

FY02

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
2002

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State of Wisconsin
2002 Annual Fiscal Report

(Budgetary Basis)

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SCOTT McCALLUM
GOVERNOR

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October 15, 2002

The Honorable Scott McCallum
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, 2002. 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 \$53.8 million as of the end of the fiscal year. This is \$181.3 million lower than the \$235.1 million estimate that was projected in the final Chapter 20 fund condition statement. The lower balance was the result of lower than expected tax revenues.

General-purpose revenue taxes were \$10.020 billion compared to \$10.063 billion in the prior year, a decrease of \$43 million or 0.4 percent. This decrease is the result of reductions in income tax rates and other changes to state tax laws made in 1999 Wisconsin Act 9 combined with a general slowdown in the economy. General-purpose revenue expenditures, excluding fund transfers, were \$11.259 billion compared to \$11.078 billion in the prior year, an increase of \$181.0 million or 1.6 percent.

General-purpose revenue spending increases in fiscal year 2002 were largely driven by increases in three areas: School Aids increased by \$139.6 million (3.2 percent), Medical Assistance increased by \$77.3 million (7.8 percent), and Corrections increased by \$14.9 million (1.9 percent) overall.

In fiscal year 2002, 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 60.3 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 16.8 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 8.6 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 14.3 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 2002. The report will be prepared under generally accepted accounting principles.

Respectfully submitted,

George Lightbourn
Secretary

William J. Raftery, 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, 2002 totaled \$10,020.2 million, a decrease of 0.4 percent from FY 2001 collections of \$10,063.4 million. This is the second year in a row in which GPR taxes have declined.

Total tax collections for FY 2002 were \$189.5 million, or 1.9 percent, below the Legislative Fiscal Bureau (LFB) January 2002 estimate of \$10,209.7 million.

Table 1

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

Tax Source	FY 02	% of Total	FY 01	% of Total	Change FY02-FY01	% Change
Individual Income	\$4,979.7	49.7%	\$5,156.5	51.2%	\$- 176.8	-3.4%
General Sales & Use	3,695.8	36.9%	3,609.9	35.9%	85.9	2.4%
Corporation Franchise & Income	503.0	5.0%	537.2	5.3%	- 34.2	-6.4%
Excise	348.3	3.5%	299.8	3.0%	48.5	16.2%
Inheritance, Estate & Gift	82.6	0.8%	77.1	0.8%	5.5	7.1%
Public Utility	252.2	2.5%	239.2	2.4%	13.0	5.4%
Insurance Companies	96.1	1.0%	89.0	0.9%	7.1	8.0%
Miscellaneous	62.5	0.6%	54.7	0.5%	7.8	14.3%
TOTAL GPR	\$10,020.2	100.0%	\$10,063.4	100.0%	\$- 43.2	-0.4%

Individual Income Tax

Individual income tax collections decreased \$176.8 million (3.4 percent) from \$5,156.5 million in FY 2001 to \$4,979.7 million in FY 2002. This was \$231.8 million (4.4 percent) below the \$5,211.5 million estimate. The individual income tax share of total GPR taxes decreased from 51.2 percent in FY 2001 to 49.7 percent in FY 2002. The decline in income tax collections was attributable to the general economic slowdown and income tax cuts including: lower rates, and increases in the personal exemption and the married couple credit.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 0.6 percent from \$4,886 million to \$4,916 million.

Estimated payments decreased 12.8 percent from \$976 million to \$852 million. Refunds increased 2.2 percent from \$1,286 million to \$1,313 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 2.4 percent from \$3,609.9 million to \$3,695.8 million. This was \$15.8 million (0.4

percent) above the \$3,680.0 million estimate. Sales tax collections as a percentage of total GPR taxes increased from 35.9 percent in FY 2001 to 36.9 percent in FY 2002.

Initial collections increased by 2.5 percent from \$3,523 million to \$3,611 million. Additional collections decreased 5.1% from \$70.2 million to \$66.6 million. Delinquent collections increased 14.2% from \$35.3 million to \$40.3 million.

Corporation Franchise and Income Tax

Corporate collections decreased 6.4 percent from \$537.2 million in FY 2001 to \$503.0 million in FY 2002. Corporate collections as a percentage of total GPR taxes decreased from 5.3 percent to 5.0 percent. Corporate collections were \$23.0 million above the estimate of \$480.0 million.

The major source of corporate collections, estimated payments, decreased 4.7 percent from \$579 million to \$552 million. Payments with tax returns increased 9.9 percent from \$37.3 million to \$41.0 million.

Excise Tax

Cigarette tax collections increased 18.6 percent from \$243.5 million in FY 2001 to \$288.8 million in FY 2002. This increase was attributable to the 31 percent increase in the per pack tax rate from \$0.59 to \$0.77 which became effective in October 2001. Collections in FY 2002 were \$7.6 million (2.6 percent) below the estimate.

Liquor and wine tax collections increased 1.4 percent from \$35.5 million to \$36.0 million. Collections exceeded the estimate of \$35.1 million by \$0.9 million (2.5 percent).

Beer tax collections increased 2.1 percent to \$9.4 million to \$9.6 million. The peak year for beer tax collections was FY 1984 with \$10.3 million.

Tobacco products tax collections increased 21.9 percent from \$11.4 million to \$13.9 million. The sharp increase is attributable to an increase in the tax rate from 20 percent to 25 percent of the wholesale price.

Other Taxes

Public utility tax collections increased \$13.0 million (5.4 percent) from \$239.2 million to \$252.2 million. This was \$1.5 million less than forecast. Telephone

taxes increased from \$80.4 million to \$86.6 million. Public utility taxes on other utilities increased from \$136.4 million to \$143.4 million.

Estate tax increased 7.1 percent from \$77.1 million to \$82.6 million in FY 2002, \$2.4 million (2.8 percent) less than estimated.

Insurance company taxes (generally based on premiums) increased 8.0 percent from \$89.0 million to \$96.1 million. This is \$9.0 million more than the \$87 million estimate.

Miscellaneous taxes increased 14.3 percent from \$54.7 million to \$62.5 million. The major tax in this group is the real estate transfer fee, which increased 15.7 percent from \$44.2 million to \$51.2 million.

Expenditure Highlights

Total state General Purpose Revenue (GPR) spending increased 1.6 percent or \$181.4 million in FY 2002, as shown in Table 2. This compares with a 1.7 percent decrease in FY 2001 due to the one-time sales tax rebate of \$700 million paid in FY 2000.

The largest portion of GPR expenditures in FY 2002 was directed to school districts and local units of government, consistent with past years. Local assistance received \$6,792.0 million or 60.3 percent of total GPR spending, the same percentage as in FY 2001. Aids to individuals received \$1,886.1 million or 16.8 percent of total GPR spending in FY 2002 compared to 16.1 percent in FY 2001. State operations accounted for 22.9 percent of total GPR spending, down from 23.6 percent in FY 2001. Local assistance payments represented the largest share of the net increase in total GPR spending at \$112.4 million.

By percentage change, aids to individuals showed the largest increase in spending at 5.5 percent. The majority of this increase was associated with the Medical Assistance Program (7.8 percent) and individual tax relief (4.2 percent). Local assistance payments increased 1.7 percent in FY 2002 compared to 4.3 percent in FY 2001. State operations spending decreased 1.1 percent in FY 2002 compared to a 6.8 percent increase in FY 2001.

The GPR budget is shaped by the ten largest programs, as detailed in Table 3. These programs comprise 84.5 percent of total GPR expenditures, as compared with 84.6 percent of GPR expenditures in FY 2001. Immediately following this section is a brief explanation of each program.

Table 2

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

	FY02	% of Total	FY01	% of Total	\$ Change FY02-FY01	% Change
Local Assistance	\$6,792.0	60.3%	\$6,679.6	60.3%	\$ 112.4	1.7%
Aids to Individuals	1,886.1	16.8%	1,788.2	16.1%	97.9	5.5%
State Operations:						
UW System *	970.6	8.6%	1,036.3	9.4%	- 65.7	-6.3%
All Other Agencies	1,610.4	14.3%	1,573.6	14.2%	36.8	2.3%
Total	<u>\$11,259.1</u>	<u>100.0%</u>	<u>\$11,077.7</u>	<u>100.0%</u>	<u>\$ 181.4</u>	1.6%
Transfer to Tobacco Control Fund	6.0					
TOTAL GPR	<u>\$11,265.1</u>		<u>\$11,077.7</u>			

* Includes a \$50.2 million reduction in debt service attributable to a restructuring of the state's general obligation debt.

