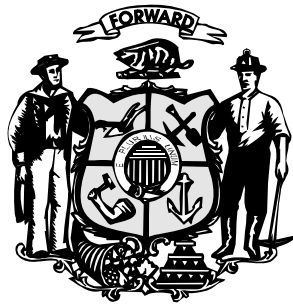


FY16

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
2016

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State of Wisconsin
2016 Annual Fiscal Report

(Budgetary Basis)

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**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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GOVERNOR

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SECRETARY

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November 21, 2016

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, 2016. 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. This revises the report issued on October 15, 2016 and includes the final appropriation adjustments submitted by state agencies.

The General Fund has an undesignated balance of \$331.0 million as of the end of the fiscal year. General-purpose revenue taxes were \$15.098 billion compared to \$14.541 billion in the prior year, an increase of \$556 million or 3.8 percent.

General-purpose revenue expenditures, excluding fund transfers, were \$15.341 billion. This is \$85 million less than the budgeted expenditure allocation of \$15.426 billion.

In fiscal year 2016, 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 51.0 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 25.9 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 16.6 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in early 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

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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, 2016 totaled \$15,097.5 million, an increase of 3.8 percent from FY 2015 collections of \$14,541.2 million.

Total collections for FY 2016 were \$77.9 million, or 0.5 percent, below the estimate of \$15,175.4 million.

Table 1

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

Tax Source	FY16	% of Total	FY15	% of Total	\$ Change FY16-FY15	% Change
Individual Income	\$7,740.8	51.3%	\$7,325.8	50.4%	\$415.0	5.7%
General Sales & Use	5,065.8	33.5%	4,892.1	33.7%	173.7	3.6%
Corporation Franchise & Income	963.0	6.4%	1,004.9	6.9%	-41.9	-4.2%
Excise	708.5	4.7%	699.1	4.8%	9.4	1.3%
Public Utility	360.6	2.4%	381.8	2.6%	-21.2	-5.6%
Insurance Companies	177.3	1.2%	165.5	1.1%	11.8	7.1%
Miscellaneous	81.5	0.5%	72.0	0.5%	9.5	13.2%
TOTAL GPR	\$15,097.5	100.0%	\$14,541.2	100.0%	\$556.3	3.8%

Individual Income Tax

Individual income tax collections increased \$415.0 million (5.7 percent) from \$7,325.8 million in FY 2015 to \$7,740.8 million in FY 2016. This was \$69.2 million (0.9 percent) below the \$7,810.0 million estimate. The individual income tax share of total GPR taxes increased from 50.4 percent in FY 2015 to 51.3 percent in FY 2016.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 4.3 percent from \$6,874.0 million to \$7,171.8 million. Estimated payments increased 2.0 percent from \$1,248.5 million to \$1,273.6 million, while refunds decreased 3.6 percent from \$1,758.3 million to \$1,695.4 million. Final payments, or payments with returns, increased 4.4 percent to \$629.0 million.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 3.6 percent from \$4,892.1 million to \$5,065.8 million. This was \$15.1 million (0.3 percent) above the \$5,050.7 million estimate. Sales tax collections as a percentage of total GPR taxes held effectively steady at 33.5 percent.

Corporation Franchise and Income Tax

Corporate collections decreased 4.2 percent from \$1,004.9 million in FY 2015 to \$963.0 million in FY 2016. Corporate collections as a percentage of total GPR taxes declined to 6.4 percent in FY 2016 from 6.9 percent in FY 2015. Corporate collections were \$27.0 million (2.7 percent) below the estimate of \$990.0 million.

The major source of corporate collections, estimated payments, decreased by 3.9 percent from \$904.3 million in FY 2015 to \$868.7 million in FY 2016.

Excise Tax

Cigarette tax collections increased 0.7 percent from \$569.5 million in FY 2015 to \$573.4 million in FY 2016. Collections in FY 2016 were above the estimate by \$2.4 million (0.4 percent).

Tobacco products tax collections increased 5.9 percent from \$71.9 million in FY 2015 to \$76.1 million in FY 2016. Collections in FY 2016 were below the estimate by \$0.3 million (0.4 percent).

Liquor and wine tax collections increased 2.5 percent from \$48.8 million in FY 2015 to \$50.0 million in FY 2016. Collections in FY 2016 were almost exactly equal to the estimate, finishing just \$9,000 below the January forecast.

Beer tax collections increased 1.7 percent from \$8.8 million in FY 2015 to \$9.0 million in FY 2016. Collections in FY 2016 were nearly equal to the estimate, finishing the year 0.2 percent below.

Other Taxes

Public utility tax collections decreased \$21.2 million (5.6 percent) from \$381.8 million in FY 2015 to \$360.6 million in FY 2016. Collections were \$10.2 million (2.8 percent) below the FY 2016 estimate.

Insurance company taxes (generally based on premiums) increased 7.1 percent from \$165.5 million in FY 2015 to \$177.3 million in FY 2016. Collections were \$9.3 million (5.6 percent) above the FY 2016 estimate.

Miscellaneous taxes increased 13.2 percent from \$72.0 million in FY 2015 to \$81.5 million in FY 2016. This is \$1.9 million (2.4 percent) above the estimate for the fiscal year. The largest component of miscellaneous taxes, the real estate transfer fee, increased 12.7 percent to \$65.1 million in FY 2016.

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 2016. State property tax relief aid kept property taxes lower in 2015(16) than they were in 2010(11) for the median value home. Income tax relief for the median income family was \$244 in tax year 2015 and will total an estimated \$916 from tax year 2013 to 2016.

The state began FY 2016 with a general fund GPR balance of \$135.6 million. By the close of FY 2016, this balance has grown to over \$331 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 \$281 million.

Total GPR spending increased \$7.0 million in FY 2016, as shown in Table 2. This compares to a 4.8 percent increase in FY 2015. The largest portion of GPR expenditures in FY 2016 was directed to

school districts and other local units of government, consistent with past years. Local Assistance payments decreased by 2.3 percent, and these expenditures were \$7,809.0 million or 51.0 percent of total GPR spending in FY 2016 compared to \$7,989.0 million or 52.1 percent of total spending in FY 2015. Aid payments to individuals and organizations increased by 6.9 percent, and these expenditures were \$3,979.6 million, which was 25.9 percent of total GPR spending in FY 2016, compared to \$3,723.1 million or 24.3 percent in FY 2015. State operations spending decreased 1.9 percent in FY 2016, with expenditures of \$3,552.3 million that accounted for 23.1 percent of total GPR spending, compared to \$3,621.8 million or 23.6 percent in FY 2015.

The GPR budget is shaped by its ten largest programs, as detailed in Table 3. These programs comprised 84.1 percent of total GPR expenditures in FY 2016, which is the same as in FY 2015. Immediately following this section is a brief explanation of each program.

