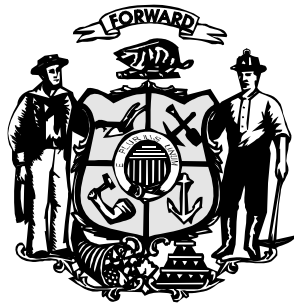


FY08

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
2008

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State of Wisconsin
2008 Annual Fiscal Report

(Budgetary Basis)

Table of Contents

Table of Contents	1
Transmittal Letter	3

Economic Section

The Year in Summary	
Revenue Highlights	6
Expenditure Highlights	8
Comparative Condition of the General Fund	12

Statements of Fund Condition and Operations

A.1	Statement of Recorded Revenues, Expenditures and Fund Balance	
	Budget vs. Actual - General Purpose Revenues	15
A.2	Statement of Recorded Revenues, Expenditures and Changes in	
	Fund Balances - All Funds	17
A.3	Summary of Recorded Revenues and Expenditures - All Other Funds	18
A.4	Comparative General Fund Statement of Assets, Liabilities and Fund Balance	20
A.5	Budget vs. Actual Expenditures - All Funds	21
	Notes to Fund Statements	22

Supplemental Data

B.1	Analysis of Revenues - All Funds	28
B.2	General Fund Sum-Sufficient Appropriations	30

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**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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October 15, 2008

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, 2008. 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 \$130.7 million as of the end of the fiscal year. This is \$50.2 million higher than the balance of \$80.5 million projected in the estimate for 2007 Wisconsin Act 226. The higher ending balance was due to tax collections exceeding estimates for the fiscal year made in February 2008.

General-purpose revenue taxes were \$13.043 billion compared to \$12.618 billion in the prior year, an increase of \$425 million or 3.4 percent. This increase was \$174.6 million higher than the 2007 Wisconsin Act 226 estimate of \$12.868 billion. General-purpose revenue expenditures, excluding fund transfers, were \$13.526 billion compared to \$13.105 billion in the prior year, an increase of \$421 million or 3.2 percent. This increase reflects funding associated with continuing support for two-thirds of local school costs, including associated increases in school levy tax credits, as well as increased higher education financial aid and child care assistance.

In fiscal year 2008, 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 55.8 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 20.7 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 15.7 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 2008. 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, 2008 totaled \$13,042.9 million, an increase of 3.4 percent from FY 2007 collections of \$12,617.9 million.

Total collections for the FY 2008 were \$174.6 million, or 1.4 percent, above the Wisconsin Act 226 estimate of \$12,868.3 million.

Table 1

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

Tax Source	FY 08	% of Total	FY 07	% of Total	Change FY08-FY07	% Change
Individual Income	\$6,713.7	51.5%	\$6,573.8	52.1%	\$139.9	2.1%
General Sales & Use	4,268.0	32.7%	4,158.6	32.9%	109.4	2.6%
Corporation Franchise & Income	837.8	6.4%	890.1	7.1%	-52.3	-5.9%
Excise	540.2	4.2%	365.8	2.8%	174.4	47.7%
Inheritance, Estate & Gift	158.8	1.2%	121.1	1.0%	37.7	31.1%
Public Utility	297.5	2.3%	284.9	2.3%	12.6	4.4%
Insurance Companies	156.6	1.2%	141.4	1.1%	15.2	10.7%
Miscellaneous	70.3	0.5%	82.2	0.7%	-11.9	-14.5%
TOTAL GPR	\$13,042.9	100.0%	\$12,617.9	100.0%	\$425.0	3.4%

Individual Income Tax

Individual income tax collections increased \$139.9 million (2.1 percent) from \$6,573.8 million in FY 2007 to \$6,713.7 million in FY 2008. This was \$53.7 million (0.8 percent) above the \$6,660.0 million estimate. The individual income tax share of total GPR taxes decreased from 52.1 percent in FY 2007 to 51.5 percent in FY 2008.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 3.5 percent from \$6,268.4 million to \$6,490.1 million. Estimated payments increased 5.3 percent from \$1,114.4 million to \$1,173.6 million, while refunds increased 11.7 percent from \$1,546.0 million to \$1,726.3 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 2.6 percent from \$4,158.6 million to \$4,268.0 million. This was \$58.0 million (1.4 percent) above the \$4,210.0 million estimate. Sales tax collections as a percentage of total GPR taxes decreased from 32.9 percent to 32.7 percent.

Corporation Franchise and Income Tax

Corporate collections decreased 5.9 percent from \$890.1 million in FY 2007 to \$837.8 million in FY 2008. Corporate collections as a percentage of total GPR taxes decreased from 7.1 percent to 6.4 percent. Corporate collections were \$27.8 million (3.4 percent) above the estimate of \$810.0 million.

The major source of corporate collections, estimated payments, decreased by 7.7 percent from \$845.7 million in FY 2007 to \$780.3 million in FY 2008.

Excise Tax

Cigarette tax collections have increased this year, up 53.9 percent from \$296.1 million in FY 2007 to \$455.7 million in FY 2008. Collections in FY 2008 were above the estimate by \$6.8 million (1.5 percent). This growth is primarily due to the increase in the cigarette tax (from \$0.77 to \$1.77) enacted in 2007 Wisconsin Act 20 and effective January 1, 2008, to fund health care programs.

Tobacco products tax collections have increased 69.7 percent from \$17.5 million in FY 2007 to \$29.7 million in FY 2008. Collections were \$800,000 more than expected. Similar to the cigarette tax, Act 20 also increased the tobacco products tax on all tobacco products, other than moist snuff, from 25 percent of manufacturer's list price to 50 percent of manufacturer's list price. In addition, Act 20 converted the tax on moist snuff from a price-based tax to a weight-based tax. These tax changes were effective January 1, 2008.

Liquor and wine tax collections have grown 5.9 percent over the previous fiscal year, from \$42.7 million in FY 2007 to \$45.2 million in FY 2008. Collections were \$2.7 million (6.4 percent) above the estimate in FY 2008.

Beer tax collections have increased in FY 2008, increasing 1.1 percent from \$9.5 million in FY 2007 to \$9.6 million in FY 2008. Collections in FY 2008 were \$200,000 (2.1 percent) more than the estimate in FY 2008.

Other Taxes

Public utility tax collections increased \$12.6 million (4.4 percent) from \$284.9 million to \$297.5 million. Collections were \$1.9 million above the FY 2008 forecast.

Estate tax collections have grown 31.1 percent during FY 2008. This reflects growth from \$121.1 million in FY 2007 to \$158.8 million in FY 2008. Estate tax collections were \$18.8 million (13.4 percent) above the estimate for FY 2008.

Insurance company taxes (generally based on premiums) increased 10.7 percent from \$141.4 million in FY 2007 to \$156.6 million in FY 2008. Collections exceeded the FY 2008 forecast by \$6.6 million (4.4 percent).

Miscellaneous taxes decreased from \$82.2 million in FY 2007 to \$70.3 million in FY 2008. This is \$2.7 million below the forecast for the fiscal year. The largest component of miscellaneous tax, the real estate transfer fee, decreased 17.2 percent, from \$71.7 million in FY 2007 to \$59.4 million in FY 2008. This reflects the depressed real estate market witnessed over the past year.

Expenditure Highlights

Total state General Purpose Revenue (GPR) spending increased 3.2 percent or \$420.9 million in FY 2008, as shown in Table 2. This compares with a 5.8 percent increase in FY 2007.