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	FY02	% of Total	FY01	% of Total	\$ Change FY02-FY01	% Change
School Aids	\$4,552.8	40.4%	\$4,413.2	39.8%	\$ 139.6	3.2%
Medical Assistance	1,070.5	9.5%	993.2	9.0%	77.3	7.8%
Shared Revenues	1,019.2	9.1%	1,019.2	9.2%	0.0	0.0%
UW System	981.4	8.7%	1,047.0	9.4%	- 65.6	-6.3%
Corrections and Related	819.3	7.3%	804.4	7.3%	14.9	1.9%
Property Tax Credits	469.3	4.2%	469.3	4.2%	0.0	0.0%
Community Aids	178.5	1.6%	186.4	1.7%	- 7.9	-4.2%
Wisconsin Works	147.0	1.3%	171.0	1.5%	- 24.0	-14.0%
Tax Relief to Individuals	144.4	1.3%	138.6	1.3%	5.8	4.2%
Supplemental Security Income (SSI)	128.3	1.1%	128.3	1.2%	0.0	0.0%
All Others	1,748.4	15.5%	1,707.1	15.4%	41.3	2.4%
Subtotal	\$11,259.1	100.0%	\$11,077.7	100.0%	\$ 181.4	1.6%
Transfer to Tobacco Control Fund	6.0					
	<u>\$11,265.1</u>		<u>\$11,077.7</u>			

School Aids: State assistance to Wisconsin's 426 school districts increased by 3.2 percent or \$139.6 million in FY 2002. Total state aids to schools plus property tax credits enabled the state to reimburse an estimated 66.7 percent of school costs in FY 2002.

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 non-debt purposes and state general aids. These controls, combined with the large increase in state school aids, succeeded in reducing the statewide gross school property tax levy by 16.4 percent in FY 1997. Since FY 1998 the gross levy has increased by an average of 4.0 percent annually.

There are two major types of direct school aid. Approximately 88 percent of school aids are general aids, distributed by a formula designed to equalize each school district's property tax base per student, and aids to support the Milwaukee Public Schools voluntary desegregation program. The remaining 12 percent are categorical aids, distributed based on local expenditures for specific

activities or educational programs. The major categorical aid programs are programs for addressing special education needs and educational technology.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 2002, the shared revenue formula distributed \$930.5 million primarily through equalized aidable revenue payments and per capita payments. The Expenditure Restraint Program distributed another \$57 million to municipalities with tax rates over 5 mills that restrained their spending increases. Two additional programs, Small Municipality Shared Revenue and County Mandate Relief, provided \$11.0 million to municipalities with populations under 5,000 and \$20.8 million in per capita payments to counties, respectively. The total FY 2002 shared revenue payment was \$1,019.2 million, the same as the previous fiscal year. Statewide, shared revenue payments provide municipalities with about 20.1 percent and counties with about 4.5 percent of their operating revenues.

Medical Assistance: Wisconsin's state and federally funded Medical Assistance (MA) program pays for medical services to certain categories of

low income persons. Included are recipients of Supplemental Security Income; children and low-income families; and pregnant women and other low-income individuals who have high medical expenses. In FY 2002, total MA expenditures were \$3,436.8 million of which \$1,070.5 million were GPR, \$205.4 million were segregated revenues, and the balance was federally funded. Segregated revenues, which are in the Medical Assistance Trust Fund, are derived from federal revenues leveraged through the state's Intergovernmental Transfer Program. Total MA spending in FY 2002 increased by 15.8 percent over FY 2001 expenditures compared to a 3.3 percent increase in the previous year. The state funded portion of MA increased 7.8 percent in FY 2002, compared to a 2.3 percent increase the previous year.

University of Wisconsin System: Total general purpose revenue expenditures for the UW System decreased by \$65.6 million, or 6.3 percent in FY 2002. Of this decrease, \$50.2 million was due to a reduction in debt service payments resulting from a restructuring of the state's debt. Tuition at UW institutions, despite annual increases, continues to be a relative bargain in higher education. Resident undergraduate tuition at Madison was \$1,086 below the "Big Ten" median. UW-Milwaukee was \$1,317 below its peer group median and all other campuses were approximately \$858 below their peer group medians in FY 2002.

Correctional Services: Wisconsin's correctional population and related expenditures continued to increase in FY 2002. The population of incarcerated felons under the supervision of the state corrections program increased from an average daily population of 20,672 in FY 2001 to 21,025 in FY 2002, an increase of 1.7 percent. Total GPR expenditures for the state corrections program increased \$14.9 million or 1.9 percent over the prior year, reaching \$819.3 million in FY 2002.

State Property Tax Credits: The School Levy Tax Credit pays local governments to reduce each property owner's taxes. Funding for the credit in FY 2002 was \$469.3 million, the same as in the prior fiscal year. The School Levy Tax Credit in FY 2002 offset 7.1 percent of 2000 gross property tax levies for all purposes statewide.

Community Aids: Community Aids are state and federal funds distributed to counties to fund various human services programs. Total expenditures

reached \$274.2 million in FY 2002, of which \$178.5 million was GPR. Total all funds expenditure levels decreased by \$30.8 million or 10.0 percent from FY 2001. This decrease was largely due to a change in funding mechanisms associated with child welfare services in Milwaukee County. In FY 2002, these costs were transferred from Community Aids to a separate appropriation for this purpose.

Tax Relief to Individuals: Wisconsin paid out \$144.4 million GPR in tax relief to individuals through a variety of programs during FY 2002.

The GPR funded Homestead Credit and Farmland Preservation Credit and the Farmland Tax Relief Credit, which is funded by lottery proceeds, are "circuit-breaker" tax credits. Circuit-breakers assist households to pay property taxes in excess of their ability to pay. Claimants receive a credit against their state income tax liability or a refund check.

Wisconsin's Homestead Credit pioneered property tax relief through circuit-breakers. The program remains one of the nation's leaders in providing circuit-breaker relief, ranking third among the states in comprehensiveness and per capita expenditures for residential property tax relief. The Homestead Credit provided \$104.4 million of tax relief in FY 2002, compared with \$99.6 million in FY 2001. About 204,000 low-income homeowners and renters--over half of them elderly--benefit from the program each year.

The Farmland Preservation Credit provides a refundable credit to 21,000 farmers who qualify through exclusive agricultural zoning or individual farmland preservation agreements. Wisconsin's Farmland Preservation Credit is one of only two similar state programs in the country. Farmland Preservation Credit expenditures totaled \$16.8 million in FY 2002, a decrease of 3.2 percent from the prior year. This reduction may be attributed to declining farmland property taxes due to implementation of use-value assessment.

The Earned Income Credit program reduces income taxes for 185,000 low-income working families with children. In FY 2002, the Earned Income Credit paid a total of \$62.7 million to these households. Of this amount, federal TANF funding provided \$51.3 million and GPR provided \$11.4 million.

Wisconsin Works: Wisconsin Works or W-2 is the state's replacement program for the Aid to Families with Dependent Children (AFDC) program. W-2 is a work-based system that provides support services, such as child care and transportation, to families in order to help them achieve self-sufficiency. On average, there were approximately 12,250 W-2 cases per month served over the course of FY 2002. As of June 2002, the monthly W-2 caseload for cash assistance has fallen to just over 8,790, on average, from 34,430 in 1997 when W-2 was implemented.

In addition to W-2 cash benefits, other W-2 expenditures like work experience, job search, education and training, and administration are funded by the program. Also included are state funds for Food Stamp eligibility determination, fraud programs and several other small public assistance-type programs. In total, \$147.0 million

of state GPR was spent on W-2 and other public assistance programs administered by the Department of Workforce Development in FY 2002, a decrease of 14 percent from the previous fiscal year. This decrease is due primarily to the transfer of funding for Medical Assistance eligibility determination from the W-2 program to the Department of Health and Family Services.

State Supplemental Income: Wisconsin provides a supplement to the federal supplemental security income (SSI) program which provides cash assistance to low income aged, blind and disabled workers and to disabled parents as support for their children. In FY 2002 a total of \$150.3 million was expended in SSI payments. This included \$128.3 million in state funding and \$22.0 million in federal funds.

