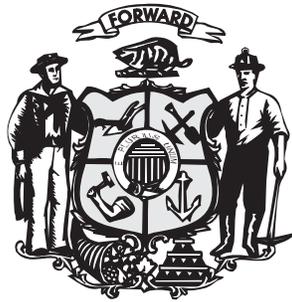


FY17

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
2017

[This page intentionally left blank.]

State of Wisconsin
2017 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 | 13 |

Statements of Fund Condition and Operations

| | | |
|-----|--|----|
| A.1 | Statement of Recorded Revenues, Expenditures and Fund Balance | |
| | Budget vs. Actual - General Purpose Revenues | 17 |
| A.2 | Statement of Recorded Revenues, Expenditures and Changes in | |
| | Fund Balances - All Funds | 19 |
| A.3 | Summary of Recorded Revenues and Expenditures - All Other Funds | 20 |
| A.4 | Comparative General Fund Statement of Assets, Liabilities and Fund Balance | 22 |
| A.5 | Budget vs. Actual Expenditures - All Funds | 23 |
| | Notes to Fund Statements | 24 |

Supplemental Data

| | | |
|-----|--|----|
| B.1 | Analysis of Revenues - All Funds | 30 |
| B.2 | General Fund Sum-Sufficient Appropriations | 32 |

[This page intentionally left blank.]



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

SCOTT A. NEITZEL
SECRETARY

Division of Executive Budget and Finance
State Controller's Office
Post Office Box 7932
Madison, WI 53707-7932
Voice (608) 266-1694
Fax (608) 266-7734
www.doa.state.wi.us/debf/

October 15, 2017

The Honorable Scott Walker
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, 2017. 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 \$579.0 million as of the end of the fiscal year. The undesignated balance was \$126 million more than the 2017-2019 Executive Budget FY 2017 estimate closing balance and \$111.9 million more than the FY2017 closing balance estimated in 2017 Wisconsin Act 59. General-purpose revenue taxes were \$15.518 billion compared to \$15.098 billion in the prior year, an increase of \$420 million or 2.8 percent. General-purpose revenue expenditures, excluding fund transfers, were \$15.858 billion. This is \$41 million less than the budgeted expenditure allocation of \$15.899 billion.

In fiscal year 2017, 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 52.9 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 24.3 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 6.5 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 16.3 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 2017. The report will be prepared under generally accepted accounting principles.

Respectfully submitted,

Scott A. Neitzel
Secretary of Administration

Jeffery C. Anderson, CPA
State Controller

[This page intentionally left blank.]

Economic Section

The Year In Summary

Revenue Highlights

General purpose revenue (GPR) taxes for the fiscal year (FY) ending June 30, 2017 totaled \$15,517.6 million, an increase of 2.8 percent from FY 2016 collections of \$15,097.5 million.

Total collections for FY 2017 were \$14.0 million, or 0.1 percent, above the estimate of \$15,503.6 million.

Table 1

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

| Tax Source | FY17 | % of Total | FY16 | % of Total | \$ Change FY17-FY16 | % Change |
|--------------------------------|-------------------|---------------|-------------------|---------------|---------------------|-------------|
| Individual Income | \$8,039.5 | 51.8% | \$7,740.8 | 51.3% | \$298.7 | 3.9% |
| General Sales & Use | 5,223.9 | 33.7% | 5,065.8 | 33.5% | 158.1 | 3.1% |
| Corporation Franchise & Income | 920.9 | 5.9% | 963.0 | 6.4% | -42.1 | -4.4% |
| Excise | 705.7 | 4.5% | 708.5 | 4.7% | -2.8 | -0.4% |
| Public Utility | 360.5 | 2.3% | 360.6 | 2.4% | -0.1 | 0.0% |
| Insurance Companies | 181.6 | 1.2% | 177.3 | 1.2% | 4.3 | 2.4% |
| Miscellaneous | 85.5 | 0.6% | 81.5 | 0.5% | 4.0 | 4.9% |
| TOTAL GPR | \$15,517.6 | 100.0% | \$15,097.5 | 100.0% | \$420.1 | 2.8% |

Individual Income Tax

Individual income tax collections increased \$298.7 million (3.9 percent) from \$7,740.8 million in FY 2016 to \$8,039.5 million in FY 2017. This was \$10.5 million (0.1 percent) below the \$8,050.0 million estimate. The individual income tax share of total GPR taxes increased from 51.3 percent in FY 2016 to 51.8 percent in FY 2017.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 5.0 percent from \$7,171.8 million to \$7,528.3 million. Estimated payments decreased 0.1 percent from \$1,273.6 million to \$1,272.5 million, while refunds increased 3.2 percent from \$1,695.4 million to \$1,748.8 million. Final payments, or payments with returns, decreased 2.7 percent to \$611.9 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 3.1 percent from \$5,065.8 million to \$5,223.9 million. This was \$8.9 million (0.2 percent) above the \$5,215.0 million estimate. Sales tax collections as a percentage of total GPR taxes increased from 33.5 percent in FY 2016 to 33.7 percent in FY 2017.

Corporation Franchise and Income Tax

Corporate collections decreased 4.4 percent from \$963.0 million in FY 2016 to \$920.9 million in FY 2017. Corporate collections as a percentage of total GPR taxes declined to 5.9 percent in FY 2017 from 6.4 percent in FY 2016. Corporate collections were \$20.9 million (2.3 percent) above the estimate of \$900.0 million.

The major source of corporate collections, estimated payments, decreased by 5.5 percent from \$868.7 million in FY 2016 to \$820.6 million in FY 2017.

Excise Tax

Cigarette tax collections decreased 1.6 percent from \$573.4 million in FY 2016 to \$564.2 million in FY 2017. Collections in FY 2017 were below the estimate by \$0.8 million (0.1 percent).

Tobacco products tax collections increased 5.5 percent from \$76.1 million in FY 2016 to \$80.3 million in FY 2017. Collections in FY 2017 were below the estimate by \$1.7 million (2.1 percent).

Liquor and wine tax collections increased 4.2 percent from \$50.0 million in FY 2016 to \$52.1 million in FY 2017. Collections in FY 2017 were above the estimate by \$1.1 million (2.2 percent).

Beer tax collections increased 1.1 percent from \$9.0 million in FY 2016 to \$9.1 million in FY 2017. Collections in FY 2017 were above the estimate by \$0.2 million (2.3 percent).

Other Taxes

Public utility tax collections decreased \$0.1 million from \$360.6 million in FY 2016 to \$360.5 million in FY 2017. Collections were \$0.8 million (0.2 percent) above the FY 2017 estimate.

Insurance company taxes (generally based on premiums) increased 2.4 percent from \$177.3 million in FY 2016 to \$181.6 million in FY 2017. Collections were \$5.4 million (2.9 percent) below the FY 2017 estimate.

Miscellaneous taxes increased 4.9 percent from \$81.5 million in FY 2016 to \$85.5 million in FY 2017. This is \$0.5 million above the estimate for the fiscal year. The largest component of miscellaneous taxes, the real estate transfer fee, increased 8.5 percent to \$70.6 million in FY 2017.

Expenditure Highlights

Aid for K-12 education continues to be the top GPR expenditure for the state. Along with significant aid going to local school districts, the Governor and Legislature were able to maintain property and income tax relief in FY 2017. State property tax relief aid kept property taxes lower in 2016(17) than they were in 2010(11) for the median value home. Income tax relief for the median income family was \$243 in tax year 2016 and will total an estimated \$1,403 from tax year 2013 to 2018. This and other tax relief actions have reduced Wisconsin's tax burden as a percentage of personal income to 21st in the nation in 2015 from 9th in the nation in 2010. The tax burden is now lower than the national average. Over this time, this is the third largest improvement to tax burden of any state in the nation.

The state began FY 2017 with a general fund GPR balance of \$331 million. By the close of FY 2017, this balance has grown to \$579.0 million, which is larger than previously estimated at the time of the 2015-17 Biennial Budget enactment. This general fund balance is in addition to maintaining the largest budget stabilization ("rainy day") fund balance in state history at \$282.9 million.

Total GPR spending increased \$516.6 million in FY 2017, as shown in Table 2. This compares to a

\$7.0 million increase in FY 2016. The largest portion of GPR expenditures in FY 2017 was directed to school districts and other local units of government, consistent with past years. Local assistance payments increased by 7.4 percent, and these expenditures were \$8,383.9 million or 52.9 percent of total GPR spending in FY 2017 compared to \$7,809.0 million or 51.0 percent of total spending in FY 2016. Aid payments to individuals and organizations decreased by 3.0 percent, and these expenditures were \$3,859.5 million, which was 24.3 percent of total GPR spending in FY 2017, compared to \$3,979.6 million or 25.9 percent in FY 2016. State operations spending increased 1.7 percent in FY 2017, with expenditures of \$3,614.1 million that accounted for 22.8 percent of total GPR spending, compared to \$3,552.3 million or 23.1 percent in FY 2016. The largest share of the spending increase was from the University of Wisconsin (UW) System.

The GPR budget is shaped by its ten largest programs, as detailed in Table 3. These programs comprised 84.7 percent of total GPR expenditures in FY 2017, which was an increase from the 84.2 percent in FY 2016. Immediately following this section is a brief explanation of each program.

