>1,838,508</u>
TOTAL FIDUCIARY AND OTHER	<u>106,735,522</u>	<u>14,075,450</u>	<u>9,860,960</u>	<u>3,320</u>	<u>110,953,332</u>
TOTAL - ALL FUNDS	<u>\$ 109,151,280</u>	<u>\$ 16,893,129</u>	<u>\$ 12,621,572</u>	<u>\$ 243,810</u>	<u>\$ 113,666,647</u>

The accompanying notes are an integral part of this statement.

Exhibit A-4

State of Wisconsin
 Comparative General Fund Statement of Assets, Liabilities and Fund Balance
 Fiscal Years Ended June 30, 2019, 2018, and 2017
 (In Thousands)

	June 30, 2019	June 30, 2018	June 30, 2017
<u>ASSETS</u>			
Cash.....	\$ 2,514,253	\$ 1,531,487	\$ 1,452,850
Contingent Fund Advances.....	5,015	2,726	2,776
Investments.....	0	0	7
Accounts Receivable.....	1,673,013	1,671,524	1,485,932
Due from Other Funds.....	267,882	260,088	447,249
Inventory.....	0	0	0
Prepayments.....	1,150	1,245	4,017
Other Assets.....	110,242	134,825	111,211
TOTAL ASSETS.....	<u>4,571,555</u>	<u>3,601,895</u>	<u>3,504,042</u>
<u>LIABILITIES</u>			
Accounts Payable.....	668,735	556,116	572,649
Operating Notes Payable.....	0	0	0
Due to Other Funds.....	526,651	276,438	359,703
Tax and Other Deposits.....	58,556	58,267	80,895
Deferred Revenue.....	218,723	203,125	191,895
TOTAL LIABILITIES.....	<u>1,472,665</u>	<u>1,093,946</u>	<u>1,205,142</u>
<u>FUND BALANCE</u>			
<u>Reserved Balances</u>			
GPR Encumbrances.....	164,907	147,516	159,541
PR Encumbrances.....	398,898	376,911	368,218
Total Reserved Balances.....	<u>563,805</u>	<u>524,427</u>	<u>527,759</u>
<u>Unreserved Designated Balances</u>			
GPR Designation for Continuing Balances.....	97,098	238,549	52,089
<u>Unreserved Balances</u>			
GPR Unreserved Balance.....	1,086,869	588,472	579,015
PR Unreserved Balance.....	1,351,118	1,156,501	1,140,037
Total Unreserved Balances.....	<u>2,437,987</u>	<u>1,744,973</u>	<u>1,719,052</u>
TOTAL FUND BALANCE.....	<u>3,098,890</u>	<u>2,507,949</u>	<u>2,298,900</u>
TOTAL LIABILITIES AND FUND BALANCE.....	<u>\$ 4,571,555</u>	<u>\$ 3,601,895</u>	<u>\$ 3,504,042</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, 2019
 (In Thousands)

Function/Expenditure Description	Budget			Actual	Lapses and Balances
	Published Budget ¹	Budget Adjustments	Final Budget	Expenditures ²	
Commerce	\$ 377,425	\$ 43,392	\$ 420,817	\$ 329,470	\$ 91,347
Education	14,135,087	507,612	14,642,699	14,250,842	391,857
Environmental Resources	3,608,741	1,000,989	4,609,730	3,814,051	795,679
Human Relations and Resources	15,640,650	1,325,143	16,965,793	15,324,836	1,640,957
General Executive	1,425,706	261,333	1,687,039	1,239,486	447,553
Judicial	145,044	8,229	153,273	143,404	9,869
Legislative	76,530	3,281	79,811	73,209	6,602
General Appropriations	3,040,385	31,519	3,071,904	2,996,510	75,394
Total Chapter 20	<u>\$ 38,449,568</u>	<u>\$ 3,181,498</u>	<u>\$ 41,631,066</u>	<u>\$ 38,171,808</u>	<u>\$ 3,459,258</u>
Retirement Annuities			7,842,535	7,842,535	0
Support Collection Trust Payments			980,000	959,137	20,863
Insurance Premiums			49,637	49,637	0
Debt Service Payments			961,641	961,641	0
Capital Projects Expenditures			700,601	700,601	0
Lottery Prizes			433,733	432,195	1,538
Other Segregated Revenue			526,975	174,981	351,994
Program Revenue Appropriations			1,270,708	827,478	443,230
Clearing and Custody Accounts			657,813	66,106	591,707
Total Non Chapter 20 Expenditures			<u>\$ 13,423,643</u>	<u>\$ 12,014,311</u>	<u>\$ 1,409,332</u>
Total State Expenditures Excluding Transfers			<u>\$ 55,054,709</u>	<u>\$ 50,186,119</u>	<u>\$ 4,868,590</u>