Comparative Condition of the General Fund
(in Thousands)

	1			
	FY02 Actual AFR Report	Chapter 20	Variance	Note
OPENING BALANCE				
Undesignated, Unreserved Opening Balance	\$ 207,508	\$ 207,508	\$ -	
Add Prior Year Designation of Continuing Balances	9,915	-	9,915	2
Unreserved Opening Balance	<u>217,423</u>	<u>207,508</u>	<u>9,915</u>	
REVENUES				
Taxes	10,020,184	10,209,650	(189,466)	3
Departmental Revenues	1,079,024	1,080,330	(1,306)	4
Total Revenues	<u>11,099,208</u>	<u>11,289,980</u>	<u>(190,772)</u>	
Total Available Per Schedule A-1	<u>11,316,631</u>	<u>11,497,488</u>	<u>(180,857)</u>	
APPROPRIATIONS				
Gross Appropriations Per General Fund Summary	11,483,932	11,483,932	-	
New Legislation	(356)	-	(356)	5
Budget Increases to Sum Sufficient Appropriations	16,645	-	16,645	6
Budget Brought Forward From Previous Year	9,915	-	9,915	7
Budget Carried To Next Year for Continuing Appropriations	(32,959)	-	(32,959)	8
Biennial Spend Ahead	13,505	-	13,505	9
Compensation Reserve	1,852	25,389	(23,537)	10
Transfer to Tobacco Control Fund	6,032	6,032	-	
Less Lapses of Appropriations	(233,419)	(252,921)	19,502	11
Total Expenditures Per Schedule A-1	<u>11,265,147</u>	<u>11,262,432</u>	<u>2,715</u>	
General Fund Balance before Designation	51,484	235,056	(183,572)	
Inter-Fund Transfers	35,257	-	35,257	12
Designation for Appropriation Authority Carried Forward	(32,959)	-	(32,959)	13
Net	<u>\$ 53,782</u>	<u>\$ 235,056</u>	<u>\$ (181,274)</u>	

Notes:

- 1 The Chapter 20 numbers were taken from the 2001-03 General Fund Condition Statement 2001 Wisconsin Act 109, prepared by the Legislative Fiscal Bureau.
- 2 The prior year designation for continuing balances is added to the unreserved, undesignated opening balance to arrive at the unreserved opening fund balance.
- 3 Actual tax collections were less than the estimated tax collections included in the Revenue Collection Report, prepared by the Wisconsin Department of Revenue.
- 4 Actual departmental revenues were less than anticipated revenues included in the General Fund Condition Statement. Certain budgetary lapses or inter-fund transfers may have been counted as revenues in the General Fund Condition Statement. See note 12.
- 5 Joint Committee on Finance actions and new legislation passed after the published budget.
- 6 Sum sufficient appropriations are appropriations that have authority to expend amounts necessary to accomplish the purpose specified by the legislation. Appropriations are increased by expenditures that exceed the estimate. The amounts do not include compensation reserve adjustments.
- 7 As in Note 2, gross appropriations are increased for the amount of continuing balances from the preceding year.

- 8 Any unspent budget authority in a continuing appropriation is carried forward to the succeeding year. For purposes of this table, the unspent budget authority is a reduction to the current budget and an increase to the succeeding budget.
- 9 Biennial appropriations are not restricted to the annual amounts recorded in the Chapter 20 schedule. The controlling limit is the sum of the annual amounts. Therefore, any budget remaining from the first year of the biennium is carried forward to the second year of the biennium. Similarly, if the first year's budget authority is exceeded in the first year of the biennium, the agency can begin spending against the second year's budget. In FY02, the first year of the biennium, some agencies began spending against the second year's budget. Therefore in FY02, spending authority was increased. In FY03 spending authority will be decreased by the FY02 increase amount.
- 10 Actual expenditures applied against the Chapter 20 compensation reserves amounted to \$1,851,900. This total was \$23,536,900 less than the Chapter 20 reserve.
- 11 The amount shown is for lapses of annual or sum sufficient appropriations with expenditures less than the Chapter 20 estimate.
- 12 Inter-Fund Transfers are nonrecurring, nonroutine transfers of equity between funds. In the General Fund Summary, transfers from other funds are treated as departmental revenue. In FY02, the following transfers were made to or from (amounts in parentheses) the general fund:

Transfer from the General Fund Program Revenue	\$ 14,507,583
Transfer from the Transportation Fund	11,545,300
Transfer from the Petroleum Inspection Fund	593,600
Transfer from the Environmental Fund	7,538,600
Transfer from the Recycling Fund	7,100
Transfer from the Universal Service Fund	841,300
Transfer from the Vets Mortgage Loan Repayment	223,800
	<u>\$ 35,257,283</u>

- 13 See also Note 8. The amount designated represents the amount of budget authority carried forward from FY02 to FY03.

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Statements of Fund Condition and Operations

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

(In Millions of Dollars)

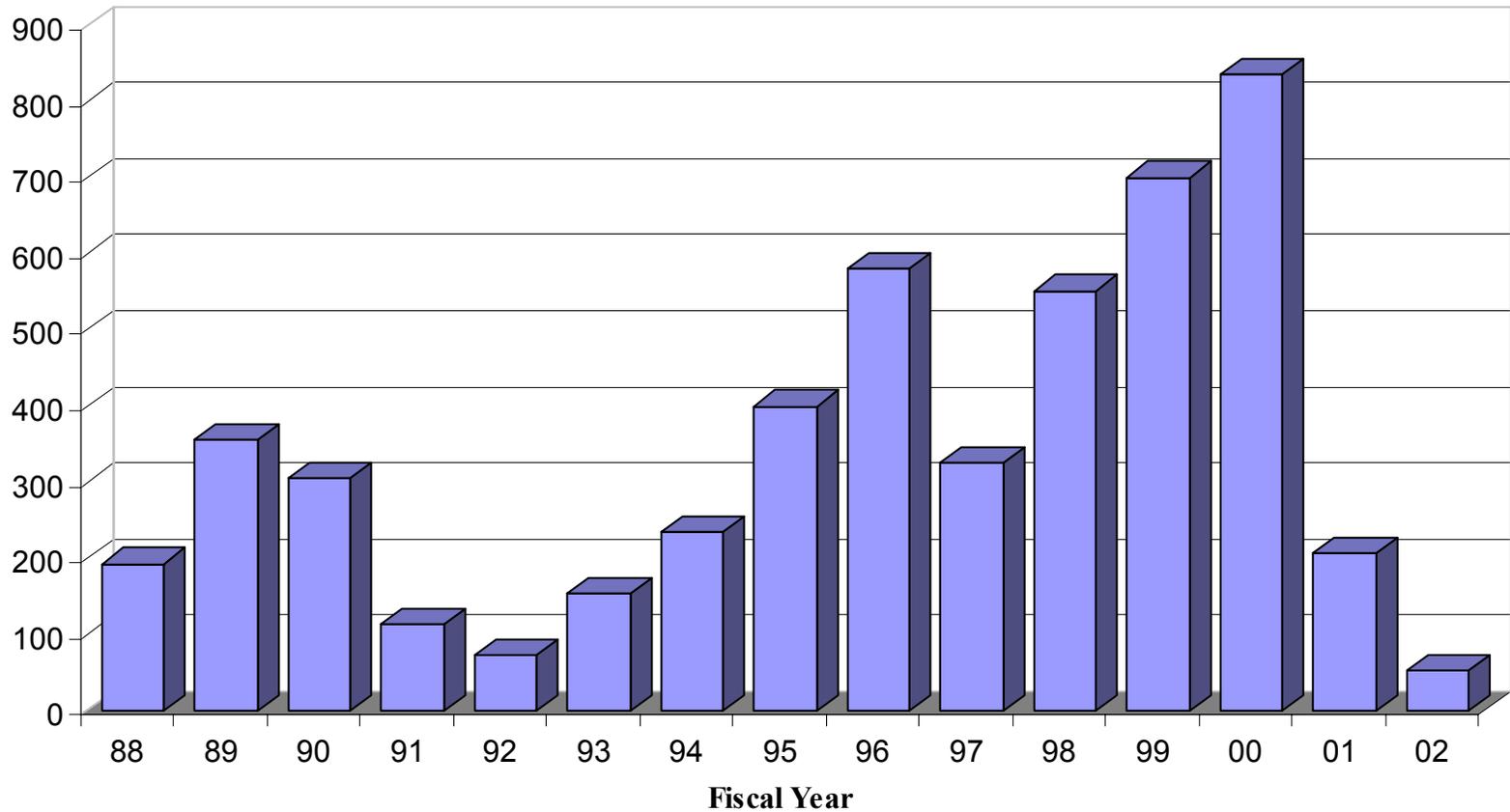


Exhibit A-1

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, 2002
 (In Thousands)

