

*FY07*

# ANNUAL FISCAL REPORT

## Budgetary Basis



State of Wisconsin  
2007

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**State of Wisconsin**  
**2007 Annual Fiscal Report**

**(Budgetary Basis)**

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**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**JIM DOYLE**  
GOVERNOR

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October 15, 2007

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, 2007. 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 \$66.3 million as of the end of the fiscal year. This is \$5.4 million lower than the balance of \$71.7 million projected in the summary for 2007 Wis. Stat. Act 5. The balance would have been \$55.6 million higher had the new provisions of Chapter 16.518 not been in place requiring the transfer of fifty percent of revenue received over the original budget estimate to the Budget Stabilization Fund. The balance of the Budget Stabilization Fund is now \$55.6 million higher.

General-purpose revenue taxes were \$12.618 billion compared to \$12.030 billion in the prior year, an increase of \$588 million or 4.9 percent. This increase was \$75.4 million higher than the 2007 Wis. Stat. Act 5 summary of \$12.543 billion. General-purpose revenue expenditures, excluding fund transfers, were \$13.105 billion compared to \$12.385 billion in the prior year, an increase of \$720 million or 5.8 percent. This increase reflects funding associated with implementing support for two-thirds of local school costs and the property tax freeze.

In fiscal year 2007, 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 56.0 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 21.0 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 7.8 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 15.2 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 2007. The report will be prepared under generally accepted accounting principles.

Respectfully submitted,

Michael L. Morgan  
Secretary

Stephen J. Censky, 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, 2007 totaled \$12,617.9 million, an increase of 4.9 percent from FY 2006 collections of \$12,030.1 million.

Total collections for the FY 2007 were \$75.4 million, or 0.6 percent, above the Wis. Stat. Act 5 summary of \$12,542.6 million.

**Table 1**

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

Tax Source	FY 07	% of Total	FY 06	% of Total	Change FY07-FY06	% Change
Individual Income	\$6,573.8	52.1%	\$6,144.3	51.1%	\$429.5	7.0%
General Sales & Use	4,158.6	32.9%	4,127.6	34.3%	31.0	0.8%
Corporation Franchise & Income	890.1	7.1%	780.3	6.5%	109.8	14.1%
Excise	365.8	2.8%	368.7	3.0%	-2.9	-0.8%
Inheritance, Estate & Gift	121.1	1.0%	108.6	0.9%	12.5	11.5%
Public Utility	284.9	2.3%	275.1	2.3%	9.8	3.6%
Insurance Companies	141.4	1.1%	134.7	1.1%	6.7	5.0%
Miscellaneous	82.2	0.7%	90.8	0.8%	-8.6	-9.5%
<b>TOTAL GPR</b>	<b>\$12,617.9</b>	<b>100.0%</b>	<b>\$12,030.1</b>	<b>100.0%</b>	<b>\$587.8</b>	<b>4.9%</b>

#### Individual Income Tax

Individual income tax collections increased \$429.5 million (7.0 percent) from \$6,144.3 million in FY 2006 to \$6,573.8 million in FY 2007. This was \$93.8 million (1.4 percent) above the \$6,480.0 million estimate. The individual income tax share of total GPR taxes increased from 51.1 percent in FY 2006 to 52.1 percent in FY 2007.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 5.6 percent from \$5,935.7 million to \$6,268.4 million. Estimated payments increased 8.8 percent from \$1,024.0 million to \$1,114.4 million, while refunds increased 3.1 percent from \$1,499.5 million to \$1,546.0 million.

#### General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 0.8 percent from \$4,127.6 million to \$4,158.6 million. This was \$51.4 million (1.2 percent) below the \$4,210.0 million estimate. Sales tax collections as a percentage of total GPR taxes decreased from 34.3 percent to 32.9 percent.

### **Corporation Franchise and Income Tax**

Corporate collections increased 14.1 percent from \$780.3 million in FY 2006 to \$890.1 million in FY 2007. Corporate collections as a percentage of total GPR taxes increased from 6.5 percent to 7.1 percent. Corporate collections were \$10.1 million (1.1 percent) above the estimate of \$880.0 million.

The major source of corporate collections, estimated payments, increased by 17.7 percent from \$718.8 million in FY 2006 to \$845.7 million in FY 2007.

### **Excise Tax**

Cigarette tax collections have decreased this year, down 1.8 percent from \$301.5 million in FY 2006 to \$296.1 million in FY 2007. Collections in FY 2007 fell short of the estimate by \$6.9 million (2.3 percent).

Tobacco products tax collections have increased 6.7 percent from \$16.4 million in FY 2006 to \$17.5 million in FY 2007. Collections were \$15,000 more than expected.

Liquor and wine tax collections have grown 4.1 percent over the previous fiscal year, from \$41.0 million in FY 2006 to \$42.7 million in FY 2007. Collections were \$674,000 (1.6 percent) above the estimate in FY 2007.

Beer tax collections have decreased in FY 2007, shrinking 3.1 percent from \$9.8 million in FY 2006 to \$9.5 million in FY 2007. Collections in FY 2007 were \$130,000 (1.4 percent) more than the estimate in FY 2007.

### **Other Taxes**

Public utility tax collections increased \$9.8 million (3.6 percent) from \$275.1 million to \$284.9 million. Collections were \$2.2 million above the FY 2007 forecast.

Estate tax collections have grown 11.6 percent during FY 2007. This reflects growth from \$108.6 million in FY 2006 to \$121.1 million in FY 2007. Estate tax collections were \$21.1 million (21.1 percent) above the estimate for FY 2007.

Insurance company taxes (generally based on premiums) increased 5.0 percent from \$134.7 million in FY 2006 to \$141.4 million in FY 2007. Collections exceeded the FY 2007 forecast by \$3.4 million (2.5 percent).

Miscellaneous taxes decreased from \$90.8 million in FY 2006 to \$82.2 million in FY 2007. This is \$2.2 million above the forecast for the fiscal year. The largest component of miscellaneous tax, the real estate transfer fee, decreased 10.9 percent, from \$80.4 million in FY 2006 to \$71.7 million in FY 2007. This reflects the depressed real estate market witnessed over the past year.

## Expenditure Highlights

Total state General Purpose Revenue (GPR) spending increased 5.8 percent or \$720.1 million in FY 2007, as shown in Table 2. This compares with a 4.4 percent increase in FY 2006.

The increase in the growth rate of GPR expenditures from FY 2006 to FY 2007 was due in part to higher costs in the Medical Assistance program. During FY 2007, \$1,704.4 million GPR was expended in MA payments, an increase of 32.4 percent or \$417.5 million from the previous year. This is due, in part, to the fact that in FY 2006, one-time funding of \$262.3 million in SEG expenditures from the Medical Assistance Trust Fund was used in place of GPR to fund the program.

The largest portion of GPR expenditures in FY 2007 was directed to school districts and local units of government, consistent with past years. These local assistance expenditures were \$7,342.6 million or 56.0 percent of total GPR spending in FY 2007 compared to \$7,270.4 million or 58.7 percent of total spending in FY 2006. Aid payments to individuals and organizations were

\$2,746.5 million, which was 21.0 percent of total GPR spending in FY 2007 compared to 18.7 percent in FY 2006. State operations costs of \$3,016.3 million accounted for 23.0 percent of total GPR spending, compared to 22.6 percent in FY 2006.

By percentage change, aids to individuals showed the largest increase in spending at 18.3 percent. Medical Assistance payments make up a significant portion of aids to individuals expenditures. State operations spending increased 8.0 percent in FY 2007 compared to a 5.0 percent increase in FY 2006, due to pension obligation bond payments and an increase in Corrections spending. Local Assistance payments increased by 1.0 percent.