Table 2

GPR BUDGET BY PURPOSE GPR Expenditures (\$ Millions)

| | <u>FY17</u> | % of <u>Total</u> | <u>FY16</u> | % of <u>Total</u> | <u>\$ Change</u> <u>FY17-FY16</u> | % |
|---------------------|-------------------|----------------------|-------------------|----------------------|--------------------------------------|---------------|
| | | | | | | <u>Change</u> |
| Local Assistance | \$8,383.9 | 52.9% | \$7,809.0 | 51.0% | \$574.9 | 7.4% |
| Aids to Individuals | 3,859.5 | 24.3% | 3,979.6 | 25.9% | -120.1 | -3.0% |
| State Operations: | | | | | | |
| UW System | 1,030.5 | 6.5% | 993.5 | 6.5% | 37.0 | 3.7% |
| All Other Agencies | <u>2,583.6</u> | <u>16.3%</u> | <u>2,558.8</u> | <u>16.6%</u> | <u>24.8</u> | <u>1.0%</u> |
| Total | <u>\$15,857.5</u> | <u>100.0%</u> | <u>\$15,340.9</u> | <u>100.0%</u> | <u>\$516.6</u> | <u>3.4%</u> |
| Transfers | <u>39.5</u> | | <u>38.0</u> | | | |
| TOTAL GPR | <u>\$15,897.0</u> | | <u>\$15,378.9</u> | | | |

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

| | <u>FY17</u> | <u>% of Total</u> | <u>FY16</u> | <u>% of Total</u> | <u>\$ Change FY17-FY16</u> | <u>% Change</u> |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-----------------|
| 1. School Aids | \$5,681.3 | 35.8% | \$5,223.6 | 34.1% | \$457.7 | 8.8% |
| 2. Medical Assistance | 2,636.1 | 16.7% | 2,719.5 | 17.7% | -83.4 | -3.1% |
| 3. Correctional Services | 1,175.1 | 7.4% | 1,159.5 | 7.6% | 15.6 | 1.3% |
| 4. UW System | 1,030.5 | 6.5% | 993.5 | 6.5% | 37.0 | 3.7% |
| 5. State Property Tax Credits | 1,001.3 | 6.3% | 895.4 | 5.8% | 105.9 | 11.8% |
| 6. Shared Revenue | 820.8 | 5.2% | 827.4 | 5.4% | -6.6 | -0.8% |
| 7. WI Technical College System | 519.4 | 3.3% | 516.1 | 3.4% | 3.3 | 0.6% |
| 8. Individual Tax Relief | 213.5 | 1.3% | 216.9 | 1.4% | -3.4 | -1.6% |
| 9. Community Aids | 195.8 | 1.2% | 200.6 | 1.3% | -4.8 | -2.4% |
| 10. State Supplement to SSI | 158.8 | 1.0% | 154.8 | 1.0% | 4.0 | 2.6% |
| All Others | <u>2,424.9</u> | <u>15.3%</u> | <u>2,433.6</u> | <u>15.8%</u> | <u>-8.7</u> | <u>-0.4%</u> |
| Subtotal | \$15,857.5 | <u>100.0%</u> | \$15,340.9 | <u>100.0%</u> | <u>\$516.6</u> | <u>3.4%</u> |
| Transfers | <u>39.5</u> | | <u>38.0</u> | | | |
| TOTAL | <u>\$15,897.0</u> | | <u>\$15,378.9</u> | | | |

School Aids: State GPR assistance to Wisconsin's 424 school districts increased by 8.8 percent or \$457.7 million in FY 2017. This includes \$126.8 million in per pupil aid budgeted in FY 2017 but spent by school districts in the 2015-16 school year. Overall, through a combination of state aids and property tax credits, the state reimbursed approximately 63.6 percent of school costs in FY 2017, up from 62.7 percent in FY 2016. The percentage of school costs reimbursed by the state in FY 2017 is the largest since FY 2010.

Since the 1993-94 school year, school districts have been subject to statewide revenue limits. These limits control the allowable increase in each school district's revenues by limiting the total revenue a district can collect from the combined sources of property tax levies for nondebt purposes and state general aids. These controls, combined with continued robust funding levels for state school aids and property tax credits, have succeeded in holding the statewide net school property tax levy to an average annual growth of 0.3 percent since FY 2011.

There are two major types of direct school aid. Approximately 79.9 percent of direct school aids are general aids, distributed by a formula designed to equalize each school district's property tax base per student, and to support the Milwaukee Public Schools special transfer aid program for pupils transferring between schools with certain concentrations of minority and nonminority populations. The remaining 20.1 percent of direct aids are categorical aids, generally distributed based on local expenditures for specific activities or educational programs. Major categorical aid programs include programs for addressing special education needs and maintaining small class sizes. In addition, during FY 2017, school districts were provided a \$250 adjustment for each pupil through the per pupil categorical program.

In addition to direct aid, in FY 2017 the state also provided \$151.6 million GPR for children from low-income families in the city of Milwaukee and certain eligible school districts statewide to attend private schools at no charge. For FY 2017, the Milwaukee Parental Choice Program was funded 74.4 percent with GPR and 25.6 percent by the Milwaukee Public School District through an adjustment to its general equalization aid

calculation. The state also provided \$15.4 million for choice programs in Racine and across the state.

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

In FY 2017, total MA expenditures, including BadgerCare Plus, were \$9,229.0 million, of which \$2,636.1 million was GPR. On an all funds basis, MA expenditures increased by 4.3 percent from FY 2016.

During FY 2017, average MA enrollment remained relatively flat, decreasing by 0.42 percent. Enrollment trends varied within eligibility groups, however. Average monthly enrollment of low-income adults and children in the BadgerCare Plus program decreased by 1.05 percent, while the average monthly enrollment of elderly individuals and people with disabilities increased by 0.94 percent.

The MA totals do not include expenditures for SeniorCare, Wisconsin's pharmacy assistance program for the elderly. In FY 2017, all funds expenditures totaled \$83.8 million. Of the all funds amounts, actual FY 2017 GPR expenditures totaled \$9.7 million, a \$8.5 million decrease from FY 2016. The expenditure reduction from FY 2016 to FY 2017 is attributable to an allocation of SeniorCare expenditure offsets to FY 2017 that occurred on a one-time basis. Average monthly enrollment in SeniorCare increased by 3.3 percent in FY 2017 and the program experienced higher drug utilization and benefits paid to individuals.

Correctional Services: Total GPR expenditures for the state corrections program increased \$15.6 million, or 1.3 percent, over the prior year, reaching \$1,175.1 million in FY 2017. The number of incarcerated felons under the supervision of the state adult corrections program increased 2.3 percent from an average daily population of 22,842 in FY 2016 to 23,370 in FY 2017. The increase in spending is mainly attributed to an increase in general program operations costs for salary, inmate healthcare and county jail bed costs for housing inmates in excess of prison capacity.

In January 2016, distribution of community-based juvenile delinquent-related services and youth aids was transferred from the Department of Corrections to the Department of Children and Families. The classification of this program may change as the Department of Children and Families reviews the program and how to best integrate these services with the other services to children and families that the department administers. For now, the program and its associated costs continue to be identified as Correctional Services.

University of Wisconsin System: Total GPR expenditures for the UW System increased by \$37.0 million, or 3.7 percent in FY 2017. Reductions to the UW System's base budget were smaller in FY 2017 than in FY 2016, which permitted the system to increase general operations spending in FY 2017 relative to the prior year. Additionally, the UW System's general program operations appropriation was changed from annual to biennial in FY 2016, permitting the UW System to move expenditures between fiscal years within a biennium.

In the 2016-17 academic year, resident undergraduate tuition remained frozen at 2012-13 academic year levels and continues to be a relative bargain in higher education. Tuition will remain frozen through the 2018-19 academic year, resulting in a historic six year freeze. Compared to the annualized increase of 8.1 percent per year in the ten years prior to the freeze, the average student beginning in academic year 2012-13 saved an estimated \$6,311 over a four-year college career.

In addition to low basic tuition, access to college for lower income families was further protected through steady support for the Wisconsin Grant Program, formerly known as the Wisconsin Higher Education Grant (WHEG) and Tuition Grant programs for students pursuing post-secondary education. Since FY 2000, support for these programs has more than doubled.

State Property Tax Credits: The School Levy and First Dollar Tax Credits help to directly reduce property tax bills of residences and businesses. Funding for the School Levy Tax Credit in FY 2017 was \$853.0 million GPR, an increase of \$105.6 million from FY 2016. The credit offset 8.0 percent of 2015 gross property tax levies for all purposes statewide. The First Dollar Credit was created in 2007 Wisconsin Act 20 to provide additional property tax relief to owners of improved

property. The credit, funded at \$149.0 million in FY 2017, helps to give greater tax relief to lower-value property by offsetting property taxes on the first \$6,500 of property value for eligible parcels.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 2017, the shared revenue formulas distributed a total of \$874.8 million, consisting of \$820.8 million GPR and \$54.0 million SEG. The GPR portion of this amount consisted of county and municipal aids of \$689.8 million, utility aids of \$72.9 million, and expenditure restraint payments of \$58.1 million. The Expenditure Restraint Program provides aids to municipalities with tax rates over five mills that restrained their spending increases. The GPR portion of shared revenue payments decreased by 0.8 percent over FY 2016, reflecting a \$3.0 million increase in SEG funding for county and municipal aid and the initial reallocation of \$4.0 million from the shared revenue payments to Milwaukee County to the Wisconsin Center District for the construction of the new Milwaukee Bucks arena. Statewide, shared revenue payments provided municipalities with about 12.3 percent and counties with about 3.0 percent of their general revenues.

Wisconsin Technical College System: The Wisconsin Technical College System Board and 16 local technical college districts provide vocational, technical and continuing education across the state. In 2016, 25,394 individuals received a degree from a Wisconsin technical college. The technical colleges also provide customized skills training for businesses, occupational training opportunities for high school students, and apprenticeship instruction.

Until FY 2015, local technical college districts relied on property taxes for over 50 percent of their funding. Beginning in FY 2015, the state invested \$406 million GPR annually to effectuate a corresponding decrease in property taxes levied by the technical college districts. As a result, state aid is now the largest source of revenue for technical college districts.

Tax Relief to Individuals: Wisconsin paid out \$213.5 million GPR in tax relief to individuals through a variety of refundable tax credit programs during FY 2017.

The Earned Income Credit program reduces income taxes or supplements income for about 248,920

low-income working families with children. In FY 2017, this program paid a total of \$99.3 million in all funds to these households, a decrease of about \$2.5 million compared to FY 2016.

The Homestead Credit is a refundable credit that aims to offset, at least partially, the amount that property taxes exceed a certain percentage of a tax filer's income. This type of credit is also known as a "circuit-breaker" tax credit. Claimants receive a credit against their state income tax liability or a refund check.

Wisconsin's Homestead Credit pioneered property tax relief through circuit-breakers. The program remains one of the nation's leaders in circuit-breaker relief. In FY 2017, the credit provided \$95.4 million of tax relief, compared with \$99.9 million in FY 2016. Over 183,700 low-income homeowners and renters – around 30 percent of them elderly – benefit from the program each year.

The Veterans and Surviving Spouses Property Tax Credit reduced income taxes for or provided a refund check to approximately 9,360 veterans and surviving spouses by providing a credit for taxes paid on a principal dwelling. Tax credit expenditures were \$29.6 million in FY 2017, an increase of \$1.1 million over FY 2016.

Wisconsin's Farmland Preservation Credit program provides credits to about 12,000 farmers who qualify through exclusive agricultural or farmland preservation zoning or individual farmland preservation agreements. The credit is based on qualifying acres and certain other criteria. Expenditures under the Farmland Preservation Credit program totaled \$17.7 million in FY 2017, a decrease of \$1.8 million relative to FY 2016.

Community Aids and Children and Family Aids: Community Aids and Children and Family Aids are state and federal funds distributed to counties to fund human services programs serving primarily low-income persons, children in need of protection, the elderly and the disabled. Beginning in FY 2009, these funds are administered and distributed by both the Department of Health Services and Department of Children and Families, with total GPR expenditures reaching \$195.8 million in FY 2017. Between FY 2016 and FY 2017, the Community Aids funding distributed by the departments decreased by \$4.8 million GPR, a decrease of 2.4 percent. The decrease is, in part,

due to changes in the department's reimbursement schedule.