Table 2

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

	<u>FY16</u>	<u>% of Total</u>	<u>FY15</u>	<u>% of Total</u>	<u>\$ Change FY16-FY15</u>	<u>% Change</u>
Local Assistance	\$7,809.0	51.0%	\$7,989.0	52.1%	-\$180.0	-2.3%
Aids to Individuals	3,979.6	25.9%	3,723.1	24.3%	256.5	6.9%
State Operations:						
UW System	993.5	6.5%	1,086.0	7.1%	-92.5	-8.5%
All Other Agencies	<u>2,558.8</u>	<u>16.6%</u>	<u>2,535.8</u>	<u>16.5%</u>	<u>23.0</u>	<u>0.9%</u>
Total	<u>\$15,340.9</u>	<u>100.0%</u>	<u>\$15,333.9</u>	<u>100.0%</u>	<u>\$7.0</u>	<u>0.0%</u>
Transfers	<u>38.0</u>		<u>169.6</u>			
TOTAL GPR	<u>\$15,378.9</u>		<u>\$15,503.5</u>			

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	<u>FY16</u>	<u>% of Total</u>	<u>FY15</u>	<u>% of Total</u>	<u>\$ Change FY16-FY15</u>	<u>% Change</u>
1. School Aids	\$5,223.6	34.1%	\$5,336.8	34.8%	-\$113.2	-2.1%
2. Medical Assistance	2,719.5	17.7%	2,520.0	16.4%	199.5	7.9%
3. Correctional Services	1,159.5	7.6%	1,145.1	7.5%	14.4	1.3%
4. UW System	993.5	6.5%	1,086.0	7.1%	-92.5	-8.5%
5. State Property Tax Credits	895.4	5.8%	894.1	5.8%	1.3	0.1%
6. Shared Revenue	827.4	5.4%	824.0	5.4%	3.4	0.4%
7. WI Technical College System	516.1	3.4%	511.1	3.3%	5.0	1.0%
8. Individual Tax Relief	216.9	1.4%	226.2	1.5%	-9.3	-4.1%
9. Community Aids	200.6	1.3%	197.2	1.3%	3.4	1.7%
10. State Supplement to SSI	154.8	1.0%	153.5	1.0%	1.3	0.8%
All Others	<u>2,433.6</u>	<u>15.8%</u>	<u>2,439.9</u>	<u>15.9%</u>	<u>-6.3</u>	<u>-0.3%</u>
Subtotal	\$15,340.9	<u>100.0%</u>	\$15,333.9	<u>100.0%</u>	<u>\$7.0</u>	<u>0.0%</u>
Transfers	<u>38.0</u>		<u>169.6</u>			
TOTAL	<u>\$15,378.9</u>		<u>\$15,503.5</u>			

School Aids: State GPR assistance to Wisconsin's 424 school districts decreased by 2.1 percent or \$113.2 million in FY 2016. However, in the overlapping 2015-16 school year, school districts were able to spend \$126.8 million in per pupil aid not reflected in the above table. This amount is budgeted in FY 2017 but specified as aid for FY 2016. Overall, through a combination of state aids and property tax credits, the state reimbursed approximately 62.7 percent of school costs in FY 2016, up from 62.3 percent in FY 2015.

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 0.8 percent since FY 2011.

There are two major types of direct school aid. Approximately 82.4 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 17.6 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 2016, school districts were provided a \$150 adjustment for each pupil through the per pupil categorical program.

In addition to direct aid, in FY 2016 the state also provided \$197.3 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 2016, the Milwaukee Parental Choice Program was funded 71.2 percent with GPR and 28.8 percent by the Milwaukee Public School District through an adjustment to its general equalization aid calculation. The state also provided \$33.5 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 2016, total MA expenditures, including BadgerCare Plus, were approximately \$8,438.5 million, of which \$2,719.5 million was GPR. On an all funds basis, MA expenditures decreased by 3.5 percent from FY 2015.

During FY 2016, MA enrollment remained relatively flat, increasing by 0.19 percent. Enrollment trends varied within eligibility groups, however. Average monthly enrollment of low-income adults and children in the BadgerCare Plus program decreased by 0.35 percent, while the average monthly enrollment of elderly individuals and people with disabilities increased by 1.75 percent.

The MA totals do not include expenditures for SeniorCare, Wisconsin's pharmacy assistance program for the elderly. In FY 2016, all funds expenditures were budgeted at \$101.5 million. Of the all funds amounts, actual FY 2016 GPR expenditures totaled \$18.2 million, a \$1.9 million increase from FY 2015. Average monthly enrollment in SeniorCare increased by 2.5 percent in FY 2016, and any increases in expenditures can be attributed to higher drug utilization and benefits paid to individuals.

Correctional Services: Total GPR expenditures for the state corrections program increased \$14.4 million, or 1.3 percent, over the prior year, reaching \$1,159.5 million in FY 2016. The number of incarcerated felons under the supervision of the state adult corrections program increased 1.7 percent from an average daily population of 22,461 in FY 2015 to 22,842 in FY 2016. The increase in spending is mainly attributed to an increase in general program operations costs for salary and inmate healthcare, as well as corrections contracts and agreements, which were slightly offset by decreases to energy costs and debt repayments.

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. In this transition year, the program and its associated costs continue to be identified as Correctional Services.

University of Wisconsin System: Total GPR expenditures for the University of Wisconsin (UW) System decreased by \$92.5 million, or 8.5 percent in FY 2016. This occurred at the same time the UW System's total operating budget for FY 2016 rose to the highest level ever. In addition, unrestricted fund balances were \$883.3 million at the close of FY 2016.

In the 2015-16 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 in the 2016-17 academic year for a historic four-year freeze. Compared to the annualized increase of 8.1 percent per year in the ten years prior to the freeze, this is saving the average student \$6,311 over four years.

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 UW students. Since FY 2003, support for WHEG grants has increased by 183 percent.

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 2016 was \$747.4 million GPR. The credit offset 7.2 percent of 2014 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 \$148.0 million in FY 2016, 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 2016, the shared revenue formula distributed a total of \$878.4 million, consisting of \$827.4 million GPR and \$51.0 million SEG. The GPR portion of this amount consisted of

county and municipal aids of \$696.4 million, utility aids of \$72.8 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 increased by 0.2 percent over FY 2015, reflecting a 3.0 percent increase in GPR public utility payments and a \$2.0 million decrease in SEG funding. Statewide, shared revenue payments provided municipalities with about 12.6 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 2015, 25,988 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. 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 \$216.9 million GPR in tax relief to individuals through a variety of refundable tax credit programs during FY 2016.

The Earned Income Credit program reduces income taxes or supplements income for about 255,400 low-income working families with children. In FY 2016, this program paid a total of \$101.8 million in all funds to these households, an increase of about \$1.0 million over FY 2015.

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 2016, the credit provided \$99.9 million of tax relief, compared with \$106.3 million in FY 2015. Over 191,400 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 8,900 veterans and surviving spouses by providing a credit for taxes paid on a principal dwelling. Tax credit expenditures were \$28.5 million in FY 2016, an increase of \$2.5 million over FY 2015.

Wisconsin's Farmland Preservation Credit programs provide credits to about 13,400 farmers who qualify through exclusive agricultural or farmland preservation zoning or individual farmland preservation agreements. Two separate calculations of and qualifications for the credit were available in FY 2016 – one based on income and the other based on the number of qualifying acres and other criteria. Combined expenditures under Farmland Preservation Credit programs totaled \$19.5 million in FY 2016, an increase of \$0.4 million relative to FY 2015.

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 \$200.6 million in FY 2016. Between FY 2015 and FY 2016, the Community Aids funding distributed by the departments increased by \$3.4 million GPR, a 1.7 percent change. The increase is, in part, due to distribution changes enacted in 2015 Wisconsin Act 55, which consolidated existing community mental health services into Community Aids.

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 2016, a total of \$154.8 million was expended in SSI payments. The expenditure increase of \$1.3 million GPR over FY 2015 is due to an increase in caseload.