The GPR budget is shaped by its ten largest programs, as detailed in Table 3. These programs comprised 84.5 percent of total GPR expenditures in FY 2007, up slightly from 84.4 percent in FY 2006. Immediately following this section is a brief explanation of each program.

**Table 2**

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

	<u>FY07</u>	% of <u>Total</u>	<u>FY06</u>	% of <u>Total</u>	\$ Change <u>FY07-FY06</u>	% <u>Change</u>
Local Assistance	\$7,342.6	56.0%	\$7,270.4	58.7%	\$72.2	1.0%
Aids to Individuals	2,746.5	21.0%	2,321.5	18.7%	425.0	18.3%
State Operations:						
UW System	1,023.4	7.8%	996.0	8.1%	27.4	2.8%
All Other Agencies	<u>1,992.9</u>	<u>15.2%</u>	<u>1,797.4</u>	<u>14.5%</u>	<u>195.5</u>	10.9%
Total	\$13,105.4	<u>100.0%</u>	\$12,385.3	<u>100.0%</u>	<u>\$720.1</u>	5.8%
Transfer to Other Funds	<u>25.4</u>		<u>341.8</u>			
TOTAL GPR	<u>\$13,130.8</u>		<u>\$12,727.1</u>			

**Table 3**

**TOP TEN PROGRAMS**  
**GPR Expenditures**  
**(\$ Millions)**

	<u>FY07</u>	<u>% of Total</u>	<u>FY06</u>	<u>% of Total</u>	<u>\$ Change FY07-FY06</u>	<u>% Change</u>
1. School Aids	\$5,299.5	40.5%	\$5,157.2	41.6%	\$142.3	2.8%
2. Medical Assistance	1,704.4	13.0%	1,286.9	10.4%	417.5	32.4%
3. UW System	1,039.5	7.9%	1,011.6	8.2%	27.9	2.8%
4. Correctional Services	1,037.5	7.9%	955.5	7.7%	82.0	8.6%
5. Shared Revenue	944.6	7.2%	944.6	7.6%	0.0	0.0%
6. State Property Tax Credits	469.3	3.6%	469.3	3.8%	0.0	0.0%
7. Individual Tax Relief	201.7	1.5%	176.3	1.4%	25.4	14.4%
8. Community Aids	132.5	1.0%	186.3	1.5%	-53.8	-28.9%
9. State Supplement to SSI	131.6	1.0%	129.6	1.1%	2.0	1.5%
10. Wisconsin Works	114.9	0.9%	131.5	1.1%	-16.6	-12.6%
All Others	<u>2,029.9</u>	<u>15.5%</u>	<u>1,936.5</u>	<u>15.6%</u>	<u>93.4</u>	<u>4.8%</u>
Subtotal	\$13,105.4	<u>100.0%</u>	\$12,385.3	<u>100.0%</u>	<u>\$720.1</u>	5.8%
Transfer to Other Funds	<u>25.4</u>		<u>341.8</u>			
	<u>\$13,130.8</u>		<u>\$12,727.1</u>			

**School Aids:** State GPR assistance to Wisconsin's 425 school districts increased by 2.8 percent or \$142.3 million in FY 2007. This amount includes \$376 thousand in expenditures from three appropriations created under 2005 Wisconsin Act 25 (the 2005-07 biennial budget) that were inadvertently excluded from the school aids total in the FY 2006 Annual Fiscal Report. Total state aids to schools, plus property tax credits enabled the state to reimburse an estimated 66.1 percent of school costs in FY 2007.

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 4.1 percent annually.

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, low-income families and pregnant women; and other low-income individuals who have high medical expenses.

In FY 2007, total MA expenditures were \$4,477.5 million, of which \$1,704.4 million were GPR, \$136.6 million were segregated and program revenues, and the balance was federally funded. Segregated revenues, which are in the Medical Assistance Trust Fund, are derived from GPR-earned associated with the state's Intergovernmental Transfer Program and nursing home assessments.

In addition, as required by 2005 Wisconsin Act 211, \$25.4 million was transferred from the general fund to the Medical Assistance Trust Fund. The increase in Medical Assistance GPR expenditures of \$417.5 million between FY 2006 and FY 2007 reflects a reduction in SEG expenditures from the Medical Assistance Trust Fund, an increase in payments to counties under the Wisconsin Medicaid Cost Reporting program and modest growth in total Medical Assistance benefit expenditures. On an all funds basis, total Medical Assistance spending in FY 2007 increased by 6 percent over FY 2006 expenditures.

Medical Assistance totals do not include expenditures for Wisconsin's state and federally funded health insurance program for low-income working families, BadgerCare, or the pharmacy assistance program for seniors, SeniorCare. In FY 2007, BadgerCare expenditures were \$215.5 million, of which \$82.4 million were GPR. In FY 2007, SeniorCare expenditures were \$140.7 million, of which \$45.7 million were GPR.

**University of Wisconsin System:** Total general purpose revenue expenditures for the UW System increased by \$27.9 million, or 2.8 percent in FY 2007. Tuition at UW institutions, despite annual increases, continues to be a relative bargain in higher education. Resident undergraduate tuition for students at the UW-Madison campus was \$2,198 below the "Big Ten" median, and is the second lowest tuition among those schools. UW-Milwaukee was \$1,189 below its peer group median and all other campuses were approximately \$1,234 below their peer group medians in the 2006-2007 academic year.

Tuition has not only remained well below peer group medians, but the affordability of a UW education for lower income families received a significant boost in the 2005-2007 biennium with a 36 percent increase over the 2003-2005 biennium in the amount provided for Wisconsin Higher Education Grants for UW students. Since FY 2003, financial aid for UW students has increased 103 percent.

**Correctional Services:** Total GPR expenditures for the state corrections program increased \$82.0 million or 8.6 percent over the prior year, reaching \$1,037.5 million in FY 2007. The number of incarcerated felons under the supervision of the state adult corrections program increased 3.04

percent from an average daily population of 22,412 in FY 2006 to 23,093 in FY 2007.

**Shared Revenue:** State shared revenue provides unrestricted aid to municipal and county governments. In FY 2007, the shared revenue formula distributed \$944.6 million GPR. Of this amount, county and municipal aids distributed were \$854.4 million. The Expenditure Restraint Program distributed another \$58.1 million to municipalities with tax rates over five mills that restrained their spending increases. Statewide, shared revenue payments provided municipalities with about 17.0 percent and counties with about 3.3 percent of their general revenues.

**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 2007 was \$469.3 million, the same as in the prior fiscal year. This offset 5.4 percent of 2006 gross property tax levies for all purposes statewide.

**Tax Relief to Individuals:** Wisconsin paid out \$201.7 million GPR in tax relief to individuals through a variety of programs during FY 2007.

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 \$117.5 million of tax relief in FY 2007, compared with \$122.4 million in FY 2006. About 232,000 low-income homeowners and renters – around 40 percent of them elderly – benefit from the program each year.

The Farmland Preservation Credit provides a refundable credit to 18,300 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 \$12.6 million in FY 2007, comparable to the FY 2006 spending level.

The Earned Income Credit program reduces income taxes for 233,000 low-income working families with children. In FY 2007, this program paid a total of \$85.1 million in all funds to these households, an increase of \$3.1 million over FY 2006.

**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 \$226.5 million in FY 2007, of which \$132.5 million was GPR. On an all funds basis total FY 2007 Community Aids expenditures decreased by 16.7 percent from the FY 2006 expenditures of \$272.0 million. The decrease from FY 2006 spending is related to the timing of payments and recoveries under the Wisconsin Medicaid Cost Reporting Program.