The largest portion of GPR expenditures in FY 2008 was directed to school districts and local units of government, consistent with past years. These local assistance expenditures were \$7,549.8 million or 55.8 percent of total GPR spending in FY 2008 compared to \$7,342.6 million or 56.0 percent of total spending in FY 2007. Aid payments to individuals and organizations were \$2,797.8 million, which was 20.7 percent of total GPR spending in FY 2008 compared to 21.0 percent in FY 2007. State operations costs of \$3,178.7 million accounted for 23.5 percent of total

GPR spending, compared to 23.0 percent in FY 2007.

Local Assistance payments increased by 2.8 percent. Aids to Individuals payments increased by 1.9%. State operations spending increased 5.4 percent in FY 2008 compared to an 8.0 percent increase in FY 2007, due to pension obligation bond payments and an increase in Corrections spending.

The GPR budget is shaped by its ten largest programs, as detailed in Table 3. These programs comprised 84.2 percent of total GPR expenditures in FY 2008, down slightly from 85.1 percent in FY 2007. Immediately following this section is a brief explanation of each program.

Table 2

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

	<u>FY08</u>	<u>% of Total</u>	<u>FY07</u>	<u>% of Total</u>	<u>\$ Change FY08-FY07</u>	<u>% Change</u>
Local Assistance	\$7,549.8	55.8%	\$7,342.6	56.0%	\$207.2	2.8%
Aids to Individuals	2,797.8	20.7%	2,746.5	21.0%	51.3	1.9%
State Operations:						
UW System	1,057.6	7.8%	1,023.4	7.8%	34.2	3.3%
All Other Agencies	<u>2,121.1</u>	<u>15.7%</u>	<u>1,992.9</u>	<u>15.2%</u>	<u>128.2</u>	<u>6.4%</u>
Total	<u>\$13,526.3</u>	<u>100.0%</u>	<u>\$13,105.4</u>	<u>100.0%</u>	<u>\$420.9</u>	<u>3.2%</u>
Transfer to Other Funds	<u>0</u>		<u>25.4</u>			
TOTAL GPR	<u>\$13,526.3</u>		<u>\$13,130.8</u>			

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	<u>FY08</u>	<u>% of Total</u>	<u>FY07</u>	<u>% of Total</u>	<u>\$ Change FY08-FY07</u>	<u>% Change</u>
1. School Aids	\$5,345.7	39.5%	\$5,299.5	40.5%	\$46.2	0.9%
2. Medical Assistance	1,721.2	12.7%	1,787.3	13.6%	-66.1	-3.7%
3. Correctional Services	1,075.7	8.0%	1,037.5	7.9%	38.2	3.7%
4. UW System	1,074.6	7.9%	1,039.5	7.9%	35.1	3.4%
5. Shared Revenue	945.7	7.0%	944.6	7.2%	1.1	0.1%
6. State Property Tax Credits	593.0	4.4%	469.3	3.6%	123.7	26.4%
7. Individual Tax Relief	228.8	1.7%	201.7	1.5%	27.1	13.4%
8. Community Aids	146.4	1.1%	132.5	1.0%	13.9	10.5%
9. State Supplement to SSI	133.9	1.0%	131.6	1.0%	2.3	1.7%
10. Wisconsin Works	121.0	0.9%	114.9	0.9%	6.1	5.3%
All Others	<u>2,140.3</u>	<u>15.8%</u>	<u>1,947.0</u>	<u>14.9%</u>	<u>193.3</u>	<u>9.9%</u>
Subtotal	\$13,526.3	<u>100.0%</u>	\$13,105.4	<u>100.0%</u>	<u>\$420.9</u>	<u>3.2%</u>
Transfer to Other Funds	<u>0</u>		<u>25.4</u>			
	<u>\$13,526.3</u>		<u>\$13,130.8</u>			

School Aids: State GPR assistance to Wisconsin's 426 school districts increased by 0.9 percent or \$46.2 million in FY 2008. Total state aids to schools, plus property tax credits enabled the state to reimburse an estimated 65.1 percent of school costs in FY 2008.

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.

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

These expenditures also include the BadgerCare Plus program which expanded Medicaid coverage to all children. Prior to the implementation of BadgerCare Plus in 2008, BadgerCare expenditures were reported separately. However, the appropriation structure and eligibility criteria were simplified in 2007 Wisconsin Act 20 in order to make BadgerCare Plus more integrated with Medical Assistance. They are now budgeted and reported together. FY 2007 amounts have been restated to reflect the change.

In FY 2008, total MA expenditures were \$4,945.3 million, of which \$1,721.2 million were GPR, \$212.1 million were SEG and the balance was funded with federal and program revenues. On an all funds basis, total Medical Assistance and BadgerCare Plus spending increased by 3.8% over

FY 2007. The 3.7% decrease in GPR funding was offset by a \$162.3 million increase in FED and \$84.9 million additional SEG.

Segregate revenues, which are in the Medical Assistance Trust Fund, are derived from GPR-earned associated with the state's Intergovernmental Transfer Program, nursing home assessments, and additional reimbursement for residential care center and hospital services provided to Medical Assistance recipients. In addition, as required by 2007 Wisconsin Act 20, \$71.5 million was transferred from the Injured Patients and Families Compensation Fund to the Medical Assistance Trust Fund in FY 2008.

The Medical Assistance totals do not include expenditures for Wisconsin's pharmacy assistance program for the elderly, SeniorCare. In FY 2008, SeniorCare expenditures totaled \$127.1 million, of which, \$38.8 million was GPR, \$33.5 million was FED and the balance was program revenue.

University of Wisconsin System: Total general purpose revenue expenditures for the UW System increased by \$35.1 million, or 3.4 percent in FY 2008. 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 \$1,969 below the "Big Ten" median, and is the second lowest tuition among those schools. UW-Milwaukee was \$1,212 below its peer group median and all other campuses were approximately \$1,420 below their peer group medians in the 2007-2008 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 2007-2009 biennium with a 38 percent increase over the 2005-2007 biennium in the amount provided for Wisconsin Higher Education Grants for UW students. Since FY 2003, financial aid for UW students has increased 142 percent.

Correctional Services: Total GPR expenditures for the state corrections program increased \$38.2 million or 3.7 percent over the prior year, reaching \$1,075.7 million in FY 2008. The number of incarcerated felons under the supervision of the state adult corrections program increased 1.07 percent from an average daily population of 23,093 in FY 2007 to 23,341 in FY 2008.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 2008, the shared revenue formula distributed \$945.7 million GPR. Of this amount, county and municipal aids distributed were \$854.6 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 15.4 percent and counties with about 3.2 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 2008 was \$593.0 million, \$123.7 million more than in the prior fiscal year. This offset 6.4 percent of 2007 gross property tax levies for all purposes statewide.

Tax Relief to Individuals: Wisconsin paid out \$228.8 million GPR in tax relief to individuals through a variety of programs during FY 2008.

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 \$125.1 million of tax relief in FY 2008, compared with \$117.5 million in FY 2007. About 242,000 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 19,100 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 \$12.0 million in FY 2008, slightly less than the FY 2007 spending level.

The Earned Income Credit program reduces income taxes for 245,000 low-income working families with children. In FY 2008, this program paid a total of \$92.6 million in all funds to these households, an increase of \$7.5 million over FY 2007.

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 \$230.5 million in FY 2008, of which \$146.4 million was GPR. On an all funds basis total FY 2008 Community Aids expenditures increased by 1.7 percent from the FY 2007 expenditures of \$226.5 million. The increase from FY 2008 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 2008, a total of \$133.9 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 6,479 cases per month served over the course of FY 2008. However, as of June 2008, the monthly W-2 caseload for cash assistance had fallen to 6,140, down from the 34,430 cases 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, \$121.0 million of state GPR was spent on W-2 and other public assistance programs administered by the Department of Workforce Development in FY 2008, an increase of \$6.1 million, or 5.3 percent from FY 2007. The increase is due to lower than expected expenditures in FY 2007.

