

FY06

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
2006

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State of Wisconsin
2006 Annual Fiscal Report

(Budgetary Basis)

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**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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October 15, 2006

The Honorable Jim Doyle
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, 2006. 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 \$49.2 million as of the end of the fiscal year. This is \$38.0 million higher than the balance of \$11.2 million projected in the Final Chapter 20 summary issued in June 2006. The higher ending balance was due to higher tax collections.

General-purpose revenue taxes were \$12.030 billion compared to \$11.397 billion in the prior year, an increase of \$633 million or 5.6 percent. This increase was \$80.5 million higher than the Final Chapter 20 summary of \$11.950 billion. General-purpose revenue expenditures, excluding fund transfers, were \$12.385 billion compared to \$11.859 billion in the prior year, an increase of \$526 million or 4.4 percent. This increase reflects funding associated with implementing support for two-thirds of local school costs and the property tax freeze.

In fiscal year 2006, the State of Wisconsin continued to devote the major share of state tax collections to assistance to local school districts, municipalities and counties. Local assistance accounted for 58.7 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 18.8 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 8.0 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 14.5 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 2006. The report will be prepared under generally accepted accounting principles.

Respectfully submitted,

Stephen E. Bablitch
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, 2006 totaled \$12,030.1 million, an increase of 5.6 percent from FY 2005 collections of \$11,396.6 million.

Total collections for the FY 2006 were \$80.5 million, or 0.7 percent, above the final Chapter 20 summary of \$11,949.6 million.

Table 1

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

Tax Source	FY 06	% of Total	FY 05	% of Total	Change FY06-FY05	% Change
Individual Income	\$6,144.3	51.1%	\$5,650.1	49.6%	\$494.2	8.7%
General Sales & Use	4,127.6	34.3%	4,038.7	35.4%	88.9	2.2%
Corporation Franchise & Income	780.3	6.5%	764.1	6.7%	16.2	2.1%
Excise	368.7	3.0%	359.4	3.2%	9.3	2.6%
Inheritance, Estate & Gift	108.6	0.9%	112.4	1.0%	-3.8	-3.4%
Public Utility	275.1	2.3%	254.4	2.2%	20.7	8.1%
Insurance Companies	134.7	1.1%	129.8	1.1%	4.9	3.8%
Miscellaneous	90.8	0.8%	87.7	0.8%	3.1	3.5%
TOTAL GPR	\$12,030.1	100.0%	\$11,396.6	100.0%	\$633.5	5.6%

Individual Income Tax

Individual income tax collections increased \$494.2 million (8.7 percent) from \$5,650.1 million in FY 2005 to \$6,144.3 in FY 2006. This was \$119.3 million (2.0 percent) above the \$6,025.0 million estimate. The individual income tax share of total GPR taxes increased from 49.6 percent in FY 2005 to 51.1 percent in FY 2006.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 7.0 percent from \$5,545.3 million to \$5,935.7 million. Estimated payments increased 11.1 percent from \$921.4 million to \$1,024.0 million, while refunds increased 4.6 percent from \$1,432.9 million to \$1,499.5 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 2.2 percent from \$4,038.7 million to \$4,127.6 million. This was \$54.0 million (1.3 percent) below the \$4,181.6 million estimate. Sales tax collections as a percentage of total GPR taxes decreased from 35.4 percent to 34.3 percent.

Corporation Franchise and Income Tax

Corporate collections increased 2.1 percent from \$764.1 million in FY 2005 to \$780.3 million in FY 2006. Corporate collections as a percentage of total GPR taxes decreased from 6.7 percent to 6.5 percent. Corporate collections were \$10.3 million (1.3 percent) above the estimate of \$770.0 million.

The major source of corporate collections, estimated payments, increased by 0.7 percent from \$713.5 million in FY 2005 to \$718.8 million in FY 2006.

Excise Tax

Cigarette tax collections increased 2.4 percent from \$294.3 million in FY 2005 to \$301.5 million in FY 2006. Collections in FY 2006 were \$5 million (1.7 percent) above the estimate.

Tobacco products tax collections increased 3.8 percent from \$15.8 million to \$16.4 million. Collections in FY 2006 were \$321,000 (2.0 percent) above the estimate.

Liquor and wine tax collections increased 3.8 percent from \$39.5 million in FY 2005 to \$41.0 million in FY 2006. Collections fell short of the estimate of \$42.4 million by \$1.4 million (3.3 percent).

Beer tax collections decreased 0.1 percent from \$9.77 million to \$9.76 million and were \$141,000 below estimates. The peak year for beer tax collections was FY 1984 with \$10.3 million.

Other Taxes

Public utility tax collections increased \$20.7 million (8.1 percent) from \$254.4 million to \$275.1 million. Collections were \$17.2 million more than forecast. Telephone taxes decreased from \$72.6 million to \$63.0 million. Public utility taxes on private light heat and power companies increased from \$159.6 million to \$189.1 million.

Estate tax decreased 3.4 percent from \$112.4 million in FY 2005 to \$108.6 million in FY 2006. Collections were \$15.4 million (12.4 percent) lower than estimated.

Insurance company taxes (generally based on premiums) increased 3.8 percent from \$129.8 million to \$134.7 million. This is \$379,000 lower than the \$135 million estimate.

Miscellaneous taxes increased 3.5 percent from \$87.7 million to \$90.8 million. The major tax in this group is the real estate transfer fee, which increased 4.3 percent from \$77.2 million to \$80.5 million.

Expenditure Highlights

Total state General Purpose Revenue (GPR) spending increased 4.4 percent or \$525.6 million in FY 2006, as shown in Table 2. This compares with an 11.2 percent increase in FY 2005.

The decline in the growth rate of GPR expenditures from FY 2005 to FY 2006 was due in part to the allocation of segregated funds to support the Medical Assistance program in FY 2006. These segregated funds include \$341.8 million transferred from the general fund. During FY 2006, \$1,287 million GPR was expended in MA payments, a decrease of \$321.4 million from the previous year. GPR funded shared revenue payments to local governments rose by \$192.9 million, an increase of 25.7 percent. This increase is attributable to the one time use in FY 2005 of segregated funds in place of GPR.

The largest portion of GPR expenditures in FY 2006 was directed to school districts and local units of government, consistent with past years. Local assistance expenditures were \$7,270.4 million or 58.7 percent of total GPR spending

compared to \$6,671.6 million or 56.3 percent in FY 2005. Aids to individuals and organizations were at \$2,321.5 million, which was 18.8 percent of total GPR spending in FY 2006 compared to 21.3 percent in FY 2005. State operations costs accounted for 22.5 percent of total GPR spending, up slightly from FY 2005 spending.

By percentage change, local assistance showed the largest increase in spending at 9.0 percent. Aids to Individuals and Organizations payments decreased by 8.2 percent, compared to 57.6 percent growth in FY 2005, due to the one-time change in funding for the Medical Assistance program. State operations spending increased 5.0 percent in FY 2006 compared to a 4.3 percent increase in FY 2005.

The GPR budget is shaped by its ten largest programs, as detailed in Table 3. These programs comprise 84.4 percent of total GPR expenditures, down slightly from 84.8 percent in FY 2005. Immediately following this section is a brief explanation of each program.