**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 2007, a total of \$131.6 million was expended in SSI payments.

**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 6,402 W-2 cases per month served over the course of FY 2007. However, as of June 2007, the monthly W-2 caseload for cash assistance had fallen to 6,157, 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, \$114.9 million of state GPR was spent on W-2 and other public assistance programs administered by the Department of Workforce Development in FY 2007, a decrease of \$16.6 million, or 12.6 percent from FY 2006. This is due primarily to a 16.9 percent decrease in the average monthly cash assistance caseload compared to FY 2006.

Comparative Condition of the General Fund  
 FY07 Actual vs. Budget Adjustment Bill  
 (in Thousands)

	<u>FY07 Actual</u>	<u>Budget Adjustment Bill</u>	<u>Variance</u>
<b>OPENING BALANCES</b>			
Unreserved, Undesignated Opening Balance	\$ 49,217	\$ 49,217	\$ 0
Prior Year Designation of Continuing Balances	43,179	0	43,179
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
Unreserved Opening Balance	<u>92,396</u>	<u>49,217</u>	<u>43,179</u>
<b>REVENUES</b>			
Taxes	12,617,997	12,542,600	75,397
Departmental Revenues	<u>549,103</u>	<u>595,047</u>	<u>(45,944)</u>
Total Revenues	<u>13,167,100</u>	<u>13,137,647</u>	<u>29,453</u>
Total Available Resources	<u>13,259,496</u>	<u>13,186,864</u>	<u>72,632</u>
<b>APPROPRIATIONS</b>			
Gross Appropriations	13,253,767	13,199,025	(54,742)
Compensation Reserves	178,303	178,303	-
Transfers	80,999	25,384	(55,615)
Less: Lapses	<u>(319,861)</u>	<u>(287,594)</u>	<u>32,267</u>
Net Appropriations	<u>13,193,208</u>	<u>13,115,118</u>	<u>(78,090)</u>
<b>UNDESIGNATED UNRESERVED BALANCE</b>	<u>\$ 66,288</u>	<u>\$ 71,746</u>	<u>\$ (5,458)</u>

Notes:

1. UNDESIGNATED, UNRESERVED OPENING BALANCE. The most recent general fund condition for the fiscal year 2007, ending June 30 is contained in the March 1 Legislative Fiscal Bureau letter summarizing 2007 Wisconsin Statutes Act 5 (Budget Adjustment Bill). The opening balance for fiscal year 2007 was based on actual revenues, appropriations and opening balance for the preceding year, the first year of the 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 Act 5 fund condition summary does not include an estimate for the amount of continuing authority carried forward, and therefore, the designated amount for continuing balances is always a variance with the budget estimate.
3. TAXES. Actual tax collections were 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 \$53.5 million less than estimates.
5. GROSS APPROPRIATIONS. Final gross appropriations varied from Act 5 estimated gross appropriations as follows:
 

Gross Appropriations Per the Act 5 fund condition summary	\$13,199,025
Add: continuing appropriation authority brought forward	43,179
Add: increases to sum sufficient appropriations above Chapter 20	10,299
Add: fiscal year legislation other than budget bill legislation	1,264
Less: second year biennial appropriation authority used in first year.	<u>0</u>
(Note: The biennial adjustment was included in the Act 5 summary	
FINAL GROSS APPROPRIATIONS	<u>\$13,253,767</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 2005 Wis. Stat. Act 211 (\$25.4 million), and to the Budget Stabilization Fund as required by Chapter 16.518 Wis. Stat. (\$55.6 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)

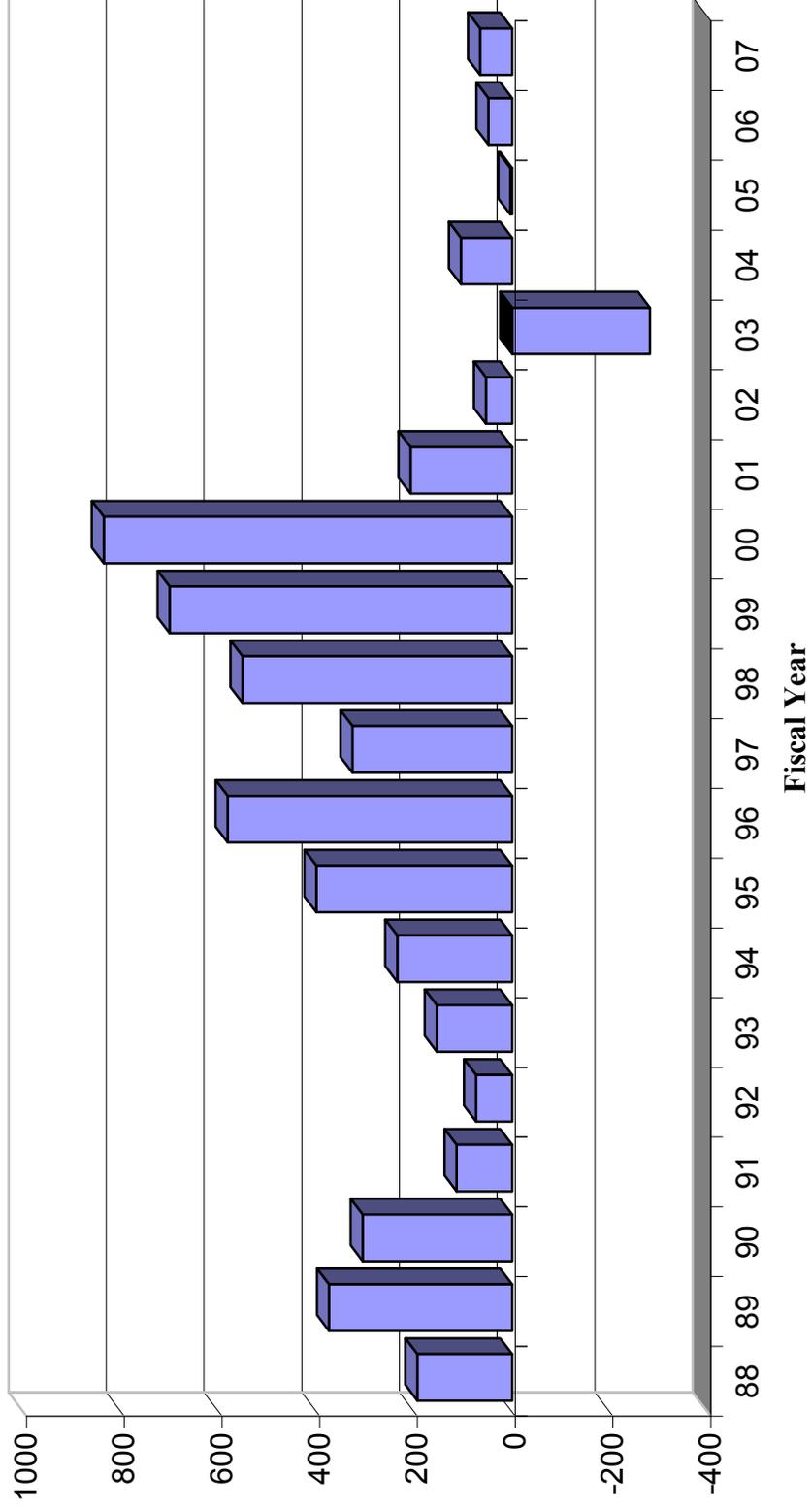


Exhibit A-1

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, 2007  
 (In Thousands)