State Supplemental Income: Wisconsin provides a supplement to the federal supplemental security income (SSI) program offering cash assistance to low-income aged, blind and disabled individuals, and to disabled parents as support for their children. In FY 2017, a total of \$158.8 million was expended in SSI payments. The expenditure increase of \$4.0 million GPR over FY 2016 is due to an increase in caseload.

Comparative Condition of the General Fund
 FY17 Actual vs. Budget
 (in Thousands)

| | <u>FY17 Actual</u> | <u>Budget</u> | <u>Variance</u> |
|---|--------------------|--------------------|-----------------------------|
| OPENING BALANCES | | | |
| Unreserved, Undesignated Opening Balance | \$ 331,038 | \$ 331,038 | \$ 0 ¹ |
| Prior Year Designation of Continuing Balances | 131,963 | 0 | 131,963 ² |
| Prior Period Adjustment | <u>0</u> | <u>0</u> | <u>0</u> |
| Unreserved Opening Balance | <u>463,001</u> | <u>331,038</u> | <u>131,963</u> |
| REVENUES | | | |
| Taxes | 15,517,585 | 15,503,600 | 13,985 ³ |
| Departmental Revenues | <u>547,508</u> | <u>556,617</u> | <u>(9,109)</u> ⁴ |
| Total Revenues | <u>16,065,093</u> | <u>16,060,217</u> | <u>4,876</u> |
| Total Available Resources | <u>16,528,094</u> | <u>16,391,255</u> | <u>136,839</u> |
| APPROPRIATIONS | | | |
| Gross Appropriations | 17,099,091 | 16,954,979 | (144,112) ⁵ |
| Compensation Reserves | 1,225 | 18,617 | 17,392 ⁶ |
| Transfers | 39,458 | 39,458 | 0 ⁷ |
| Less: Lapses | <u>(1,190,695)</u> | <u>(1,074,803)</u> | <u>115,892</u> ⁸ |
| Net Appropriations | <u>15,949,079</u> | <u>15,938,251</u> | <u>(10,828)</u> |
| UNDESIGNATED UNRESERVED BALANCE | <u>\$ 579,015</u> | <u>\$ 453,004</u> | <u>\$ 126,011</u> |

Notes:

1. UNDESIGNATED, UNRESERVED OPENING BALANCE. The fund condition for the fiscal year 2017 is the 2017-2019 Executive Budget fund condition statement. The opening balance for fiscal year 2017 was based on actual revenues, appropriations and opening balance from the preceding year.
2. PRIOR YEAR DESIGNATION FOR CONTINUING BALANCE. A portion of the previous year's gross ending balance had been designated, or set aside, to cover left over continuing budget authority that could legally be carried forward and spent in the next year. This continuing authority is generated in biennial appropriations in the first year, or even numbered year, of the biennium and in continuing appropriations each year. The fund condition summary does not include an estimate for the amount of continuing authority carried forward, and therefore, the designated amount for continuing balances is always a variance with the budget estimate.
3. TAXES. Actual tax collections were higher than the estimated tax collections contained in the January 18, 2017 revenue estimates provided by the Legislative Fiscal Bureau.
4. DEPARTMENTAL REVENUES. Departmental revenues are revenues received by individual state agencies and deposited in the general fund. Departmental revenues include tribal gaming revenue. The estimate used in the fund condition summary assumed that the entire amount of DOA-determined lapses and transfers from state agencies would be allocated to departmental revenues. However, some of those reductions actually occurred as lapses from GPR appropriations.
5. GROSS APPROPRIATIONS. Final gross appropriations varied from estimated gross appropriations as follows:

| | |
|--|---------------------|
| Gross Appropriations Per the fund condition summary | \$ 16,954,979 |
| Add: continuing appropriation authority brought forward | 131,963 |
| Add: increases to sum sufficient appropriations above Chapter 20 | 12,149 |
| Add: new legislation | 0 |
| Add: biennial adjustments (included in January re-estimate) | <u>0</u> |
| FINAL GROSS APPROPRIATIONS | <u>\$17,099,091</u> |
6. COMPENSATION RESERVES. Compensation reserves are budgetary set-asides for employee wage and benefit increases for the fiscal year.
7. TRANSFERS. Transfers were equal to the amount in the fund condition statement.
8. LAPSES. A lapse is the automatic termination of an appropriation. It represents the amount of unexpended, unencumbered balance of the appropriation at the end of the fiscal year. Actual lapses may differ from budgeted lapses due to the manner in which the legislature treats certain required appropriation reductions.

[This page intentionally left blank.]

Statements of Fund Condition and Operations

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

(In Millions of Dollars)

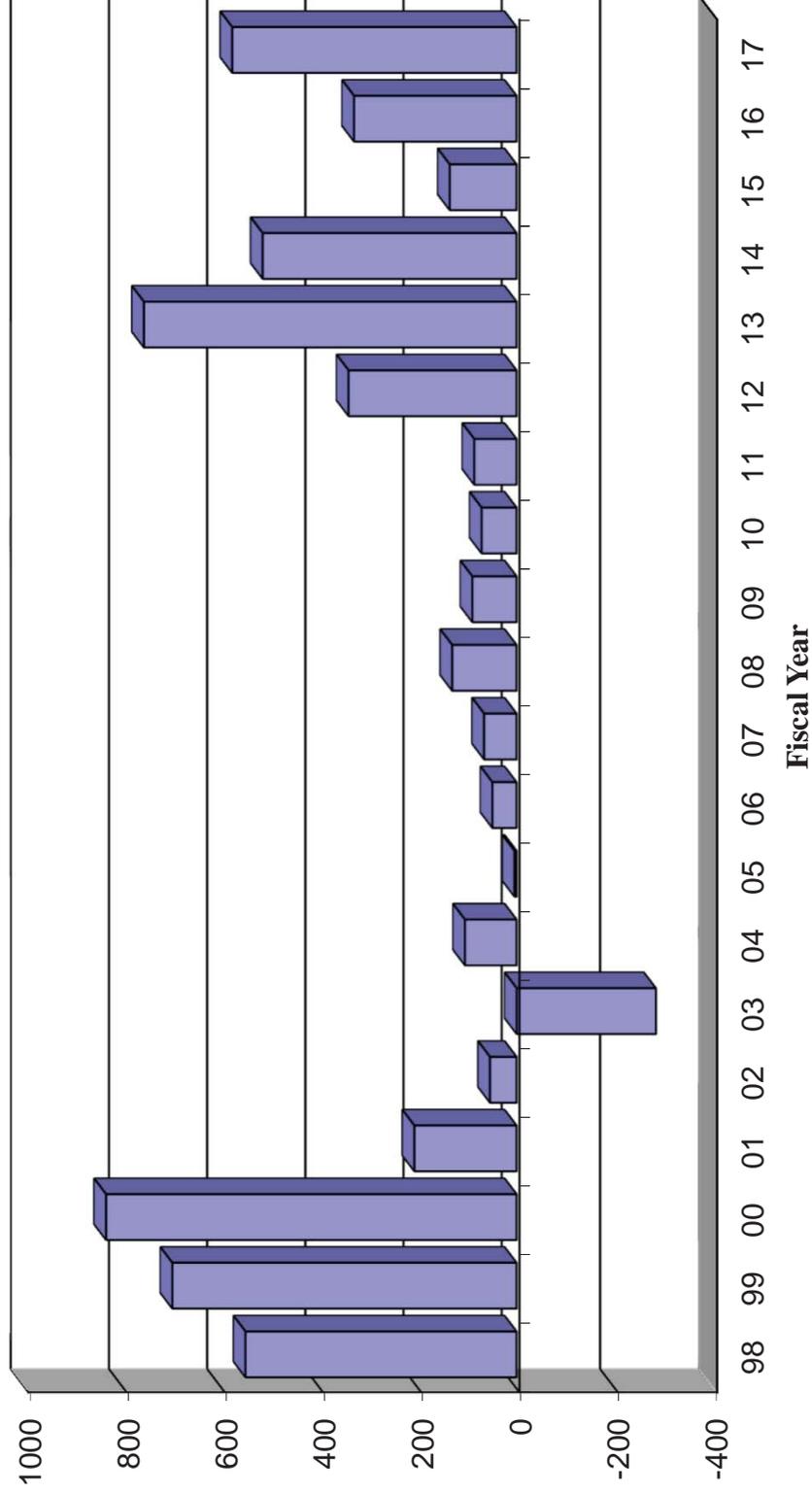


Exhibit A-1

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, 2017
 (In Thousands)

| | Budget | | | Actual | Variance |
|--|------------------|---------------------------|--------------|-------------|-------------|
| | Published Budget | Appropriation Adjustments | Final Budget | | |
| Beginning Unreserved | | | | | |
| Undesignated Balance..... \$ | 331,038 | \$ | 331,038 | \$ 331,038 | \$ 0 |
| Beginning Unreserved | | | | | |
| Designated Balance..... | | 131,963 | 131,963 | 131,963 | 0 |
| Total..... | 331,038 | 131,963 | 463,001 | 463,001 | 0 |
| REVENUES | | | | | |
| Taxes: | | | | | |
| Individual..... | 8,050,000 | | 8,050,000 | 8,039,506 | (10,494) |
| Corporation..... | 900,000 | | 900,000 | 920,947 | 20,947 |
| Sales & Use..... | 5,215,000 | | 5,215,000 | 5,223,935 | 8,935 |
| Excise..... | 706,900 | | 706,900 | 705,681 | (1,219) |
| Inheritance & Gift..... | 0 | | 0 | 434 | 434 |
| Public Utility..... | 359,700 | | 359,700 | 360,473 | 773 |
| Insurance..... | 187,000 | | 187,000 | 181,584 | (5,416) |
| Miscellaneous..... | 85,000 | | 85,000 | 85,025 | 25 |
| Total Taxes..... | 15,503,600 | | 15,503,600 | 15,517,585 | 13,985 |
| Departmental Revenue: | | | | | |
| Indian Gaming Revenue..... | 26,771 | | 26,771 | 27,378 | 607 |
| Other..... | 529,846 | | 529,846 | 309,928 | (219,918) |
| Total Department Revenues..... | 556,617 | | 556,617 | 337,306 (2) | (219,311) |
| Total Revenues..... | 16,060,217 | | 16,060,217 | 15,854,891 | (205,326) |
| TOTAL AVAILABLE..... | 16,391,255 | 131,963 | 16,523,218 | 16,317,892 | (205,326) |
| EXPENDITURES | | | | | |
| | | | | | LAPSE |
| Commerce..... | 42,391 | 232 | 42,623 | 41,961 | 662 |
| Education..... | 7,636,686 | 10,563 | 7,647,249 | 7,464,792 | 182,457 |
| Environmental Resources..... | 239,193 | 3,055 | 242,248 | 238,294 | 3,954 |
| Human Relations & Resources..... | 5,493,318 | 72,693 | 5,566,011 | 5,180,849 | 385,162 |
| General Executive..... | 983,755 | 4,412 | 988,167 | 443,346 | 544,821 |
| Judicial..... | 124,106 | 1,081 | 125,187 | 124,416 | 771 |
| Legislative..... | 74,073 | 2,557 | 76,630 | 66,786 | 9,844 |
| General (Incl. Shared Revenue)..... | 2,361,457 | (1,345) | 2,360,112 | 2,297,088 | 63,024 |
| Transfer (Gen Fund Cond)..... | 39,458 | 0 | 39,458 | 39,458 | 0 |
| Compensation Reserves..... | 18,617 | (1,225) | 17,392 | 0 | 17,392 |
| Less: Estimated Lapse..... | (1,074,803) | 0 | (1,074,803) | 0 | (1,074,803) |
| TOTAL EXPENDITURES..... | 15,938,251 | 92,023 | 16,030,274 | 15,896,990 | 133,284 |
| Transfers - General Fund..... | 0 | 0 | 0 | 210,202 (2) | 210,202 |
| UNRESERVED BALANCE | 453,004 | 39,940 | 492,944 | 631,104 | 138,160 |
| Designation for continuing balances..... | 0 | (52,089) | (52,089) | (52,089) | 0 |
| UNRESERVED | | | | | |
| Undesignated Balance..... \$ | 453,004 | (12,149) \$ | 440,855 | 579,015 | 138,160 |

(1)

The accompanying notes are an integral part of this statement.