Table 2

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

	<u>FY06</u>	<u>% of Total</u>	<u>FY05</u>	<u>% of Total</u>	<u>\$ Change FY06-FY05</u>	<u>% Change</u>
Local Assistance	\$7,270.4	58.7%	\$6,671.6	56.3%	\$598.8	9.0%
Aids to Individuals	2,321.5	18.8%	2,528.9	21.3%	- 207.4	-8.2%
State Operations:						
UW System	996.0	8.0%	985.3	8.3%	10.7	1.1%
All Other Agencies	<u>1,797.4</u>	<u>14.5%</u>	<u>1,673.9</u>	<u>14.1%</u>	<u>23.5</u>	7.4%
Total	<u>\$12,385.3</u>	<u>100.0%</u>	<u>\$11,859.7</u>	<u>100.0%</u>	<u>\$525.6</u>	4.4%
Transfer to Other Funds	<u>341.8</u>		<u>0.0</u>			
TOTAL GPR	<u>\$12,727.1</u>		<u>\$11,859.7</u>			

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	<u>FY06</u>	<u>% of Total</u>	<u>FY05</u>	<u>% of Total</u>	<u>\$ Change FY06-FY05</u>	<u>% Change</u>
1. School Aids	\$5,157.2	41.6%	\$4,789.0	40.4%	\$368.2	7.7%
2. Medical Assistance	1,286.9	10.4%	1,608.8	13.6%	-321.9	-20.0%
3. UW System	1,011.6	8.2%	996.9	8.4%	14.7	1.5%
4. Correctional Services	955.5	7.7%	905.3	7.6%	50.2	5.5%
5. Shared Revenue	944.6	7.6%	751.7	6.3%	192.9	25.7%
6. State Property Tax Credits	469.3	3.8%	469.3	4.0%	0.0	0.0%
7. Community Aids	186.3	1.5%	107.2	0.9%	79.1	73.8%
8. Tax Relief to Individuals	176.3	1.4%	169.8	1.4%	6.5	3.8%
9. Wisconsin Works	131.5	1.1%	128.9	1.1%	2.6	2.0%
10. Supplemental Security Income	129.6	1.1%	128.3	1.1%	1.3	1.0%
All Others	<u>1,936.5</u>	<u>15.6%</u>	<u>1,804.5</u>	<u>15.2%</u>	<u>132.0</u>	<u>7.3%</u>
Subtotal	\$12,385.3	<u>100.0%</u>	\$11,859.7	<u>100.0%</u>	<u>\$525.6</u>	4.4%
Transfer to Other Funds	<u>341.8</u>		<u>0.0</u>			
	<u>\$12,727.1</u>		<u>\$11,859.7</u>			

School Aids: State GPR assistance to Wisconsin's 426 school districts increased by 7.7 percent or \$368.2 million in FY 2006. Total state aids to schools, plus property tax credits enabled the state to reimburse 65.3 percent of school costs in FY 2006.

Since the 1993-94 school year, school districts have been subject to statewide revenue limits. These limits control the allowable increase in each school district's revenues by limiting the total revenue a district can collect from the combined sources of property tax levies for nondebt purposes and state general aids. These controls, combined with the large increase in state school aids, succeeded in reducing the statewide gross school property tax levy by 16.4 percent in FY 1997. Since FY 1998, the gross school levy has increased by an average of 4.0 percent annually. In FY 2006, the school levy decreased by 0.5 percent in support of the property tax freeze.

There are two major types of direct school aid. Approximately 90 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 10 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 maintaining small class sizes.

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 people with disabilities, seniors, children and low-income families, and pregnant women and other low-income individuals who have high medical expenses.

In FY 2006, total MA expenditures were \$4,227.0 million, of which \$1,286.9 million were GPR, \$367.3 million were segregated and program revenues, and the balance was federally funded. Segregated revenues, which are in the Medicaid Assistance Trust Fund, are derived from GPR-earned associated with the state's Intergovernmental Transfer Program and nursing

home assessments. In addition, \$341.8 million was transferred in FY 2006 from the general fund to the Medical Assistance Trust Fund. A decrease in MA GPR expenditures of \$321.9 million between FY 2005 and FY 2006 was significantly offset by an increase of \$262.3 million in SEG expenditures.

The Medical Assistance Trust Fund closed FY 2006 with a deficit of \$25.8 million due to the timing of receipt of federal revenues associated with the nursing home intergovernmental transfer program. On an all funds basis, total MA spending in FY 2006 decreased by \$38 million, or less than 1 percent, from FY 2005 expenditures, compared to an 11.7 percent increase in the previous year. The decrease is the result of two changes: the timing of payments and recoveries to counties under the Wisconsin Medicaid Cost Reporting program, and a delay in the payment date for drug costs for recipients who are also eligible for Medicare due to the implementation of the Medicare Part D drug benefit.

These totals do not include expenditures for Wisconsin's state and federally funded health insurance program for low-income working families, BadgerCare, or pharmacy assistance programs for seniors, SeniorCare. In FY 2006, BadgerCare expenditures were \$194.4 million of which \$62.3 million were GPR. In FY 2006, SeniorCare expenditures were \$140.7 million of which \$44.4 million were GPR.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 2006, the shared revenue formula distributed \$944.6 million. Of this amount, county and municipal aids distributed were \$853.4 million GPR. The Expenditure Restraint Program distributed another \$58.1 million GPR to municipalities with tax rates over five mills that restrained their spending increases. The FY 2006 shared revenue payment from GPR was \$944.6 million. Statewide, shared revenue payments provided municipalities with about 17.2 percent and counties with about 3.6 percent of their general revenues.

University of Wisconsin System: Total general purpose revenue expenditures for the UW System increased by \$14.7 million, or 1.5 percent in FY 2006. Tuition at UW institutions, despite annual increases, continues to be a relative bargain in higher education. Resident undergraduate tuition for undergraduate students at Madison was \$1,892

below the "Big Ten" median, and is the second lowest tuition among those schools. UW-Milwaukee was \$1,135 below its peer group median and all other campuses were approximately \$1,070 below their peer group medians in FY 2006.

Tuition has not only remained well below peer group medians, but the affordability of a University of Wisconsin education for lower income families received a significant boost in FY 2006 with a 22 percent increase in the amount provided for Wisconsin higher education grants for University of Wisconsin students. Since 2003, financial aid has more than doubled.

Correctional Services: Total GPR expenditures for the state corrections program increased \$50.2 million or 5.5 percent over the prior year, reaching \$955.5 million in FY 2006. The number of incarcerated felons under the supervision of the state adult corrections program decreased 0.8 percent from an average daily population of 22,596 in FY 2005 to 22,412 in FY 2006.

State Property Tax Credits: The School Levy Tax Credit pays local governments to relieve each property owner's taxes. Funding for the credit in FY 2006 was \$469.3 million, the same as in the prior fiscal year. This offset 5.6 percent of 2005 gross property tax levies for all purposes statewide.

Community Aids: Community 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. All funds expenditures were \$272.0 million in FY 2006, of which \$186.3 million was GPR. On an all funds basis total FY 2006 Community Aids expenditures increased by 44 percent over the FY 2005 expenditures of \$188.7 million. The increase over FY 2005 spending is related to the timing of payments and recoveries to counties under the Wisconsin Medicaid Cost Reporting program.

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 10,484 W-2 cases per month served over the course of FY 2006. However, as of June

2006, the monthly W-2 caseload for cash assistance had fallen to just over 7,138, down from the 34,430 on the rolls in 1997 when W-2 was implemented.

In addition to W-2 cash benefits, other program-related costs for work experience, job search, education and training, and administration are funded by the program. These include state funds committed for fraud programs and several other small public assistance-type programs. In total, \$131.5 million of state GPR was spent on W-2 and other public assistance programs administered by the Department of Workforce Development in FY 2006, an increase of \$2.6 million, or 2 percent from FY 2005.

Tax Relief to Individuals: Wisconsin paid out \$176.3 million GPR in tax relief to individuals through a variety of programs during FY 2006.

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 with paying 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 circuit-breaker relief. The Homestead Credit provided \$122.4 million of tax relief in FY 2006, compared

with \$126.9 million in FY 2005. About 231,000 low-income homeowners and renters – nearly 40 percent of them elderly – benefit from the program each year.