	BUDGET			ACTUAL				VARIANCE
	Published Budget	Appropriation Adjustments	Final Budget	Unadjusted	Reserve for Encumbrances as of		Adjusted	
				June 30,2002	June 30,2001			
Beginning Unreserved								
Undesignated Balance.....	\$ 207,508	\$	207,508	\$ 207,508	\$	\$ 207,508	\$ 0	
Beginning Unreserved								
Designated Balance.....	0		0	9,915		9,915	9,915	
Total.....	207,508		207,508	217,423		217,423	9,915	
REVENUES								
Taxes:								
Individual.....	5,211,450		5,211,450	4,979,662		4,979,662	(231,788)	
Corporation.....	480,000		480,000	503,008		503,008	23,008	
Sales & Use.....	3,680,000		3,680,000	3,695,796		3,695,796	15,796	
Excise.....	354,900		354,900	348,282		348,282	(6,618)	
Inheritance & Gift.....	85,000		85,000	82,635		82,635	(2,365)	
Public Utility.....	253,700		253,700	252,237		252,237	(1,463)	
Insurance.....	87,000		87,000	96,055		96,055	9,055	
Miscellaneous.....	57,600		57,600	62,509		62,509	4,909	
Total Taxes.....	10,209,650		10,209,650	10,020,184		10,020,184	(189,466)	
Departmental Revenue:								
Tobacco Settlement.....	155,526		155,526	156,215		156,215	689	
Tobacco Securitization.....	681,000		681,000	681,000		681,000	0	
Other.....	243,804		243,804	241,809		241,809	(1,995)	
Total Department Revenues.....	1,080,330		1,080,330	1,079,024		1,079,024	(1,306)	
Total Revenues.....	11,289,980		11,289,980	11,099,208		11,099,208	(190,772)	
TOTAL AVAILABLE.....	11,497,488		11,497,488	11,316,631		11,316,631	(180,857)	
EXPENDITURES								
LAPSE								
Commerce.....	47,428	(751)	46,677	39,881	20,711	(15,849)	44,743	1,934
Education.....	5,954,138	(435)	5,953,703	5,825,559	15,007	(14,844)	5,825,722	127,981
Environmental Resources.....	197,031	551	197,582	158,601	2,025	(2,664)	157,962	39,620
Human Relations & Resources.....	3,049,771	9,454	3,059,225	3,031,706	52,233	(49,507)	3,034,432	24,793
General Executive.....	181,137	12,541	193,678	191,735	9,003	(13,494)	187,244	6,434
Judicial.....	92,537	2,543	95,080	93,921	0	0	93,921	1,159
Legislative.....	62,721	220	62,941	60,765	2	(116)	60,651	2,290
General (Incl. Shared Revenue).....	1,899,169	(15,521)	1,883,648	1,854,484	5	(49)	1,854,440	29,208
Transfer to Tobacco Control Fund.....	6,032	0	6,032	6,032			6,032	0
Compensation Reserves.....	25,389	(1,852)	23,537				0	23,537
Less: Estimated Lapse.....	(252,921)	0	(252,921)				0	(252,921)
TOTAL EXPENDITURES.....	11,262,432	6,750	11,269,182	11,262,684	98,986	(96,523)	11,265,147	4,035
Inter-Fund Transfers.....	0	0	0	35,257	0	0	35,257	35,257
UNRESERVED BALANCE	235,056	(6,750)	228,306	89,204	(98,986)	96,523	86,741	(141,565)
Designation for continuing balances.....		(32,959)	(32,959)		(32,959)		(32,959)	0
UNRESERVED								
Undesignated Balance.....	\$ 235,056	\$ (39,709)	\$ 195,347	\$ 89,204	\$ (131,945)	\$ 96,523	\$ 53,782	\$ (141,565)

The accompanying notes are an integral part of this statement.

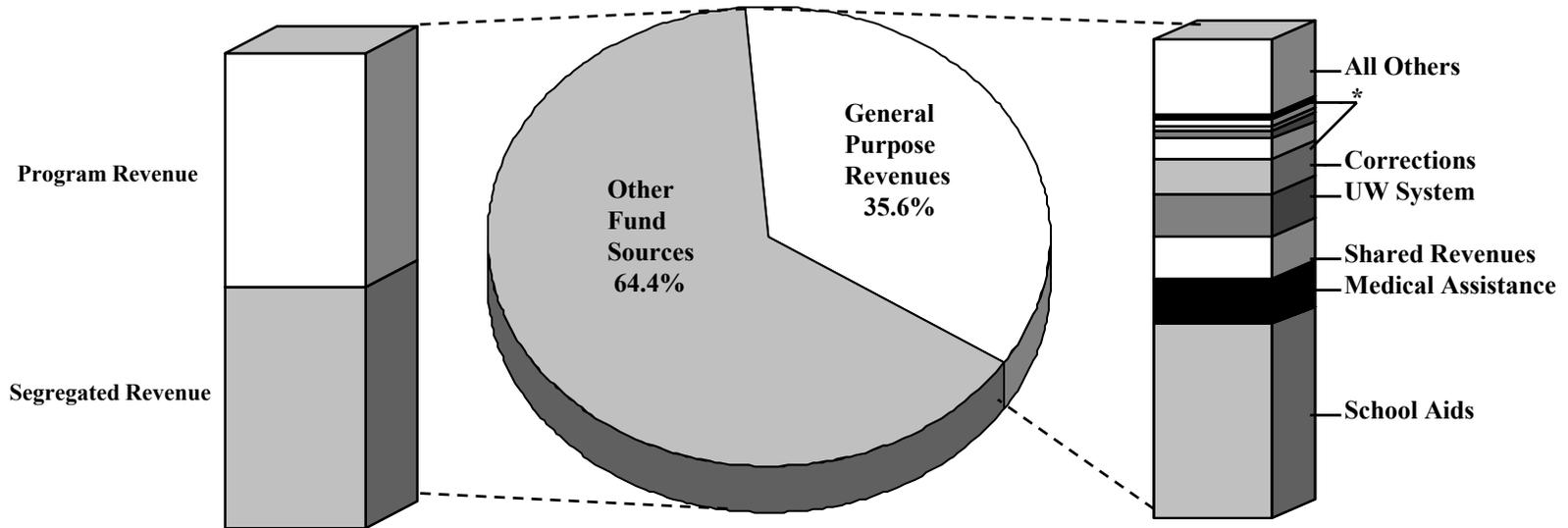
Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2002

Other Expenditures
\$20.3 Billion

Total Expenditures
\$31.6 Billion

General Purpose Revenue Expenditures
\$11.3 Billion



* State Supplement to SSI
Tax Relief to Individuals
Wisconsin Works
Community Aids
Property Tax Credits

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, 2002
 (In Thousands)