	Budget			Actual	Variance
	Published Budget	Appropriation Adjustments	Final Budget		
Beginning Unreserved					
Undesignated Balance..... \$	49,217	\$	49,217	\$ 49,217	\$ 0
Beginning Unreserved					
Designated Balance.....		43,179	43,179	43,179	0
Total.....	49,217	43,179	92,396	92,396	0
<b>REVENUES</b>					
Taxes:					
Individual.....	6,480,000		6,480,000	6,573,778	93,778
Corporation.....	880,000		880,000	890,056	10,056
Sales & Use.....	4,210,000		4,210,000	4,158,612	(51,388)
Excise.....	371,900		371,900	365,848	(6,052)
Inheritance & Gift.....	100,000		100,000	121,114	21,114
Public Utility.....	282,700		282,700	284,940	2,240
Insurance.....	138,000		138,000	141,405	3,405
Miscellaneous.....	80,000		80,000	82,244	2,244
Total Taxes.....	12,542,600		12,542,600	12,617,997	75,397
Departmental Revenue:					
Indian Gaming Revenue.....	75,569		75,569	22,056	(53,513)
Other.....	519,478		519,478	317,259	(202,219)
Total Department Revenues.....	595,047		595,047	339,315 (2)	(255,732)
Total Revenues.....	13,137,647		13,137,647	12,957,312	(180,335)
TOTAL AVAILABLE.....	13,186,864	43,179	13,230,043	13,049,708	(180,335)
<b>EXPENDITURES</b>					
					LAPSE
Commerce.....	51,068	2,645	53,713	50,954	2,759
Education.....	6,671,730	80,903	6,752,633	6,647,817	104,816
Environmental Resources.....	253,679	4,014	257,693	248,182	9,511
Human Relations & Resources.....	3,837,712	144,484	3,982,196	3,963,026	19,170
General Executive.....	370,008	17,952	387,960	245,676	142,284
Judicial.....	101,855	8,232	110,087	107,324	2,763
Legislative.....	63,537	6,859	70,396	62,137	8,259
General (Incl. Shared Revenue).....	1,849,436	(38,866)	1,810,570	1,780,270	30,300
Transfer to Medical Assist. Trust Fund...	25,384	0	25,384	25,384	0
Compensation Reserves.....	178,303	(178,303)	0	0	0
Less: Estimated Lapse.....	(287,594)	0	(287,594)	0	(287,594)
TOTAL EXPENDITURES.....	13,115,118	47,920	13,163,038	13,130,770	32,268
Transfers in - General Fund.....	0	0	0	154,173 (2)	154,173
UNRESERVED BALANCE	71,746	(4,741)	67,005	73,111	6,106
Designation for continuing balances.....	0	(6,823)	(6,823)	(6,823)	0
UNRESERVED					
Undesignated Balance..... \$	71,746	(11,564) \$	60,182	\$ 66,288	\$ 6,106

(1)

The accompanying notes are an integral part of this statement.

(1) See Note E

(2) See Note F

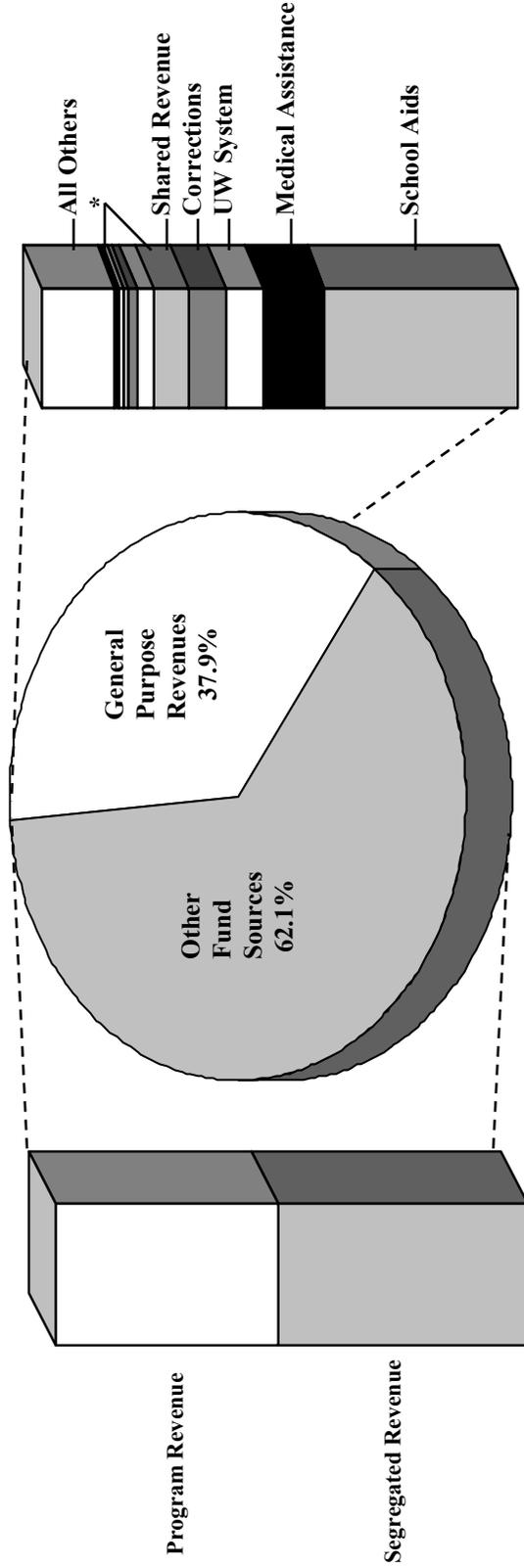
# Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2007

**Other Expenditures**  
\$21.4 Billion

**General Purpose Revenue Expenditures**  
\$13.1 Billion

**Total Expenditures**  
\$34.5 Billion



\* Wisconsin Works  
State Supplement to SSI  
Community Aids  
Tax Relief to Individuals  
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, 2007  
 (In Thousands)

	General Fund			Major Special Revenue Funds		Other	As of June 30, 2007
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation		
<b>REVENUES</b>							
Taxes.....	\$ 12,617,997	\$ 19,888	\$ 12,637,885	\$ 1,028,785	\$ 87,405	\$ 76,000	13,830,075
Intergovernmental Revenue.....	47,999	6,457,270	6,505,269	778,760	34,684	50,442	7,369,155
Licenses.....	78,858	163,726	242,584	375,073	102,861	326,448	1,046,966
Charges for Goods and Services.....	12,603	2,426,056	2,438,659	37,880	19,509	539,703	3,035,751
Contributions.....	0	0	0	0	0	2,540,834	2,540,834
Interest & Investment Income.....	14,350	65,377	79,727	13,789	1,967	13,784,444	13,879,927
Gifts & Donations.....	19	480,346	480,365	0	1,253	16,576	498,194
Other Revenue.....	105,709	527,697	633,406	17,045	1,365	1,152,226	1,804,042
Transfers.....	10,729	(132,714)	(121,985)	9,289	23,038	1,119,209	1,029,551
Other Transactions.....	69,048	158,466	227,514	480	6	28,366	256,366
Proceeds from Bonds & Notes.....	0	0	0	147,975	0	825,145	973,120
<b>TOTAL REVENUES</b>	<b>12,957,312</b>	<b>10,166,112</b>	<b>23,123,424</b>	<b>2,409,076</b>	<b>272,088</b>	<b>20,459,393</b>	<b>46,263,981</b>
<b>EXPENDITURES</b>							
Commerce.....	50,954	230,093	281,047	0	1,529	141,510	424,086
Education.....	6,647,817	3,894,259	10,542,076	0	534	475,880	11,018,490
Environmental Resources.....	248,182	79,912	328,094	2,064,617	279,380	508,464	3,180,555
Human Relations & Resources.....	3,963,026	5,378,202	9,341,228	0	(17)	1,341,333	10,682,544
General Executive.....	245,676	474,791	720,467	1,569	0	5,598,448	6,320,484
Judicial.....	107,324	14,008	121,332	0	0	349	121,681
Legislative.....	62,137	1,235	63,372	0	0	0	63,372
General (Incl. Shared Revenue).....	1,780,270	27,357	1,807,627	22,640	174	893,181	2,723,622
<b>TOTAL EXPENDITURES</b>	<b>13,105,386</b>	<b>10,099,857</b>	<b>23,205,243</b>	<b>2,088,826</b>	<b>281,600</b>	<b>8,959,165</b>	<b>34,534,834</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>							
EXPENDITURES.....	(148,074)	66,255	(81,819)	320,250	(9,512)	11,500,228	11,729,147
<b>BEGINNING FUND BALANCE</b>							
PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0
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
<b>TOTAL</b>	<b>92,396</b>	<b>(14,203)</b>	<b>78,193</b>	<b>(927,530)</b>	<b>28,863</b>	<b>78,314,233</b>	<b>77,493,759</b>
<b>INTER-FUND</b>							
TRANSFERS.....	128,789	(81,873)	46,916	(93,224)	(4)	46,312	0
<b>ENDING FUND BALANCE</b>	<b>73,111</b>	<b>(29,821)</b>	<b>43,290</b>	<b>(700,504)</b>	<b>19,347</b>	<b>89,860,773</b>	<b>89,222,906</b>
DESIGNATED.....	(6,823)	0	(6,823)	0	0	0	(6,823)
UNDESIGNATED.....	\$ 66,288	\$ (29,821)	\$ 36,467	\$ (700,504)	\$ 19,347	\$ 89,860,773	\$ 89,216,083
				(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, 2007  
 (In Thousands)