The Farmland Preservation Credit provides a refundable credit to 18,800 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 \$12.5 million in FY 2006, a decrease of \$0.9 million from the prior year.

The Earned Income Credit program reduces income taxes for 216,700 low-income working families with children. In FY 2006, this program paid a total of \$82.0 million in all funds to these households, an increase of \$4.5 million from the prior year. Of this amount, federal Temporary Assistance for Needy Families (TANF) funding provided \$53.2 million and GPR provided \$28.8 million.

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 workers and to disabled parents as support for their children. In FY 2006, a total of \$129.6 million was expended in SSI payments.

Comparative Condition of the General Fund
 FY06 Actual vs. Final Chapter 20
 (in Thousands)

	FY06 Actual	Final Chapter 20	Variance
OPENING BALANCES			
Unreserved, Undesignated Opening Balance	\$ 4,111	\$ 4,111	\$ 0
Prior Year Designation of Continuing Balances	5,186	0	5,186
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
Unreserved Opening Balance	<u>9,297</u>	<u>4,111</u>	<u>5,186</u>
REVENUES			
Taxes	12,030,086	11,949,600	80,486
Departmental Revenues	<u>780,109</u>	<u>804,479</u>	<u>(24,370)</u>
Total Revenues	<u>12,810,195</u>	<u>12,754,079</u>	<u>56,116</u>
Total Available Resources	<u>12,819,492</u>	<u>12,758,190</u>	<u>61,302</u>
APPROPRIATIONS			
Gross Appropriations	12,670,412	12,634,072	(36,340)
Compensation Reserves	80,081	90,054	9,973
Transfers	341,813	341,813	0
Less: Lapses	<u>(322,031)</u>	<u>(318,925)</u>	<u>3,106</u>
Net Appropriations	<u>12,770,275</u>	<u>12,747,014</u>	<u>(23,261)</u>
UNDESIGNATED UNRESERVED BALANCE	<u>\$ 49,217</u>	<u>\$ 11,176</u>	<u>\$ 38,041</u>

Notes:

1. UNDESIGNATED, UNRESERVED OPENING BALANCE. The most recent general fund condition for the fiscal year 2006, ending June 30 is contained in the final Chapter 20 schedule and summaries including all bills enacted in the legislative session (2005 Wisconsin Statutes Acts 1 through 487). The opening balance for fiscal year 2006 was based on actual revenues, appropriations and opening balance for the preceding year, the last year of the previous biennium.
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 Chapter 20 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 Chapter 20 estimate.
3. TAXES. Actual tax collections were more than the estimated tax collections.
4. DEPARTMENTAL REVENUES. Departmental revenues are revenues received by individual state agencies and deposited in the general fund. These include tribal gaming revenue received in excess of amounts directly appropriated. Tribal gaming revenues were \$29.8 million less than estimates.
5. GROSS APPROPRIATIONS. Final gross appropriations varied from Chapter 20 estimated gross appropriations as follows:

Gross Appropriations Per the Final Chap 20 fund condition summary	12,634,072
Add: continuing appropriation authority brought forward	5,186
Add: increases to sum sufficient appropriations above Chapter 20	7,701
Add: fiscal year legislation other than budget bill legislation	0
Add: second year biennial appropriation authority used in first year	<u>23,453</u>
FINAL GROSS APPROPRIATIONS	<u>12,670,412</u>
6. COMPENSATION RESERVES. Compensation reserves are budgetary set-asides for employee wage and benefit increases for the fiscal year.
7. TRANSFERS. During the fiscal year, transfers were made to the Medical Assistance Trust Fund as required by Acts 15 (\$55 million remaining payment of the \$75 million total), 25 (\$235 million) and 211 (\$51 million).
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.

Statements of Fund Condition and Operations

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

(In Millions of Dollars)

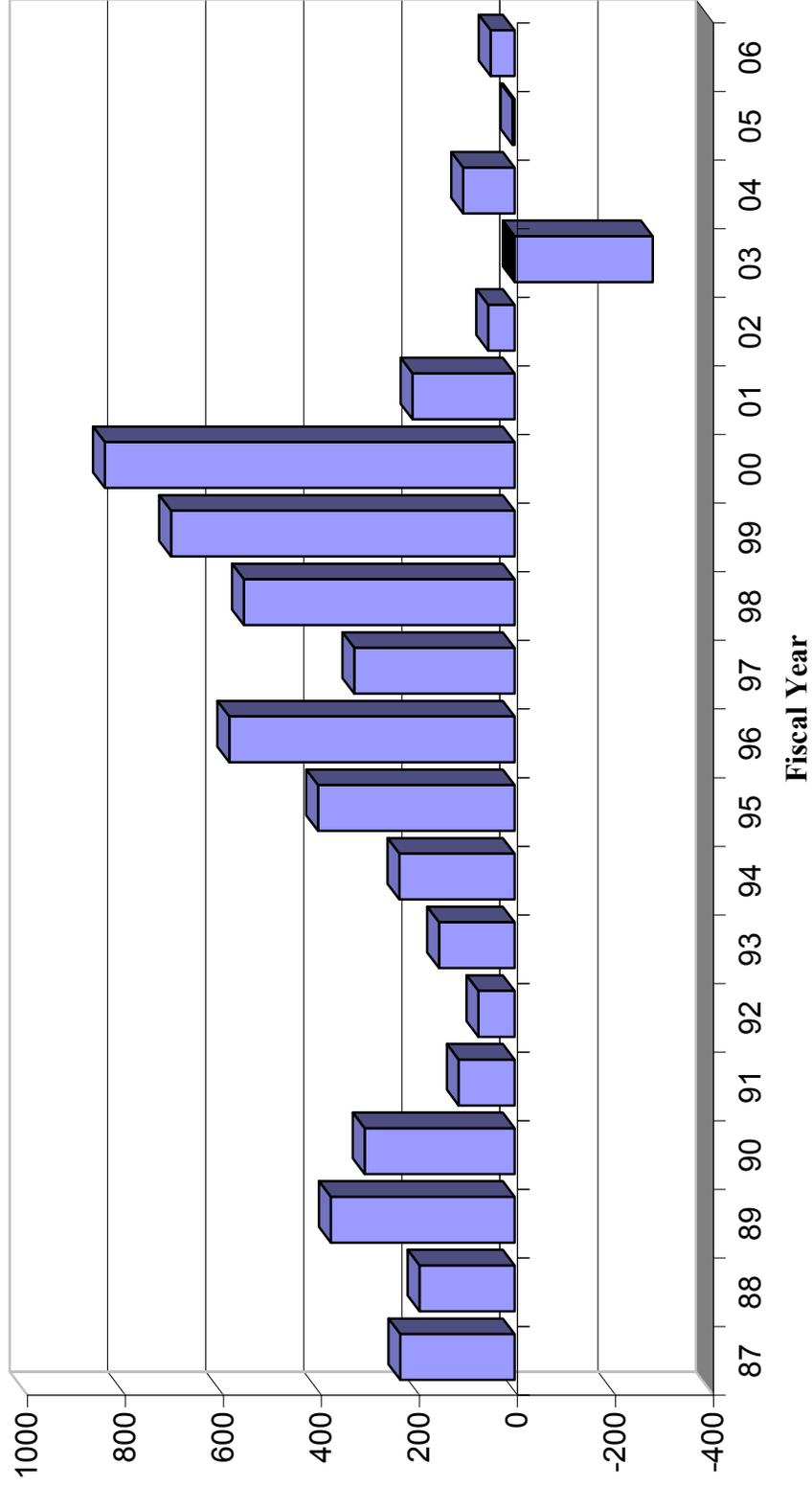


Exhibit A-1

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, 2006
 (In Thousands)