Comparative Condition of the General Fund
 FY16 Actual vs. Budget
 (in Thousands)

	<u>FY16 Actual</u>	<u>Budget</u>	<u>Variance</u>
OPENING BALANCES			
Unreserved, Undesignated Opening Balance	\$ 135,555	\$ 135,555	\$ 0 ¹
Prior Year Designation of Continuing Balances	91,276	0	91,276 ²
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
Unreserved Opening Balance	<u>226,831</u>	<u>135,555</u>	<u>91,276</u>
REVENUES			
Taxes	15,097,489	15,175,355	(77,866) ³
Departmental Revenues	<u>517,676</u>	<u>543,648</u>	<u>(25,972)</u> ⁴
Total Revenues	<u>15,615,165</u>	<u>15,719,003</u>	<u>(103,838)</u>
Total Available Resources	<u>15,841,996</u>	<u>15,854,558</u>	<u>(12,562)</u>
APPROPRIATIONS			
Gross Appropriations	15,850,928	15,749,244	(101,684) ⁵
Compensation Reserves	953	10,693	9,740 ⁶
Transfers	38,010	38,010	0 ⁷
Less: Lapses	<u>(378,933)</u>	<u>(334,072)</u>	<u>44,861</u> ⁸
Net Appropriations	<u>15,510,958</u>	<u>15,463,875</u>	<u>(47,083)</u>
UNDESIGNATED UNRESERVED BALANCE	<u>\$ 331,038</u>	<u>\$ 390,683</u>	<u>\$ (59,645)</u>

Notes:

1. UNDESIGNATED, UNRESERVED OPENING BALANCE. The fund condition for the fiscal year 2016 is included in the Final Chapter 20 fund condition statement. The opening balance for fiscal year 2016 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 lower than the estimated tax collections contained in the Final Chapter 20 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 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	\$ 15,749,244
Add: continuing appropriation authority brought forward	91,276
Add: increases to sum sufficient appropriations above Chapter 20	4,749
Add: new legislation	993
Add: biennial adjustments	<u>4,666</u>
FINAL GROSS APPROPRIATIONS	<u>\$ 15,850,928</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.

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Statements of Fund Condition and Operations

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

(In Millions of Dollars)

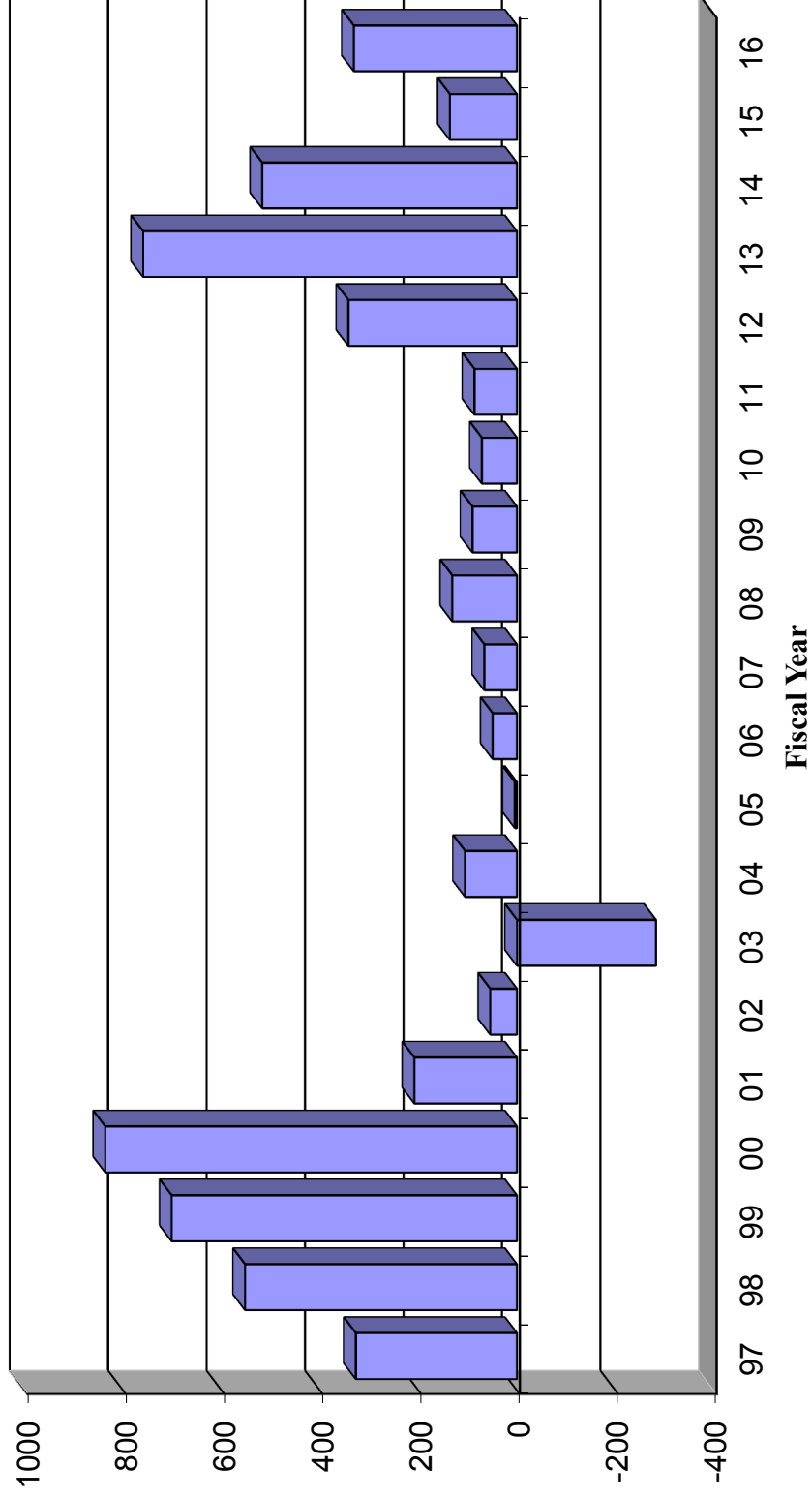


Exhibit A-1

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, 2016
 (In Thousands)

	Budget			Actual	Variance
	Published Budget	Appropriation Adjustments	Final Budget		
Beginning Unreserved					
Undesignated Balance.....\$	135,555	\$	135,555	\$ 135,555	\$ 0
Beginning Unreserved					
Designated Balance.....		91,276	91,276	91,276	0
Total.....	135,555	91,276	226,831	226,831	0
REVENUES					
Taxes:					
Individual.....	7,810,000		7,810,000	7,740,825	(69,175)
Corporation.....	990,000		990,000	963,027	(26,973)
Sales & Use.....	5,050,655		5,050,655	5,065,762	15,107
Excise.....	706,400		706,400	708,509	2,109
Inheritance & Gift.....	0		0	1,745	1,745
Public Utility.....	370,800		370,800	360,597	(10,203)
Insurance.....	168,000		168,000	177,326	9,326
Miscellaneous.....	79,500		79,500	79,698	198
Total Taxes.....	15,175,355		15,175,355	15,097,489	(77,866)
Departmental Revenue:					
Indian Gaming Revenue.....	25,605		25,605	26,167	562
Other.....	518,043		518,043	274,855	(243,188)
Total Department Revenues.....	543,648		543,648	301,022 (2)	(242,626)
Total Revenues.....	15,719,003		15,719,003	15,398,511	(320,492)
TOTAL AVAILABLE.....	15,854,558	91,276	15,945,834	15,625,342	(320,492)
EXPENDITURES					
LAPSE					
Commerce.....	36,870	312	37,182	36,816	366
Education.....	7,111,300	(2,958)	7,108,342	6,954,921	153,421
Environmental Resources.....	226,543	1,487	228,030	224,323	3,707
Human Relations & Resources.....	5,312,169	(46,485)	5,265,684	5,241,860	23,824
General Executive.....	617,581	693	618,274	468,725	149,549
Judicial.....	124,041	(1,081)	122,960	117,895	5,065
Legislative.....	74,041	(2,557)	71,484	64,997	6,487
General (Incl. Shared Revenue).....	2,246,699	21,263	2,267,962	2,231,448	36,514
Transfer (Gen Fund Cond).....	38,010	0	38,010	38,010	0
Compensation Reserves.....	10,693	(953)	9,740	0	9,740
Less: Estimated Lapse.....	(334,072)	0	(334,072)	0	(334,072)
TOTAL EXPENDITURES.....	15,463,875	(30,279)	15,433,596	15,378,995	54,601
Transfers - General Fund.....	0	0	0	216,654 (2)	216,654
UNRESERVED BALANCE	390,683	121,555	512,238	463,001	(49,237)
Designation for continuing balances.....	0	(131,963)	(131,963)	(131,963)	0
UNRESERVED					
Undesignated Balance.....\$	390,683	(10,408) \$	380,275	331,038	(49,237)
	(1)				

The accompanying notes are an integral part of this statement.