	GOVERNMENTAL FUNDS						TOTAL
	General Fund			Major Special Revenue Funds			As of
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation	Other	June 30, 2002
REVENUES							
Taxes.....	\$ 10,020,184	\$ 16,519	\$ 10,036,703	\$ 887,934	\$ 65,885	\$ 101,226	11,091,748
Intergovernmental Revenue.....	25,280	6,347,373	6,372,653	769,099	30,166	31,241	7,203,159
Licenses.....	58,493	155,726	214,219	333,254	80,983	177,080	805,536
Charges for Goods and Services.....	13,367	1,164,807	1,178,174	33,586	15,316	520,578	1,747,654
Contributions.....	0	0	0	0	0	1,768,712	1,768,712
Interest & Investment Income.....	6,858	60,251	67,109	4,616	1,507	(3,614,748)	(3,541,516)
Gifts & Donations.....	1	321,324	321,325	15	2,002	13,980	337,322
Other Revenue.....	181,414	988,615	1,170,029	26,539	1,497	2,715,559	3,913,624
Transfers.....	691,234	(557,796)	133,438	2,582	19,795	1,151,405	1,307,220
Other Transactions.....	102,377	1,254,047	1,356,424	(91)	21	(4,862)	1,351,492
Proceeds from Bonds & Notes.....	0	0	0	131,692	0	653,672	785,364
TOTAL REVENUES	11,099,208	9,750,866	20,850,074	2,189,226	217,172	3,513,843	26,770,315
EXPENDITURES							
Commerce.....	44,743	167,706	212,449	87	1,340	214,127	428,003
Education.....	5,825,722	2,777,931	8,603,653	0	466	258,897	8,863,016
Environmental Resources.....	157,962	69,987	227,949	2,100,728	226,670	247,971	2,803,318
Human Relations & Resources.....	3,034,432	5,504,354	8,538,786	0	3,480	1,605,313	10,147,579
General Executive.....	187,244	427,276	614,520	2,501	0	4,390,458	5,007,479
Judicial.....	93,921	13,613	107,534	0	0	332	107,866
Legislative.....	60,651	1,463	62,114	0	0	0	62,114
General (Incl. Shared Revenue).....	1,860,472	1,021,131	2,881,603	17,743	21	1,325,380	4,224,747
TOTAL EXPENDITURES	11,265,147	9,983,461	21,248,608	2,121,059	231,977	8,042,478	31,644,122
EXCESS OF REVENUES							
OVER (UNDER)							
EXPENDITURES.....	(165,939)	(232,595)	(398,534)	68,167	(14,805)	(4,528,635)	(4,873,807)
BEGINNING FUND BALANCE							
DESIGNATED.....	9,915	0	9,915	0	0	0	9,915
UNDESIGNATED.....	207,508	238,491	445,999	(601,810)	55,325	64,682,273	64,581,787
TOTAL	217,423	238,491	455,914	(601,810)	55,325	64,682,273	64,591,702
INTER-FUND							
TRANSFERS.....	35,257	(15,209)	20,048	(11,545)		(8,503)	0
ENDING FUND BALANCE	86,741	(9,313)	77,428	(545,188)	40,520	60,145,135	59,717,895
DESIGNATED.....	(32,959)	0	(32,959)	0	0	0	(32,959)
UNDESIGNATED.....	\$ 53,782	\$ (9,313)	\$ 44,469	\$ (545,188)	\$ 40,520	\$ 60,145,135	\$ 59,684,936

(1)

The accompanying notes are an integral part of this statement.

(1) See Note H

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, 2002
 (In Thousands)

Funds By Category	Undesignated Fund	FY 2002			Undesignated Fund
	Balance as of June 30, 2001	Revenues	Adjusted Expenditures	Inter-Fund Transfers	Balance as of June 30, 2002
OTHER GOVERNMENTAL FUNDS					
<u>Other Special Revenue</u>					
213 Heritage State Parks and Forests..... \$	1088 \$	42 \$	61 \$	\$	1069
214 Wisconsin Health Education Loan Repayment.....	9	60	76		(7)
217 Waste Management.....	5595	764	7		6352
218 Wisconsin Election Campaign	256	341	4		593
219 Investment and Local Impact.....	162	4	0		166
222 Industrial Building Construction Loan.....	112	31	0		143
224 Self-Insured Employer Liability.....	267	333	265		335
225 Medical Assistance Trust.....	0	567123	205468		361655
226 Work Injury Supplemental Benefits.....	4052	2691	2320		4423
228 Tobacco Control.....	3329	6392	5589		4132
229 Uninsured Employers.....	9186	2147	1870		9463
235 Utility Public Benefits.....	(3751)	72696	47150		21795
238 Mediation.....	206	403	332		277
257 Agricultural Chemical Cleanup.....	3247	1535	3559		1223
259 Agrichemical Management.....	3723	4245	5779		2189
261 Agricultural Producer Security.....	0	1098	482	406	1022
264 Historical Legacy Trust.....	95	5	0	(40)	60
272 Petroleum Inspection.....	10277	120130	120995	(759)	8653
274 Environmental.....	9291	40539	35155	(7539)	7136
277 Dry Cleaner Environmental Response.....	2567	1118	794		2891
279 Recycling.....	12909	19023	22497	(7)	9428
280 Information Technology Investment.....	(3000)	85	70		(2985)
285 Universal Service.....	3479	22308	19518	(340)	5929
291 Tobacco Settlement Endowment.....	0	1276155	681000		595155
723 Children's Trust.....	105	85	13		177
250 State Capital Restoration.....	0	0	0		0
Total Other Special Revenue.....	63204	2139353	1153004	(8279)	1041274
<u>Debt Service</u>					
315 Bond Security and Redemption.....	(1526)	496015	491396	0	3093
<u>Capital Projects</u>					
490 Building Trust.....	30762	84795	85064		30493
492 Energy Efficiency.....	4203	(3999)	0		204
495 Capital Improvement.....	114800	560977	542938		132839
Total Capital Projects.....	149765	641773	628002	0	163536
<u>Permanent</u>					
743 Agricultural College.....	305	0	0		305
744 Common School.....	451224	28882	0		480106
763 Common School Income.....	625	23489	24000		114
745 Normal School.....	18953	209	0		19162
746 University.....	234	0	0		234
760 Historical Society Trust.....	11357	(822)	621		9914
767 Benevolent.....	14	0	0		14

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, 2002
 (In Thousands)

Funds By Category	Undesignated Fund	FY 2002			Undesignated Fund
	Balance as of June 30, 2001	Revenues	Adjusted Expenditures	Inter-Fund Transfers	Balance as of June 30, 2002
875 University Trust Principal	166,919	5,996	0		172,915
876 University Trust Income.....	20,392	16,105	17,620		18,877
Total Permanent.....	670,023	73,859	42,241	0	701,641
TOTAL OTHER GOVERNMENTAL FUNDS.....	881,466	3,351,000	2,314,643	(8,279)	1,909,544
<u>FIDUCIARY AND OTHER</u>					
<u>Pension (and Other Employee Benefit)</u>					
747 Fixed Retirement Investment Trust.....	54,667,287	(1,539,915)	2,709,756		50,417,616
751 Variable Retirement Investment Trust.....	6,742,843	(802,881)	480,314		5,459,648
262 Public Employee Trust.....	1,228,748	744,279	773,264		1,199,763
Total Pension (and Other Employee Benefit)	62,638,878	(1,598,517)	3,963,334	0	57,077,027
<u>Private Purposes</u>					
570 Tuition Trust.....	9,807	5,025	61		14,771
769 College Savings Program Trust.....	0	1,256	242		1,014
Total Private Purposes.....	9,807	6,281	303	0	15,785
<u>Agency</u>					
788 Support Collection Trust.....	6,067	875,747	879,653	0	2,161
<u>Other (Business-type funds)</u>					
521 Lottery.....	12,670	431,470	426,442		17,698
530 Health Insurance Risk Sharing Plan.....	19,551	77,162	74,038		22,675
531 Local Government Property Insurance.....	30,933	15,160	19,852		26,241
532 State Life Insurance.....	78,920	5,665	3,151		81,434
533 Patients Compensation.....	575,664	52,797	40,486		587,975
573 Environmental Improvement.....	234,081	82,318	106,312		210,087
582 Veterans Trust.....	44,073	24,868	20,180		48,761
583 Veteran Mortgage Loan Repayment.....	149,389	189,742	193,458	(224)	145,449
587 Transportation Infrastructure Loan.....	774	150	626		298
Total Other (Business-type funds).....	1,146,055	879,332	884,545	(224)	1,140,618
TOTAL FIDUCIARY AND OTHER.....	63,800,807	162,843	5,727,835	(224)	58,235,591
TOTAL - ALL FUNDS.....	\$ 64,682,273	\$ 3,513,843	\$ 8,042,478	\$ (8,503)	\$ 60,145,135

The accompanying notes are an integral part of this statement

Exhibit A-4

State of Wisconsin
 Comparative Condition of the General Fund
 Fiscal Years Ended June 30, 2002, 2001, and 2000
 (In Thousands)