	Budget			Actual	Variance
	Published Budget	Appropriation Adjustments	Final Budget		
Beginning Unreserved					
Undesignated Balance..... \$	4,111	\$	4,111	\$ 4,111	\$ 0
Beginning Unreserved					
Designated Balance.....		5,186	5,186	5,186	0
Total.....	4,111	5,186	9,297	9,297	0
REVENUES					
Taxes:					
Individual.....	6,025,000		6,025,000	6,144,299	119,299
Corporation.....	770,000		770,000	780,320	10,320
Sales & Use.....	4,181,600		4,181,600	4,127,585	(54,015)
Excise.....	364,900		364,900	368,693	3,793
Inheritance & Gift.....	124,000		124,000	108,571	(15,429)
Public Utility.....	257,900		257,900	275,147	17,247
Insurance.....	135,000		135,000	134,665	(335)
Miscellaneous.....	91,200		91,200	90,806	(394)
Total Taxes.....	11,949,600		11,949,600	12,030,086	80,486
Departmental Revenue:					
Indian Gaming Revenue.....	118,629		118,629	88,862	(29,767)
Other.....	685,850		685,850	301,397	(384,453)
Total Department Revenues.....	804,479		804,479	390,259 (2)	(414,220)
Total Revenues.....	12,754,079		12,754,079	12,420,345	(333,734)
TOTAL AVAILABLE.....	12,758,190	5,186	12,763,376	12,429,642	(333,734)
EXPENDITURES					
LAPSE					
Commerce.....	49,005	1,098	50,103	49,276	827
Education.....	6,515,973	55,803	6,571,776	6,482,334	89,442
Environmental Resources.....	223,646	15	223,661	217,094	6,567
Human Relations & Resources.....	3,439,997	49,087	3,489,084	3,480,675	8,409
General Executive.....	372,628	14,960	387,588	188,953	198,635
Judicial.....	100,458	3,494	103,952	102,255	1,697
Legislative.....	63,614	1,550	65,164	60,051	5,113
General (Incl. Shared Revenue).....	1,868,752	(52,765)	1,815,987	1,804,645	11,342
Transfer to Medical Assist. Trust Fund...	341,813	0	341,813	341,813	0
Compensation Reserves.....	90,054	(80,081)	9,973	0	9,973
Less: Estimated Lapse.....	(318,925)	0	(318,925)	0	(318,925)
TOTAL EXPENDITURES.....	12,747,015	(6,839)	12,740,176	12,727,096	13,080
Transfers in - General Fund.....	0	0	0	389,850 (2)	389,850
UNRESERVED BALANCE	11,175	12,025	23,200	92,396	69,196
Designation for continuing balances.....	0	(43,179)	(43,179)	(43,179)	0
UNRESERVED					
Undesignated Balance..... \$	11,175	(31,154) \$	(19,979) \$	49,217 \$	69,196

(1)

The accompanying notes are an integral part of this statement.

(1) See Note E

(2) See Note F

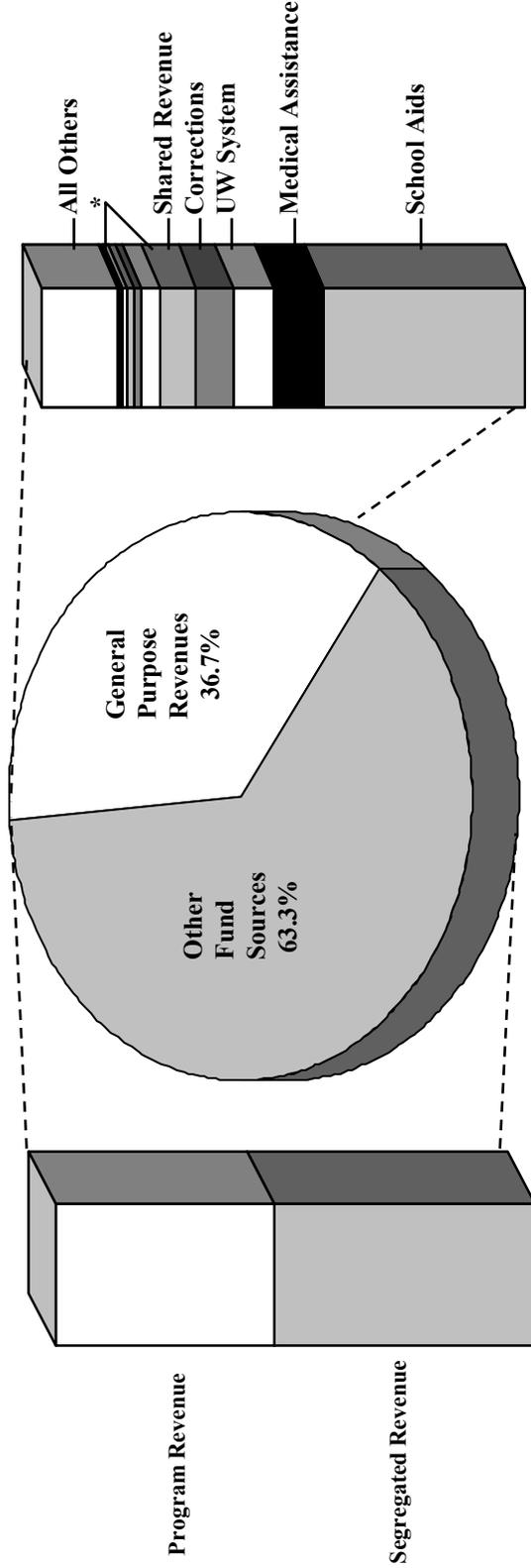
Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2006

Other Expenditures
\$21.4 Billion

Total Expenditures
\$33.8 Billion

General Purpose Revenue Expenditures
\$12.4 Billion



* State Supplement to SSI
Wisconsin Works
Tax Relief to Individuals
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, 2006
 (In Thousands)

	General Fund			Major Special Revenue Funds			As of June 30, 2006
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation	Other	
REVENUES							
Taxes.....	\$ 12,030,086	\$ 21,374	\$ 12,051,460	\$ 1,001,808	\$ 84,001	\$ 90,856	13,228,125
Intergovernmental Revenue.....	10,690	6,309,886	6,320,576	772,793	43,697	44,152	7,181,218
Licenses.....	77,522	174,275	251,797	345,698	102,149	321,155	1,020,799
Charges for Goods and Services.....	12,457	2,375,727	2,388,184	37,283	16,739	671,608	3,113,814
Contributions.....	0	0	0	0	0	2,672,970	2,672,970
Interest & Investment Income.....	11,634	78,589	90,223	12,776	1,636	8,437,459	8,542,094
Gifts & Donations.....	16	373,008	373,024	5	1,972	9,896	384,897
Other Revenue.....	98,830	463,605	562,435	18,698	(37)	923,313	1,504,409
Transfers.....	13,619	(11,220)	2,399	9,712	21,763	778,130	812,004
Other Transactions.....	165,491	116,281	281,772	1,155	11	(7,709)	275,229
Proceeds from Bonds & Notes.....	0	0	0	156,835	0	1,040,926	1,197,761
TOTAL REVENUES	12,420,345	9,901,525	22,321,870	2,356,763	271,931	14,982,756	39,933,320
EXPENDITURES							
Commerce.....	49,276	217,601	266,877	45	1,486	235,012	503,420
Education.....	6,482,334	3,663,988	10,146,322	0	551	427,684	10,574,557
Environmental Resources.....	217,094	74,454	291,548	2,208,379	272,571	618,611	3,391,109
Human Relations & Resources.....	3,480,675	5,231,889	8,712,564	0	(445)	1,610,064	10,322,183
General Executive.....	188,953	505,192	694,145	1,377	0	5,321,315	6,016,837
Judicial.....	102,255	13,007	115,262	0	0	349	115,611
Legislative.....	60,051	1,292	61,343	0	0	0	61,343
General (Incl. Shared Revenue).....	1,804,645	55,343	1,859,988	21,093	156	917,783	2,799,020
TOTAL EXPENDITURES	12,385,283	9,762,766	22,148,049	2,230,894	274,319	9,130,818	33,784,080
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES.....	35,062	138,759	173,821	125,869	(2,388)	5,851,938	6,149,240
BEGINNING FUND BALANCE							
PRIOR PERIOD ADJUSTMENT	0		0	(638)		0	(638)
DESIGNATED.....	5,186	0	5,186	0	0	0	5,186
UNDESIGNATED.....	4,111	(135,786)	(131,675)	(714,312)	26,996	72,158,962	71,339,971
TOTAL	9,297	(135,786)	(126,489)	(714,950)	26,996	72,158,962	71,344,519
INTER-FUND							
TRANSFERS.....	48,037	(17,176)	30,861	(338,449)	4,255	303,333	0
ENDING FUND BALANCE	92,396	(14,203)	78,193	(927,530)	28,863	78,314,233	77,493,759
DESIGNATED.....	(43,179)	0	(43,179)	0	0	0	(43,179)
UNDESIGNATED.....	\$ 49,217	\$ (14,203)	\$ 35,014	\$ (927,530)	\$ 28,863	\$ 78,314,233	\$ 77,450,580
				(1)			