The accompanying notes are an integral part of this statement.

(1) The fund condition for fiscal year 2019 is the fund condition approved by Legislative Joint Finance Committee at its June 14, 2018 (13.10 Wisconsin Statutes) meeting, modified by the May 2019 re-estimates.

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

Notes To Fund Statements

Note A Statutory Basis of Accounting

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

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

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

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

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

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

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

Health insurance premiums are paid in the actual coverage month.

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

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

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

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

Note B Fiscal Controls

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

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

Note C Classification of Funds

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

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

Note D Extraordinary Transfers and Transactions Affecting Fund Balance

Compensation Reserve

In fiscal year 2019, the May 15 Legislative Fiscal Bureau revenue estimates included a compensation reserve for employee salary and fringe benefit increases. The total amount reserved (appropriated) was \$52,081,600 and the amount allotted was \$40,524,400 leaving a lapse amount of \$11,557,200.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are based on the fund condition statement for the May 15, 2019 Legislative Fiscal Bureau 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 (PR) Appropriations, are not included in Exhibit A-1. Only those appropriations made from nondedicated General Purpose Revenues (GPR) are included.

Note F Total Departmental Revenues

For budget comparison purposes, interfund transfers are added to other revenues to arrive at total departmental revenues. Exhibit A-1 displays departmental revenues of \$331.5 million and net transfers in of \$199.2 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 against the departmental revenues in the fund condition statement, totaling \$530.7 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 2019 is explained as follows:

	(thousands)
ENDING FUND BALANCE	
(UNDESIGNATED) PER FUND	
CONDITION STATEMENT	\$ 1,003,652
OPENING BALANCE ADJUSTMENTS	
Prior year designation for continuing	
balances	238,549
Total opening balance adjustments	<u>238,549</u>
REVENUE ADJUSTMENTS	
Taxes received above estimate	75,487
Departmental revenues less than estimate	<u>(178,394)</u>
Total revenue below estimate	<u>(102,907)</u>
APPROPRIATION ADJUSTMENTS	
Sum Sufficient Changes	
Reestimates*	(61,393)
Other Adjustments	1,733
Budget brought forward from previous	
year	(238,549)
Budget carried to next year for	
continuing appropriations	<u>97,098</u>
Total Appropriation Adjustments	<u>(201,111)</u>
LAPSES MORE THAN BUDGETED	46,634
INTERFUND TRANSFERS	199,150
DESIGNATION FOR CONTINUING	
BALANCES	<u>(97,098)</u>
UNDESIGNATED FUND BALANCE	<u>\$ 1,086,869</u>

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

Note H General Fund Cash Flow

Due to the timing of receipts and disbursements, the General Fund experiences lower cash balances during the first half of each fiscal year. In some years, the State has issued Operating Notes to mitigate this imbalance. However, an Operating Note was not required for fiscal year 2019.

Note I Negative Transportation Fund Balances

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

Note J Unappropriated Activities

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

	Safety & Professional Services
Revenues	\$ 795,145.22
Expenditures	795,145.22
Balance	\$ 0.00

Note K Sum Sufficient Increases

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

	(thousands)
Exhibit B-2 Sum Sufficient Increases	\$ 383,067
Less: Supplements (included in total above)	-1,733
Actual Sum Sufficient Increases	\$ 381,334

Note L General Fund Transfer to Budget Stabilization Fund

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

The General Fund Transfer pursuant to 20.875(1)(a), Wis. Stats., is displayed as a transfer on the Comparative Condition of the General Fund, Expenditure Highlights, Exhibit A-1, and Exhibit A-2 in order to be consistent with the presentation of the May 15, 2019 Legislative Fiscal Bureau fund condition statement.