Comparative Condition of the General Fund
 FY08 Actual vs. Budget Adjustment Bill
 (in Thousands)

	<u>FY08 Actual</u>	2007 <u>WI Act 226</u>	<u>Variance</u>	
OPENING BALANCES				
Unreserved, Undesignated Opening Balance	\$ 66,288	\$ 66,288	\$ 0	1
Prior Year Designation of Continuing Balances	6,823	0	6,823	2
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	
Unreserved Opening Balance	<u>73,111</u>	<u>66,288</u>	<u>6,823</u>	
REVENUES				
Taxes	13,042,943	12,868,300	174,643	3
Departmental Revenues	<u>568,395</u>	<u>739,835</u>	<u>(171,440)</u>	4
Total Revenues	<u>13,611,338</u>	<u>13,608,135</u>	<u>3,203</u>	
Total Available Resources	<u>13,684,449</u>	<u>13,674,423</u>	<u>10,026</u>	
APPROPRIATIONS				
Gross Appropriations	13,861,072	13,799,410	(61,662)	5
Compensation Reserves	50,429	62,760	12,331	6
Transfers	-	-	0	7
Less: Lapses	<u>(357,748)</u>	<u>(268,287)</u>	<u>89,461</u>	8
Net Appropriations	<u>13,553,753</u>	<u>13,593,883</u>	<u>40,130</u>	
UNDESIGNATED UNRESERVED BALANCE	<u>\$ 130,696</u>	<u>\$ 80,540</u>	<u>\$ 50,156</u>	

Notes:

1. UNDESIGNATED, UNRESERVED OPENING BALANCE. The most recent general fund condition for the fiscal year 2008, ending June 30 is contained in the June 10, 2008 summary prepared by the Legislative Fiscal Bureau for 2007 Wisconsin Act 226 (Budget Adjustment Bill). The opening balance for fiscal year 2008 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 Act 226 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 contained in the Budget Adjustment Bill.
4. DEPARTMENTAL REVENUES. Departmental revenues are revenues received by individual state agencies and deposited in the general fund. Departmental revenues include tribal gaming revenue. Tribal gaming revenues were \$78.7 million less than estimates due to payments assumed to occur in FY08 instead being received in FY09. In addition, the estimate used in 2007 WI Act 226 assumed that the entire \$270 million of state agency reductions would be allocated to departmental revenues. However, some of those reductions actually occurred as lapses from GPR appropriations. Finally, \$40 million associated with the sale of state buildings was not realized in FY08.
5. GROSS APPROPRIATIONS. Final gross appropriations varied from Act 226 estimated gross appropriations as follows:

Gross Appropriations Per the Act 226 fund condition summary	13,799,410
Add: continuing appropriation authority brought forward	6,823
Add: increases to sum sufficient appropriations above Chapter 20	19,993
Add: fiscal year legislation other than budget bill legislation	69
Add: biennial appropriation authority from FY09 used in FY08	<u>34,777</u>
FINAL GROSS APPROPRIATIONS	<u>13,861,072</u>
6. COMPENSATION RESERVES. Compensation reserves are budgetary set-asides for employee wage and benefit increases for the fiscal year.
7. TRANSFERS. No transfers were enumerated in the Act 226 Budget Adjustment Bill.
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)

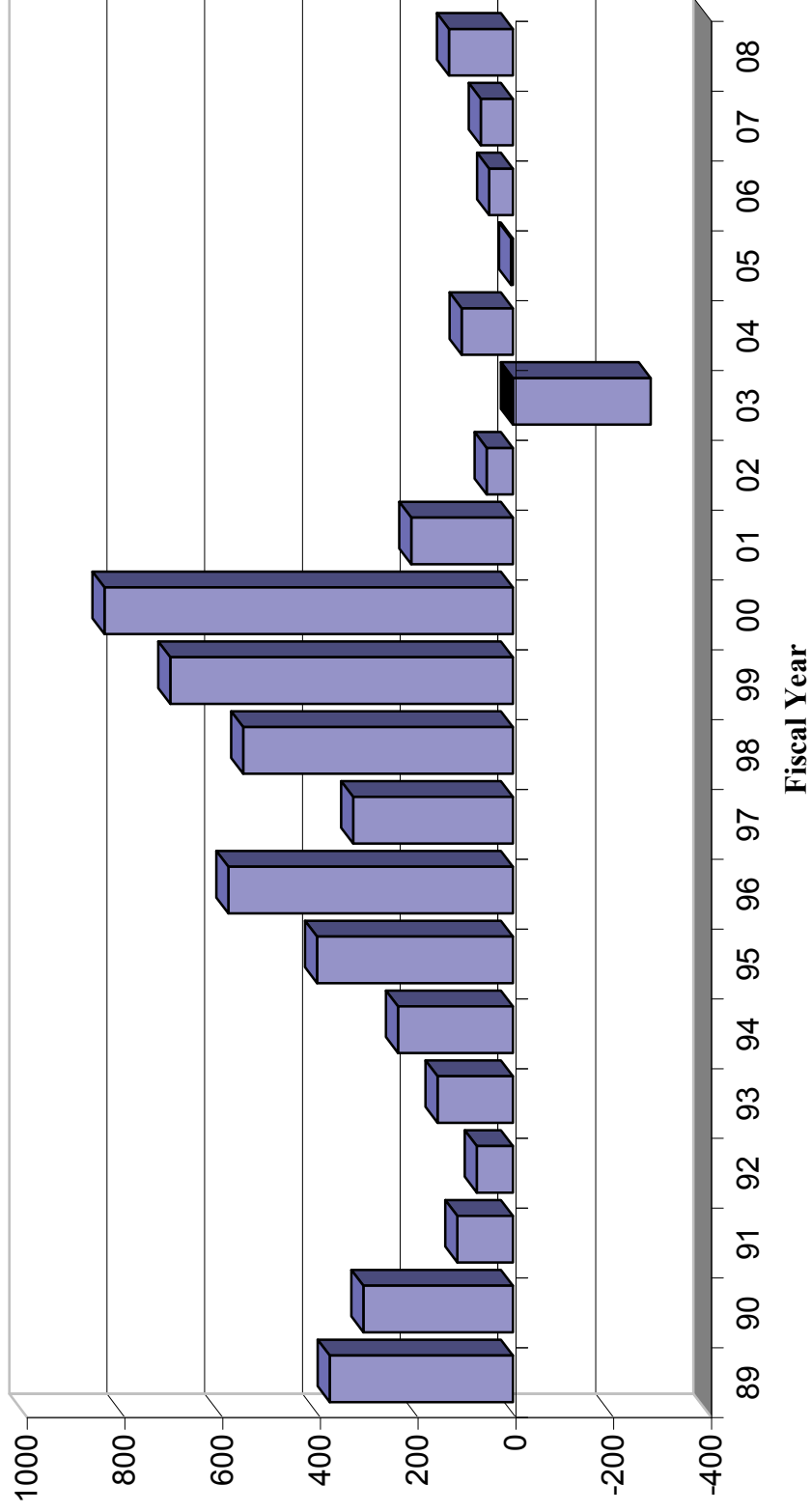


Exhibit A-1

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, 2008
 (In Thousands)