The accompanying notes are an integral part of this statement.

(1) See Note I

Exhibit A-3

State of Wisconsin
 Summary of Recorded Revenues and Expenditures-All Other Funds-
 Statutory Basis (Including Inter-Fund Transfers)
 For the Fiscal Year Ended June 30, 2006
 (In Thousands)

Funds By Category		Undesignated Fund Balance as of June 30, 2005	Revenues	Expenditures	Inter-Fund Transfers	Undesignated Fund Balance as of June 30, 2006
<u>OTHER GOVERNMENTAL FUNDS</u>						
<u>Other Special Revenue</u>						
213	Heritage State Parks & Forests	\$ 1,177	\$ 50	\$ 33	\$ 0	1,194
214	WI Health Education Loan Repay	15	9	0	(22)	2
217	Waste Management	6,633	417	133	0	6,917
218	Wisconsin Election Campaign	500	281	6	0	775
219	Investment and Local Impact	177	7	0	0	184
220	Election Administration	41,525	1,942	10,267	0	33,200
222	Industrial Building Construction	352	15	0	0	367
224	Self-Insured Employer Liability	615	26	0	0	641
225	Medical Assistance Trust	(53,897)	46,205	359,936	341,813	(25,815)
226	Work Injury Benefits	5,815	4,368	3,489	0	6,694
227	Workers Compensation	0	3,819	3,132	0	687
228	Tobacco Control Fund	10	0	0	0	10
229	Uninsured Employers	12,350	4,196	3,204	0	13,342
235	Utility Public Benefits	23,516	108,742	117,495	0	14,763
238	Mediation	179	415	349	0	245
250	State Capitol Restoration	20	32	0	0	52
257	Agricultural Chemical Cleanup	1,152	3,806	2,114	0	2,844
258	Farms For The Future	0	0	0	0	0
259	Agrichemical Management	3,038	6,563	5,380	0	4,221
261	Agricultural Producer Security	5,673	2,563	1,399	0	6,837
264	Historical Legacy Trust	63	3	0	0	66
266	Historical Preservation Partnership Trust	432	3,054	2,901	0	585
268	Wireless 911	0	12,247	77,552	0	(65,305)
272	Petroleum Inspection	50,103	73,725	88,677	(10,861)	24,290
274	Environmental	13,033	45,146	43,608	(5,200)	9,371
277	Dry Cleaner Environmental Responsibility	2,026	1,105	1,965	0	1,166
279	Recycling	12,080	43,448	30,358	(22,397)	2,773
280	Information Technology Investment	(2,914)	25	0	0	(2,889)
285	Universal Service	5,664	31,019	23,459	0	13,224
286	Budget Stabilization	506	132	0	0	638
723	Children's Trust	595	204	48	0	751
	Total Other Special Revenue	130,438	393,564	775,505	303,333	51,830
<u>Debt Service</u>						
315	Bond Security and Redemption	7,519	717,262	716,636	0	8,145
<u>Capital Projects</u>						
490	State Building Trust	55,633	93,514	118,114	0	31,033
495	Capital Improvement	49,841	900,302	782,789	0	167,354
	Total Capital Projects	105,474	993,816	900,903	0	198,387
<u>Permanent</u>						
743	Agriculture College	305	0	0	0	305
744	Common School Principal	596,414	39,232	0	0	635,646
745	Normal School	20,474	562	0	0	21,036
746	University	234	0	0	0	234

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, 2006
 (In Thousands)

Funds By Category		Undesignated Fund				Undesignated Fund
		Balance as of June 30, 2005	Revenues	Expenditures	Inter-Fund Transfers	Balance as of June 30, 2006
760	Historical Society Trust	11,055	789	594	0	11,250
763	Common School Income	1,146	29,170	28,200	0	2,116
767	Benevolent	14	0	0	0	14
875	University Trust Principal	166,252	(1,844)	0	0	164,408
876	University Trust Income	24,289	25,165	21,712	0	27,742
	Total Permanent	820,183	93,074	50,506	0	862,751
	TOTAL OTHER GOVERNMENTAL FUNDS	1,063,614	2,197,716	2,443,550	303,333	1,121,113
<u>FIDUCIARY AND OTHER</u>						
<u>Pension (and Other Employee Benefit)</u>						
262	Public Employe Trust	1,637,562	1,144,414	1,086,457	0	1,695,519
747	Core Retirement Investment Trust	62,157,192	8,847,054	3,259,636	0	67,744,610
751	Variable Retirement Investment	6,014,358	917,918	472,652	0	6,459,624
	Total Pension (and Other Employee Benefit)	69,809,112	10,909,386	4,818,745	0	75,899,753
<u>Private Purposes</u>						
570	Tuition Trust	11,491	(1,282)	54	0	10,155
769	College Savings Program Trust	5,748	1,170	763	0	6,155
	Total Private Purposes.....	17,239	(112)	817	0	16,310
<u>Agency</u>						
788	Support Collections Trust	8,224	951,346	952,113	0	7,457
<u>Other (Business-type funds)</u>						
521	Lottery	10,901	512,709	493,675	0	29,935
530	Health Insur Risk Sharing Plan	46,407	146,297	141,685	0	51,019
531	Local Govt Property Insurance	43,325	26,893	16,679	0	53,539
532	State Life Insurance	95,118	(3,751)	3,730	0	87,637
533	Patients Compensation	757,363	21,965	33,685	0	745,643
573	Environmental Improvement	178,927	134,572	143,929	0	169,570
582	Veterans Trust	28,458	18,946	19,593	0	27,811
583	Veterans Mortgage Loan Repayment	99,990	66,366	62,247	0	104,109
587	Transportation Infrastructure Loan	284	423	370	0	337
	Total Other (Business-type funds).....	1,260,773	924,420	915,593	0	1,269,600
	TOTAL FIDUCIARY AND OTHER.....	71,095,348	12,785,040	6,687,268	0	77,193,120
	TOTAL - ALL FUNDS.....	\$ 72,158,962	\$ 14,982,756	\$ 9,130,818	\$ 303,333	\$ 78,314,233

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, 2006, 2005, and 2004
 (In Thousands)