Supplemental Data

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Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2019

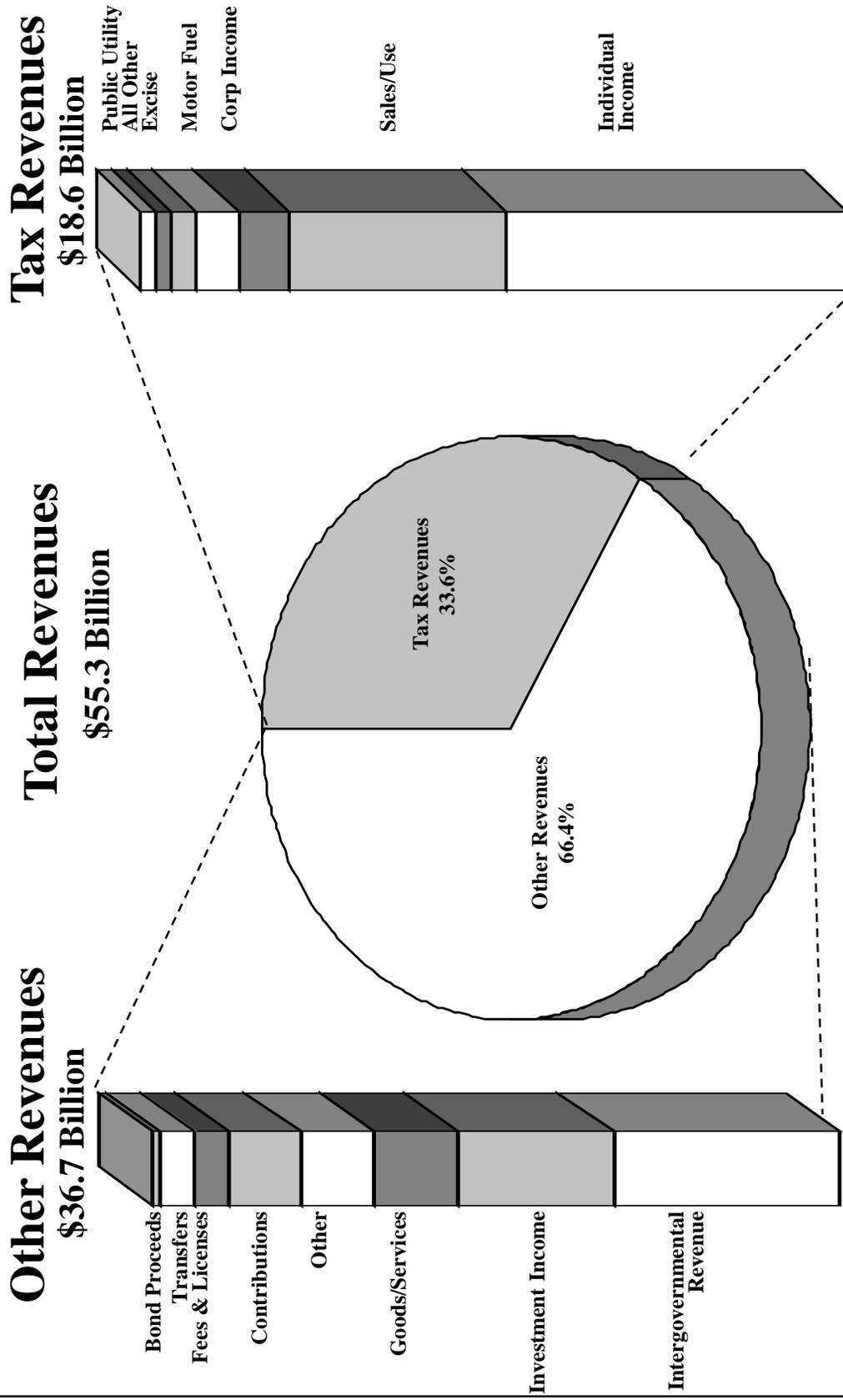


Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2019, 2018, and 2017
 (In Thousands)