(1) See Note E

(2) See Note F

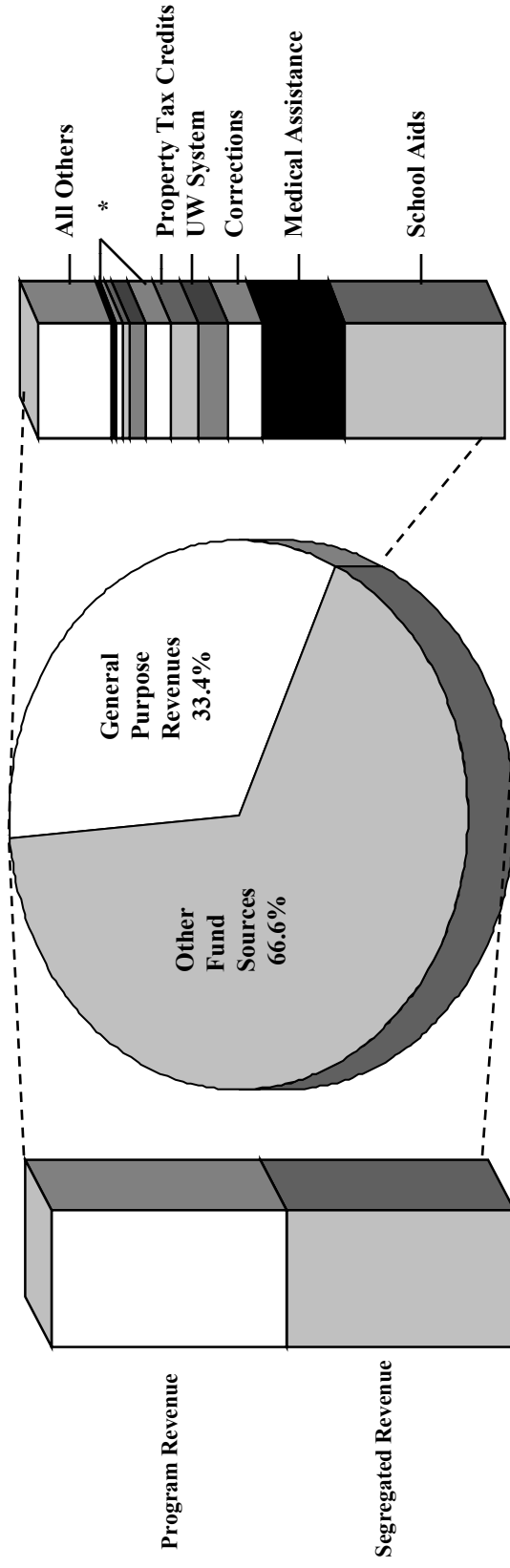
Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 2016

Other Expenditures
\$30.6 Billion

Total Expenditures
\$45.9 Billion

General Purpose Revenue Expenditures
\$15.3 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, 2016
 (In Thousands)

	General Fund			Major Special Revenue Funds			As of June 30, 2016
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation	Other	
REVENUES							
Taxes.....	\$ 15,097,489	\$ 41,841	\$ 15,139,330	\$ 1,091,644	\$ 93,862	\$ 69,557	16,394,393
Intergovernmental Revenue.....	11,292	9,997,776	10,009,068	905,386	45,209	86,460	11,046,123
Licenses.....	61,481	287,903	349,384	512,417	113,183	841,253	1,816,237
Charges for Goods and Services.....	1,934	3,466,864	3,468,798	36,602	31,835	651,763	4,188,998
Contributions.....	0	0	0	0	0	3,411,872	3,411,872
Interest & Investment Income.....	208	86,187	86,395	1,327	21	1,079,135	1,166,878
Gifts & Donations.....	10	579,234	579,244	11	991	16,360	596,606
Other Revenue.....	149,944	1,298,367	1,448,311	35,649	2,808	1,288,759	2,775,527
Transfers.....	11,029	(6,580)	4,449	7,106	23,706	1,367,563	1,402,824
Other Transactions.....	65,124	22,083	87,207	4,457	25	51,720	143,409
Proceeds from Bonds & Notes.....	0	0	0	176,566	0	805,005	981,571
TOTAL REVENUES	15,398,511	15,773,675	31,172,186	2,771,165	311,640	9,669,447	43,924,438
EXPENDITURES							
Commerce.....	36,816	162,384	199,200	0	1,633	100,682	301,515
Education.....	6,954,921	5,840,864	12,795,785	0	398	372,319	13,168,502
Environmental Resources.....	224,323	81,165	305,488	2,622,188	291,786	727,209	3,946,671
Human Relations & Resources.....	5,241,860	8,806,891	14,048,751	0	0	1,822,214	15,870,965
General Executive.....	468,725	536,990	1,005,715	1,701	0	7,849,256	8,856,672
Judicial.....	117,895	13,042	130,937	0	0	216	131,153
Legislative.....	64,997	1,954	66,951	0	0	0	66,951
General (Incl. Shared Revenue).....	2,231,448	67,881	2,299,329	22,888	36	1,222,450	3,544,703
TOTAL EXPENDITURES	15,340,985	15,511,171	30,852,156	2,646,777	293,853	12,094,346	45,887,132
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES.....	57,526	262,504	320,030	124,388	17,787	(2,424,899)	(1,962,694)
BEGINNING FUND BALANCE							
DESIGNATED.....	91,276	0	91,276	0	0	0	91,276
UNDESIGNATED.....	135,555	1,223,601	1,359,156	(1,137,702)	42,686	98,416,270	98,680,410
TOTAL	226,831	1,223,601	1,450,432	(1,137,702)	42,686	98,416,270	98,771,686
INTER-FUND							
TRANSFERS.....	178,644	(161,078)	17,566	59,010	0	(76,576)	0
ENDING FUND BALANCE	463,001	1,325,027	1,788,028	(954,304)	60,473	95,914,795	96,808,992
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
				(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, 2016
 (In Thousands)