(1) See Note E

(2) See Note F

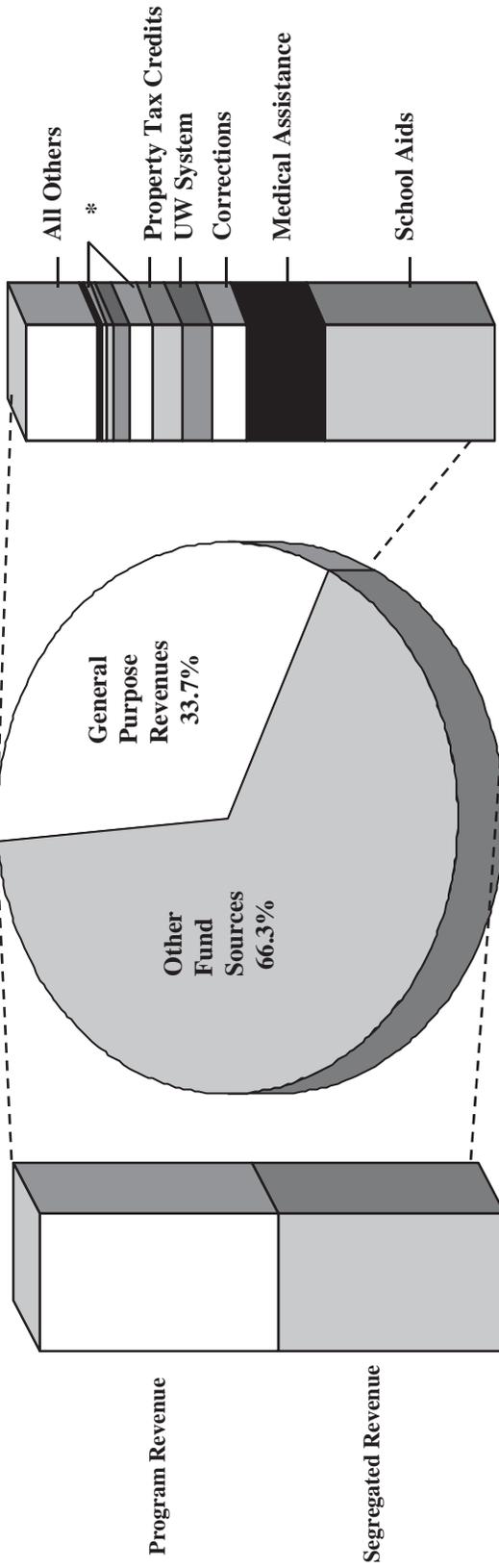
Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2017

Other Expenditures
\$31.1 Billion

Total Expenditures
\$47.0 Billion

General Purpose Revenue Expenditures
\$15.9 Billion



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

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, 2017
 (In Thousands)

| | General Fund | | | Major Special Revenue Funds | | | As of June 30, 2017 |
|--|-------------------|-------------------|-------------------|-----------------------------|----------------|--------------------|------------------------|
| | General Purpose | Program Revenue | Subtotal | Transportation | Conservation | Other | |
| REVENUES | | | | | | | |
| Taxes..... \$ | 15,517,585 | \$ 24,568 | \$ 15,542,153 | \$ 1,108,276 | \$ 96,017 | \$ 85,141 | 16,831,587 |
| Intergovernmental Revenue..... | 15,780 | 10,415,325 | 10,431,105 | 662,190 | 43,322 | 69,970 | 11,206,587 |
| Licenses..... | 66,464 | 284,628 | 351,092 | 523,616 | 125,635 | 846,559 | 1,846,902 |
| Charges for Goods and Services..... | (871) | 3,510,416 | 3,509,545 | 39,298 | 25,115 | 662,306 | 4,236,264 |
| Contributions..... | 0 | 0 | 0 | 0 | 0 | 3,875,831 | 3,875,831 |
| Interest & Investment Income..... | 297 | 92,353 | 92,650 | 1,653 | 185 | 11,362,803 | 11,457,291 |
| Gifts & Donations..... | 50 | 629,395 | 629,445 | 3 | 1,076 | 12,489 | 643,013 |
| Other Revenue..... | 167,707 | 1,443,403 | 1,611,110 | 9,392 | 5,733 | 1,171,787 | 2,798,022 |
| Transfers..... | 9,741 | (25,177) | (15,436) | 8,267 | 23,063 | 1,684,680 | 1,700,574 |
| Other Transactions..... | 78,138 | 160,352 | 238,490 | 323 | (17,107) | 23,875 | 245,581 |
| Proceeds from Bonds & Notes..... | 0 | 0 | 0 | 81,054 | 0 | 753,391 | 834,445 |
| TOTAL REVENUES | 15,854,891 | 16,535,263 | 32,390,154 | 2,434,072 | 303,039 | 20,548,832 | 55,676,097 |
| EXPENDITURES | | | | | | | |
| Commerce..... | 41,961 | 167,056 | 209,017 | 0 | 1,661 | 85,121 | 295,799 |
| Education..... | 7,464,792 | 5,903,994 | 13,368,786 | 0 | 195 | 362,817 | 13,731,798 |
| Environmental Resources..... | 238,294 | 82,169 | 320,463 | 2,484,686 | 289,744 | 629,194 | 3,724,087 |
| Human Relations & Resources..... | 5,180,849 | 9,162,552 | 14,343,401 | 0 | 0 | 1,847,652 | 16,191,053 |
| General Executive..... | 443,346 | 631,975 | 1,075,321 | 1,800 | 0 | 8,151,564 | 9,228,685 |
| Judicial..... | 124,416 | 14,611 | 139,027 | 0 | 0 | 215 | 139,242 |
| Legislative..... | 66,786 | 1,789 | 68,575 | 0 | 0 | 0 | 68,575 |
| General (Incl. Shared Revenue)..... | 2,297,088 | 69,987 | 2,367,075 | 22,220 | 1 | 1,223,064 | 3,612,360 |
| TOTAL EXPENDITURES | 15,857,532 | 16,034,133 | 31,891,665 | 2,508,706 | 291,601 | 12,299,627 | 46,991,599 |
| EXCESS OF REVENUES OVER (UNDER) | | | | | | | |
| EXPENDITURES..... | (2,641) | 501,130 | 498,489 | (74,634) | 11,438 | 8,249,205 | 8,684,498 |
| BEGINNING FUND BALANCE | | | | | | | |
| DESIGNATED..... | 131,963 | 0 | 131,963 | 0 | 0 | 0 | 131,963 |
| UNDESIGNATED..... | 331,038 | 1,325,027 | 1,656,065 | (954,304) | 60,473 | 95,914,795 | 96,677,029 |
| TOTAL | 463,001 | 1,325,027 | 1,788,028 | (954,304) | 60,473 | 95,914,795 | 96,808,992 |
| INTER-FUND | | | | | | | |
| TRANSFERS..... | 170,744 | (150,718) | 20,026 | 60,458 | 0 | (80,484) | 0 |
| ENDING FUND BALANCE | 631,104 | 1,675,439 | 2,306,543 | (968,480) | 71,911 | 104,083,516 | 105,493,490 |
| DESIGNATED..... | (52,089) | 0 | (52,089) | 0 | 0 | 0 | (52,089) |
| UNDESIGNATED..... \$ | \$ 579,015 | \$ 1,675,439 | \$ 2,254,454 | \$ (968,480) | \$ 71,911 | \$ 104,083,516 | \$ 105,441,401 |
| | | | | (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, 2017
 (In Thousands)