	June 30, 2019	June 30, 2018	June 30, 2017
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
Individual.....	\$ 8,994,096	\$ 8,479,150	\$ 8,039,506
Corporation.....	1,338,063	893,892	920,947
Total Income Taxes.....	10,332,159	9,373,042	8,960,453
Sales and Excise Taxes			
General Sales and Use.....	5,695,548	5,448,118	5,223,935
Cigarette.....	514,273	538,898	564,199
Other Tobacco Products.....	85,521	80,202	80,279
Liquor and Wine.....	53,600	51,970	52,078
Malt Beverage (Beer).....	8,524	8,909	9,125
Total Sales and Excise Taxes.....	6,357,466	6,128,097	5,929,616
Public Utility Taxes			
Private Light, Heat and Power.....	231,474	235,390	229,622
Municipal Light, Heat and Power.....	2,695	3,065	2,895
Telephone.....	67,197	63,591	70,783
Pipeline.....	44,884	45,531	39,727
Electric Cooperative.....	13,353	12,464	12,046
Municipal Electric.....	4,714	4,802	4,934
Conservation and Regulation.....	601	434	349
Other.....	23	66	117
Total Public Utility Taxes.....	364,941	365,343	360,473
Inheritance and Estate Taxes			
Inheritance and Estate.....	6	(33)	434
Total Inheritance and Estate Taxes.....	6	(33)	434
Miscellaneous Taxes			
Insurance Companies (Premiums).....	194,356	186,273	181,584
Real Estate Transfer Fee.....	77,388	76,600	70,553
Lawsuits (Courts).....	15,023	14,795	14,397
Other.....	48	50	75
Total Miscellaneous Taxes.....	286,815	277,718	266,609
TOTAL GPR TAX REVENUES.....	17,341,387	16,144,167	15,517,585
Program Tax Revenues			
Fire Dues.....	22,398	20,570	20,802
Pari-mutuel Taxes.....	0	0	0
County Expo Tax Administration.....	985	905	854
Baseball Park Administration Fee.....	507	480	466

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2019, 2018, and 2017
 (In Thousands)

	June 30, 2019	June 30, 2018	June 30, 2017
Program Tax Revenues, Cont.			
Business Trust Regulation Fee.....	\$ 3,153	\$ 2,133	\$ 1,889
Other.....	598	495	557
TOTAL PROGRAM TAX REVENUES.....	27,641	24,583	24,568
TOTAL-GENERAL FUND TAX REVENUES.....	17,369,028	16,168,750	15,542,153
Type of Revenues			
Transportation Fund			
Motor Fuel Tax.....	1,066,310	1,065,936	1,044,543
Air-Carrier Tax.....	7,375	6,176	7,126
Railroad Tax.....	42,960	40,765	45,323
Aviation Fuel Tax.....	1,315	1,338	1,271
Other Taxes.....	10,136	9,005	10,013
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	(21)	22,335	85,760
Forest Crop Taxes.....	497	1,318	10,256
Motor Fuel Tax.....	0	1	1
Dry Cleaner Fund.....	561	619	665
Mediation Fund.....	1	1	1
Petroleum Inspection Tax.....	51,262	51,073	45,707
Historical Preservation Partnership Trust.....	9	0	0
Economic Development Fund			
Temporary Service Charges.....	26,981	25,739	38,768
TOTAL STATE TAX REVENUES.....	18,576,414	17,393,056	16,831,587
Intergovernmental Revenue.....	12,115,331	11,149,472	11,206,587
Licenses and Permits.....	1,867,293	1,779,406	1,846,902
Charges for Goods and Services.....	4,512,950	4,457,319	4,236,264
Contributions.....	3,774,485	3,827,381	3,875,831
Interest and Investment Income.....	8,284,624	8,849,596	11,457,291
Gifts and Donations.....	685,800	667,540	643,013
Proceeds from Sale of Bonds.....	447,615	703,623	834,445
Other Revenues.....	2,942,375	2,627,829	2,798,022
Other Transactions.....	316,775	399,111	245,581
TOTAL DEPARTMENTAL REVENUES.....	34,947,248	34,461,277	37,143,936
TRANSFERS.....	1,740,584	1,502,566	1,700,574
TOTAL REVENUES.....	\$ 55,264,246	\$ 53,356,899	\$ 55,676,097