Funds By Category	Undesignated Fund Balance as of June 30, 2015	Revenues	Expenditures	Inter-Fund Transfers	Undesignated Fund Balance as of June 30, 2016
<u>OTHER GOVERNMENTAL FUNDS</u>					
<u>Other Special Revenue</u>					
213 Heritage State Parks & Forests	\$ 1,216	\$ 86	\$ 57	\$ 0	1,245
214 Unemployment Interest Payment	11,294	(1,912)	0	0	9,382
217 Waste Management	7,444	96	33	0	7,507
219 Investment and Local Impact	281	0	204	0	77
220 Election Administration	7,209	291	2,584	0	4,916
222 Industrial Building Construction	0	0	0	0	0
224 Self-Insured Employer Liability	184	33	0	0	217
225 Medical Assistance Trust	10,159	286,862	329,691	62,987	30,317
226 Work Injury Benefits	8,053	6,267	2,036	0	12,284
227 Workers Compensation	1,989	13,680	13,188	0	2,481
228 Unemployment Program Integrity	1,124	347	79	0	1,392
229 Uninsured Employers	12,529	91,875	3,074	0	101,330
234 Hospital Assessment Fund	146	417,258	414,662	0	2,742
235 Utility Public Benefits	9,189	111,473	102,273	0	18,389
237 Critical Access Hospital Assessment	(257)	8,310	5,509	(1,698)	846
238 Mediation	89	187	216	0	60
239 Police and Fire Protection	216	50,792	51,013	0	(5)
241 Working Lands	145	4	8	0	141
248 Economic Development (1)	6,930	23,772	21,977	0	8,725
249 Read To Lead Development	139	1	11	0	129
250 State Capitol Restoration	85	5	0	0	90
257 Agricultural Chemical Cleanup	5,375	2,021	828	(1,000)	5,568
258 Farms For The Future	0	0	0	0	0
259 Agrichemical Management	6,756	8,296	6,979	0	8,073
261 Agricultural Producer Security	6,414	1,615	1,011	0	7,018
264 Historical Legacy Trust	73	0	0	0	73
266 Historical Preservation Partnership Trust	248	3,807	3,465	0	590
268 Wireless 911	32	0	0	0	32
272 Petroleum Inspection	21,639	46,342	28,055	(21,000)	18,926
274 Environmental	24,169	85,972	87,774	1,000	23,367
277 Dry Cleaner Environmental Responsibility	(5,872)	733	835	0	(5,974)
279 Recycling and Renewable Energy (1)	0	0	0	0	0
280 Information Technology Investment	(2,664)	25	0	0	(2,639)
281 Military Family Relief	407	1	83	0	325
285 Universal Service	8,501	47,783	41,690	0	14,594
286 Budget Stabilization	280,280	899	0	0	281,179
289 Land Information	256	6,577	6,152	0	681
291 Permanent Endowment	0	133,265	0	(133,265)	0
723 Children's Trust	35	26	0	0	61
Total Other Special Revenue	<u>423,813</u>	<u>1,346,789</u>	<u>1,123,487</u>	<u>(92,976)</u>	<u>554,139</u>
<u>Debt Service</u>					
315 Bond Security and Redemption	<u>6,872</u>	<u>955,189</u>	<u>955,486</u>	<u>0</u>	<u>6,575</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, 2016
 (In Thousands)

Funds By Category		Undesignated Fund Balance as of June 30, 2015	Revenues	Expenditures	Inter-Fund Transfers	Undesignated Fund Balance as of June 30, 2016
<u>Capital Projects</u>						
490	State Building Trust	65,056	141,881	99,916	0	107,021
495	Capital Improvement	96,125	735,506	811,569	0	20,062
	Total Capital Projects	<u>161,181</u>	<u>877,387</u>	<u>911,485</u>	<u>0</u>	<u>127,083</u>
<u>Permanent</u>						
743	Agriculture College	305	0	0	0	305
744	Common School Principal	975,715	49,719	0	0	1,025,434
745	Normal School	26,614	2,982	274	0	29,322
746	University	234	0	0	0	234
760	Historical Society Trust	14,623	769	532	0	14,860
763	Common School Income	9,336	35,545	37,693	0	7,188
767	Benevolent	14	0	0	0	14
875	University Trust Principal	198,563	9,725	0	0	208,288
876	University Trust Income	49,072	28,264	22,120	0	55,216
	Total Permanent	<u>1,274,476</u>	<u>127,004</u>	<u>60,619</u>	<u>0</u>	<u>1,340,861</u>
	TOTAL OTHER GOVERNMENTAL FUNDS	<u>1,866,342</u>	<u>3,306,369</u>	<u>3,051,077</u>	<u>(92,976)</u>	<u>2,028,658</u>
<u>FIDUCIARY AND OTHER</u>						
<u>Pension (and Other Employee Benefit)</u>						
262	Public Employee Trust	1,591,819	93,261	152,769	0	1,532,311
747	Core Retirement Investment Trust	86,097,573	4,238,829	6,496,761	0	83,839,641
751	Variable Retirement Investment	7,076,234	209,336	588,433	0	6,697,137
	Total Pension (and Other Employee Benefit)	<u>94,765,626</u>	<u>4,541,426</u>	<u>7,237,963</u>	<u>0</u>	<u>92,069,089</u>
<u>Private Purposes</u>						
570	Tuition Trust	5,122	51	710	0	4,463
769	College Savings Program Trust	11,696	1,660	315	0	13,041
	Total Private Purposes.....	<u>16,818</u>	<u>1,711</u>	<u>1,025</u>	<u>0</u>	<u>17,504</u>
<u>Agency</u>						
788	Support Collections Trust	15,536	962,044	961,611	0	15,969
<u>Other (Business-type funds)</u>						
521	Lottery	18,745	627,558	613,632	0	32,671
531	Local Govt Property Insurance	1,626	4,227	22,218	16,400	35
532	State Life Insurance	118,048	8,174	4,639	0	121,583
533	Injured Patients & Families Compensation	1,220,673	77,319	10,504	0	1,287,488
573	Environmental Improvement	379,035	96,893	162,319	0	313,609
582	Veterans Trust	4,501	14,609	14,238	0	4,872
583	Veterans Mortgage Loan Repayment	8,959	28,426	14,634	0	22,751
587	Transportation Infrastructure Loan	361	691	486	0	566
	Total Other (Business-type funds).....	<u>1,751,948</u>	<u>857,897</u>	<u>842,670</u>	<u>16,400</u>	<u>1,783,575</u>
	TOTAL FIDUCIARY AND OTHER.....	<u>96,549,928</u>	<u>6,363,078</u>	<u>9,043,269</u>	<u>16,400</u>	<u>93,886,137</u>
	TOTAL - ALL FUNDS.....	<u>\$ 98,416,270</u>	<u>\$ 9,669,447</u>	<u>\$ 12,094,346</u>	<u>\$ (76,576)</u>	<u>\$ 95,914,795</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, 2016, 2015, and 2014
 (In Thousands)

	June 30, 2016	June 30, 2015	June 30, 2014
<u>ASSETS</u>			
Cash.....	\$ 1,214,077	\$ 1,375,275	\$ 1,505,307
Contingent Fund Advances.....	2,774	2,909	2,931
Investments.....	0	0	0
Accounts Receivable.....	1,885,869	1,418,149	1,410,134
Due from Other Funds.....	85,276	160,950	206,976
Inventory.....	0	588	364
Prepayments.....	3,304	72,749	69,120
Other Assets.....	128,547	127,622	115,065
TOTAL ASSETS.....	<u>3,319,847</u>	<u>3,158,242</u>	<u>3,309,897</u>
<u>LIABILITIES</u>			
Accounts Payable.....	673,468	591,323	536,002
Operating Notes Payable.....	0	0	0
Due to Other Funds.....	63,915	337,782	194,579
Tax and Other Deposits.....	40,672	28,271	20,476
Deferred Revenue.....	197,131	185,747	175,201
TOTAL LIABILITIES.....	<u>975,186</u>	<u>1,143,123</u>	<u>926,258</u>
<u>FUND BALANCE</u>			
<u>Reserved Balances</u>			
GPR Encumbrances.....	191,784	145,639	119,124
PR Encumbrances.....	364,849	419,048	472,871
Total Reserved Balances.....	<u>556,633</u>	<u>564,687</u>	<u>591,995</u>
<u>Unreserved Designated Balances</u>			
GPR Designation for Continuing Balances.....	131,963	91,276	122,411
<u>Unreserved Balances</u>			
GPR Unreserved Balance.....	331,038	135,555	516,891
PR Unreserved Balance.....	1,325,027	1,223,601	1,152,342
Total Unreserved Balances.....	<u>1,656,065</u>	<u>1,359,156</u>	<u>1,669,233</u>
TOTAL FUND BALANCE.....	<u>2,344,661</u>	<u>2,015,119</u>	<u>2,383,639</u>
TOTAL LIABILITIES AND FUND BALANCE.....	<u>\$ 3,319,847</u>	<u>\$ 3,158,242</u>	<u>\$ 3,309,897</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, 2016
 (In Thousands)