	Budget			Actual	Variance
	Published Budget	Appropriation Adjustments	Final Budget		
Beginning Unreserved Undesignated Balance..... \$	66,288	\$	\$ 66,288	\$ 66,288	\$ 0
Beginning Unreserved Designated Balance.....		6,823	6,823	6,823	0
Total.....	66,288	6,823	73,111	73,111	0
REVENUES					
Taxes:					
Individual.....	6,660,000		6,660,000	6,713,681	53,681
Corporation.....	810,000		810,000	837,807	27,807
Sales & Use.....	4,210,000		4,210,000	4,268,045	58,045
Excise.....	529,700		529,700	540,259	10,559
Inheritance & Gift.....	140,000		140,000	158,789	18,789
Public Utility.....	295,600		295,600	297,460	1,860
Insurance.....	150,000		150,000	156,606	6,606
Miscellaneous.....	73,000		73,000	70,296	(2,704)
Total Taxes.....	12,868,300		12,868,300	13,042,943	174,643
Departmental Revenue:					
Indian Gaming Revenue.....	96,731		96,731	17,998	(78,733)
Other.....	643,104		643,104	307,542	(335,562)
Total Department Revenues.....	739,835		739,835	325,540 (2)	(414,295)
Total Revenues.....	13,608,135		13,608,135	13,368,483	(239,652)
TOTAL AVAILABLE.....	13,674,423	6,823	13,681,246	13,441,594	(239,652)
EXPENDITURES					
Commerce.....	55,562	(2,596)	52,966	51,136	1,830
Education.....	6,861,523	29,924	6,891,447	6,744,473	146,974
Environmental Resources.....	258,758	(337)	258,421	242,867	15,554
Human Relations & Resources.....	3,999,947	44,412	4,044,359	3,995,722	48,637
General Executive.....	391,435	7,854	399,289	292,662	106,627
Judicial.....	112,717	401	113,118	111,373	1,745
Legislative.....	69,411	(2,382)	67,029	63,775	3,254
General (Incl. Shared Revenue).....	2,050,057	7,381	2,057,438	2,024,311	33,127
Compensation Reserves.....	62,760	(50,429)	12,331	0	12,331
Less: Estimated Lapse.....	(268,287)	0	(268,287)	0	(268,287)
TOTAL EXPENDITURES.....	13,593,883	34,228	13,628,111	13,526,319	101,792
Transfers in - General Fund.....	0	0	0	242,855 (2)	242,855
UNRESERVED BALANCE	80,540	(27,405)	53,135	158,130	104,995
Designation for continuing balances.....	0	(27,434)	(27,434)	(27,434)	0
UNRESERVED					
Undesignated Balance..... \$	80,540	(54,839) \$	25,701 \$	130,696 \$	104,995

(1)

The accompanying notes are an integral part of this statement.

(1) See Note E

(2) See Note F

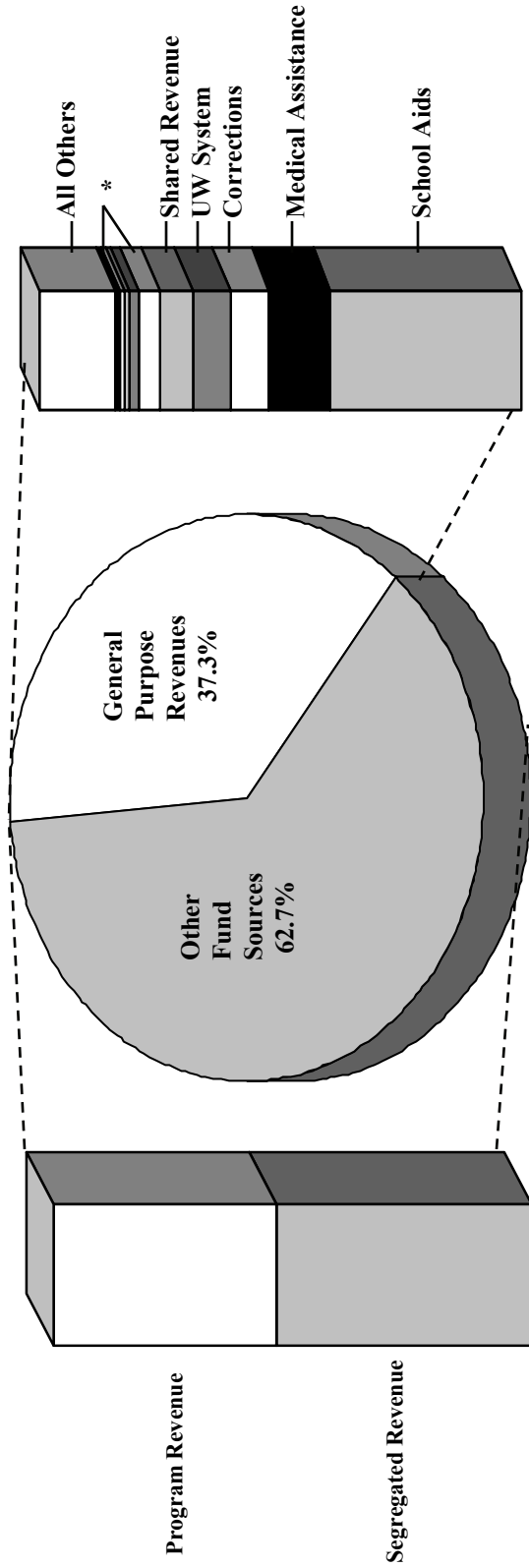
Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2008

Other Expenditures
\$22.8 Billion

Total Expenditures
\$36.3 Billion

General Purpose Revenue Expenditures
\$13.5 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, 2008
 (In Thousands)

	General Fund			Major Special Revenue Funds		Other	As of June 30, 2008
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation		
REVENUES							
Taxes.....	\$ 13,042,943	\$ 22,416	\$ 13,065,359	\$ 1,035,040	\$ 89,819	\$ 72,106	14,262,324
Intergovernmental Revenue.....	14,076	6,789,216	6,803,292	827,452	49,838	45,747	7,726,329
Licenses.....	70,126	180,483	250,609	420,168	100,406	296,912	1,068,095
Charges for Goods and Services.....	12,245	2,541,719	2,553,964	43,166	22,572	550,931	3,170,633
Contributions.....	0	0	0	0	0	2,672,069	2,672,069
Interest & Investment Income.....	17,105	57,912	75,017	13,763	818	(4,522,058)	(4,432,460)
Gifts & Donations.....	15	398,477	398,492	4	1,426	14,157	414,079
Other Revenue.....	124,224	551,172	675,396	18,384	144	1,075,165	1,769,089
Transfers.....	10,725	(73,165)	(62,440)	24,965	23,124	1,227,960	1,213,609
Other Transactions.....	77,024	161,125	238,149	304	167	39,430	278,050
Proceeds from Bonds & Notes.....	0	0	0	120,681	0	403,608	524,289
TOTAL REVENUES	13,368,483	10,629,355	23,997,838	2,503,927	288,314	1,876,027	28,666,106
EXPENDITURES							
Commerce.....	51,136	189,553	240,689	0	1,452	137,858	379,999
Education.....	6,744,473	4,109,336	10,853,809	0	546	451,704	11,306,059
Environmental Resources.....	242,867	79,025	321,892	2,486,493	288,778	398,551	3,495,714
Human Relations & Resources.....	3,995,722	5,649,957	9,645,679	0	(105)	1,412,337	11,057,911
General Executive.....	292,662	509,664	802,326	1,442	0	6,165,109	6,968,877
Judicial.....	111,373	15,190	126,563	0	0	336	126,899
Legislative.....	63,775	1,272	65,047	0	0	0	65,047
General (Incl. Shared Revenue).....	2,024,311	23,457	2,047,768	22,714	158	828,076	2,898,716
TOTAL EXPENDITURES	13,526,319	10,577,454	24,103,773	2,510,649	290,829	9,393,971	36,299,222
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES.....	(157,836)	51,901	(105,935)	(6,722)	(2,515)	(7,517,944)	(7,633,116)
BEGINNING FUND BALANCE							
PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0
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
TOTAL	73,111	(29,821)	43,290	(700,504)	19,347	89,860,773	89,222,906
INTER-FUND							
TRANSFERS.....	242,855	(42,352)	200,503	(155,209)	0	(45,294)	0
ENDING FUND BALANCE	158,130	(20,272)	137,858	(862,435)	16,832	82,297,535	81,589,790
DESIGNATED.....	(27,434)	0	(27,434)	0	0	0	(27,434)
UNDESIGNATED.....	\$ 130,696	\$ (20,272)	\$ 110,424	\$ (862,435)	\$ 16,832	\$ 82,297,535	\$ 81,562,356
				(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, 2008
 (In Thousands)