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, 2019
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse
<u>State Operations</u>						
19200	10100	1A Operations And Programs	12,551	755	13,305	1
25500	31800	3F Interstate Compact On Educational Opportunity For Military Children	1	0	0	1
37000	11600	1FE Endangered Resources -- General Fund	500	0	500	0
37000	91300	9JB Off-Highway Motorcycle Administration	60	0	60	0
41000	10400	1C Reimbursement Claims Of Counties Containing State Prisons	41	0	36	5
41000	30800	3C Reimbursement Claims Of Counties Containing Juvenile Correctional Facilities	89	0	80	9
45500	20200	2AM Officer Training Reimbursement	150	0	150	0
45500	50400	5D Reimbursement For Forensic Examinations	1,250	0	1,131	119
46500	10300	1C Public Emergencies	250	0	224	26
46500	30200	3AM Worker's Compensation For Local Unit Of Government Volunteers	25	0	19	6
50500	10400	1D Special Counsel	612	827	1,439	0
50500	40500	4D Claims Awards	25	0	0	25
50500	80100	8AM Interest On Racing And Bingo Moneys	0	0	0	0
51100	10300	1BE Investigations	0	0	0	0
52500	10100	1A General Program Operations	3,301	0	3,300	1
52500	10200	1B Contingent Fund	20	0	20	0
52500	10300	1C Membership In National Associations	118	23	141	0
52500	10500	1A Transition Team	0	95	95	0
52500	20100	2A General Program Operations	271	0	271	0
62500	10100	1A Circuit Courts	76,884	1,311	73,867	4,328
66000	10100	1A General Program Operations - Appeals	11,172	148	10,772	548
68000	10100	1A General Program Operations - Supreme Court	5,530	0	5,106	424
76500	10100	1A General Program Operations--Assembly	26,559	0	26,558	1
76500	10300	1B General Program Operations--Senate	18,813	273	18,814	272
76500	10400	1D Legislative Documents	3,919	0	3,425	494
76500	30800	3FA Membership In National Associations	269	0	269	0
83500	30300	3EF Transfer To Conservation Fund: Forestry	93,259	0	93,256	3
85500	10800	1BM Payment Of Canceled Drafts	3,000	0	1,801	1,199
85500	11300	1F Payment Of Fees To Financial Institutions	0	0	0	0
85500	40100	4A Interest On Overpayment Of Taxes	1,000	0	190	810
85500	40500	4E Transfer To Conservation Fund: Land Acquisition Reimbursement	0	0	0	0
85500	41300	4CM Illinois Income Tax Reciprocity	93,130	0	93,130	0
85500	11100	1DM Interest Reimbursements To Federal Government	0	0	0	0
85500	40600	4FR Transfer To Transportation Fund: Disaster Damage Aids	3,147	34	3,181	0
87500	10100	1A General Fund Transfer (2)	0	321,674	321,674	0
Total State Operations.....			355,946	325,140	672,814	8,272
<u>Aids and Local Assistance</u>						
11500	20200	2B Animal Disease Indemnities	459	0	113	346
23500	10400	1E Minnesota-Wisconsin Student Reciprocity Agreement	5,483	0	5,482	1
23500	10800	1FM Wisconsin Covenant Scholars Grants	2,930	0	2,592	338
23500	10900	1FY Academic Excellence Higher Education Scholarships	2,964	0	2,947	17
23500	11900	1FW Technical Excellence Higher Education Scholarships	890	0	868	22
25500	21800	2FM Charter Schools	71,500	128	71,191	437
25500	22400	2FR Parental Choice Program For Eligible School Districts And Other School Districts	80,200	0	79,313	887
25500	23500	2FU Milwaukee Parental Choice Program	221,800	0	220,544	1,256
25500	28200	2FQ Charter Schools: Office Of Educational Opportunity Recovery Charter Schools	0	0	0	0
25500	28900	2FP Charter Schools, Office Of Educational Opportunity	2,176	548	2,166	558
25500	30600	3C Grants For National Teacher Certification Or Master Educator Licensure	2,311	0	2,235	76
29200	16200	1DP Property Tax Relief Aid	406,000	0	406,000	0
37000	50300	5DA Aids In Lieu Of Taxes - General Fund	6,673	0	6,566	107
43500	17500	1BN Workplace Wellness Program Grants	100	0	52	48
43500	40300	4ED State Supplement To Federal Supplemental Security Income Program	157,534	0	157,119	415
43500	57400	5DA Reimbursements To Local Units Of Government	300	200	398	102
46500	20100	2A Tuition Grants	6,500	0	6,137	363
46500	30500	3E Disaster Recovery Aid: Public Health Emergency Quarantine Costs	3,400	0	2,776	624
50500	41200	4ER Service Award Program: State Matching Awards	2,500	0	2,500	0
51500	10100	1A Annuity Supplements And Payments	67	15	75	7
83500	10100	1C Expenditure Restraint Program Account	59,312	0	59,312	0
83500	10500	1DB County And Municipal Aid Account	699,088	0	690,213	8,875
83500	10900	1E State Aid: Tax Exempt Property	95,652	84	95,730	6
83500	11000	1DM Public Utility Distribution Account	75,272	136	75,408	0
83500	11100	1F State Aid: Personal Property Tax Exemption	75,354	0	75,354	0
83500	20200	2B Claim Of Right Credit	132	0	109	23
83500	20300	2C Homestead Tax Credit	72,000	716	72,716	0
83500	20500	2DM Farmland Preservation Credit	500	0	0	500
83500	20900	2EP Cigarette And Tobacco Product Tax Refunds	32,700	59	32,759	0
83500	21100	2CO Enterprise Zone Jobs Credit	68,700	0	56,328	12,372
83500	21200	2F Earned Income Tax Credit	25,500	0	24,402	1,098