| Funds By Category | Undesignated Fund Balance as of June 30, 2016 | Revenues | Expenditures | Inter-Fund Transfers | Undesignated Fund Balance as of June 30, 2017 |
|---|---|------------------|------------------|-------------------------|---|
| OTHER GOVERNMENTAL FUNDS | | | | | |
| <u>Other Special Revenue</u> | | | | | |
| 213 Heritage State Parks & Forests | \$ 1,245 | \$ 148 | \$ 76 | \$ 0 | \$ 1,317 |
| 214 Unemployment Interest Payment | 9,382 | (9,382) | 0 | 0 | 0 |
| 217 Waste Management | 7,507 | (27) | 18 | 0 | 7,462 |
| 219 Investment and Local Impact | 77 | 0 | 0 | 0 | 77 |
| 220 Election Administration | 4,916 | 380 | 1,695 | 0 | 3,601 |
| 222 Industrial Building Construction | 0 | 0 | 0 | 0 | 0 |
| 224 Self-Insured Employer Liability | 217 | 1 | 0 | 0 | 218 |
| 225 Medical Assistance Trust | 30,317 | 271,539 | 366,552 | 64,070 | (626) |
| 226 Work Injury Benefits | 12,284 | 9,058 | 5,463 | 0 | 15,879 |
| 227 Workers Compensation | 2,481 | 15,139 | 14,414 | 0 | 3,206 |
| 228 Unemployment Program Integrity | 1,392 | 12,615 | 7,637 | 0 | 6,370 |
| 229 Uninsured Employers | 101,330 | 5,719 | 1,531 | 0 | 105,518 |
| 234 Hospital Assessment Fund | 2,742 | 443,403 | 409,041 | 0 | 37,104 |
| 235 Utility Public Benefits | 18,389 | 110,181 | 110,284 | 0 | 18,286 |
| 237 Critical Access Hospital Assessment | 846 | 7,430 | 5,431 | (2,574) | 271 |
| 238 Mediation | 60 | 175 | 215 | 0 | 20 |
| 239 Police and Fire Protection | (5) | 56,557 | 53,998 | 0 | 2,554 |
| 241 Working Lands | 141 | 3 | 8 | 0 | 136 |
| 248 Economic Development (1) | 8,725 | 38,857 | 21,968 | 0 | 25,614 |
| 249 Read To Lead Development | 129 | 1 | 98 | 0 | 32 |
| 250 State Capitol Restoration | 90 | 7 | 2 | 0 | 95 |
| 257 Agricultural Chemical Cleanup | 5,568 | 2,310 | 572 | (1,000) | 6,306 |
| 258 Farms For The Future | 0 | 0 | 0 | 0 | 0 |
| 259 Agrichemical Management | 8,073 | 8,914 | 6,368 | 0 | 10,619 |
| 261 Agricultural Producer Security | 7,018 | 1,930 | 998 | 0 | 7,950 |
| 264 Historical Legacy Trust | 73 | 0 | 0 | 0 | 73 |
| 266 Historical Preservation Partnership Trust | 590 | 3,547 | 3,995 | 0 | 142 |
| 268 Wireless 911 | 32 | 0 | 0 | 0 | 32 |
| 272 Petroleum Inspection | 18,926 | 46,126 | 27,017 | (21,000) | 17,035 |
| 274 Environmental | 23,367 | 81,056 | 83,114 | 1,000 | 22,309 |
| 277 Dry Cleaner Environmental Responsibility | (5,974) | 667 | 591 | 0 | (5,898) |
| 279 Recycling and Renewable Energy (1) | 0 | 0 | 0 | 0 | 0 |
| 280 Information Technology Investment | (2,639) | 25 | 0 | 0 | (2,614) |
| 281 Military Family Relief | 325 | 225 | 91 | 0 | 459 |
| 285 Universal Service | 14,594 | 42,917 | 41,254 | 0 | 16,257 |
| 286 Budget Stabilization | 281,179 | 1,671 | 0 | 0 | 282,850 |
| 289 Land Information | 681 | 6,891 | 8,159 | 0 | (587) |
| 291 Permanent Endowment | 0 | 132,080 | 0 | (132,080) | 0 |
| 723 Children's Trust | 61 | 0 | 46 | 0 | 15 |
| Total Other Special Revenue | <u>554,139</u> | <u>1,290,163</u> | <u>1,170,636</u> | <u>(91,584)</u> | <u>582,082</u> |
| <u>Debt Service</u> | | | | | |
| 315 Bond Security and Redemption | <u>6,575</u> | <u>837,607</u> | <u>837,523</u> | <u>0</u> | <u>6,659</u> |

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, 2017
 (In Thousands)

| Funds By Category | Undesignated Fund Balance as of June 30, 2016 | Revenues | Expenditures | Inter-Fund Transfers | Undesignated Fund Balance as of June 30, 2017 |
|--|---|----------------------|----------------------|-------------------------|---|
| <u>Capital Projects</u> | | | | | |
| 490 State Building Trust | 107,021 | 149,681 | 93,090 | 0 | 163,612 |
| 495 Capital Improvement | 20,062 | 998,539 | 827,556 | 0 | 191,045 |
| Total Capital Projects | <u>127,083</u> | <u>1,148,220</u> | <u>920,646</u> | <u>0</u> | <u>354,657</u> |
| <u>Permanent</u> | | | | | |
| 743 Agriculture College | 305 | 0 | 0 | 0 | 305 |
| 744 Common School Principal | 1,025,434 | 46,751 | 0 | 0 | 1,072,185 |
| 745 Normal School | 29,322 | 1,659 | 320 | 0 | 30,661 |
| 746 University | 234 | 0 | 0 | 0 | 234 |
| 760 Historical Society Trust | 14,860 | 1,970 | 702 | 0 | 16,128 |
| 763 Common School Income | 7,188 | 40,224 | 32,100 | 0 | 15,312 |
| 767 Benevolent | 14 | 0 | 0 | 0 | 14 |
| 875 University Trust Principal | 208,288 | 4,039 | 0 | 0 | 212,327 |
| 876 University Trust Income | 55,216 | 25,152 | 21,759 | 0 | 58,609 |
| Total Permanent | <u>1,340,861</u> | <u>119,795</u> | <u>54,881</u> | <u>0</u> | <u>1,405,775</u> |
| TOTAL OTHER GOVERNMENTAL FUNDS | <u>2,028,658</u> | <u>3,395,785</u> | <u>2,983,686</u> | <u>(91,584)</u> | <u>2,349,173</u> |
| <u>FIDUCIARY AND OTHER</u> | | | | | |
| <u>Pension (and Other Employee Benefit)</u> | | | | | |
| 262 Public Employee Trust | 1,532,311 | 156,425 | 142,949 | 0 | 1,545,787 |
| 747 Core Retirement Investment Trust | 83,839,641 | 13,783,147 | 6,764,448 | 0 | 90,858,340 |
| 751 Variable Retirement Investment | 6,697,137 | 1,465,777 | 610,237 | 0 | 7,552,677 |
| Total Pension (and Other Employee Benefit) | <u>92,069,089</u> | <u>15,405,349</u> | <u>7,517,634</u> | <u>0</u> | <u>99,956,804</u> |
| <u>Private Purposes</u> | | | | | |
| 570 Tuition Trust | 4,463 | 15 | 762 | 0 | 3,716 |
| 769 College Savings Program Trust | 13,041 | 1,800 | 455 | 0 | 14,386 |
| Total Private Purposes..... | <u>17,504</u> | <u>1,815</u> | <u>1,217</u> | <u>0</u> | <u>18,102</u> |
| <u>Agency</u> | | | | | |
| 788 Support Collections Trust | 15,969 | 962,133 | 961,082 | 0 | 17,020 |
| <u>Other (Business-type funds)</u> | | | | | |
| 521 Lottery | 32,671 | 591,991 | 623,054 | 0 | 1,608 |
| 531 Local Govt Property Insurance | 35 | 1,785 | 7,834 | 11,100 | 5,086 |
| 532 State Life Insurance | 121,583 | 4,103 | 4,511 | 0 | 121,175 |
| 533 Injured Patients & Families Compensation | 1,287,488 | 66,850 | 10,292 | 0 | 1,344,046 |
| 573 Environmental Improvement | 313,609 | 83,013 | 160,039 | 0 | 236,583 |
| 582 Veterans Trust | 4,872 | 12,109 | 14,515 | 0 | 2,466 |
| 583 Veterans Mortgage Loan Repayment | 22,751 | 23,529 | 15,763 | 0 | 30,517 |
| 587 Transportation Infrastructure Loan | 566 | 370 | 0 | 0 | 936 |
| Total Other (Business-type funds)..... | <u>1,783,575</u> | <u>783,750</u> | <u>836,008</u> | <u>11,100</u> | <u>1,742,417</u> |
| TOTAL FIDUCIARY AND OTHER..... | <u>93,886,137</u> | <u>17,153,047</u> | <u>9,315,941</u> | <u>11,100</u> | <u>101,734,343</u> |
| TOTAL - ALL FUNDS..... | <u>\$ 95,914,795</u> | <u>\$ 20,548,832</u> | <u>\$ 12,299,627</u> | <u>\$ (80,484)</u> | <u>\$ 104,083,516</u> |

The accompanying notes are an integral part of this statement

(1) See Note L

Exhibit A-4

State of Wisconsin
 Comparative General Fund Statement of Assets, Liabilities and Fund Balance
 Fiscal Years Ended June 30, 2017, 2016, and 2015
 (In Thousands)

| | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|----------------------------|----------------------------|----------------------------|
| <u>ASSETS</u> | | | |
| Cash..... | \$ 1,588,588 | \$ 1,214,077 | \$ 1,375,275 |
| Contingent Fund Advances..... | 2,776 | 2,774 | 2,909 |
| Investments..... | 7 | 0 | 0 |
| Accounts Receivable..... | 1,768,591 | 1,885,869 | 1,418,149 |
| Due from Other Funds..... | 92,666 | 85,276 | 160,950 |
| Inventory..... | 0 | 0 | 588 |
| Prepayments..... | 4,017 | 3,304 | 72,749 |
| Other Assets..... | 111,211 | 128,547 | 127,622 |
| TOTAL ASSETS..... | <u>3,567,856</u> | <u>3,319,847</u> | <u>3,158,242</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable..... | 393,794 | 673,468 | 591,323 |
| Operating Notes Payable..... | 0 | 0 | 0 |
| Due to Other Funds..... | 66,970 | 63,915 | 337,782 |
| Tax and Other Deposits..... | 80,895 | 40,672 | 28,271 |
| Deferred Revenue..... | 191,895 | 197,131 | 185,747 |
| TOTAL LIABILITIES..... | <u>733,554</u> | <u>975,186</u> | <u>1,143,123</u> |
| <u>FUND BALANCE</u> | | | |
| <u>Reserved Balances</u> | | | |
| GPR Encumbrances..... | 159,541 | 191,784 | 145,639 |
| PR Encumbrances..... | 368,218 | 364,849 | 419,048 |
| Total Reserved Balances..... | <u>527,759</u> | <u>556,633</u> | <u>564,687</u> |
| <u>Unreserved Designated Balances</u> | | | |
| GPR Designation for Continuing Balances..... | 52,089 | 131,963 | 91,276 |
| <u>Unreserved Balances</u> | | | |
| GPR Unreserved Balance..... | 579,015 | 331,038 | 135,555 |
| PR Unreserved Balance..... | 1,675,439 | 1,325,027 | 1,223,601 |
| Total Unreserved Balances..... | <u>2,254,454</u> | <u>1,656,065</u> | <u>1,359,156</u> |
| TOTAL FUND BALANCE..... | <u>2,834,302</u> | <u>2,344,661</u> | <u>2,015,119</u> |
| TOTAL LIABILITIES AND FUND BALANCE..... | <u>\$ 3,567,856</u> | <u>\$ 3,319,847</u> | <u>\$ 3,158,242</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, 2017
 (In Thousands)