	June 30, 2006	June 30, 2005	June 30, 2004
<u>ASSETS</u>			
Cash.....	\$ 9,240	\$ (133,959)	\$ (15,344)
Contingent Fund Advances.....	3,077	3,080	3,521
Investments.....	255	255	445
Accounts Receivable.....	992,426	1,074,269	1,098,109
Due from Other Funds.....	143,541	22,014	79,682
Inventory.....	404	330	172
Prepayments.....	80,028	64,332	62,535
Other Assets.....	(2)	5	0
TOTAL ASSETS.....	<u>1,228,969</u>	<u>1,030,326</u>	<u>1,229,120</u>
<u>LIABILITIES</u>			
Accounts Payable.....	437,990	541,033	338,083
Due to Other Funds.....	121,883	37,607	78,020
Tax and Other Deposits.....	29,128	33,908	39,332
Deferred Revenue.....	41,493	24,589	47,287
TOTAL LIABILITIES.....	<u>630,494</u>	<u>637,137</u>	<u>502,722</u>
<u>FUND BALANCE</u>			
<u>Reserved Balances</u>			
GPR Encumbrances.....	89,500	97,025	93,457
PR Encumbrances.....	430,782	422,653	454,378
Total Reserved Balances.....	<u>520,282</u>	<u>519,678</u>	<u>547,835</u>
<u>Unreserved Designated Balances</u>			
GPR Designation for Continuing Balances.....	43,179	5,186	51,194
<u>Unreserved Balances</u>			
GPR Unreserved Balance.....	49,217	4,111	105,200
PR Unreserved Balance.....	(14,203)	(135,786)	22,169
Total Unreserved Balances.....	<u>35,014</u>	<u>(131,675)</u>	<u>127,369</u>
TOTAL FUND BALANCE.....	<u>598,475</u>	<u>393,189</u>	<u>726,398</u>
TOTAL LIABILITIES AND FUND BALANCE.....	<u>\$ 1,228,969</u>	<u>\$ 1,030,326</u>	<u>\$ 1,229,120</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, 2006
 (in Thousands)

Function/Expenditure Description	Budget			Actual	Lapses and Balances
	Published Budget	Budget Adjustments	Final Budget	Expenditures ¹	
Commerce	\$ 464,314	\$ 102,813	\$ 567,127	\$ 452,699	\$ 114,428
Education	10,215,380	272,181	10,487,561	10,208,363	279,198
Environmental Resources	2,709,960	282,593	2,992,553	2,666,587	325,966
Human Relations and Resources	9,061,408	444,389	9,505,797	8,975,888	529,909
General Executive	1,054,300	187,284	1,241,584	897,193	344,391
Judicial	113,988	4,508	118,496	115,611	2,885
Legislative	65,416	3,586	69,002	61,334	7,668
General Appropriations	2,086,865	(35,078)	2,051,787	2,021,093	30,694
Total Chapter 20	\$ 25,771,631	\$ 1,262,276	\$ 27,033,907	\$ 25,398,768	\$ 1,635,139
Retirement Annuities			3,575,279	3,454,823	120,456
Support Collection Trust Payments			975,200	949,964	25,236
Insurance Premiums			1,066,365	1,047,306	19,059
Debt Service Payments			716,637	716,636	1
Capital Projects Expenditures			893,724	893,724	-
Lottery Prizes			296,501	295,162	1,339
Other Segregated Revenue			380,536	232,783	147,753
Program Revenue Appropriations			392,778	373,684	19,094
Clearing and Custody Accounts			1,248,037	119,035	1,129,002
Total Non Chapter 20 Expenditures			\$ 9,545,057	\$ 8,083,117	\$ 1,461,940
Total State Expenditures Excluding Transfers			\$ 36,578,964	\$ 33,481,885	\$ 3,097,079

The accompanying notes are an integral part of this statement

¹ Expenditures exclude non-budgetary transfers and expenses

Notes To Fund Statements

Note A Statutory Basis of Accounting

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

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

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

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

The July and August recording of prior fiscal years' revenues and expenditures results in accrued revenues and accounts payable in the statement of assets, liabilities and fund balances. Included in these amounts are receivables and payables between funds which are not eliminated for presentation as "due to" or "due from" other funds.

Encumbrances are treated as expenditures in the initial year. However, the recording of charges against encumbrances applicable to the prior year is limited by the available appropriation balances of that year. Expenditures reported in this report are equal to current year disbursement and encumbrance balances less the prior year encumbrance balances. The Building Trust Fund, the Capital Improvement Fund, and the Bond Security and Redemption Fund, are closed for encumbrances as of June 30.

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 on the cash basis since investments are adjusted to market and the resultant unrealized gains or losses are reflected in the accounts of those funds.

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

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

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

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

Note B Fiscal Controls

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

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

Note C Classification of Funds

Funds are generally classified in accordance with classification criteria appropriate for governmental accounting.

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

Note D Extraordinary Transfers and Transactions Affecting Fund Balance

Compensation Reserve

In FY06, Chapter 20 included a compensation reserve for employe salary and fringe benefit increases. The total amount reserved (appropriated) was \$90,054,000 and the amount allotted was \$80,081,000 leaving a lapse amount of \$9,973,000.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are those shown for "General Purpose Revenues" (GPR) under Final Chapter 20 for 2005-2007 based upon enactment of 2005 Acts 1 through 487.

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

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

Note F Total Departmental Revenues

For budget comparison purposes, inter-fund transfers in, are added to other revenues to arrive at total departmental revenues. In FY06, a \$338,449,000 transfer from the Transportation Fund and other cash transfers required in Act 25 were recorded as transfers into the General Fund, rather than as revenues. The Chapter 20 budget captured these funds more generically as revenue. In order to properly compare actual revenues to budgeted revenues, the two, actual revenues and transfers, should be added together.

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 2006 is explained as follows:

	<u>(thousands)</u>
ENDING FUND BALANCE (UNDESIGNATED) PER FINAL CHAPTER 20 SUMMARY	\$ 11,175
OPENING BALANCE	
ADJUSTMENTS:	
Prior year designation for continuing balances	5,186
Total opening balance adjustments	<u>5,186</u>
REVENUE ADJUSTMENTS	
Taxes received more than estimate	80,486
Departmental revenues less than estimate	<u>(414,220)</u>
Total revenue below estimate	<u>(333,734)</u>
APPROPRIATION ADJUSTMENTS	
Sum Sufficient Changes	
Reestimates	(7,701)
Compensation Reserve Adjustment	(80,081)
Budget brought forward from previous year	(5,186)
Budget carried to next year for continuing appropriations	43,179
Biennial spend ahead	(23,453)
Compensation Reserve Transferred to agencies	<u>80,081</u>
Total Appropriation Adjustments	<u>6,839</u>
LAPSES LESS THAN BUDGETED	13,080
INTER-FUND TRANSFERS	389,850
DESIGNATION FOR CONTINUING BALANCES	<u>(43,179)</u>
UNDESIGNATED FUND BALANCE	\$ <u><u>49,217</u></u>

Note H General Fund Cash Flow

Normally the General Fund experiences a short-term cash flow problem in the first half of the year, resulting in the issuance of an operating note. However because inter-fund borrowing was used to address any short-term cash flow problem an operating note was not required.