Funds By Category		Undesignated Fund Balance as of June 30, 2006	Revenues	Expenditures	Inter-Fund Transfers	Undesignated Fund Balance as of June 30, 2007
<b>OTHER GOVERNMENTAL FUNDS</b>						
<u>Other Special Revenue</u>						
213	Heritage State Parks & Forests	\$ 1,194	\$ 70	\$ 30	\$ 0	1,234
214	WI Health Education Loan Repay	2	0	0	0	2
217	Waste Management	6,917	582	35	0	7,464
218	Wisconsin Election Campaign	775	288	266	0	797
219	Investment and Local Impact	184	10	0	0	194
220	Election Administration	33,200	1,601	22,020	0	12,781
222	Industrial Building Construction	367	20	0	0	387
224	Self-Insured Employer Liability	641	46	17	0	670
225	Medical Assistance Trust	(25,815)	130,020	127,186	25,385	2,404
226	Work Injury Benefits	6,694	5,606	3,943	0	8,357
227	Workers Compensation	687	11,408	11,408	(380)	307
228	Tobacco Control Fund	10	0	0	(10)	0
229	Uninsured Employers	13,342	4,146	4,083	0	13,405
235	Utility Public Benefits	14,763	122,525	124,643	0	12,645
238	Mediation	245	324	349	0	220
250	State Capitol Restoration	52	7	0	0	59
257	Agricultural Chemical Cleanup	2,844	3,493	2,086	0	4,251
258	Farms For The Future	0	0	0	0	0
259	Agrichemical Management	4,221	6,515	6,578	(1,538)	2,620
261	Agricultural Producer Security	6,837	2,413	1,195	0	8,055
264	Historical Legacy Trust	66	3	0	0	69
266	Historical Preservation Partnership Trust	585	3,165	2,786	0	964
268	Wireless 911	(65,305)	34,528	6,633	0	(37,410)
272	Petroleum Inspection	24,290	54,262	43,510	(20,259)	14,783
274	Environmental	9,371	35,901	43,456	(1,045)	771
277	Dry Cleaner Environmental Responsibility	1,166	938	2,217	0	(113)
279	Recycling	2,773	47,317	30,594	(12,586)	6,910
280	Information Technology Investment	(2,889)	25	0	0	(2,864)
285	Universal Service	13,224	31,067	29,604	0	14,687
286	Budget Stabilization	638	143	0	55,614	56,395
723	Children's Trust	751	67	683	0	135
	Total Other Special Revenue	51,830	496,490	463,322	45,181	130,179
<u>Debt Service</u>						
315	Bond Security and Redemption	8,145	634,319	631,186	0	11,278
<u>Capital Projects</u>						
490	State Building Trust	31,033	161,437	151,545	0	40,925
495	Capital Improvement	167,354	819,581	783,670	0	203,265
	Total Capital Projects	198,387	981,018	935,215	0	244,190
<u>Permanent</u>						
743	Agriculture College	305	0	0	0	305
744	Common School Principal	635,646	68,166	0	0	703,812
745	Normal School	21,036	1,190	0	0	22,226
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, 2007  
 (In Thousands)

Funds By Category		Undesignated Fund				Undesignated Fund
		Balance as of June 30, 2006	Revenues	Expenditures	Inter-Fund Transfers	Balance as of June 30, 2007
760	Historical Society Trust	11,250	1,906	464	0	12,692
763	Common School Income	2,116	33,024	29,000	0	6,140
767	Benevolent	14	0	0	0	14
875	University Trust Principal	164,408	8,965	0	0	173,373
876	University Trust Income	27,742	24,656	25,041	0	27,357
	Total Permanent	862,751	137,907	54,505	0	946,153
	TOTAL OTHER GOVERNMENTAL FUNDS	1,121,113	2,249,734	2,084,228	45,181	1,331,800
<b><u>FIDUCIARY AND OTHER</u></b>						
<b><u>Pension (and Other Employee Benefit)</u></b>						
262	Public Employe Trust	1,695,519	1,185,976	1,173,886	0	1,707,609
747	Core Retirement Investment Trust	67,744,610	13,685,649	3,302,053	0	78,128,206
751	Variable Retirement Investment	6,459,624	1,499,891	604,562	0	7,354,953
	Total Pension (and Other Employee Benefit)	75,899,753	16,371,516	5,080,501	0	87,190,768
<b><u>Private Purposes</u></b>						
570	Tuition Trust	10,155	(503)	45	0	9,607
769	College Savings Program Trust	6,155	1,189	721	0	6,623
	Total Private Purposes.....	16,310	686	766	0	16,230
<b><u>Agency</u></b>						
788	Support Collections Trust	7,457	951,719	953,004	0	6,172
<b><u>Other (Business-type funds)</u></b>						
521	Lottery	29,935	498,468	514,571	0	13,832
530	Health Insur Risk Sharing Plan	51,019	1,269	52,288	0	0
531	Local Govt Property Insurance	53,539	22,795	22,136	0	54,198
532	State Life Insurance	87,637	6,684	3,681	0	90,640
533	Patients Compensation	745,643	92,795	41,154	0	797,284
573	Environmental Improvement	169,570	151,340	111,083	0	209,827
582	Veterans Trust	27,811	19,275	22,795	1,131	25,422
583	Veterans Mortgage Loan Repayment	104,109	92,691	72,408	0	124,392
587	Transportation Infrastructure Loan	337	421	550	0	208
	Total Other (Business-type funds).....	1,269,600	885,738	840,666	1,131	1,315,803
	TOTAL FIDUCIARY AND OTHER.....	77,193,120	18,209,659	6,874,937	1,131	88,528,973
	TOTAL - ALL FUNDS.....	\$ 78,314,233	\$ 20,459,393	\$ 8,959,165	\$ 46,312	\$ 89,860,773

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, 2007, 2006, and 2005  
 (In Thousands)