Funds By Category		Undesignated Fund Balance as of June 30, 2007	Revenues	Expenditures	Inter-Fund Transfers	Undesignated Fund Balance as of June 30, 2008
<u>OTHER GOVERNMENTAL FUNDS</u>						
<u>Other Special Revenue</u>						
213	Heritage State Parks & Forests	\$ 1,234	\$ 206	\$ 36	\$ 0	1,404
214	WI Health Education Loan Repay	2	0	0	(2)	0
217	Waste Management	7,464	301	116	0	7,649
218	Wisconsin Election Campaign	797	259	0	0	1,056
219	Investment and Local Impact	194	8	0	0	202
220	Election Administration	12,781	4,631	859	0	16,553
222	Industrial Building Construction	387	16	0	0	403
224	Self-Insured Employer Liability	670	(441)	21	0	208
225	Medical Assistance Trust	2,404	123,429	212,061	86,500	272
226	Work Injury Benefits	8,357	5,087	4,994	0	8,450
227	Workers Compensation	307	13,391	12,161	(420)	1,117
229	Uninsured Employers	13,405	4,425	5,833	0	11,997
235	Utility Public Benefits	12,645	83,471	90,536	0	5,580
238	Mediation	220	209	336	0	93
250	State Capitol Restoration	59	23	0	0	82
257	Agricultural Chemical Cleanup	4,251	3,234	2,437	(641)	4,407
258	Farms For The Future	0	0	0	0	0
259	Agrichemical Management	2,620	6,814	6,302	(82)	3,050
261	Agricultural Producer Security	8,055	2,162	1,139	0	9,078
264	Historical Legacy Trust	69	3	0	0	72
266	Historical Preservation Partnership Trust	964	3,368	3,134	0	1,198
268	Wireless 911	(37,410)	32,086	2,883	0	(8,207)
272	Petroleum Inspection	14,783	48,148	52,547	(1,019)	9,365
274	Environmental	771	42,429	39,111	(374)	3,715
277	Dry Cleaner Environmental Responsibility	(113)	1,088	774	0	201
279	Recycling	6,910	50,180	39,166	(756)	17,168
280	Information Technology Investment	(2,864)	25	0	0	(2,839)
285	Universal Service	14,687	31,686	37,479	0	8,894
286	Budget Stabilization	56,395	1,891	0	(57,000)	1,286
723	Children's Trust	135	26	38	0	123
	Total Other Special Revenue	130,179	458,155	511,963	26,206	102,577
<u>Debt Service</u>						
315	Bond Security and Redemption	11,278	635,751	617,728	0	29,301
<u>Capital Projects</u>						
490	State Building Trust	40,925	153,410	150,029	0	44,306
495	Capital Improvement	203,265	388,788	502,966	0	89,087
	Total Capital Projects	244,190	542,198	652,995	0	133,393
<u>Permanent</u>						
743	Agriculture College	305	0	0	0	305
744	Common School Principal	703,812	34,992	0	0	738,804
745	Normal School	22,226	824	0	0	23,050
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, 2008
 (In Thousands)

Funds By Category		Undesignated Fund			Inter-Fund	Undesignated Fund
		Balance as of June 30, 2007	Revenues	Expenditures	Transfers	Balance as of June 30, 2008
760	Historical Society Trust	12,692	(1,033)	460	0	11,199
763	Common School Income	6,140	34,322	35,000	0	5,462
767	Benevolent	14	0	0	0	14
875	University Trust Principal	173,373	(1,997)	0	0	171,376
876	University Trust Income	27,357	30,330	22,371	0	35,316
	Total Permanent	946,153	97,438	57,831	0	985,760
	TOTAL OTHER GOVERNMENTAL FUNDS	1,331,800	1,733,542	1,840,517	26,206	1,251,031
<u>FIDUCIARY AND OTHER</u>						
<u>Pension (and Other Employee Benefit)</u>						
262	Public Employe Trust	1,707,609	591,551	699,265	0	1,599,895
747	Core Retirement Investment Trust	78,128,206	(1,548,860)	4,335,711	0	72,243,635
751	Variable Retirement Investment	7,354,953	(728,033)	660,368	0	5,966,552
	Total Pension (and Other Employee Benefit)	87,190,768	(1,685,342)	5,695,344	0	79,810,082
<u>Private Purposes</u>						
570	Tuition Trust	9,607	(251)	26	0	9,330
769	College Savings Program Trust	6,623	1,193	596	0	7,220
	Total Private Purposes.....	16,230	942	622	0	16,550
<u>Agency</u>						
788	Support Collections Trust	6,172	980,350	970,213	0	16,309
<u>Other (Business-type funds)</u>						
521	Lottery	13,832	498,232	500,983	0	11,081
531	Local Govt Property Insurance	54,198	24,875	27,211	0	51,862
532	State Life Insurance	90,640	6,681	3,763	0	93,558
533	Patients Compensation	797,284	51,531	42,553	(71,500)	734,762
573	Environmental Improvement	209,827	164,181	193,401	0	180,607
582	Veterans Trust	25,422	20,875	23,824	0	22,473
583	Veterans Mortgage Loan Repayment	124,392	79,874	95,235	0	109,031
587	Transportation Infrastructure Loan	208	286	305	0	189
	Total Other (Business-type funds).....	1,315,803	846,535	887,275	(71,500)	1,203,563
	TOTAL FIDUCIARY AND OTHER.....	88,528,973	142,485	7,553,454	(71,500)	81,046,504
	TOTAL - ALL FUNDS.....	\$ 89,860,773	\$ 1,876,027	\$ 9,393,971	\$ (45,294)	\$ 82,297,535

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, 2008, 2007, and 2006
 (In Thousands)