Note I Negative Transportation Fund Balances

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

Note J 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	\$2,304,339
Expenditures	\$2,304,339
Balance	\$0

Note K Sum Sufficient Increases

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

B-2 Sum Sufficient Increases	\$13,685
Less Supplements (included in total above)	(5,984)
Actual Sum Sufficient Increases	<u>7,701</u>

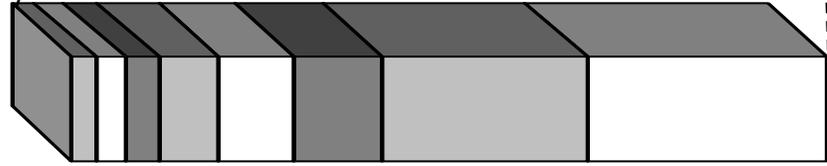
Supplemental Data

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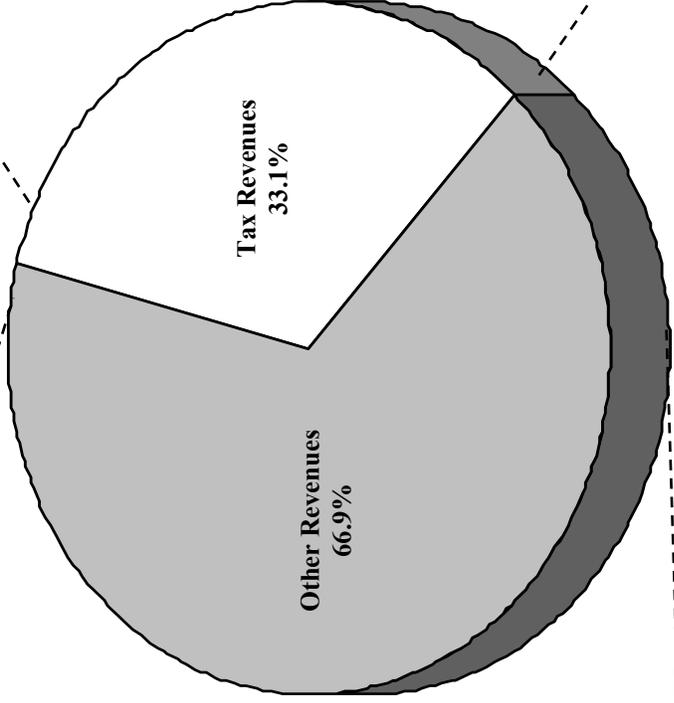
Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2006

Other Revenues
\$26.7 Billion



Total Revenues
\$39.9 Billion



Tax Revenues
\$13.2 Billion

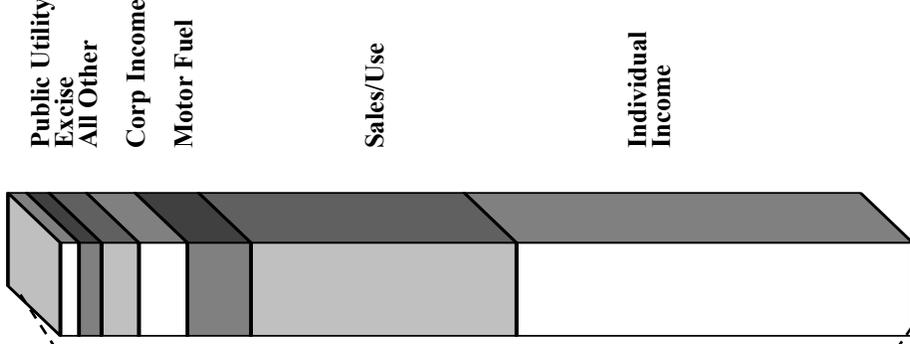


Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2006, 2005, and 2004
 (In Thousands)

	June 30, 2006	June 30, 2005	June 30, 2004
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
individual.....	\$ 6,144,299	\$ 5,650,109	\$ 5,277,119
Corporation.....	780,320	764,053	650,526
Total Income Taxes.....	6,924,619	6,414,162	5,927,645
Sales and Excise Taxes			
General Sales and Use.....	4,127,585	4,038,715	3,899,264
Cigarette.....	301,490	294,301	291,323
Other Tobacco Products.....	16,421	15,841	16,101
Liquor and Wine.....	41,023	39,532	38,470
Malt Beverage (Beer).....	9,759	9,770	9,601
Total Sales and Excise Taxes.....	4,496,278	4,398,159	4,254,759
Public Utility Taxes			
Private Light, Heat and Power.....	189,063	159,573	165,436
Municipal Light, Heat and Power.....	2,439	1,936	1,813
Telephone.....	62,997	72,616	81,587
Pipeline.....	10,655	10,556	10,555
Electric Cooperative.....	8,106	7,235	8,486
Municipal Electric.....	1,504	1,568	1,296
Conservation and Regulation.....	368	469	512
Utility Tax (Refunds) Interest and Penalties.....	15	490	116
Total Public Utility Taxes.....	275,147	254,443	269,801
Inheritance and Estate Taxes			
Inheritance and Estate.....	108,571	112,346	86,357
Total Inheritance and Estate Taxes.....	108,571	112,346	86,357
Miscellaneous Taxes			
Insurance Companies (Premiums).....	134,665	129,839	123,621
Real Estate Transfer Fee.....	80,536	77,221	66,325
Lawsuits (Courts).....	10,170	10,382	10,691
Other.....	100	98	120
Total Miscellaneous Taxes.....	225,471	217,540	200,757
TOTAL GPR TAX REVENUES.....	12,030,086	11,396,650	10,739,319
Program Tax Revenues			
Fire Dues.....	16,151	15,035	14,768
Pari-mutuel Taxes.....	1,246	1,546	1,804
County Expo Tax Administration.....	423	387	385
Baseball Park Administration Fee.....	349	352	319

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2006, 2005, and 2004
 (In Thousands)

	June 30, 2006	June 30, 2005	June 30, 2004
Program Tax Revenues, Cont.			
Business Trust Regulation Fee.....	\$ 2,149	\$ 1,738	\$ 2,094
Other.....	1,056	737	825
TOTAL PROGRAM TAX REVENUES.....	21,374	19,795	20,195
TOTAL-GENERAL FUND TAX REVENUES.....	12,051,460	11,416,445	10,759,514
Type of Revenues			
Transportation Fund			
Motor Fuel Tax.....	974,106	955,548	934,605
Air-Carrier Tax.....	4,715	5,818	8,195
Railroad Tax.....	16,449	15,953	11,923
Aviation Fuel Tax.....	1,540	1,506	1,348
Other Taxes.....	4,998	3,865	3,523
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	80,262	78,264	72,190
Forest Crop Taxes.....	3,739	3,476	4,610
Mediation Fund.....	2	3	3
Petroleum Inspection Tax.....	71,331	86,602	92,563
Recycling Fund			
Temporary Service Charges.....	19,523	13,246	25,543
TOTAL STATE TAX REVENUES.....	13,228,125	12,580,726	11,914,017
Intergovernmental Revenue.....	7,181,218	7,190,883	7,302,464
Licenses and Permits.....	1,020,799	975,303	969,210
Charges for Goods and Services.....	3,113,814	2,803,586	2,784,392
Contributions.....	2,672,970	2,063,106	2,980,855
Interest and Investment Income.....	8,542,094	7,173,240	9,696,273
Gifts and Donations.....	384,897	375,899	341,902
Proceeds from Sale of Bonds.....	1,197,761	734,441	2,706,057
Other Revenues.....	1,504,409	2,045,365	1,797,449
Other Transactions.....	275,229	248,380	245,811
TOTAL DEPARTMENTAL REVENUES.....	25,893,191	23,610,203	28,824,413
TRANSFERS.....	812,004	828,212	847,007
TOTAL REVENUES.....	\$ 39,933,320	\$ 37,019,141	\$ 41,585,437