	June 30, 2007	June 30, 2006	June 30, 2005
<b><u>ASSETS</u></b>			
Cash.....	\$ 53,874	\$ 9,240	\$ (133,959)
Contingent Fund Advances.....	3,128	3,077	3,080
Investments.....	255	255	255
Accounts Receivable.....	947,740	992,426	1,074,269
Due from Other Funds.....	31,131	143,541	22,014
Inventory.....	327	404	330
Prepayments.....	75,134	80,028	64,332
Other Assets.....	2,347	(2)	5
TOTAL ASSETS.....	<u>1,113,936</u>	<u>1,228,969</u>	<u>1,030,326</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable.....	347,758	437,990	541,033
Operating Notes Payable.....	6,000	0	0
Due to Other Funds.....	120,299	121,883	37,607
Tax and Other Deposits.....	41,986	29,128	33,908
Deferred Revenue.....	20,942	41,493	24,589
TOTAL LIABILITIES.....	<u>536,985</u>	<u>630,494</u>	<u>637,137</u>
<b><u>FUND BALANCE</u></b>			
<u>Reserved Balances</u>			
GPR Encumbrances.....	117,186	89,500	97,025
PR Encumbrances.....	416,475	430,782	422,653
Total Reserved Balances.....	<u>533,661</u>	<u>520,282</u>	<u>519,678</u>
<u>Unreserved Designated Balances</u>			
GPR Designation for Continuing Balances.....	6,823	43,179	5,186
<u>Unreserved Balances</u>			
GPR Unreserved Balance.....	66,288	49,217	4,111
PR Unreserved Balance.....	(29,821)	(14,203)	(135,786)
Total Unreserved Balances.....	<u>36,467</u>	<u>35,014</u>	<u>(131,675)</u>
TOTAL FUND BALANCE.....	<u>576,951</u>	<u>598,475</u>	<u>393,189</u>
TOTAL LIABILITIES AND FUND BALANCE.....	<u>\$ 1,113,936</u>	<u>\$ 1,228,969</u>	<u>\$ 1,030,326</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, 2007  
 (in Thousands)

Function/Expenditure Description	Budget			Actual	Lapses and Balances
	Published Budget	Budget Adjustments	Final Budget	Expenditures <sup>1</sup>	
Commerce	\$ 453,716	\$ 63,883	\$ 517,599	\$ 405,732	\$ 111,867
Education	10,452,079	432,080	10,884,159	10,607,245	276,914
Environmental Resources	3,024,472	343,885	3,368,357	2,852,325	516,032
Human Relations and Resources	9,148,271	451,671	9,599,942	9,148,326	451,616
General Executive	1,034,724	207,932	1,242,656	943,974	298,682
Judicial	115,404	10,442	125,846	121,681	4,165
Legislative	65,291	6,866	72,157	63,372	8,785
General Appropriations	2,077,537	(46,725)	2,030,812	1,996,459	34,353
<b>Total Chapter 20</b>	<b>\$ 26,371,494</b>	<b>\$ 1,470,034</b>	<b>\$ 27,841,528</b>	<b>\$ 26,139,114</b>	<b>\$ 1,702,414</b>
Retirement Annuities			3,791,965	3,744,141	47,824
Support Collection Trust Payments			975,200	950,631	24,569
Insurance Premiums			1,162,431	1,128,372	34,059
Debt Service Payments			632,168	631,186	982
Capital Projects Expenditures			894,790	894,790	-
Lottery Prizes			296,129	290,746	5,383
Other Segregated Revenue			303,296	166,860	136,436
Program Revenue Appropriations			415,195	403,584	11,611
Clearing and Custody Accounts			833,703	(96,572)	930,275
<b>Total Non Chapter 20 Expenditures</b>			<b>\$ 9,304,877</b>	<b>\$ 8,113,738</b>	<b>\$ 1,191,139</b>
<b>Total State Expenditures Excluding Transfers</b>			<b>\$ 37,146,405</b>	<b>\$ 34,252,852</b>	<b>\$ 2,893,553</b>

The accompanying notes are an integral part of this statement

<sup>1</sup> 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 FY07, Chapter 20 included a compensation reserve for employe salary and fringe benefit increases. The total amount reserved (appropriated) was \$178,302,800 and the amount allotted was \$178,302,800 leaving a lapse amount of \$0.

## **Note E Published Budget**

The published budget amounts used in Exhibit A-1 are those shown for "General Purpose Revenues" (GPR) under 2007 Wisconsin Act 5 also known as the Budget Adjustment Bill.

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 FY07, a \$93,223,700 transfer from the Transportation Fund and other cash transfers of \$116,563,951 required by law were recorded as transfers into the General Fund for a total of \$209,787,651, rather than as revenues. In addition, there was a transfer out of the General Fund of \$55,614,385 to the Budget Stabilization Fund, resulting in a net transfer total to the General Fund of \$154,173,266. The 2007 Wis. Stat. Act 5 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 in order to compare to the departmental revenues in the fund condition statement.

**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 2007 is explained as follows:

	(thousands)
ENDING FUND BALANCE (UNDESIGNATED) PER FINAL CHAPTER 20 SUMMARY	\$ 71,746
OPENING BALANCE	
ADJUSTMENTS:	
Prior year designation for continuing balances	43,179
Total opening balance adjustments	43,179
REVENUE ADJUSTMENTS	
Taxes received more than estimate	75,397
Departmental revenues less than estimate	(255,732)
Total revenue below estimate	(180,335)
APPROPRIATION ADJUSTMENTS	
Sum Sufficient Changes	
Reestimates	(10,299)
Subsequent Legislation	(1,265)
Budget brought forward from previous year	(43,179)
Budget carried to next year for continuing appropriations	6,823
Total Appropriation Adjustments	(47,920)
LAPSES MORE THAN BUDGETED	32,268
INTER-FUND TRANSFERS	154,173
DESIGNATION FOR CONTINUING BALANCES	(6,823)
UNDESIGNATED FUND BALANCE	\$ 66,288

**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	\$1,996,305
Expenditures	\$1,996,305
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	\$21,227
Less Supplements (included in total above)	(10,928)
Actual Sum Sufficient Increases	10,299

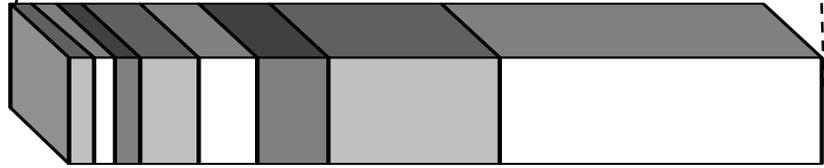
## **Supplemental Data**

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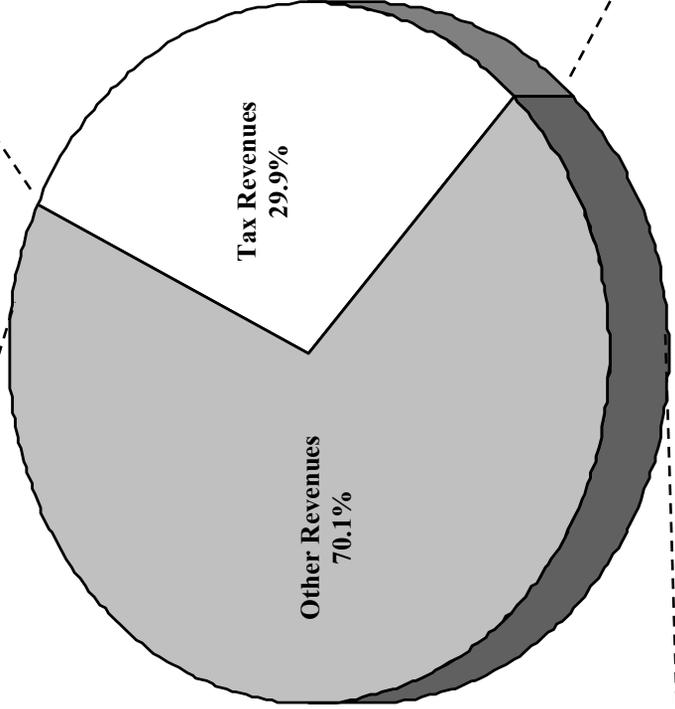
# Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2007