	June 30, 2008	June 30, 2007	June 30, 2006
<u>ASSETS</u>			
Cash.....	\$ 29,559	\$ 53,874	\$ 9,240
Contingent Fund Advances.....	3,128	3,128	3,077
Investments.....	255	255	255
Accounts Receivable.....	1,105,242	947,740	992,426
Due from Other Funds.....	103,115	31,131	143,541
Inventory.....	460	327	404
Prepayments.....	85,226	75,134	80,028
Other Assets.....	155,844	2,347	(2)
TOTAL ASSETS.....	1,482,829	1,113,936	1,228,969
<u>LIABILITIES</u>			
Accounts Payable.....	531,477	347,758	437,990
Operating Notes Payable.....	8,000	6,000	0
Due to Other Funds.....	118,633	120,299	121,883
Tax and Other Deposits.....	60,175	41,986	29,128
Deferred Revenue.....	103,985	20,942	41,493
TOTAL LIABILITIES.....	822,270	536,985	630,494
<u>FUND BALANCE</u>			
<u>Reserved Balances</u>			
GPR Encumbrances.....	94,950	117,186	89,500
PR Encumbrances.....	427,751	416,475	430,782
Total Reserved Balances.....	522,701	533,661	520,282
<u>Unreserved Designated Balances</u>			
GPR Designation for Continuing Balances.....	27,434	6,823	43,179
<u>Unreserved Balances</u>			
GPR Unreserved Balance.....	130,696	66,288	49,217
PR Unreserved Balance.....	(20,272)	(29,821)	(14,203)
Total Unreserved Balances.....	110,424	36,467	35,014
TOTAL FUND BALANCE.....	660,559	576,951	598,475
TOTAL LIABILITIES AND FUND BALANCE.....	\$ 1,482,829	\$ 1,113,936	\$ 1,228,969

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, 2008
 (in Thousands)

Function/Expenditure Description	Budget			Actual	Lapses and Balances
	Published Budget	Budget Adjustments	Final Budget	Expenditures ¹	
Commerce	\$ 463,788	\$ 21,618	\$ 485,406	\$ 376,562	\$ 108,844
Education	11,032,166	283,784	11,315,950	10,933,434	382,516
Environmental Resources	3,349,183	477,514	3,826,697	3,132,375	694,322
Human Relations and Resources	9,593,163	428,193	10,021,356	9,504,446	516,910
General Executive	1,101,860	137,158	1,239,018	989,126	249,892
Judicial	128,126	2,321	130,447	126,875	3,572
Legislative	71,358	655	72,013	65,044	6,969
General Appropriations	2,328,691	(42,149)	2,286,542	2,237,258	49,284
Total Chapter 20	\$ 28,068,335	\$ 1,309,094	\$ 29,377,429	\$ 27,365,120	\$ 2,012,309
Retirement Annuities			5,528,842	4,781,627	747,215
Support Collection Trust Payments			975,200	969,210	5,990
Insurance Premiums			838,521	658,191	180,330
Debt Service Payments			621,750	617,728	4,022
Capital Projects Expenditures			621,512	621,512	-
Lottery Prizes			293,886	286,630	7,256
Other Segregated Revenue			459,879	308,285	151,594
Program Revenue Appropriations			433,152	423,940	9,212
Clearing and Custody Accounts			943,284	58,108	885,176
Total Non Chapter 20 Expenditures			\$ 10,716,026	\$ 8,725,231	\$ 1,990,795
Total State Expenditures Excluding Transfers			\$ 40,093,455	\$ 36,090,351	\$ 4,003,104

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.

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 FY08, Chapter 20 included a compensation reserve for employe salary and fringe benefit increases. The total amount reserved (appropriated) was \$62,759,600 and the amount allotted was \$50,428,600 leaving a lapse amount of \$12,331,000.

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 226 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 are added to other revenues to arrive at total departmental revenues. In FY08, a \$155,000,000 transfer from the Transportation Fund and other cash transfers of \$87,854,718 required by law were recorded into the General Fund for a total of \$242,854,718, rather than as revenues. The 2007 Wisconsin Act 226 budget captured these funds more generically as revenue. In order to properly compare actual revenues to budgeted revenues, actual revenues and transfers should be added together in order to compare to the departmental revenues in the fund condition statement.

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 2008 is explained as follows:

	(thousands)
ENDING FUND BALANCE (UNDESIGNATED) PER FINAL CHAPTER 20 SUMMARY	\$ 80,540
OPENING BALANCE	
ADJUSTMENTS:	
Prior year designation for continuing balances	6,823
Total opening balance adjustments	<u>6,823</u>
REVENUE ADJUSTMENTS	
Taxes received more than estimate	174,643
Departmental revenues less than estimate	<u>(414,295)</u>
Total revenue below estimate	<u>(239,652)</u>
APPROPRIATION ADJUSTMENTS	
Sum Sufficient Changes	
Reestimates	(19,993)
Subsequent Legislation	(69)
Budget brought forward from previous year	(6,823)
Budget carried to next year for continuing appropriations	27,434
Biennial Spend Ahead	(34,777)
Total Appropriation Adjustments	<u>(34,228)</u>
LAPSES MORE THAN BUDGETED	101,792
INTER-FUND TRANSFERS	242,855
DESIGNATION FOR CONTINUING BALANCES	<u>(27,434)</u>
UNDESIGNATED FUND BALANCE	<u>\$ 130,696</u>

Note H General Fund Cash Flow

Without corrective action, the General Fund can experience a short-term cash flow problem during the first half of each fiscal year. A temporary reduction in cash balances occurs every year due to a mismatch between the timing of receipts and disbursements.

The majority of receipts are collected in the second half of the year while payments are more evenly distributed. Because of this mismatch, a \$600 million operating note was issued in fiscal year 2008. The note reduced borrowing from other operating funds and ensured timely payments to local governments and the state's suppliers. The proceeds of the note and their timely repayment allowed the General Fund to more closely match receipts and payments. The operating note sinking fund payments were met as scheduled and the full amount of the note plus accrued interest was repaid on June 16, 2008.

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	\$2,209,111
Expenditures	\$2,209,111
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	\$20,847
Less Supplements (included in total above)	(854)
Actual Sum Sufficient Increases	<u>19,993</u>

Supplemental Data

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Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2008