Exhibit B-2

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
Aids and Local Assistance Continued.							
83500	21500	2EM	Veterans And Surviving Spouses Property Tax Credit	32,000	2,149	34,067	82
83500	21700	2BR	Interest Payments On Overassessments Of Manufacturing Property	10	0	0	10
83500	21800	2DO	Farmland Preservation Credit, 2010 And Beyond	17,000	275	17,275	0
83500	21900	2BD	Meat Processing Facility Investment Credit	0	0	0	0
83500	22000	2BP	Dairy Manufacturing Facility Investment Credit; Dairy Cooperatives	0	0	0	0
83500	22500	2BB	Jobs Tax Credit	12,100	0	8,623	3,477
83500	23000	2D	Research Credit	2,100	0	513	1,587
83500	23200	2CC	Qualified Child Sales And Use Tax Rebate For 2018	710	3	713	0
83500	30200	3B	School Levy Tax Credit And First Dollar Credit	1,090,000	0	1,088,951	1,049
85500	40400	4BM	Oil Pipeline Terminal Tax Distribution	6,281	0	6,281	0
25500	25000	2AZ	Special Needs Scholarship Program	8,352	159	8,460	51
25500	27900	2AQ	Per Pupil Aid	547,809	0	547,715	94
44500	10200	1AA	Special Death Benefit	765	228	993	0
83500	20700	2BG	Business Development Credit	13,400	0	10,761	2,639
Total Aids and Local Assistance.....				3,908,524	4,700	3,875,757	37,467
Principal Repayment and Lease Rental							
11500	20500	2D	Principal Repayment And Interest	4	1	5	0
11500	70200	7B	Principal Repayment And Interest	1,109	359	1,468	0
19000	10100	1C	Principal Repayment And Interest	218	47	264	1
19000	10200	1D	Principal Repayment And Interest	2,542	232	2,774	0
22500	10300	1C	Principal Repayment And Interest	2,422	464	2,886	0
24500	10600	1E	Principal Repayment And Interest	4,940	458	5,221	177
25000	10300	1C	Principal Repayment And Interest	3,000	123	3,123	0
25000	10500	1E	Principal Repayment And Interest	470	8	473	5
25500	10400	1D	Principal Repayment And Interest	1,019	133	1,152	0
28500	11000	1D	Principal Repayment And Interest	214,025	22,026	236,051	0
32000	10300	1C	Principal Repayment And Interest	9,806	1,584	11,390	0
32000	28200	2C	Principal Repayment And Interest	5,476	346	5,822	0
37000	70100	7AA	Principal Repayment And Interest	70,489	5,479	75,968	0
37000	70600	7CB	Principal Repayment And Interest	0	2	1	1
37000	70700	7CC	Principal Repayment And Interest	1,805	422	2,227	0
37000	70800	7CD	Principal Repayment And Interest	174	3	177	0
37000	70900	7EA	Principal Repayment And Interest	654	76	730	0
39500	60500	6AD	Principal Repayment And Interest	2,491	0	2,491	0
39500	66400	6AF	Principal Repayment And Interest	95,502	12,967	108,469	0