	June 30, 2002	June 30, 2001	June 30, 2000
ASSETS			
General Purpose Revenue Cash.....	\$ (653,451)	\$ (244,150)	\$ 424,788
Program Revenue Cash.....	237,260	532,942	253,543
Contingent Fund Advances.....	3,539	3,514	3,910
Investments.....	445	446	445
Accounts Receivable.....	1,069,077	1,028,554	995,286
Due from Other Funds.....	333,205	39,165	22,398
Inventory.....	0	418	1
Prepayments.....	59,690	54,807	59,761
TOTAL ASSETS.....	1,049,765	1,415,696	1,760,132
LIABILITIES			
Accounts Payable.....	315,491	343,261	282,582
Due to Other Funds.....	66,493	46,898	63,804
Tax and Other Deposits.....	33,900	41,925	39,231
Deferred Revenue.....	50,174	38,848	27,600
TOTAL LIABILITIES.....	466,058	470,932	413,217
FUND BALANCE			
<u>Reserved Balances</u>			
GPR Encumbrances.....	98,986	96,523	100,162
PR Encumbrances.....	407,293	392,327	635,768
Total Reserved Balances.....	506,279	488,850	735,930
<u>Unreserved Designated Balances</u>			
GPR Designation for Continuing Balances.....	32,959	9,915	36,569
<u>Unreserved Balances</u>			
GPR Unreserved Balance.....	53,782	207,508	835,714
PR Unreserved Balance.....	(9,313)	238,491	(261,298)
Total Unreserved Balances.....	44,469	445,999	574,416
TOTAL FUND BALANCE.....	583,707	944,764	1,346,915
TOTAL LIABILITIES AND FUND BALANCE.....	\$ 1,049,765	\$ 1,415,696	\$ 1,760,132

The accompanying notes are an integral part of this statement

Exhibit A-5

State of Wisconsin
 Statement of Expenditures and Fund Balance-Budget vs.
 Actual-All Funds Statutory Basis
 For the Fiscal Year Ended June 30, 2002
 (In Thousands)

BUDGET							
	Published	Budget	Final	Reserve for Encumbrances as of			Expenditures
	Budget	Adjustments	Budget	Disbursements	As of June 30, 2002	As of June 30, 2001	
EXPENDITURES							
Commerce.....	\$ 421,596	\$ 39,686	461,282	\$ 375,248	\$ 54,638	\$ (40,585)	\$ 389,301
Education.....	8,696,353	208,258	8,904,611	8,650,381	151,062	(134,076)	8,667,367
Environmental Resources.....	2,683,416	147,340	2,830,756	2,719,049	950,494	(958,792)	2,710,751
Human Relations & Resources.....	7,817,267	2,451,465	10,268,732	9,040,681	276,701	(287,065)	9,030,317
General Executive.....	770,619	786,391	1,557,010	1,022,745	49,478	(63,803)	1,008,420
Judicial.....	105,320	4,440	109,760	107,866	0	0	107,866
Legislative.....	64,189	221	64,410	62,228	2	(116)	62,114
General (Incl. Shared Revenue).....	2,935,393	1,445,761	4,381,154	4,188,331	5	(49)	4,188,287
EXPENDITURES							
PER CHAPTER 20 SCHEDULE	\$ 23,494,153	\$ 5,083,562	\$ 28,577,715	\$ 26,166,529	\$ 1,482,380	\$ (1,484,486)	\$ 26,164,423
Appropriated and expended but not in Chapter 20 Schedule							
Fringe Benefits							
Insurance Premiums				816,153	0	0	816,153
Annuities				2,678,619	0	0	2,678,619
Other Fringe Benefits				261,981	0	0	261,981
Capital Projects				625,835	0	0	625,835
Other Fringe Benefits				1,096,312	3,967	(3,168)	1,097,111
TOTAL EXPENDITURES				\$ 31,645,429	\$ 1,486,347	\$ (1,487,654)	\$ 31,644,122

The accompanying notes are an integral part of this statement

Notes To Fund Statements

Note A Statutory Basis of Accounting

The State of Wisconsin Annual Fiscal Report is a report of 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 and encumbrances applicable to the prior year is limited by the available appropriation balances of that year.

Note that the health and life insurance premiums are paid two months in advance of the actual coverage months. The health and life insurance costs for the last two months of the fiscal year are recorded as expenditures in the following fiscal year.

All investments owned by the state retirement funds are an exception to the requirement to recognize revenues and expenditures 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.

The Building Trust Fund, the Capital Improvement Fund, and the Bond Security and Redemption Fund, are closed as of June 30.

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 loans are recorded as receipts.

Equity transfers are recorded as receipts or expenditures from/to the receiving or paying funds, respectively.

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

Note B Fiscal Controls

The State Constitution provides that no money shall be paid out of the Treasury except as appropriated by law. The statutes require that the Secretary of Administration and the State Treasurer sign all checks. 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 FY02, Chapter 20 included a compensation reserve for employe salary and fringe benefit increases. The total amount reserved (appropriated) was \$25,389,000 and the amount expended was \$1,852,000 leaving a lapse amount of \$23,537,000.

In FY02, there was a transfer of \$6,032,300 from the General Fund to the Tobacco Control Fund.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are those shown for "General Purpose Revenues" (GPR) under state statute Chapter 20, Appropriations and Budget Management, compiled August, 2002.

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

The State of Wisconsin utilizes a budgetary procedure within the General Fund which treats most federal grant revenues, licenses and fees and revenues for proprietary activities as dedicated for the activities to which they relate. As such, variable

budgeting techniques are used and the official state budget includes them only as estimates. These accounts, referred to as Program Revenue Appropriations, are not included in Exhibit A-1. Only those appropriations made from nondedicated General Purpose Revenues are included.

Note F Projected-to-Actual General Fund Condition

The variance between the published budgeted ending balance and actual undesignated balance at the end of fiscal year 2002 is explained as follows:

	<u>(thousands)</u>
Ending fund balance (Undesignated) per chapter 20	\$ 235,056
Opening balance adjustments:	
Prior year designation for continuing balances	9,915
Total opening balance adjustments	<u>9,915</u>
REVENUE ADJUSTMENTS	
Taxes received less than estimate	(189,466)
Departmental revenues less than estimate	(1,306)
Total revenue below estimate	<u>(190,772)</u>
APPROPRIATION ADJUSTMENTS	
New Legislation	356
Sum sufficient appropriations more than budgeted	(16,645)
Budget brought forward from previous year	(9,915)
Budget carried to next year for continuing appropriations	32,959
Biennial spend ahead	<u>(13,505)</u>
Total Appropriation Adjustments	<u>(6,750)</u>
LAPSES MORE THAN BUDGETED	4,035
INTER-FUND TRANSFERS	35,257
DESIGNATION FOR CONTINUING BALANCES	(32,959)
UNDESIGNATED FUND BALANCE	<u>\$ 53,782</u>

Note G General Fund Cash Flow

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

Because of this mismatch, a \$800 million operating note was issued in fiscal year 2002. Without the operating note the General Fund’s cash balance would have dropped from an opening balance of \$282 million to a yearly low of \$-865 million, a reduction of \$1.1 billion.

With the \$800 million operating note, this did not occur. The note prevented borrowing from other operating funds and ensured timely payments to local governments and the state’s suppliers. The note allowed the state to acquire sufficient funds to offset November’s, and December’s sizeable cash payments for local assistance. The proceeds of the note and their timely repayment allowed the General Fund to more closely match receipts and payments. The operating note sinking fund payments were met as scheduled and the full amount of the note plus accrued interest was repaid on June 17, 2002.

Note H Negative 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 and/or local governments in the future.

Note I Unappropriated Activities

The Department of Commerce enters into contracts with private vendors for programs that they manage. These contracts have not been budgeted within a state appropriation and therefore, this activity is summarized here to provide full disclosure of state agency operations.

	Commerce
Revenues	\$685,601
Expenditures	\$685,601
Balance	\$0

Note J Budget Stabilization Fund

In FY02 the balance of the Budget Stabilization Fund was \$201. This money is being accounted for in the General Fund.

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 made from sum sufficient appropriations to other types of appropriations.