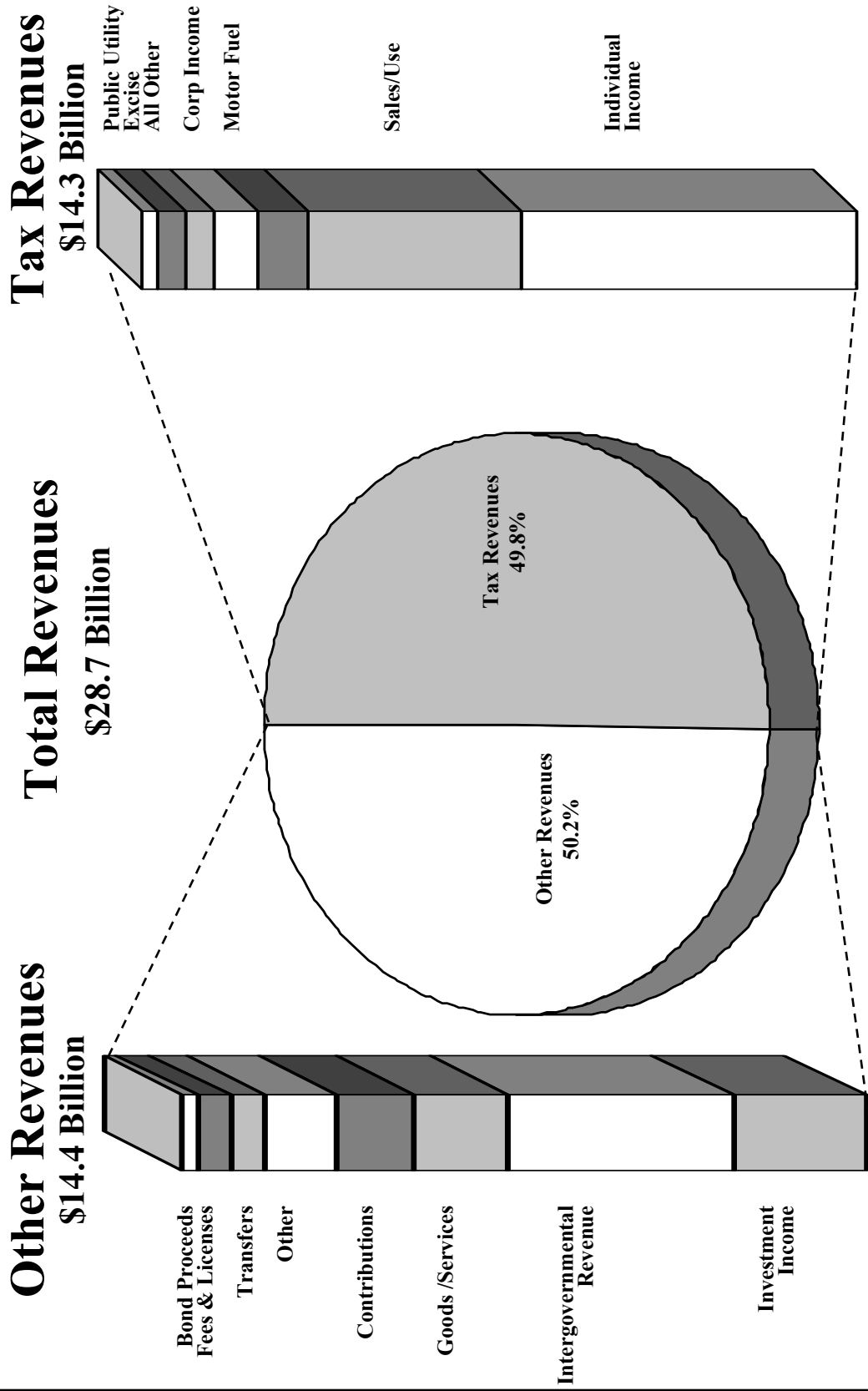


Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2008, 2007, and 2006
 (In Thousands)

	June 30, 2008	June 30, 2007	June 30, 2006
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
Individual.....	\$ 6,713,681	\$ 6,573,778	\$ 6,144,299
Corporation.....	837,807	890,056	780,320
Total Income Taxes.....	7,551,488	7,463,834	6,924,619
Sales and Excise Taxes			
General Sales and Use.....	4,268,045	4,158,612	4,127,585
Cigarette.....	455,722	296,129	301,490
Other Tobacco Products.....	29,747	17,515	16,421
Liquor and Wine.....	45,166	42,674	41,023
Malt Beverage (Beer).....	9,624	9,530	9,759
Total Sales and Excise Taxes.....	4,808,304	4,524,460	4,496,278
Public Utility Taxes			
Private Light, Heat and Power.....	212,126	195,429	189,063
Municipal Light, Heat and Power.....	2,704	2,335	2,439
Telephone.....	59,542	65,255	62,997
Pipeline.....	11,189	10,668	10,655
Electric Cooperative.....	9,359	8,826	8,106
Municipal Electric.....	2,238	2,044	1,504
Conservation and Regulation.....	264	291	368
Utility Tax (Refunds) Interest and Penalties.....	38	92	15
Total Public Utility Taxes.....	297,460	284,940	275,147
Inheritance and Estate Taxes			
Inheritance and Estate.....	158,789	121,114	108,571
Total Inheritance and Estate Taxes.....	158,789	121,114	108,571
Miscellaneous Taxes			
Insurance Companies (Premiums).....	156,606	141,405	134,665
Real Estate Transfer Fee.....	59,447	71,731	80,536
Lawsuits (Courts).....	10,736	10,407	10,170
Other.....	113	106	100
Total Miscellaneous Taxes.....	226,902	223,649	225,471
TOTAL GPR TAX REVENUES.....	13,042,943	12,617,997	12,030,086
Program Tax Revenues			
Fire Dues.....	15,466	15,362	16,151
Pari-mutuel Taxes.....	908	1,017	1,246
County Expo Tax Administration.....	151	450	423
Baseball Park Administration Fee.....	322	400	349

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2008, 2007, and 2006
 (In Thousands)

	June 30, 2008	June 30, 2007	June 30, 2006
Program Tax Revenues, Cont.			
Business Trust Regulation Fee.....	\$ 1,442	\$ 1,886	\$ 2,149
Other.....	4,127	773	1,056
TOTAL PROGRAM TAX REVENUES.....	22,416	19,888	21,374
TOTAL-GENERAL FUND TAX REVENUES.....	13,065,359	12,637,885	12,051,460
Type of Revenues			
Transportation Fund			
Motor Fuel Tax.....	999,949	994,677	974,106
Air-Carrier Tax.....	6,701	6,690	4,715
Railroad Tax.....	19,856	18,255	16,449
Aviation Fuel Tax.....	1,391	1,523	1,540
Other Taxes.....	7,143	7,640	4,998
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	84,529	82,446	80,262
Forest Crop Taxes.....	5,290	4,959	3,739
Mediation Fund.....	2	2	2
Petroleum Inspection Tax.....	47,013	52,471	71,331
Recycling Fund			
Temporary Service Charges.....	25,091	23,527	19,523
TOTAL STATE TAX REVENUES.....	14,262,324	13,830,075	13,228,125
Intergovernmental Revenue.....	7,726,329	7,369,155	7,181,218
Licenses and Permits.....	1,068,095	1,046,966	1,020,799
Charges for Goods and Services.....	3,170,633	3,035,751	3,113,814
Contributions.....	2,672,069	2,540,834	2,672,970
Interest and Investment Income.....	(4,432,460)	13,879,927	8,542,094
Gifts and Donations.....	414,079	498,194	384,897
Proceeds from Sale of Bonds.....	524,289	973,120	1,197,761
Other Revenues.....	1,769,089	1,804,042	1,504,409
Other Transactions.....	278,050	256,366	275,229
TOTAL DEPARTMENTAL REVENUES.....	13,190,173	31,404,355	25,893,191
TRANSFERS.....	1,213,609	1,029,551	812,004
TOTAL REVENUES.....	\$ 28,666,106	\$ 46,263,981	\$ 39,933,320