41000	10700	1E	Principal Repayment And Interest	65,333	4,284	69,617	0
41000	30700	3E	Principal Repayment And Interest	3,057	404	3,461	0
43500	20700	2EE	Principal Repayment And Interest	18,372	1,399	19,771	0
46500	10400	1D	Principal Repayment And Interest	6,102	699	6,801	0
48500	10600	1F	Principal Repayment And Interest	1,516	73	1,588	1
50500	41300	4ET	Principal Repayment And Interest	6	1	0	7
50500	41400	4ES	Principal Repayment And Interest	829	593	0	1,422
50500	50300	5C	Principal Repayment And Interest	228	6	234	0
85500	80100	8A	Principal Repayment And Interest	2,287	100	2,387	0
86700	10200	1B	Principal Repayment And Interest	9,268	409	9,677	0
86700	30100	3A	Principal Repayment And Interest	7,972	0	2,578	5,394
86700	30200	3B	Principal Repayment And Interest	1,391	0	1,126	265
86700	30300	3BL	Principal Repayment And Interest	768	0	768	0
86700	30600	3BR	Principal Repayment And Interest	87	13	100	0
86700	30800	3BB	Principal Repayment And Interest	22	0	21	1
86700	30900	3BM	Principal Repayment And Interest	134	16	150	0
86700	31000	3BC	Principal Repayment And Interest	43	0	41	2
86700	31100	3BQ	Principal Repayment And Interest	926	44	970	0
86700	31200	3BN	Principal Repayment And Interest	16	5	21	0
86700	31300	3BU	Principal Repayment And Interest	33	6	39	0
86700	31400	3BV	Principal Repayment And Interest	74	1	75	0
86700	31500	3BD	Principal Repayment And Interest	38	0	38	0
86700	31600	3BE	Principal Repayment And Interest	3,407	438	3,395	450
86700	31700	3BF	Principal Repayment And Interest	60	0	55	5
86700	31800	3BG	Principal Repayment And Interest	19	0	17	2
86700	31900	3BH	Principal Repayment And Interest	40	6	46	0
86700	32000	3BJ	Principal Repayment And Interest	18	0	18	0
86700	32200	3CB	Principal Repayment And Interest	40	0	40	0
86700	32300	3CD	Principal Repayment And Interest	137	0	137	0
86700	32400	3CF	Principal Repayment And Interest	659	0	659	0
86700	32500	3CH	Principal Repayment And Interest	407	0	407	0
86700	32700	3BT	Principal Repayment And Interest	232	0	232	0
86700	32800	3BW	Principal Repayment And Interest	756	0	755	1
39500	66500	6AE	Principal Repayment And Interest	14,526	0	14,523	3
86700	32900	3BX	Principal Repayment And Interest	193	0	193	0
Total Principal Repayment and Lease Rental.....				555,142	53,227	600,632	7,737
TOTAL GENERAL FUND SUM SUFFICIENTS				\$ 4,819,612	\$ 383,067	\$ 5,149,203	\$ 53,476

(1)

The accompanying notes are an integral part of this statement

(1) See Note K

(2) See Note L