B-2 Sum Sufficient Increases	\$10,791
Supplements	5,854
Actual Sum Sufficient Increases	\$16,645

Supplemental Data

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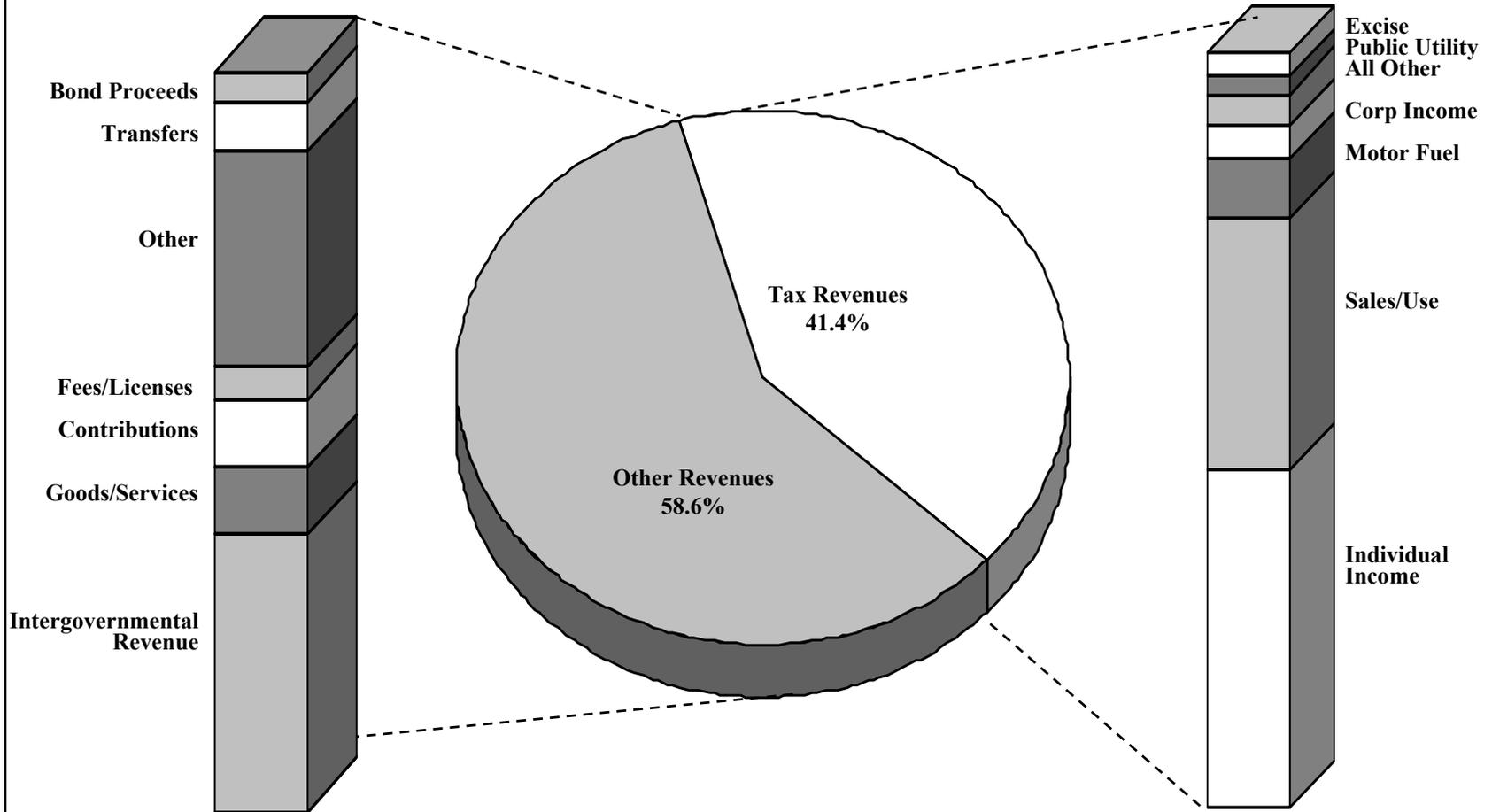
Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2002

Other Revenues
\$15.7 Billion

Total Revenues
\$26.8 Billion

Tax Revenues
\$11.1 Billion



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, 2002, 2001, and 2000
 (In Thousands)

	June 30, 2002	June 30, 2001	June 30, 2000
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
individual.....	\$ 4,979,662	\$ 5,156,565	\$ 5,962,010
Corporation.....	503,008	537,159	644,625
Total Income Taxes.....	5,482,670	5,693,724	6,606,635
Sales and Excise Taxes			
General Sales and Use.....	3,695,796	3,609,895	3,501,659
Cigarette.....	288,769	243,512	247,590
Other Tobacco Products.....	13,932	11,355	10,306
Liquor and Wine.....	35,984	35,543	34,564
Malt Beverage (Beer).....	9,597	9,365	9,392
Total Sales and Excise Taxes.....	4,044,078	3,909,670	3,803,511
Public Utility Taxes			
Private Light, Heat and Power.....	143,134	136,408	121,144
Municipal Light, Heat and Power.....	1,657	1,584	1,541
Telephone.....	86,638	80,375	114,720
Pipeline.....	10,260	10,431	11,881
Electric Cooperative.....	8,586	8,248	7,803
Municipal Electric.....	1,273	1,393	1,394
Conservation and Regulation.....	567	593	639
Utility Tax (Refunds) Interest and Penalties.....	122	206	862
Total Public Utility Taxes.....	252,237	239,238	259,984
Inheritance, Estate and Gift Taxes			
Inheritance and Estate.....	82,631	77,080	133,261
Gift.....	4	4	0
Total Inheritance, Estate and Gift Taxes.....	82,635	77,084	133,261
Miscellaneous Taxes			
Insurance Companies (Premiums).....	96,055	89,042	86,878
Real Estate Transfer Fee.....	51,176	44,224	45,293
Lawsuits (Courts).....	10,455	10,124	10,144
Pari-mutuel Taxes.....	878	333	0
Other.....	0	0	192
Total Miscellaneous Taxes.....	158,564	143,723	142,507
TOTAL GPR TAX REVENUES.....	10,020,184	10,063,439	10,945,898
Program Tax Revenues			
Fire Dues.....	11,297	10,298	8,410
Pari-mutuel Taxes.....	2,104	2,526	3,038
County Expo Tax Administration.....	356	362	349
Baseball Park Administration Fee.....	365	341	329

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2002, 2001, and 2000
 (In Thousands)

	June 30, 2002	June 30, 2001	June 30, 2000
Program Tax Revenues, Cont.			
Business Trust Regulation Fee.....	\$ 1,692	\$ 1,808	\$ 1,504
Other.....	705	557	(1,748)
TOTAL PROGRAM TAX REVENUES.....	16,519	15,892	11,882
TOTAL-GENERAL FUND TAX REVENUES.....	10,036,703	10,079,331	10,957,780
Type of Revenues			
Transportation Fund			
Motor Fuel Tax.....	865,454	827,467	809,459
Air-Carrier Tax.....	5,651	9,333	9,041
Railroad Tax.....	12,011	1,256	11,526
Aviation Fuel Tax.....	1,226	1,250	1,283
Other Taxes.....	3,592	3,628	3,456
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	62,425	57,309	53,313
Forest Crop Taxes.....	3,460	1,340	4,749
Mediation Fund.....	3	3	3
Petroleum Inspection Tax.....	88,694	90,982	105,215
Recycling Fund			
Temporary Service Charges.....	12,529	26,331	9,613
TOTAL STATE TAX REVENUES.....	11,091,748	11,098,230	11,965,438
Intergovernmental Revenue.....	7,203,159	6,226,563	4,846,610
Licenses and Permits.....	805,536	731,488	702,872
Charges for Goods and Services.....	1,747,654	3,660,392	2,102,615
Contributions.....	1,768,712	1,847,521	1,558,509
Interest and Investment Income.....	(3,541,516)	(4,003,889)	8,119,031
Gifts and Donations.....	337,322	373,699	349,206
Proceeds from Sale of Bonds.....	785,364	1,012,419	702,676
Other Revenues.....	3,913,624	(148,006)	1,594,784
Other Transactions.....	1,351,492	857,949	273,203
TOTAL DEPARTMENTAL REVENUES.....	14,371,347	10,558,136	20,249,506
TRANSFERS.....	1,307,220	620,138	658,366
TOTAL REVENUES.....	\$ 26,770,315	\$ 22,276,504	\$ 32,873,310

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, 2002
(In Thousands)