Function/Expenditure Description	Budget			Actual	Lapses and Balances
	Published Budget ¹	Budget Adjustments	Final Budget	Expenditures ²	
Commerce	\$ 355,477	\$ 30,161	\$ 385,638	\$ 293,956	\$ 91,682
Education	13,084,848	\$ 348,622	13,433,470	12,874,430	\$ 559,040
Environmental Resources	3,490,443	\$ 438,301	3,928,744	3,316,861	\$ 611,883
Human Relations and Resources	14,561,563	\$ 1,207,163	15,768,726	13,702,257	\$ 2,066,469
General Executive	1,355,985	\$ 229,821	1,585,806	1,243,111	\$ 342,695
Judicial	138,257	\$ 1,130	139,387	131,151	\$ 8,236
Legislative	76,208	\$ -	76,208	66,952	\$ 9,256
General Appropriations	2,562,324	\$ 70,210	2,632,534	2,542,992	\$ 89,542
Total Chapter 20	<u>\$ 35,625,105</u>	<u>\$ 2,325,408</u>	<u>\$ 37,950,513</u>	<u>\$ 34,171,710</u>	<u>\$ 3,778,803</u>
Retirement Annuities			7,085,194	7,085,194	-
Support Collection Trust Payments			975,025	961,591	13,434
Insurance Premiums			110,775	110,775	-
Debt Service Payments			955,486	955,486	-
Capital Projects Expenditures			908,093	908,093	-
Lottery Prizes			386,737	372,560	14,177
Other Segregated Revenue			567,850	162,730	405,120
Program Revenue Appropriations			1,258,679	969,513	289,166
Clearing and Custody Accounts			30,244	30,242	2
Total Non Chapter 20 Expenditures			<u>\$ 12,278,083</u>	<u>\$ 11,556,184</u>	<u>\$ 721,899</u>
Total State Expenditures Excluding Transfers			<u>\$ 50,228,596</u>	<u>\$ 45,727,894</u>	<u>\$ 4,500,702</u>

The accompanying notes are an integral part of this statement.

(1) The fund condition for the fiscal year 2016 is the fund condition approved by Legislative Joint Finance Committee at its June 13, 2016 (13.10 Wisconsin Statutes) meeting.

(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 and is expected to be published in early 2017.

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 to permit the state departments to record new expenditures and revenues applicable to the fiscal year ended June 30 (August 15 for income, sales and use tax receipts). Additionally, agencies made correcting/adjusting entries throughout the closing period.

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 BalanceCompensation Reserve

In FY 2016, Chapter 20 included a compensation reserve for employee salary and fringe benefit increases. The total amount reserved (appropriated) was \$10,692,500 and the amount allotted was \$952,500 leaving a lapse amount of \$9,740,000.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are based on the fund condition statement for the appropriation summaries under Chapter 20 of the Wisconsin Statutes, approved in the June 13, 2016 meeting of the Legislative Joint Finance Committee.

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. Exhibit A-1 displays departmental revenues of \$301.0 million and net transfers in of \$216.7 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 \$517.7 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 2016 is explained as follows:

	(thousands)
ENDING FUND BALANCE (UNDESIGNATED) PER FUND CONDITION STATEMENT	\$ 390,683
OPENING BALANCE	
ADJUSTMENTS:	
Prior year designation for continuing balances	91,276
Total opening balance adjustments	91,276
REVENUE ADJUSTMENTS	
Taxes received less than estimate	(77,866)
Departmental revenues less than estimate	(242,626)
Total revenue below estimate	(320,492)
APPROPRIATION ADJUSTMENTS	
Sum Sufficient Changes	
Reestimates	(4,749)
Subsequent Legislation	(993)
Budget brought forward from previous year	(91,276)
Budget carried to next year for continuing appropriations	131,963
Biennial Adjustments	(4,666)
Total Appropriation Adjustments	30,279
LAPSES MORE THAN BUDGETED	54,601
INTER-FUND TRANSFERS	216,654
DESIGNATION FOR CONTINUING BALANCES	(131,963)
UNDESIGNATED FUND BALANCE	\$ 331,038

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 the 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 2016.

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	\$943,441
Expenditures	\$943,441
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	\$4,749
Less Supplements (included in total above)	\$0
Actual Sum Sufficient Increases	\$4,749

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

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Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 2016