**Other Revenues**  
\$32.5 Billion



**Total Revenues**  
\$46.3 Billion



**Tax Revenues**  
\$13.8 Billion

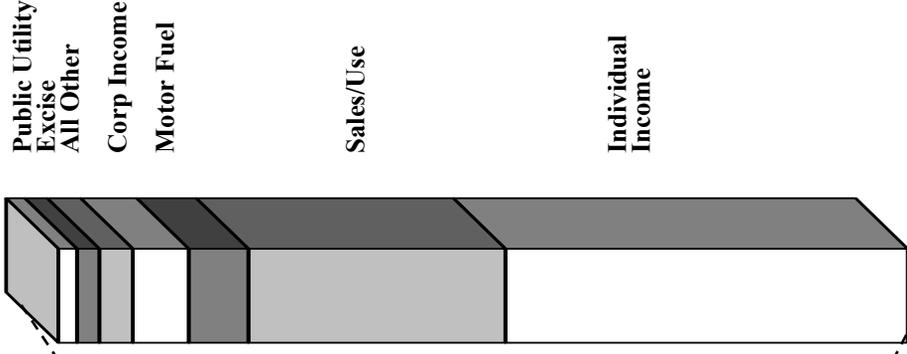


Exhibit B-1

State of Wisconsin  
 Analysis of Revenues-All Funds  
 Fiscal Years Ended June 30, 2007, 2006, and 2005  
 (In Thousands)

	June 30, 2007	June 30, 2006	June 30, 2005
<b>TAX REVENUES</b>			
General Purpose Revenue			
Income Taxes			
Individual.....	\$ 6,573,778	\$ 6,144,299	\$ 5,650,109
Corporation.....	890,056	780,320	764,053
Total Income Taxes.....	7,463,834	6,924,619	6,414,162
Sales and Excise Taxes			
General Sales and Use.....	4,158,612	4,127,585	4,038,715
Cigarette.....	296,129	301,490	294,301
Other Tobacco Products.....	17,515	16,421	15,841
Liquor and Wine.....	42,674	41,023	39,532
Malt Beverage (Beer).....	9,530	9,759	9,770
Total Sales and Excise Taxes.....	4,524,460	4,496,278	4,398,159
Public Utility Taxes			
Private Light, Heat and Power.....	195,429	189,063	159,573
Municipal Light, Heat and Power.....	2,335	2,439	1,936
Telephone.....	65,255	62,997	72,616
Pipeline.....	10,668	10,655	10,556
Electric Cooperative.....	8,826	8,106	7,235
Municipal Electric.....	2,044	1,504	1,568
Conservation and Regulation.....	291	368	469
Utility Tax (Refunds) Interest and Penalties.....	92	15	490
Total Public Utility Taxes.....	284,940	275,147	254,443
Inheritance and Estate Taxes			
Inheritance and Estate.....	121,114	108,571	112,346
Total Inheritance and Estate Taxes.....	121,114	108,571	112,346
Miscellaneous Taxes			
Insurance Companies (Premiums).....	141,405	134,665	129,839
Real Estate Transfer Fee.....	71,731	80,536	77,221
Lawsuits (Courts).....	10,407	10,170	10,382
Other.....	106	100	98
Total Miscellaneous Taxes.....	223,649	225,471	217,540
<b>TOTAL GPR TAX REVENUES.....</b>	<b>12,617,997</b>	<b>12,030,086</b>	<b>11,396,650</b>
<b>Program Tax Revenues</b>			
Fire Dues.....	15,362	16,151	15,035
Pari-mutuel Taxes.....	1,017	1,246	1,546
County Expo Tax Administration.....	450	423	387
Baseball Park Administration Fee.....	400	349	352

Exhibit B-1

State of Wisconsin  
 Analysis of Revenues-All Funds  
 Fiscal Years Ended June 30, 2007, 2006, and 2005  
 (In Thousands)

	June 30, 2007	June 30, 2006	June 30, 2005
<b>Program Tax Revenues, Cont.</b>			
Business Trust Regulation Fee.....	\$ 1,886	\$ 2,149	\$ 1,738
Other.....	773	1,056	737
<b>TOTAL PROGRAM TAX REVENUES.....</b>	<b>19,888</b>	<b>21,374</b>	<b>19,795</b>
<b>TOTAL-GENERAL FUND TAX REVENUES.....</b>	<b>12,637,885</b>	<b>12,051,460</b>	<b>11,416,445</b>
Type of Revenues			
Transportation Fund			
Motor Fuel Tax.....	994,677	974,106	955,548
Air-Carrier Tax.....	6,690	4,715	5,818
Railroad Tax.....	18,255	16,449	15,953
Aviation Fuel Tax.....	1,523	1,540	1,506
Other Taxes.....	7,640	4,998	3,865
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	82,446	80,262	78,264
Forest Crop Taxes.....	4,959	3,739	3,476
Mediation Fund.....	2	2	3
Petroleum Inspection Tax.....	52,471	71,331	86,602
Recycling Fund			
Temporary Service Charges.....	23,527	19,523	13,246
<b>TOTAL STATE TAX REVENUES.....</b>	<b>13,830,075</b>	<b>13,228,125</b>	<b>12,580,726</b>
Intergovernmental Revenue.....	7,369,155	7,181,218	7,190,883
Licenses and Permits.....	1,046,966	1,020,799	975,303
Charges for Goods and Services.....	3,035,751	3,113,814	2,803,586
Contributions.....	2,540,834	2,672,970	2,063,106
Interest and Investment Income.....	13,879,927	8,542,094	7,173,240
Gifts and Donations.....	498,194	384,897	375,899
Proceeds from Sale of Bonds.....	973,120	1,197,761	734,441
Other Revenues.....	1,804,042	1,504,409	2,045,365
Other Transactions.....	256,366	275,229	248,380
<b>TOTAL DEPARTMENTAL REVENUES.....</b>	<b>31,404,355</b>	<b>25,893,191</b>	<b>23,610,203</b>
<b>TRANSFERS.....</b>	<b>1,029,551</b>	<b>812,004</b>	<b>828,212</b>
<b>TOTAL REVENUES.....</b>	<b>\$ 46,263,981</b>	<b>\$ 39,933,320</b>	<b>\$ 37,019,141</b>