Agency	Appr		Prior Year				
			Encumbrance	Chapter 20	Increases	Expenditures	Lapse
State Operations							
370	116	1fe	Endangered Resources General Fund..... \$	0	482	0	470 \$ 12
410	104	1c	Reimbursement Claims from Counties With State Institutions.....	0	180	4	184 0
435	610	6dm	Nursing Home Monitoring Supplement.....	0	0	0	0 0
455	102	1b	Special Counsel.....	0	870	0	419 451
455	202	2am	Officer Training Reimbursement.....	0	98	0	98 0
465	103	1c	Public Emergencies.....	0	49	0	16 33
505	402	4b	Adjudication of Equalization Appeals.....	0	0	0	0 0
505	405	4d	Claims Awards.....	0	24	0	5 19
505	801	8am	Interest on racing & bingo moneys.....	0	281	29	310 0
515	103	1c	Contingencies.....	0	28	0	28 0
525	101	1a	Governor's Office Administration.....	0	3,149	0	2,776 373
525	102	1b	Contingent Fund.....	0	22	0	8 14
525	103	1c	Membership In National Assoc.....	0	146	0	111 35
525	201	2a	Executive Residence.....	0	195	0	195 0
625	101	1a	Circuit Courts.....	0	49,672	2,482	52,154 0
660	101	1a	Court Of Appeals.....	0	7,600	35	7,635 0
680	101	1a	Supreme Court.....	0	4,318	0	3,800 518
765	101	1a	Assembly.....	0	20,335	2,631	22,966 0
765	103	1b	Senate.....	0	13,936	1,129	15,065 0
765	104	1d	Legislative Documents.....	0	7,595	0	5,422 2,173
765	308	3fa	Membership In National Assoc.....	0	154	29	183 0
855	101	1a	Obligation On Operating Notes.....	0	12,200	0	12,167 33
855	102	1b	Operating Notes Expenses.....	0	205	1	206 0
855	108	1bm	Payment of Cancelled Drafts.....	0	1,800	34	1,541 293
855	301	3a	Capitol Offices Relocation.....	0	1,612	1,101	2,713 0
855	401	4a	Interest On Overpayment Of Taxes.....	0	1,000	1,023	2,023 0
855	403	4c	Minnesota Income Tax Reciprocity.....	0	47,899	0	47,899 0
855	413	4cm	Illinois Income Tax Reciprocity.....	0	29,401	0	29,401 0
855	405	4e	Transfer To Conservation Fund - Land Acquisition.....	0	237	0	236 1
855	408	4f	Supplemental Title Fee Matching.....	0	10,941	0	10,941 0
865	101	1a	Judgement & Legal Expenses.....	0	48	0	0 48
<i>Total State Operations.....</i>			0	214,477	8,498	218,972	4,003
Aids and Local Assistance							
115	202	2b	Animal Disease Indemnities.....	0	109	0	0 109
235	104	1e	MN-WI Student Reciprocity.....	0	0	0	0 0
235	109	1fy	Academic Excellence.....	0	3,133	0	3,021 112
255	201	2ac	General Equalization Aids.....	0	4,051,569	0	4,009,493 42,076
255	218	2fm	Charter Schools.....	0	14,100	0	13,752 348
255	235	2fu	Milwaukee Parental Choice Program.....	150	59,400	0	58,783 767
255	306	3c	National Teacher Certification.....	0	146	0	125 21
370	503	5da	Aids In Lieu Of Taxes.....	0	3,660	246	3,906 0
435	323	3bm	Services for Children and Families.....	0	250	0	0 250
435	774	7da	Reimburse Local Units of Government.....	0	400	0	388 12
435	715	7ed	State Supplement to Federal Supplemental Security Income Program.....	0	128,282	0	128,282 0
445	102	1aa	Special Death Benefit.....	0	479	0	117 362
465	305	3e	Disaster Recovery Aids.....	0	4,054	0	3,934 120
505	412	4er	Volunteer Firefighter & EMT Service Award Program.....	0	245	337	582 0
515	101	1a	Annuity Supplements And Payments.....	0	4,116	33	4,149 0
835	108	1b	Small Municipalities Shared Revenue.....	0	11,000	0	11,000 0
835	101	1c	Expenditure Restraint Program Acct.....	0	57,000	0	57,000 0
835	102	1d	Shared Revenue Account.....	0	930,460	0	930,460 0
835	109	1e	State Aid: Computers.....	0	76,600	167	76,767 0
835	103	1f	County Mandate Relief Account.....	0	20,764	0	20,764 0
835	203	2c	Homestead Tax Credit.....	0	96,500	7,920	104,420 0
835	208	2ci	Development Zones Investment Credit.....	0	1	0	0 1
835	210	2cl	Development Zones Location Credit.....	0	1	0	0 1
835	204	2cm	Development Zones Jobs Credit.....	0	1	0	0 1

Exhibit B-2

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2002
(In Thousands)

Agency	Appr		Prior Year					
			Encumbrance	Chapter 20	Increases	Expenditures	Lapse	
Aids and Local Assistance (Continued)								
835	206	2cn	Development Zones Sales Tax Credit.....	\$ 0	1	0	0	1
835	205	2dm	Farmland Preservation Credit.....	0	17,100	0	16,800	300
835	214	2dn	Farmland Tax Relief Credit.....	0	0	0	0	0
835	209	2ep	Cigarette Tax Refunds.....	0	12,100	0	11,739	361
835	212	2f	Earned Income Tax Credit.....	0	12,255	0	11,432	823
835	302	3b	School Levy Tax Credit.....	0	469,305	0	469,305	0
855	402	4b	Election Campaign Payment.....	0	325	0	322	3
			<i>Total Aids and Local Assistance.....</i>	150	5,973,356	8,703	5,936,541	45,668
Principal Repayment and Lease Rental								
115	205	2D	Principal Repayment and Interest.....	0	19	0	18	1
115	702	7b	Principal Repayment and Interest.....	0	0	0	0	0
115	707	7f	Principal Repayment and Interest.....	0	233	0	193	40
190	101	1c	Principal Repayment and Interest.....	0	876	0	687	189
190	102	1d	Principal Repayment and Interest.....	0	200	0	97	103
225	103	1c	Principal Repayment and Interest.....	0	893	0	867	26
245	106	1e	Principal Repayment and Interest.....	0	1,497	0	1,383	114
250	105	1e	Principal Repayment and Interest.....	0	159	0	158	1
255	104	1d	Principal Repayment and Interest.....	0	1,215	72	1,286	1
275	107	1er	Principal Repayment and Interest.....	0	12	0	1	11
275	108	1es	Principal Repayment and Interest.....	0	2,253	0	736	1,517
285	110	1d	Principal Repayment and Interest.....	0	96,042	0	44,482	51,560
320	103	1c	Principal Repayment and Interest.....	0	28,812	0	23,698	5,114
320	282	2c	Principal Repayment and Interest.....	0	1,188	0	1,140	48
370	701	7aa	Principal Repayment and Interest.....	0	19,976	0	19,774	202
370	704	7ba	Principal Repayment and Interest.....	0	0	0	0	0
370	705	7ca	Principal Repayment and Interest.....	0	3,312	0	2,826	486
370	706	7cb	Principal Repayment and Interest.....	0	64,606	0	32,655	31,951
370	707	7cc	Principal Repayment and Interest.....	0	17,323	0	17,235	88
370	708	7cd	Principal Repayment and Interest.....	0	846	0	844	2
370	713	7ce	Principal Repayment and Interest.....	0	169	0	70	99
370	714	7cf	Principal Repayment and Interest.....	0	300	0	173	127
370	709	7ea	Principal Repayment and Interest.....	0	515	0	500	15
395	664	6af	Principal Repayment and Interest.....	0	0	0	0	0
410	107	1e	Principal Repayment and Interest.....	0	65,643	0	54,586	11,057
410	307	3e	Principal Repayment and Interest.....	0	4,475	0	4,315	160
435	207	2ee	Principal Repayment and Interest.....	0	12,468	0	11,338	1,130
435	602	6e	Principal Repayment and Interest.....	0	75	8	83	0
465	104	1d	Principal Repayment and Interest.....	0	3,293	0	3,174	119
485	106	1f	Principal Repayment and Interest.....	0	1,455	30	1,485	0
855	801	8a	Principal Repayment and Interest.....	0	266	86	352	0
867	102	1b	Principal Repayment and Interest.....	0	12,317	0	7,037	5,280
867	301	3a	Principal Repayment and Interest.....	0	10,353	0	619	9,734
867	302	3b	Principal Repayment and Interest.....	0	1,366	0	1,364	2
867	307	3bp	Principal Repayment and Interest.....	0	0	0	0	0
867	306	3br	Principal Repayment and Interest.....	0	0	0	0	0
867	304	3d	Principal Repayment and Interest.....	0	0	0	0	0
867	305	3e	Principal Repayment and Interest.....	0	0	0	0	0
			<i>Total Principal Repayment and Lease Rental.....</i>	0	352,157	196	233,176	119,177
Pay Plan & Supplement								
865	103	1c	Salary.....	0	0	0	0	0
865	104	1d	Fringe.....	0	12,400	(6,606)	0	5,794
			<i>Total Pay Plan & Supplements.....</i>	0	12,400	(6,606)	0	5,794
TOTAL GENERAL FUND SUM SUFFICIENTS			\$	150	6,552,390	10,791	6,388,689	174,642

(1)

(1) See Note K