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, 2008
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
State Operations							
370	116	1fe	Endangered Resources General Fund.....	500	0	489	11
410	104	1c	Reimbursement Claims from Counties With State Institutions.....	86	0	50	36
455	102	1b	Special Counsel.....	806	0	727	79
455	202	2am	Officer Training Reimbursement.....	97	0	0	97
455	504	5d	Reimbursement for Forensic Examinations.....	46	0	46	0
465	103	1c	Public Emergencies.....	149	511	660	0
505	405	4d	Claims Awards.....	118	0	110	8
505	801	8am	Interest on racing & bingo moneys.....	12	0	7	5
511	103	1be	Investigations.....	16	0	1	15
515	103	1c	Contingencies.....	250	(250)	0	0
515	104	1c	Badgerx for Individual Advances.....	(220)	270	(2)	52
525	101	1a	Governor's Office Administration.....	3,627	0	3,190	437
525	102	1b	Contingent Fund.....	22	0	2	20
525	103	1c	Membership In National Assoc.....	126	0	126	0
525	201	2a	Executive Residence.....	248	55	303	0
625	101	1a	Circuit Courts.....	64,254	350	63,634	970
660	101	1a	Court Of Appeals.....	9,632	57	9,555	134
680	101	1a	Supreme Court.....	4,866	0	4,569	297
765	101	1a	Assembly.....	24,247	222	23,164	1,305
765	103	1b	Senate.....	17,192	169	15,439	1,922
765	104	1d	Legislative Documents.....	4,109	0	4,090	19
765	308	3fa	Membership In National Assoc.....	201	0	194	7
855	101	1a	Obligation on Operating Notes.....	18,000	984	18,984	0
855	102	1b	Operating Note Expenses.....	135	26	161	0
855	108	1bm	Payment of Cancelled Drafts Fund 100 - All except UW.....	2,125	1,976	4,101	0
855	108	1bm	Payment of Cancelled Drafts Fund 100 - UW.....	0	21	21	0
855	401	4a	Interest on overpayment of taxes.....	2,500	0	427	2,073
855	403	4c	Minnesota Income Tax Reciprocity.....	69,051	0	69,050	1
855	405	4e	Transfer to Conservation Fund - Land Acquisition.....	234	0	232	2
855	409	4fm	Transfer to Transportation Fund - Hub Facility Exemption.....	1,953	0	1,953	0
855	413	4cm	Illinois Income Tax Reciprocity.....	38,036	0	38,036	0
865	101	1a	Judgement & Legal Expenses.....	47	0	0	47
<i>Total State Operations.....</i>			<i>262,465</i>	<i>4,391</i>	<i>259,319</i>	<i>7,537</i>	
Aids and Local Assistance							
115	202	2b	Animal Disease Indemnities.....	25	0	0	25
235	104	1e	MN-WI Student Reciprocity.....	10,018	0	10,017	1
235	106	1fe	Wisconsin Higher Education Grants.....	50,000	0	49,831	169
235	109	1fy	Academic Excellence.....	3,190	0	3,170	20
255	218	2fm	Charter Schools.....	44,427	0	43,515	912
255	221	2ep	Second Chance Partnership.....	148	42	189	1
255	235	2fu	Milwaukee Parental Choice Program.....	120,269	0	118,394	1,875
255	306	3c	National Teacher Certification.....	1,357	0	1,227	130
285	406	4dd	Lawton Minority Undergraduate Grants.....	5,908	0	5,908	0
370	503	5da	Aids In Lieu Of Taxes.....	5,000	382	5,381	1
435	715	7ed	State Supplement to Federal Supplemental Security Income Program.....	133,328	569	133,897	0
435	774	7da	Reimburse Local Units of Government.....	400	0	400	0
445	102	1aa	Special Death Benefit.....	479	0	175	304
465	201	2a	Tuition Grants.....	3,509	234	3,742	1
465	305	3e	Disaster Recovery Aids.....	2,100	280	2,380	0
505	412	4er	Volunteer Firefighter & EMT Service Award Program.....	1,642	0	1,601	41
511	102	1b	Election Related Cost Reimbursement.....	80	0	44	36
515	101	1a	Annuity Supplements And Payments.....	1,283	5	1,288	0
835	101	1c	Expenditure Restraint Program Account.....	58,146	0	58,146	0
835	102	1d	Shared Revenue Account.....	33,217	0	32,900	317
835	105	1db	County and Municipal Aids Account.....	854,703	0	854,621	82
835	109	1e	State Aid; Tax Exempt Property.....	65,068	0	65,068	0
835	110	1dm	Public Utility Distribution Account.....	6,242	0	6,242	0
835	202	2b	Claim of Right Credit.....	119	4	122	1
835	203	2c	Homestead Tax Credit.....	118,400	6,704	125,104	0

Exhibit B-2

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2008
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
Aids and Local Assistance (Continued)							
835	205	2dm	Farmland Preservation Credit.....	12,600	0	11,984	616
835	209	2ep	Cigarette Tax Refunds.....	17,800	2,477	20,277	0
835	211	2co	Enterprise Zone Jobs Credit.....	1,625	0	0	1,625
835	212	2f	Earned Income Tax Credit.....	72,175	0	71,446	729
835	213	2bm	Film Production Services Credit.....	250	0	0	250
835	215	2em	Veterans & Surviving Spouse Property Tax Credit.....	1,300	246	1,546	0
835	217	2br	Interest payments on overassessments of manufacturing property.....	0	0	0	0
835	302	3b	School Levy Tax Credit.....	593,050	0	593,050	0
855	402	4b	Election Campaign Payment.....	220	0	220	0
855	404	4bm	Oil Pipeline Terminal Tax Distribution.....	1,047	0	1,048	(1)
<i>Total Aids and Local Assistance.....</i>				<u>2,219,125</u>	<u>10,943</u>	<u>2,222,933</u>	<u>7,135</u>
Principal Repayment and Lease Rental							
115	205	2d	Principal Repayment and Interest.....	12	0	12	0
115	702	7b	Principal Repayment and Interest.....	429	763	1,192	0
115	707	7f	Principal Repayment and Interest.....	1,583	0	560	1,023
190	101	1c	Principal Repayment and Interest.....	985	0	982	3
190	102	1d	Principal Repayment and Interest.....	1,341	0	1,307	34
225	103	1c	Principal Repayment and Interest.....	2,288	0	2,189	99
245	106	1e	Principal Repayment and Interest.....	1,846	0	1,509	337
250	103	1c	Principal Repayment and Interest.....	1,296	0	998	298
250	105	1e	Principal Repayment and Interest.....	169	0	169	0
255	104	1d	Principal Repayment and Interest.....	1,078	39	1,117	0
285	110	1d	Principal Repayment and Interest.....	117,062	3,897	120,959	0
320	103	1c	Principal Repayment and Interest.....	41,930	0	39,780	2,150
320	282	2c	Principal Repayment and Interest.....	2,664	0	2,539	125
370	701	7aa	Principal Repayment and Interest.....	37,961	0	34,105	3,856
370	705	7ca	Principal Repayment and Interest.....	6,108	0	5,987	121
370	706	7cb	Principal Repayment and Interest.....	46,281	0	46,066	215
370	707	7cc	Principal Repayment and Interest.....	15,275	0	15,207	68
370	708	7cd	Principal Repayment and Interest.....	868	0	854	14
370	709	7ea	Principal Repayment and Interest.....	789	0	754	35
370	713	7ce	Principal Repayment and Interest.....	155	0	121	34
370	714	7cf	Principal Repayment and Interest.....	1,324	0	1,220	104
395	664	6af	Principal Repayment and Interest.....	62,166	0	56,396	5,770
410	107	1e	Principal Repayment and Interest.....	64,036	0	63,826	210
410	307	3e	Principal Repayment and Interest.....	4,532	0	4,456	76
435	207	2ee	Principal Repayment and Interest.....	11,811	630	12,441	0
435	602	6e	Principal Repayment and Interest.....	63	8	71	0
465	104	1d	Principal Repayment and Interest.....	3,683	147	3,831	(1)
485	106	1f	Principal Repayment and Interest.....	1,422	29	1,450	1
505	413	4et	Principal Repayment and Interest.....	8	0	0	8
505	414	4es	Principal Repayment and Interest.....	4,349	0	0	4,349
505	503	5c	Principal Repayment and Interest.....	75	0	48	27
855	801	8a	Principal Repayment and Interest.....	998	0	994	4
867	102	1b	Principal Repayment and Interest.....	8,350	0	8,058	292
867	301	3a	Principal Repayment and Interest.....	23,346	0	(234)	23,580
867	302	3b	Principal Repayment and Interest.....	1,381	0	1,222	159
867	306	3br	Principal Repayment and Interest.....	86	0	86	0
867	309	3bm	Principal Repayment and Interest.....	113	0	112	1
867	311	3bq	Principal Repayment and Interest.....	556	0	319	237
<i>Total Principal Repayment and Lease Rental.....</i>				<u>468,419</u>	<u>5,513</u>	<u>430,703</u>	<u>43,229</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				\$ 2,950,009	20,847	2,912,955	57,901

(1) See Note K

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