| Function/Expenditure Description | Budget | | | Actual | Lapses and Balances |
|--|-------------------------------|---------------------|----------------------|---------------------------|---------------------|
| | Published Budget ¹ | Budget Adjustments | Final Budget | Expenditures ² | |
| Commerce | \$ 364,168 | \$ 18,475 | \$ 382,643 | \$ 284,875 | \$ 97,768 |
| Education | 13,533,607 | 422,936 | 13,956,543 | 13,445,261 | 511,282 |
| Environmental Resources | 3,376,846 | 511,239 | 3,888,085 | 3,370,222 | 517,863 |
| Human Relations and Resources | 14,898,873 | 926,747 | 15,825,620 | 14,271,836 | 1,553,784 |
| General Executive | 1,728,382 | 248,026 | 1,976,408 | 1,302,041 | 674,367 |
| Judicial | 138,334 | 3,612 | 141,946 | 139,241 | 2,705 |
| Legislative | 76,164 | 2,541 | 78,705 | 68,554 | 10,151 |
| General Appropriations | 2,678,108 | 29,350 | 2,707,458 | 2,638,495 | 68,963 |
| Total Chapter 20 | <u>\$ 36,794,482</u> | <u>\$ 2,162,926</u> | <u>\$ 38,957,408</u> | <u>\$ 35,520,525</u> | <u>\$ 3,436,883</u> |
| Retirement Annuities | | | 7,374,684 | 7,374,684 | - |
| Support Collection Trust Payments | | | 980,021 | 961,056 | 18,965 |
| Insurance Premiums | | | 92,954 | 92,954 | - |
| Debt Service Payments | | | 837,523 | 837,523 | - |
| Capital Projects Expenditures | | | 916,866 | 916,866 | - |
| Lottery Prizes | | | 375,006 | 362,968 | 12,038 |
| Other Segregated Revenue | | | 700,424 | 128,760 | 571,664 |
| Program Revenue Appropriations | | | 1,288,677 | 946,521 | 342,156 |
| Clearing and Custody Accounts | | | 1,550,999 | (183,059) | 1,734,058 |
| Total Non Chapter 20 Expenditures | | | <u>\$ 14,117,154</u> | <u>\$ 11,438,273</u> | <u>\$ 2,678,881</u> |
| Total State Expenditures Excluding Transfers | | | <u>\$ 53,074,562</u> | <u>\$ 46,958,798</u> | <u>\$ 6,115,764</u> |

The accompanying notes are an integral part of this statement.

(1) The fund condition for the fiscal year 2017 is the fund condition approved by Legislative Joint Finance Committee at its January 18, 2017 meeting modified by the 2017-2019 Executive Budget.

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

Notes To Fund Statements

Note A Statutory Basis of Accounting

The State of Wisconsin Annual Fiscal Report 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.

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

Health insurance premiums are paid in the actual coverage month.

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 FY 2017, Chapter 20 included a compensation reserve for employee salary and fringe benefit increases. The total amount reserved (appropriated) was \$18,616,800 and the amount allotted was \$1,224,500 leaving a lapse amount of \$17,392,300.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are based on the fund condition statement for the 2017-2019 Executive Budget revenue estimates.

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

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

The following table details the difference between the ending FY 2017 General Fund gross balance contained in the 2017-2019 Executive Budget and the FY 2018 beginning General Fund balance estimated in 2017 Wisconsin Act 59.

| | |
|---|----------------------|
| FY 2017 Gen Fd Gross Balance - 2017-2019 Executive Budget | 453,003,800.00 |
| <u>Revenue Adjustment</u> | |
| Secretary of State GPR-E Reestimate | -13,400.00 |
| <u>Appropriation and Lapse Adjustments</u> | |
| MN-WI Tuition Reciprocity | -3,041,000.00 |
| Debt Service | 1,816,300.00 |
| Jobs Tax Credit | 8,000,000.00 |
| Discretionary Merit Compensation Awards | 607,600.00 |
| Comp Reserves | <u>6,775,500.00</u> |
| Subtotal | <u>14,158,400.00</u> |
| 2017 Act 59 Beginning FY 2018 General Fund Balance | 467,148,800.00 |

Note F Total Departmental Revenues

For budget comparison purposes, inter-fund transfers are added to other revenues to arrive at total departmental revenues. Exhibit A-1 displays departmental revenues of \$337.3 million and net transfers in of \$210.2 million. The fund condition captured these funds more generically as revenue. In order to properly compare actual revenues to budgeted revenues, actual revenues and transfers should be added together in order to compare to the departmental revenues in the fund condition statement, totaling \$547.5 million.

Note G Projected-to-Actual General Fund Condition

The variance between the published budgeted ending balance and actual undesignated balance at the end of fiscal year 2017 is explained as follows:

| | (thousands) |
|---|-------------|
| ENDING FUND BALANCE (UNDESIGNATED) PER FUND CONDITION STATEMENT | \$ 453,004 |
| OPENING BALANCE | |
| ADJUSTMENTS: | |
| Prior year designation for continuing balances | 131,963 |
| Total opening balance adjustments | 131,963 |
| REVENUE ADJUSTMENTS | |
| Taxes received more than estimate | 13,985 |
| Departmental revenues less than estimate | (219,311) |
| Total revenue below estimate | (205,326) |
| APPROPRIATION ADJUSTMENTS | |
| Sum Sufficient Changes | |
| Reestimates | (12,149) |
| Budget brought forward from previous year | (131,963) |
| Budget carried to next year for continuing appropriations | 52,089 |
| Total Appropriation Adjustments | (92,023) |
| LAPSES MORE THAN BUDGETED | 133,284 |
| INTER-FUND TRANSFERS | 210,202 |
| DESIGNATION FOR CONTINUING BALANCES | (52,089) |
| UNDESIGNATED FUND BALANCE | \$ 579,015 |

Note H General Fund Cash Flow

Due to the timing of receipts and disbursements, the General Fund experiences lower cash balances during the first half of each fiscal year. In some years, the State has issued Operating Notes to mitigate this imbalance. However, an Operating Note was not required for fiscal year 2017.

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, state and/or local governments in the future.

Note J Unappropriated Activities

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

| | Safety & Professional Services |
|--------------|--------------------------------|
| Revenues | \$960,046.71 |
| Expenditures | \$960,046.71 |
| 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 | \$12,149 |
| Less Supplements (included in total above) | \$0 |
| Actual Sum Sufficient Increases | \$12,149 |

Note L Economic Development Fund

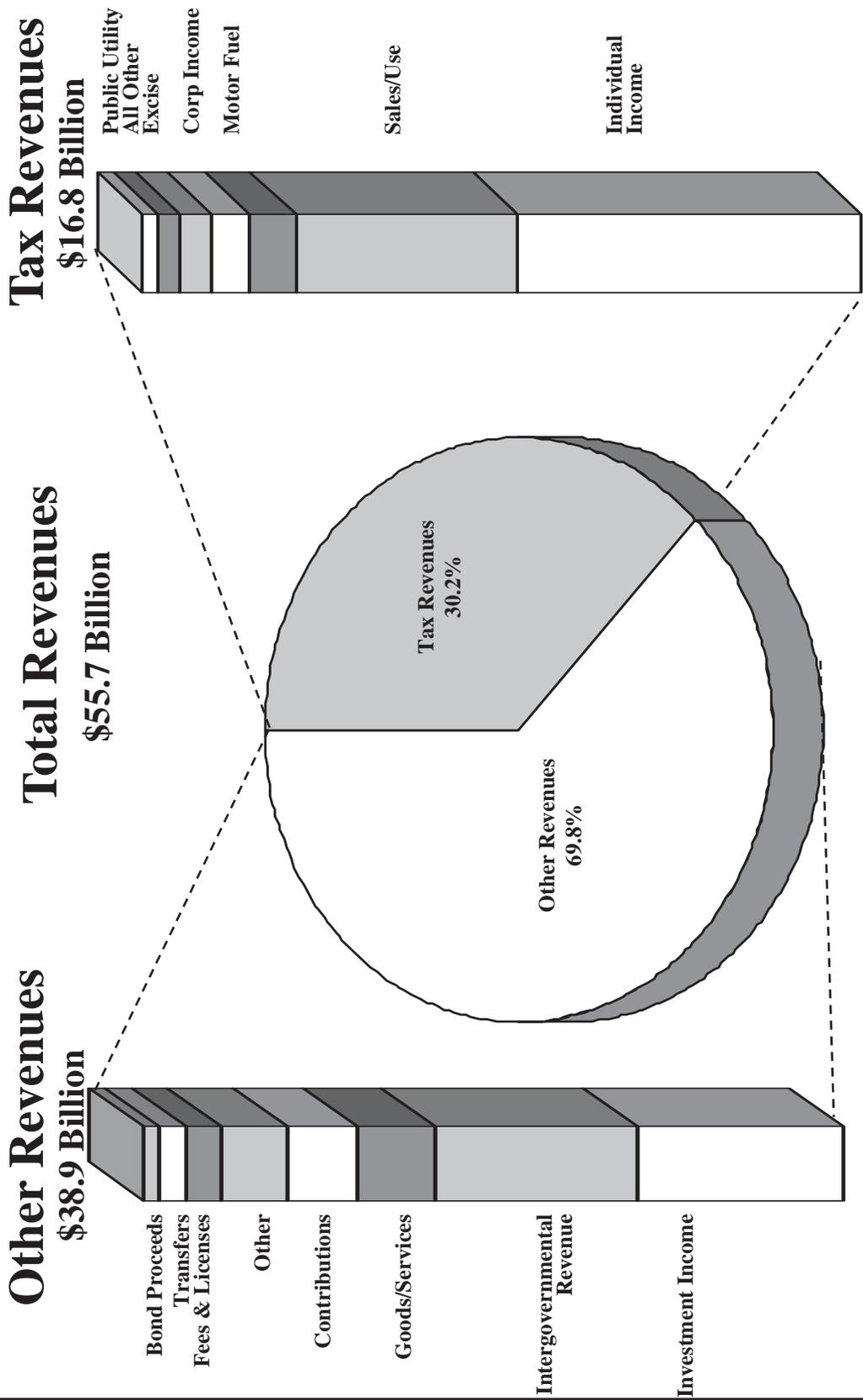
The Recycling and Renewable Energy fund was renamed the Economic Development fund in 2011 Wisconsin Act 32 (budget bill). To better reflect the closing of the Recycling and Renewable Energy fund and the creation of the Economic Development fund in the A-3 Exhibit, these funds have been shown separately.

Supplemental Data

[This page intentionally left blank.]

Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2017



For more detail on revenues, see Schedule A-2

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2017, 2016, and 2015
 (In Thousands)

| | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|-------------------|-------------------|-------------------|
| TAX REVENUES | | | |
| General Purpose Revenue | | | |
| Income Taxes | | | |
| Individual..... | \$ 8,039,506 | \$ 7,740,825 | \$ 7,325,817 |
| Corporation..... | 920,947 | 963,027 | 1,004,926 |
| Total Income Taxes..... | 8,960,453 | 8,703,852 | 8,330,743 |
| Sales and Excise Taxes | | | |
| General Sales and Use..... | 5,223,935 | 5,065,762 | 4,892,126 |
| Cigarette..... | 564,199 | 573,411 | 569,547 |
| Other Tobacco Products..... | 80,279 | 76,127 | 71,916 |
| Liquor and Wine..... | 52,078 | 49,991 | 48,767 |
| Malt Beverage (Beer)..... | 9,125 | 8,980 | 8,830 |
| Total Sales and Excise Taxes..... | 5,929,616 | 5,774,271 | 5,591,186 |
| Public Utility Taxes | | | |
| Private Light, Heat and Power..... | 229,622 | 226,050 | 243,789 |
| Municipal Light, Heat and Power..... | 2,895 | 3,488 | 3,298 |
| Telephone..... | 70,783 | 76,474 | 81,943 |
| Pipeline..... | 39,727 | 37,316 | 34,994 |
| Electric Cooperative..... | 12,046 | 11,747 | 12,231 |
| Municipal Electric..... | 4,934 | 4,947 | 5,162 |
| Conservation and Regulation..... | 349 | 375 | 386 |
| Utility Tax (Refunds) Interest and Penalties..... | 117 | 200 | 16 |
| Total Public Utility Taxes..... | 360,473 | 360,597 | 381,819 |
| Inheritance and Estate Taxes | | | |
| Inheritance and Estate..... | 434 | 1,745 | (112) |
| Total Inheritance and Estate Taxes..... | 434 | 1,745 | (112) |
| Miscellaneous Taxes | | | |
| Insurance Companies (Premiums)..... | 181,584 | 177,326 | 165,448 |
| Real Estate Transfer Fee..... | 70,553 | 65,133 | 57,820 |
| Lawsuits (Courts)..... | 14,397 | 14,491 | 14,225 |
| Other..... | 75 | 74 | 72 |
| Total Miscellaneous Taxes..... | 266,609 | 257,024 | 237,565 |
| TOTAL GPR TAX REVENUES..... | 15,517,585 | 15,097,489 | 14,541,201 |
| Program Tax Revenues | | | |
| Fire Dues..... | 20,802 | 19,217 | 18,717 |
| Pari-mutuel Taxes..... | 0 | 0 | 0 |
| County Expo Tax Administration..... | 854 | 850 | 799 |
| Baseball Park Administration Fee..... | 466 | 454 | 440 |

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2017, 2016, and 2015
 (In Thousands)

| | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|----------------------|----------------------|----------------------|
| Program Tax Revenues, Cont. | | | |
| Business Trust Regulation Fee..... | \$ 1,889 | \$ 2,059 | \$ 1,419 |
| Other..... | 557 | 19,261 | 7,184 |
| TOTAL PROGRAM TAX REVENUES..... | 24,568 | 41,841 | 28,559 |
| TOTAL-GENERAL FUND TAX REVENUES..... | 15,542,153 | 15,139,330 | 14,569,760 |
| Type of Revenues | | | |
| Transportation Fund | | | |
| Motor Fuel Tax..... | 1,044,543 | 1,037,723 | 1,013,434 |
| Air-Carrier Tax..... | 7,126 | 5,103 | 7,963 |
| Railroad Tax..... | 45,323 | 38,498 | 35,686 |
| Aviation Fuel Tax..... | 1,271 | 1,227 | 1,222 |
| Other Taxes..... | 10,013 | 9,093 | 8,691 |
| Conservation Fund | | | |
| 2/10 Mill Forestry Mill Tax..... | 85,760 | 83,306 | 81,350 |
| Forest Crop Taxes..... | 10,256 | 10,555 | 9,263 |
| Motor Fuel Tax..... | 1 | 1 | 1 |
| Dry Cleaner Fund..... | 665 | 0 | 0 |
| Mediation Fund..... | 1 | 1 | 1 |
| Petroleum Inspection Tax..... | 45,707 | 45,798 | 50,333 |
| Economic Development Fund | | | |
| Temporary Service Charges..... | 38,768 | 23,758 | 27,485 |
| TOTAL STATE TAX REVENUES..... | 16,831,587 | 16,394,393 | 15,805,189 |
| Intergovernmental Revenue..... | 11,206,587 | 11,046,123 | 11,342,954 |
| Licenses and Permits..... | 1,846,902 | 1,816,237 | 1,735,246 |
| Charges for Goods and Services..... | 4,236,264 | 4,188,998 | 4,008,673 |
| Contributions..... | 3,875,831 | 3,411,872 | 3,612,450 |
| Interest and Investment Income..... | 11,457,291 | 1,166,878 | 1,871,830 |
| Gifts and Donations..... | 643,013 | 596,606 | 612,225 |
| Proceeds from Sale of Bonds..... | 834,445 | 981,571 | 1,298,903 |
| Other Revenues..... | 2,798,022 | 2,775,527 | 2,641,205 |
| Other Transactions..... | 245,581 | 143,409 | 281,413 |
| TOTAL DEPARTMENTAL REVENUES..... | 37,143,936 | 26,127,221 | 27,404,899 |
| TRANSFERS..... | 1,700,574 | 1,402,824 | 1,508,790 |
| TOTAL REVENUES..... | \$ 55,676,097 | \$ 43,924,438 | \$ 44,718,878 |

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, 2017
(In Thousands)

| Agency | Appr | | Chapter 20 | Increases | Expenditures | Lapse | |
|------------------------------------|-------|-----|--|-----------|--------------|-----------|----------|
| State Operations | | | | | | | |
| 25500 | 31800 | 3f | Interstate Compact on Educational Opportunity for Military Children..... | 1 | 0 | 0 | 1 |
| 37000 | 11600 | 1fe | Endangered Resources General Fund..... | 500 | 0 | 500 | 0 |
| 41000 | 10400 | 1c | Reimbursement Claims of Counties Containing State Prisons..... | 33 | 0 | 29 | 4 |
| 45500 | 20200 | 2am | Officer Training Reimbursement..... | 150 | 0 | 150 | 0 |
| 45500 | 50400 | 5d | Reimbursement for Forensic Examinations..... | 772 | 77 | 846 | 3 |
| 46500 | 10300 | 1c | Public Emergencies..... | 300 | 0 | 275 | 25 |
| 46500 | 30200 | 3am | Worker's Compensation for Local Unit of Government Volunteers..... | 28 | 0 | 23 | 5 |
| 50500 | 10400 | 1d | Special Counsel..... | 612 | 419 | 1,031 | 0 |
| 50500 | 40500 | 4d | Claims Awards..... | 25 | 0 | 0 | 25 |
| 50500 | 80100 | 8am | Interest on Racing & Bingo Money s..... | 0 | 0 | 0 | 0 |
| 51100 | 10300 | 1be | Investigations..... | 0 | 0 | 0 | 0 |
| 52500 | 10100 | 1a | Governor's Office Administration..... | 3,609 | 0 | 3,563 | 46 |
| 52500 | 10200 | 1b | Contingent Fund..... | 20 | 0 | 19 | 1 |
| 52500 | 10300 | 1c | Membership In National Associations..... | 118 | 0 | 118 | 0 |
| 52500 | 20100 | 2a | Executive Residence..... | 229 | 0 | 229 | 0 |
| 62500 | 10100 | 1a | Circuit Courts..... | 72,794 | 0 | 72,507 | 287 |
| 66000 | 10100 | 1a | Court Of Appeals..... | 10,707 | 0 | 10,669 | 38 |
| 68000 | 10100 | 1a | Supreme Court..... | 5,293 | 0 | 5,124 | 169 |
| 76500 | 10100 | 1a | Assembly..... | 26,581 | 0 | 24,331 | 2,250 |
| 76500 | 10300 | 1b | Senate..... | 18,714 | 0 | 16,896 | 1,818 |
| 76500 | 10400 | 1d | Legislative Documents..... | 3,919 | 0 | 3,269 | 650 |
| 76500 | 30800 | 3fa | Membership In National Associations..... | 257 | 0 | 257 | 0 |
| 85500 | 10800 | 1bm | Payment of Cancelled Drafts..... | 2,000 | 1,125 | 1,552 | 1,573 |
| 85500 | 11300 | 1f | Payment of Fees to Financial Institutions..... | 1,500 | 240 | 1,740 | 0 |
| 85500 | 40100 | 4a | Interest on Overpayment of Taxes..... | 1,000 | 0 | 64 | 936 |
| 85500 | 40500 | 4e | Transfer to Conservation Fund - Land Acquisition..... | 0 | 0 | 0 | 0 |
| 85500 | 41300 | 4cm | Illinois Income Tax Reciprocity..... | 64,458 | 0 | 64,458 | 0 |
| 85500 | 11100 | 1DM | Interest Reimbursements to Federal Government..... | 0 | 15 | 15 | 0 |
| 85500 | 40600 | 4FR | Transfer to Transportation Fund; Disaster Damage Aids..... | 3,238 | 0 | 0 | 3,238 |
| <i>Total State Operations.....</i> | | | | \$216,858 | \$1,876 | \$207,665 | \$11,069 |
| Aids and Local Assistance | | | | | | | |
| 11500 | 20200 | 2b | Animal Disease Indemnities..... | 0 | 0 | 0 | 0 |
| 23500 | 10400 | 1e | MN-WI Student Reciprocity..... | 5,142 | 3,241 | 8,383 | 0 |
| 23500 | 10600 | 1fe | Wisconsin grants; University of Wisconsin System Students..... | 60,751 | 242 | 60,970 | 23 |
| 23500 | 10800 | 1fm | Wisconsin Covenant Scholars Grants..... | 7,970 | 8 | 7,978 | 0 |
| 23500 | 10900 | 1fy | Academic Excellence Higher Education Scholarship Program..... | 2,865 | 55 | 2,920 | 0 |
| 23500 | 11900 | 1fw | Technical Excellence Higher Education Scholarships..... | 796 | 0 | 744 | 52 |
| 25500 | 21800 | 2fm | Charter Schools..... | 62,223 | 0 | 61,623 | 600 |
| 25500 | 22400 | 2fr | Parental Choice Program for Eligible School Districts..... | 41,000 | 0 | 40,392 | 608 |
| 25500 | 23500 | 2fu | Milwaukee Parental Choice Program..... | 203,700 | 0 | 200,577 | 3,123 |
| 25500 | 30600 | 3c | Grants for National Teacher Certification or Master Educator Licensure | 2,535 | 0 | 2,209 | 326 |
| 29200 | 16200 | 1dp | Property Tax Relief Aid..... | 406,000 | 0 | 406,000 | 0 |
| 37000 | 50300 | 5da | Aids In Lieu Of Taxes General Fund..... | 6,745 | 873 | 7,434 | 184 |
| 43500 | 17500 | 1bn | Workplace Wellness Program Grants..... | 60 | 0 | 33 | 27 |
| 43500 | 40300 | 4ed | State Supplement to Federal Supplemental Security Income Program.. | 159,021 | 0 | 158,787 | 234 |
| 43500 | 57400 | 5da | Reimburse Local Units of Government..... | 420 | 0 | 345 | 75 |
| 46500 | 20100 | 2a | Tuition Grants..... | 6,738 | 0 | 6,429 | 309 |
| 46500 | 30500 | 3e | Disaster Recovery Aids Public Health Emergency Quarantine Costs... | 2,300 | 0 | 749 | 1,551 |
| 50500 | 41200 | 4er | Service Award Program..... | 2,035 | 0 | 1,963 | 72 |
| 51500 | 10100 | 1a | Annuity Supplements And Payments..... | 134 | 0 | 131 | 3 |
| 83500 | 10100 | 1c | Expenditure Restraint Program Account..... | 58,146 | 0 | 58,146 | 0 |
| 83500 | 10500 | 1db | County and Municipal Aids Account..... | 693,076 | 0 | 689,768 | 3,308 |
| 83500 | 10900 | 1e | State Aid; Tax Exempt Property..... | 89,720 | 0 | 89,720 | 0 |
| 83500 | 11000 | 1dm | Public Utility Distribution Account..... | 72,958 | 0 | 72,882 | 76 |
| 83500 | 20200 | 2b | Claim of Right Credit..... | 191 | 27 | 218 | 0 |
| 83500 | 20300 | 2c | Homestead Tax Credit..... | 96,000 | 0 | 95,425 | 575 |
| 83500 | 20500 | 2dm | Farmland Preservation Credit..... | 828 | 0 | 6 | 822 |
| 83500 | 20900 | 2ep | Cigarette and Tobacco Product Tax Refunds..... | 44,100 | 0 | 41,276 | 2,824 |
| 83500 | 21100 | 2co | Enterprise Zone Jobs Credit..... | 31,900 | 0 | 23,399 | 8,501 |
| 83500 | 21200 | 2f | Earned Income Tax Credit..... | 31,300 | 0 | 29,595 | 1,705 |
| 83500 | 21300 | 2bm | Film Production Services Credit..... | 0 | 0 | 0 | 0 |
| 83500 | 21500 | 2em | Veterans & Surviving Spouse Property Tax Credit..... | 29,800 | 0 | 29,551 | 249 |
| 83500 | 21600 | 2bn | Dairy Manufacturing Facility Investment Credits..... | 0 | 0 | 0 | 0 |
| 83500 | 21700 | 2br | Interest Payments on Overassessments on Manufacturing Property..... | 20 | 0 | 0 | 20 |
| 83500 | 21800 | 2do | Farmland Preservation Credit, 2010 and Beyond..... | 18,750 | 0 | 17,695 | 1,055 |
| 83500 | 21900 | 2bd | Meat Processing Facility Investment Credit..... | 0 | 0 | 0 | 0 |
| 83500 | 22000 | 2bp | Dairy Manufacturing Facility Investment Credits; Dairy Cooperatives..... | 0 | 2 | 1 | 1 |