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, 2006
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
State Operations							
370	116	1fe	Endangered Resources General Fund.....	364	0	364	0
410	104	1c	Reimbursement Claims from Counties With State Institutions.....	186	0	102	84
455	102	1b	Special Counsel.....	543	138	681	0
455	202	2am	Officer Training Reimbursement.....	110	0	77	33
465	103	1c	Public Emergencies.....	49	0	23	26
505	405	4d	Claims Awards.....	24	0	0	24
505	801	8am	Interest on racing & bingo moneys.....	12	9	21	0
515	104	1c	Badgerrx for Individual Advances	250	0	173	77
525	101	1a	Governor's Office Administration.....	3,304	104	2,957	451
525	102	1b	Contingent Fund.....	22	0	8	14
525	103	1c	Membership In National Assoc.....	126	0	123	3
525	201	2a	Executive Residence.....	218	4	193	29
625	101	1a	Circuit Courts.....	55,595	2,847	57,359	1,083
660	101	1a	Court Of Appeals.....	8,328	337	8,495	170
680	101	1a	Supreme Court.....	4,375	4	4,171	208
765	101	1a	Assembly.....	22,170	1,667	22,428	1,409
765	103	1b	Senate	15,858	1,074	14,032	2,900
765	104	1d	Legislative Documents.....	4,032	77	3,316	793
765	308	3fa	Membership In National Assoc.....	146	3	137	12
855	108	1bm	Payment of Cancelled Drafts Fund 100 - All except UW.....	1,000	0	855	145
855	108	1bm	Payment of Cancelled Drafts Fund 100 - UW.....	0	23	23	0
855	401	4a	Interest on Overpayment of Taxes.....	2,250	0	333	1,917
855	403	4c	Minnesota Income Tax Reciprocity.....	56,802	0	56,802	0
855	413	4cm	Illinois Income Tax Reciprocity.....	31,734	0	31,734	0
855	405	4e	Transfer to Conservation Fund - Land Acquisition.....	234	3	237	0
855	408	4f	Supplemental Title Fee Matching.....	10,642	0	10,642	0
855	409	4fm	Transfer to Transportation Fund - Hub Facility Exemption	2,530	0	2,530	0
865	101	1a	Judgement & Legal Expenses.....	47	(14)	0	33
<i>Total State Operations.....</i>				220,951	6,276	217,816	9,411
Aids and Local Assistance							
115	202	2b	Animal Disease Indemnities.....	109	0	54	55
235	104	1e	MN-WI Student Reciprocity.....	6,515	0	6,515	0
235	106	1fe	Wisconsin Higher Education Grants.....	45,057	0	45,055	2
235	109	1fy	Academic Excellence.....	3,147	9	3,156	0
255	221	2ep	Second Chance Partnership.....	148	0	95	53
255	218	2fm	Charter Schools.....	35,465	0	34,773	692
255	235	2fu	Milwaukee Parental Choice Program	93,684	0	91,173	2,511
255	306	3c	National Teacher Certification.....	758	0	732	26
285	406	4dd	Lawton Minority Undergraduate Grants.....	5,218	0	5,218	0
370	503	5da	Aids In Lieu Of Taxes.....	3,152	8	3,160	0
435	774	7da	Reimburse Local Units of Government.....	400	0	394	6
435	715	7ed	State Supplement to Federal Supplemental Security Income Program.....	128,282	1,274	129,556	0
445	102	1aa	Special Death Benefit.....	335	0	312	23
465	201	2a	Tuition Grants.....	3,875	0	3,594	281
465	305	3e	Disaster Recovery Aids.....	1,100	0	623	477
505	412	4er	Volunteer Firefighter & EMT Service Award Program.....	1,566	0	1,390	176
515	101	1a	Annuity Supplements And Payments.....	1,941	0	1,651	290
835	101	1c	Expenditure Restraint Program Account.....	58,146	0	58,146	0
835	102	1d	Shared Revenue Account.....	31,720	1,280	33,000	0
835	105	1db	County and Municipal Aids Account	854,703	0	853,424	1,279
835	110	1dm	Public Utility Distribution Account.....	2,098	2	2,100	0
835	109	1e	State Aid: Tax Exempt Property.....	67,300	398	67,698	0
835	203	2c	Homestead Tax Credit.....	123,000	0	122,425	575

Exhibit B-2

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2006
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
Aids and Local Assistance (Continued)							
835	204	2cm	Development Zones Job Credits.....	0	18	18	0
835	205	2dm	Farmland Preservation Credit.....	13,200	0	12,522	678
835	215	2em	Veterans & Surviving Spouse Property Tax Credit.....	3,383	0	0	3,383
835	209	2ep	Cigarette Tax Refunds.....	12,400	231	12,631	0
835	212	2f	Earned Income Tax Credit.....	24,768	3,985	28,753	0
835	302	3b	School Levy Tax Credit.....	469,305	0	469,305	0
855	402	4b	Election Campaign Payment.....	247	0	247	0
<i>Total Aids and Local Assistance.....</i>				<u>1,991,022</u>	<u>7,205</u>	<u>1,987,720</u>	<u>10,507</u>
Principal Repayment and Lease Rental							
115	205	2d	Principal Repayment and Interest.....	16	0	15	1
115	702	7b	Principal Repayment and Interest.....	1,111	0	957	154
115	707	7f	Principal Repayment and Interest.....	151	0	58	93
190	101	1c	Principal Repayment and Interest.....	995	0	953	42
190	102	1d	Principal Repayment and Interest.....	1,377	0	1,336	41
225	103	1c	Principal Repayment and Interest.....	2,127	0	1,942	185
245	106	1e	Principal Repayment and Interest.....	1,415	0	1,395	20
250	103	1c	Principal Repayment and Interest.....	300	0	37	263
250	105	1e	Principal Repayment and Interest.....	174	0	173	1
255	104	1d	Principal Repayment and Interest.....	1,331	0	1,303	28
285	110	1d	Principal Repayment and Interest.....	120,281	0	117,133	3,148
320	103	1c	Principal Repayment and Interest.....	37,417	0	36,249	1,168
320	282	2c	Principal Repayment and Interest.....	2,113	0	1,990	123
370	701	7aa	Principal Repayment and Interest.....	27,921	0	25,619	2,302
370	705	7ca	Principal Repayment and Interest.....	5,573	0	5,290	283
370	706	7cb	Principal Repayment and Interest.....	51,302	0	50,966	336
370	707	7cc	Principal Repayment and Interest.....	16,355	0	16,254	101
370	708	7cd	Principal Repayment and Interest.....	849	0	847	2
370	713	7ce	Principal Repayment and Interest.....	181	0	169	12
370	714	7cf	Principal Repayment and Interest.....	988	0	900	88
370	709	7ea	Principal Repayment and Interest.....	727	0	665	62
395	664	6af	Principal Repayment and Interest.....	41,864	0	40,582	1,282
410	107	1e	Principal Repayment and Interest.....	73,587	0	71,156	2,431
410	307	3e	Principal Repayment and Interest.....	4,941	0	4,782	159
435	207	2ee	Principal Repayment and Interest.....	13,406	196	13,602	0
435	602	6e	Principal Repayment and Interest.....	63	8	71	0
465	104	1d	Principal Repayment and Interest.....	3,847	0	3,714	133
485	106	1f	Principal Repayment and Interest.....	1,551	0	1,527	24
505	414	4es	Principal Repayment and Interest.....	5,131	0	0	5,131
505	413	4et	Principal Repayment and Interest.....	21	0	0	21
855	801	8a	Principal Repayment and Interest.....	1,060	0	1,029	31
867	102	1b	Principal Repayment and Interest.....	11,431	0	10,722	709
867	301	3a	Principal Repayment and Interest.....	2,375	0	667	1,708
867	302	3b	Principal Repayment and Interest.....	1,465	0	1,307	158
867	309	3bm	Principal Repayment and Interest.....	96	0	87	9
867	306	3br	Principal Repayment and Interest.....	86	0	73	13
<i>Total Principal Repayment and Lease Rental.....</i>				<u>433,628</u>	<u>204</u>	<u>413,570</u>	<u>20,262</u>
Pay Plan & Supplement							
865	103	1c	Salary.....	0	0	0	0
865	104	1d	Fringe.....	0	0	0	0
<i>Total Pay Plan & Supplements.....</i>				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL GENERAL FUND SUM SUFFICIENTS				<u>\$ 2,645,601</u>	<u>13,685</u>	<u>2,619,106</u>	<u>40,180</u>

(1) See Note K

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