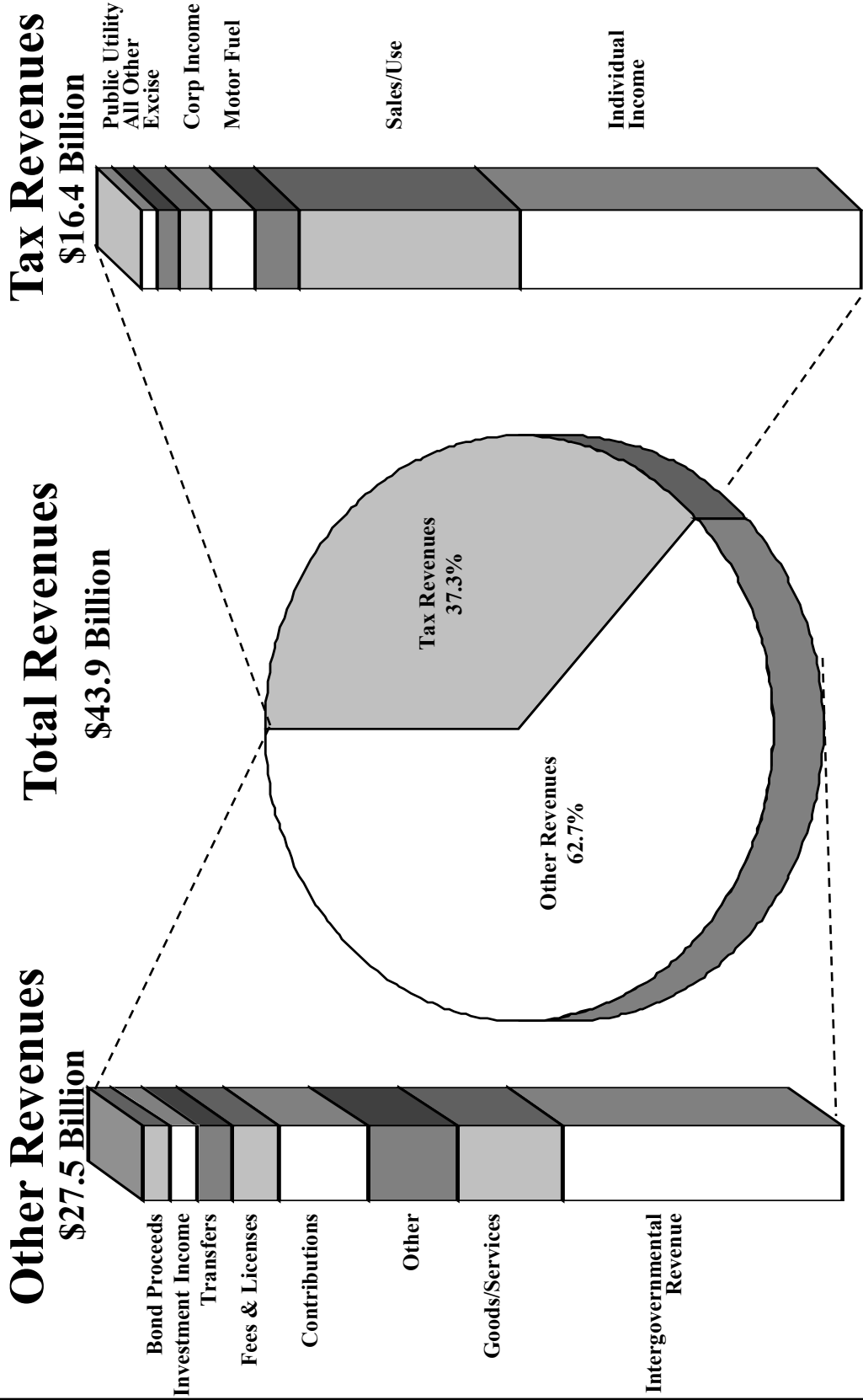


Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2016, 2015, and 2014
 (In Thousands)

	June 30, 2016	June 30, 2015	June 30, 2014
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
Individual.....	\$ 7,740,825	\$ 7,325,817	\$ 7,061,390
Corporation.....	963,027	1,004,926	967,184
Total Income Taxes.....	8,703,852	8,330,743	8,028,574
Sales and Excise Taxes			
General Sales and Use.....	5,065,762	4,892,126	4,628,338
Cigarette.....	573,411	569,547	573,036
Other Tobacco Products.....	76,127	71,916	67,693
Liquor and Wine.....	49,991	48,767	48,992
Malt Beverage (Beer).....	8,980	8,830	8,966
Total Sales and Excise Taxes.....	5,774,271	5,591,186	5,327,025
Public Utility Taxes			
Private Light, Heat and Power.....	226,050	243,789	232,347
Municipal Light, Heat and Power.....	3,488	3,298	3,354
Telephone.....	76,474	81,943	72,199
Pipeline.....	37,316	34,994	35,464
Electric Cooperative.....	11,747	12,231	12,089
Municipal Electric.....	4,947	5,162	5,170
Conservation and Regulation.....	375	386	341
Utility Tax (Refunds) Interest and Penalties.....	200	16	3
Total Public Utility Taxes.....	360,597	381,819	360,967
Inheritance and Estate Taxes			
Inheritance and Estate.....	1,745	(112)	(78)
Total Inheritance and Estate Taxes.....	1,745	(112)	(78)
Miscellaneous Taxes			
Insurance Companies (Premiums).....	177,326	165,448	165,765
Real Estate Transfer Fee.....	65,133	57,820	51,179
Lawsuits (Courts).....	14,491	14,225	14,598
Other.....	74	72	71
Total Miscellaneous Taxes.....	257,024	237,565	231,613
TOTAL GPR TAX REVENUES.....	15,097,489	14,541,201	13,948,101
Program Tax Revenues			
Fire Dues.....	19,217	18,717	19,737
Pari-mutuel Taxes.....	0	0	0
County Expo Tax Administration.....	850	799	755
Baseball Park Administration Fee.....	454	440	417

Exhibit B-1

State of Wisconsin
 Analysis of Revenues-All Funds
 Fiscal Years Ended June 30, 2016, 2015, and 2014
 (In Thousands)

	June 30, 2016	June 30, 2015	June 30, 2014
Program Tax Revenues, Cont.			
Business Trust Regulation Fee.....	\$ 2,059	\$ 1,419	\$ 2,424
Other.....	19,261	7,184	6,738
TOTAL PROGRAM TAX REVENUES.....	41,841	28,559	30,071
TOTAL-GENERAL FUND TAX REVENUES.....	15,139,330	14,569,760	13,978,172
Type of Revenues			
Transportation Fund			
Motor Fuel Tax.....	1,037,723	1,013,434	999,418
Air-Carrier Tax.....	5,103	7,963	7,686
Railroad Tax.....	38,498	35,686	31,349
Aviation Fuel Tax.....	1,227	1,222	1,177
Other Taxes.....	9,093	8,691	8,350
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	83,306	81,350	79,400
Forest Crop Taxes.....	10,555	9,263	8,985
Motor Fuel Tax.....	1	1	1
Mediation Fund.....	1	1	2
Petroleum Inspection Tax.....	45,798	50,333	41,150
Economic Development Fund			
Temporary Service Charges.....	23,758	27,485	19,280
TOTAL STATE TAX REVENUES.....	16,394,393	15,805,189	15,174,970
Intergovernmental Revenue.....	11,046,123	11,342,954	11,178,599
Licenses and Permits.....	1,816,237	1,735,246	1,735,503
Charges for Goods and Services.....	4,188,998	4,008,673	3,911,855
Contributions.....	3,411,872	3,612,450	3,737,652
Interest and Investment Income.....	1,166,878	1,871,830	14,510,680
Gifts and Donations.....	596,606	612,225	563,270
Proceeds from Sale of Bonds.....	981,571	1,298,903	828,218
Other Revenues.....	2,775,527	2,641,205	2,582,850
Other Transactions.....	143,409	281,413	250,024
TOTAL DEPARTMENTAL REVENUES.....	26,127,221	27,404,899	39,298,651
TRANSFERS.....	1,402,824	1,508,790	1,459,010
TOTAL REVENUES.....	\$ 43,924,438	\$ 44,718,878	\$ 55,932,631