Exhibit B-2

**General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2017
(In Thousands)**

| Agency | Appr | | Chapter 20 | Increases | Expenditures | Lapse | |
|--|-------|-----|---|--------------------|-----------------|--------------------|-----------------|
| Aids and Local Assistance (Continued) | | | | | | | |
| 83500 | 22500 | 2bb | Jobs Tax Credit..... | 16,000 | 0 | 10,575 | 5,425 |
| 83500 | 22800 | 2be | Food Processing Plant and Food Warehouse Investment Credit..... | 0 | 0 | 0 | 0 |
| 83500 | 22900 | 2bc | Woody Biomass Harvesting and Processing Credit..... | 0 | 0 | 0 | 0 |
| 83500 | 30200 | 3b | School Levy Tax Credit and First Dollar Credit..... | 1,001,350 | 0 | 1,001,350 | 0 |
| 85500 | 40400 | 4bm | Oil Pipeline Terminal Tax Distribution..... | 4,185 | 800 | 4,185 | 800 |
| 25500 | 25000 | 2AZ | Special Needs Scholarship Program..... | 2,429 | 2,470 | 2,579 | 2,320 |
| 25500 | 27900 | 2AQ | Per Pupil Aid..... | 337,065 | 2 | 337,067 | 0 |
| 44500 | 10200 | 1AA | Special Death Benefit..... | 525 | 0 | 373 | 152 |
| 83500 | 20700 | 2BG | Business Development Credit..... | 6,250 | 0 | 615 | 5,635 |
| <i>Total Aids and Local Assistance.....</i> | | | | \$3,505,028 | \$7,720 | \$3,472,093 | \$40,655 |
| Principal Repayment and Lease Rental | | | | | | | |
| 11500 | 20500 | 2d | Principal Repayment and Interest..... | 4 | 0 | 4 | 0 |
| 11500 | 70200 | 7b | Principal Repayment and Interest..... | 802 | 0 | 801 | 1 |
| 19000 | 10100 | 1c | Principal Repayment and Interest..... | 1,102 | 0 | 1,102 | 0 |
| 19000 | 10200 | 1d | Principal Repayment and Interest..... | 2,168 | 160 | 2,328 | 0 |
| 22500 | 10300 | 1c | Principal Repayment and Interest..... | 2,761 | 16 | 2,777 | 0 |
| 24500 | 10600 | 1e | Principal Repayment and Interest..... | 3,574 | 149 | 3,723 | 0 |
| 25000 | 10300 | 1c | Principal Repayment and Interest..... | 3,445 | 18 | 3,463 | 0 |
| 25000 | 10500 | 1e | Principal Repayment and Interest..... | 178 | 1 | 178 | 1 |
| 25500 | 10400 | 1d | Principal Repayment and Interest..... | 1,066 | 2 | 1,067 | 1 |
| 28500 | 11000 | 1d | Principal Repayment and Interest..... | 222,207 | 125 | 222,332 | 0 |
| 32000 | 10300 | 1c | Principal Repayment and Interest..... | 12,925 | 13 | 12,938 | 0 |
| 32000 | 28200 | 2c | Principal Repayment and Interest..... | 5,310 | 0 | 5,283 | 27 |
| 37000 | 70100 | 7aa | Principal Repayment and Interest..... | 70,827 | 0 | 70,380 | 447 |
| 37000 | 70600 | 7cb | Principal Repayment and Interest..... | 0 | 0 | (380) | 380 |
| 37000 | 70700 | 7cc | Principal Repayment and Interest..... | 1,929 | 0 | 1,929 | 0 |
| 37000 | 70800 | 7cd | Principal Repayment and Interest..... | 222 | 0 | 222 | 0 |
| 37000 | 70900 | 7ea | Principal Repayment and Interest..... | 702 | 0 | 702 | 0 |
| 39500 | 66400 | 6af | Principal Repayment and Interest..... | 101,558 | 600 | 101,312 | 846 |
| 41000 | 10700 | 1e | Principal Repayment and Interest..... | 73,134 | 322 | 73,456 | 0 |
| 41000 | 30700 | 3e | Principal Repayment and Interest..... | 4,184 | 21 | 4,205 | 0 |
| 43500 | 20700 | 2ee | Principal Repayment and Interest..... | 21,694 | 133 | 21,827 | 0 |
| 46500 | 10400 | 1d | Principal Repayment and Interest..... | 6,623 | 168 | 6,786 | 5 |
| 48500 | 10600 | 1f | Principal Repayment and Interest..... | 1,551 | 1 | 1,551 | 1 |
| 50500 | 41300 | 4et | Principal Repayment and Interest..... | 8 | 0 | 0 | 8 |
| 50500 | 41400 | 4es | Principal Repayment and Interest..... | 998 | 0 | 0 | 998 |
| 50500 | 50300 | 5c | Principal Repayment and Interest..... | 197 | 10 | 206 | 1 |
| 85500 | 80100 | 8a | Principal Repayment and Interest..... | 2,174 | 33 | 2,173 | 34 |
| 86700 | 10200 | 1b | Principal Repayment and Interest..... | 10,661 | 53 | 10,707 | 7 |
| 86700 | 30100 | 3a | Principal Repayment and Interest..... | 6,347 | 0 | 3,512 | 2,835 |
| 86700 | 30200 | 3b | Principal Repayment and Interest..... | 1,670 | 0 | 1,361 | 309 |
| 86700 | 30300 | 3bl | Principal Repayment and Interest..... | 448 | 0 | 448 | 0 |
| 86700 | 30600 | 3br | Principal Repayment and Interest..... | 93 | 0 | 93 | 0 |
| 86700 | 30800 | 3bb | Principal Repayment and Interest..... | 23 | 0 | 21 | 2 |
| 86700 | 30900 | 3bm | Principal Repayment and Interest..... | 111 | 0 | 111 | 0 |
| 86700 | 31000 | 3bc | Principal Repayment and Interest..... | 37 | 0 | 37 | 0 |
| 86700 | 31100 | 3bq | Principal Repayment and Interest..... | 1,145 | 13 | 1,153 | 5 |
| 86700 | 31200 | 3bn | Principal Repayment and Interest..... | 22 | 0 | 21 | 1 |
| 86700 | 31300 | 3bu | Principal Repayment and Interest..... | 43 | 0 | 42 | 1 |
| 86700 | 31400 | 3bv | Principal Repayment and Interest..... | 67 | 2 | 67 | 2 |
| 86700 | 31500 | 3bd | Principal Repayment and Interest..... | 36 | 0 | 36 | 0 |
| 86700 | 31600 | 3be | Principal Repayment and Interest..... | 1,698 | 113 | 1,798 | 13 |
| 86700 | 31700 | 3bf | Principal Repayment and Interest..... | 61 | 0 | 56 | 5 |
| 86700 | 31800 | 3bg | Principal Repayment and Interest..... | 19 | 0 | 18 | 1 |
| 86700 | 31900 | 3bh | Principal Repayment and Interest..... | 38 | 0 | 38 | 0 |
| 86700 | 32000 | 3bj | Principal Repayment and Interest..... | 19 | 0 | 19 | 0 |
| 86700 | 32200 | 3cb | Principal Repayment and Interest..... | 42 | 0 | 42 | 0 |
| 86700 | 32300 | 3cd | Principal Repayment and Interest..... | 123 | 0 | 123 | 0 |
| 86700 | 32400 | 3cf | Principal Repayment and Interest..... | 693 | 0 | 693 | 0 |
| 39500 | 66500 | 6AE | Principal repayment and interest..... | 5,552 | 600 | 5,944 | 208 |
| 86700 | 32900 | 3BX | Principal repayment and interest..... | 46 | 0 | 46 | 0 |
| <i>Total Principal Repayment and Lease Rental.....</i> | | | | \$570,337 | \$2,553 | \$566,751 | \$6,139 |
| Pay Plan & Supplement | | | | | | | |
| 86500 | 10300 | 1c | Salary..... | 0 | 0 | 0 | 0 |
| 86500 | 10400 | 1d | Fringe..... | 0 | 0 | 0 | 0 |
| <i>Total Pay Plan & Supplements.....</i> | | | | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND SUM SUFFICIENTS | | | | \$4,292,223 | \$12,149 | \$4,246,509 | \$57,863 |

(1) See Note K

(1)