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, 2007  
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
<b>State Operations</b>							
370	116	1fe	Endangered Resources General Fund.....	364	0	342	22
410	104	1c	Reimbursement Claims from Counties With State Institutions.....	193	0	66	127
455	102	1b	Special Counsel.....	905	0	806	99
455	202	2am	Officer Training Reimbursement.....	76	0	57	19
465	103	1c	Public Emergencies.....	45	0	18	27
505	405	4d	Claims Awards.....	80	0	26	54
505	801	8am	Interest on racing & bingo moneys.....	12	2	14	0
515	103	1c	Contingencies.....	100	(100)	0	0
515	104	1c	Badgerrr for Individual Advances.....	0	100	(120)	220
525	101	1a	Governor's Office Administration.....	3,302	147	3,019	430
525	102	1b	Contingent Fund.....	22	0	12	10
525	103	1c	Membership In National Assoc.....	126	0	125	1
525	201	2a	Executive Residence.....	218	53	270	1
625	101	1a	Circuit Courts.....	56,750	6,374	60,991	2,133
660	101	1a	Court Of Appeals.....	8,524	844	9,056	312
680	101	1a	Supreme Court.....	4,362	180	4,454	88
765	101	1a	Assembly.....	22,162	2,074	22,386	1,850
765	103	1b	Senate.....	15,853	1,278	14,547	2,584
765	104	1d	Legislative Documents.....	4,030	79	4,106	3
765	308	3fa	Membership In National Assoc.....	145	3	137	11
855	102	1b	Operating Note Expenses.....	0	1	1	0
855	108	1bm	Payment of Cancelled Drafts Fund 100 - All except UW.....	2,200	92	2,292	0
855	108	1bm	Payment of Cancelled Drafts Fund 100 - UW.....	30	0	9	21
855	401	4a	Interest on Overpayment of Taxes.....	2,250	0	132	2,118
855	403	4c	Minnesota Income Tax Reciprocity.....	63,481	0	63,481	0
855	405	4e	Transfer to Conservation Fund - Land Acquisition.....	238	0	236	2
855	408	4f	Supplemental Title Fee Matching.....	10,672	0	10,672	0
855	409	4fm	Transfer to Transportation Fund - Hub Facility Exemption.....	2,530	0	2,530	0
855	413	4cm	Illinois Income Tax Reciprocity.....	34,681	0	34,681	0
865	101	1a	Judgement & Legal Expenses.....	47	0	0	47
<i>Total State Operations.....</i>				<b>233,398</b>	<b>11,127</b>	<b>234,346</b>	<b>10,179</b>
<b>Aids and Local Assistance</b>							
115	202	2b	Animal Disease Indemnities.....	109	0	6	103
235	104	1e	MN-WI Student Reciprocity.....	7,771	0	7,771	0
235	106	1fe	Wisconsin Higher Education Grants.....	39,281	0	39,253	28
235	109	1fy	Academic Excellence.....	3,170	0	3,165	5
255	218	2fm	Charter Schools.....	39,862	0	38,466	1,396
255	221	2ep	Second Chance Partnership.....	148	0	129	19
255	235	2fu	Milwaukee Parental Choice Program.....	110,517	624	111,141	0
255	306	3c	National Teacher Certification.....	945	0	924	21
285	406	4dd	Lawton Minority Undergraduate Grants.....	5,531	0	5,531	0
370	503	5da	Aids In Lieu Of Taxes.....	3,800	391	4,191	0
435	715	7ed	State Supplement to Federal Supplemental Security Income Program.....	131,700	0	131,598	102
435	774	7da	Reimburse Local Units of Government.....	400	0	221	179
445	102	1aa	Special Death Benefit.....	479	0	395	84
465	201	2a	Tuition Grants.....	4,177	0	4,176	1
465	305	3e	Disaster Recovery Aids.....	1,000	0	406	594
505	412	4er	Volunteer Firefighter & EMT Service Award Program.....	1,500	11	1,511	0
510	102	1b	Election Related Cost Reimbursement.....	150	0	110	40
515	101	1a	Annuity Supplements And Payments.....	1,895	0	1,879	16
835	101	1c	Expenditure Restraint Program Account.....	58,146	0	58,146	0
835	102	1d	Shared Revenue Account.....	32,379	0	32,000	379
835	105	1db	County and Municipal Aids Account.....	854,703	0	854,447	256
835	110	1dm	Public Utility Distribution Account.....	6,242	158	6,400	0
835	202	2b	Claim of Right Credit.....	0	58	58	0
835	203	2c	Homestead Tax Credit.....	117,100	400	117,500	0

Exhibit B-2

General Fund Sum Sufficient Appropriations  
For the Fiscal Year Ended June 30, 2007  
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
<b>Aids and Local Assistance (Continued)</b>							
835	205	2dm	Farmland Preservation Credit.....	11,900	656	12,556	0
835	209	2ep	Cigarette Tax Refunds.....	12,600	0	11,777	823
835	212	2f	Earned Income Tax Credit.....	62,468	0	59,870	2,598
835	215	2em	Veterans & Surviving Spouse Property Tax Credit .....	3,383	0	1,183	2,200
835	302	3b	School Levy Tax Credit.....	469,305	0	469,305	0
855	402	4b	Election Campaign Payment.....	240	0	240	0
855	404	4bm	Oil Pipeline Terminal Tax Distribution.....	652	0	652	0
<i>Total Aids and Local Assistance.....</i>				<u>1,981,553</u>	<u>2,298</u>	<u>1,975,007</u>	<u>8,844</u>
<b>Principal Repayment and Lease Rental</b>							
115	205	2d	Principal Repayment and Interest.....	12	0	11	1
115	702	7b	Principal Repayment and Interest.....	2,192	0	1,202	990
115	707	7f	Principal Repayment and Interest.....	611	0	365	246
190	101	1c	Principal Repayment and Interest.....	983	0	983	0
190	102	1d	Principal Repayment and Interest.....	1,481	0	1,274	207
225	103	1c	Principal Repayment and Interest.....	2,266	0	2,128	138
245	106	1e	Principal Repayment and Interest.....	1,337	191	1,528	0
250	103	1c	Principal Repayment and Interest.....	1,894	0	573	1,321
250	105	1e	Principal Repayment and Interest.....	168	0	164	4
255	104	1d	Principal Repayment and Interest.....	1,212	18	1,230	0
285	110	1d	Principal Repayment and Interest.....	119,507	6,064	125,571	0
320	103	1c	Principal Repayment and Interest.....	43,338	0	39,951	3,387
320	282	2c	Principal Repayment and Interest.....	2,708	0	2,319	389
370	701	7aa	Principal Repayment and Interest.....	23,882	0	20,887	2,995
370	705	7ca	Principal Repayment and Interest.....	6,439	0	5,551	888
370	706	7cb	Principal Repayment and Interest.....	50,483	0	50,079	404
370	707	7cc	Principal Repayment and Interest.....	16,247	0	16,112	135
370	708	7cd	Principal Repayment and Interest.....	859	0	856	3
370	709	7ea	Principal Repayment and Interest.....	766	0	737	29
370	713	7ce	Principal Repayment and Interest.....	177	0	174	3
370	714	7cf	Principal Repayment and Interest.....	1,271	0	1,092	179
395	664	6af	Principal Repayment and Interest.....	68,660	793	69,453	0
410	107	1e	Principal Repayment and Interest.....	74,530	0	73,273	1,257
410	307	3e	Principal Repayment and Interest.....	4,501	191	4,692	0
435	207	2ee	Principal Repayment and Interest.....	13,062	333	13,395	0
435	602	6e	Principal Repayment and Interest.....	64	12	76	0
465	104	1d	Principal Repayment and Interest.....	3,784	77	3,861	0
485	106	1f	Principal Repayment and Interest.....	1,465	25	1,490	0
505	413	4et	Principal Repayment and Interest.....	22	0	0	22
505	414	4es	Principal Repayment and Interest.....	6,601	0	0	6,601
505	503	5c	Principal Repayment and Interest.....	0	14	14	0
855	801	8a	Principal Repayment and Interest.....	983	0	968	15
867	102	1b	Principal Repayment and Interest.....	12,476	0	10,326	2,150
867	301	3a	Principal Repayment and Interest.....	19,572	0	1,954	17,618
867	302	3b	Principal Repayment and Interest.....	1,574	0	1,244	330
867	306	3br	Principal Repayment and Interest.....	84	0	81	3
867	309	3bm	Principal Repayment and Interest.....	114	0	108	6
867	311	3bq	Principal Repayment and Interest.....	0	84	84	0
<i>Total Principal Repayment and Lease Rental.....</i>				<u>485,325</u>	<u>7,802</u>	<u>453,806</u>	<u>39,321</u>
<b>Pay Plan &amp; Supplement</b>							
865	103	1c	Salary.....	0	0	0	0
865	104	1d	Fringe.....	0	0	0	0
<i>Total Pay Plan &amp; Supplements.....</i>				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL GENERAL FUND SUM SUFFICIENTS				\$ 2,700,276	21,227	2,663,159	58,344

(1) See Note K

(1)