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, 2016
(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.....	45	4	49	0
45500	20200	2am	Officer Training Reimbursement.....	150	0	139	11
45500	50400	5d	Reimbursement for Forensic Examinations.....	600	111	711	0
46500	10300	1c	Public Emergencies.....	140	0	110	30
46500	30200	3am	Worker's Compensation for Local Unit of Government Volunteers.....	28	0	19	9
50500	10400	1d	Special Counsel.....	612	0	173	439
50500	40500	4d	Claims Awards.....	25	0	0	25
50500	80100	8am	Interest on Racing & Bingo Moneys.....	0	0	0	0
51100	10300	1be	Investigations.....	25	0	0	25
52500	10100	1a	Governor's Office Administration.....	3,609	0	3,337	272
52500	10200	1b	Contingent Fund.....	20	0	7	13
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	69,229	3,565
66000	10100	1a	Court Of Appeals.....	10,678	0	10,219	459
68000	10100	1a	Supreme Court.....	5,287	0	4,834	453
76500	10100	1a	Assembly.....	26,581	0	24,030	2,551
76500	10300	1b	Senate.....	18,594	0	15,903	2,691
76500	10400	1d	Legislative Documents.....	4,006	0	2,761	1,245
76500	30800	3fa	Membership In National Associations.....	257	0	257	0
85500	10800	1bm	Payment of Cancelled Drafts.....	2,000	390	2,390	0
85500	11300	1f	Payment of Fees to Financial Institutions.....	1,500	0	1,288	212
85500	40100	4a	Interest on Overpayment of Taxes.....	1,250	0	147	1,103
85500	40500	4e	Transfer to Conservation Fund - Land Acquisition.....	16	0	16	0
85500	41300	4cm	Illinois Income Tax Reciprocity.....	77,909	0	77,909	0
<i>Total State Operations.....</i>				\$226,974	\$505	\$214,375	\$13,104
Aids and Local Assistance							
11500	20200	2b	Animal Disease Indemnities.....	309	0	299	10
23500	10400	1e	MN-WI Student Reciprocity.....	5,179	0	5,178	1
23500	10600	1fe	Wisconsin grants; University of Wisconsin System Students.....	58,345	0	55,697	2,648
23500	10800	1fm	Wisconsin Covenant Scholars Grants.....	11,440	75	11,515	0
23500	10900	1fy	Academic Excellence Higher Education Scholarship Program.....	2,964	0	2,900	64
23500	11900	1fw	Technical Excellence Higher Education Scholarships.....	530	0	513	17
25500	21800	2fm	Charter Schools.....	71,903	0	71,265	638
25500	22400	2fr	Parental Choice Program for Eligible School Districts.....	33,500	0	33,464	36
25500	23500	2fu	Milwaukee Parental Choice Program.....	196,400	850	197,250	0
25500	30600	3c	Grants for National Teacher Certification or Master Educator Licensure.....	2,910	0	2,167	743
29200	16200	1dp	Property Tax Relief Aid.....	406,000	0	406,000	0
37000	50300	5da	Aids In Lieu Of Taxes General Fund.....	7,400	0	7,184	216
43500	17500	1bn	Workplace Wellness Program Grants.....	3,000	0	21	2,979
43500	40300	4ed	State Supplement to Federal Supplemental Security Income Program.....	156,829	0	154,140	2,689
43500	57400	5da	Reimburse Local Units of Government.....	508	0	326	182
46500	20100	2a	Tuition Grants.....	5,500	780	6,280	0
46500	30500	3e	Disaster Recovery Aids Public Health Emergency Quarantine Costs.....	2,500	0	596	1,904
50500	41200	4er	Service Award Program.....	2,035	0	1,992	43
51500	10100	1a	Annuity Supplements And Payments.....	192	0	186	6
83500	10100	1c	Expenditure Restraint Program Account.....	58,146	0	58,146	0
83500	10500	1db	County and Municipal Aids Account.....	694,965	1,448	696,413	0
83500	10900	1e	State Aid; Tax Exempt Property.....	86,449	0	86,449	0
83500	11000	1dm	Public Utility Distribution Account.....	72,758	91	72,848	0
83500	20200	2b	Claim of Right Credit.....	227	0	132	95
83500	20300	2c	Homestead Tax Credit.....	103,700	0	99,877	3,823
83500	20500	2dm	Farmland Preservation Credit.....	1,072	5	1,074	3
83500	20900	2ep	Cigarette and Tobacco Product Tax Refunds.....	37,200	0	34,919	2,281
83500	21100	2co	Enterprise Zone Jobs Credit.....	49,100	0	47,829	1,271
83500	21200	2f	Earned Income Tax Credit.....	35,200	0	34,174	1,026
83500	21300	2bm	Film Production Services Credit.....	0	3	3	0
83500	21500	2em	Veterans & Surviving Spouse Property Tax Credit.....	28,400	100	28,493	7
83500	21600	2bn	Dairy Manufacturing Facility Investment Credits.....	1	0	0	1
83500	21700	2br	Interest Payments on Overassessments on Manufacturing Property.....	10	0	0	10
83500	21800	2do	Farmland Preservation Credit, 2010 and Beyond.....	18,150	261	18,411	0
83500	21900	2bd	Meat Processing Facility Investment Credit.....	5	0	(2)	7
83500	22000	2bp	Dairy Manufacturing Facility Investment Credits; Dairy Cooperatives.....	0	0	0	0

Exhibit B-2

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 2016
(In Thousands)

Agency	Appr		Chapter 20	Increases	Expenditures	Lapse	
Aids and Local Assistance (Continued)							
83500	22500	2bb	Jobs Tax Credit.....	10,800	0	6,533	4,267
83500	22800	2be	Food Processing Plant and Food Warehouse Investment Credit.....	75	0	71	4
83500	22900	2bc	Woody Biomass Harvesting and Processing Credit.....	100	0	100	0
83500	30200	3b	School Levy Tax Credit and First Dollar Credit.....	895,437	0	895,437	0
85500	40400	4bm	Oil Pipeline Terminal Tax Distribution.....	3,467	0	3,467	0
<i>Total Aids and Local Assistance.....</i>			\$3,062,706	\$3,613	\$3,041,347	\$24,971	
Principal Repayment and Lease Rental							
11500	20500	2d	Principal Repayment and Interest.....	7	0	6	1
11500	70200	7b	Principal Repayment and Interest.....	741	0	741	0
19000	10100	1c	Principal Repayment and Interest.....	1,063	0	1,062	1
19000	10200	1d	Principal Repayment and Interest.....	1,966	0	1,966	0
22500	10300	1c	Principal Repayment and Interest.....	2,351	0	2,351	0
24500	10600	1e	Principal Repayment and Interest.....	2,657	0	2,657	0
25000	10300	1c	Principal Repayment and Interest.....	1,822	0	1,822	0
25000	10500	1e	Principal Repayment and Interest.....	191	0	191	0
25500	10400	1d	Principal Repayment and Interest.....	1,137	0	1,137	0
28500	11000	1d	Principal Repayment and Interest.....	190,832	0	190,832	0
32000	10300	1c	Principal Repayment and Interest.....	16,158	0	16,157	1
32000	28200	2c	Principal Repayment and Interest.....	4,746	0	4,746	0
37000	70100	7aa	Principal Repayment and Interest.....	61,901	0	61,258	643
37000	70600	7cb	Principal Repayment and Interest.....	0	386	382	4
37000	70700	7cc	Principal Repayment and Interest.....	3,990	0	3,990	0
37000	70800	7cd	Principal Repayment and Interest.....	378	0	377	1
37000	70900	7ea	Principal Repayment and Interest.....	742	0	742	0
39500	66400	6af	Principal Repayment and Interest.....	97,317	0	97,316	1
41000	10700	1e	Principal Repayment and Interest.....	66,301	0	66,301	0
41000	30700	3e	Principal Repayment and Interest.....	5,367	0	5,367	0
43500	20700	2ee	Principal Repayment and Interest.....	19,353	0	19,353	0
46500	10400	1d	Principal Repayment and Interest.....	5,411	0	5,411	0
48500	10600	1f	Principal Repayment and Interest.....	1,561	0	1,561	0
50500	41300	4et	Principal Repayment and Interest.....	3	0	0	3
50500	41400	4es	Principal Repayment and Interest.....	1,317	0	0	1,317
50500	50300	5c	Principal Repayment and Interest.....	77	0	77	0
85500	80100	8a	Principal Repayment and Interest.....	2,016	0	2,016	0
86700	10200	1b	Principal Repayment and Interest.....	10,568	0	10,568	0
86700	30100	3a	Principal Repayment and Interest.....	5,013	245	5,258	0
86700	30200	3b	Principal Repayment and Interest.....	1,661	0	1,474	187
86700	30300	3bl	Principal Repayment and Interest.....	112	0	112	0
86700	30600	3br	Principal Repayment and Interest.....	92	0	91	1
86700	30800	3bb	Principal Repayment and Interest.....	21	0	21	0
86700	30900	3bm	Principal Repayment and Interest.....	134	0	134	0
86700	31000	3bc	Principal Repayment and Interest.....	13	0	13	0
86700	31100	3bq	Principal Repayment and Interest.....	465	0	465	0
86700	31200	3bn	Principal Repayment and Interest.....	22	0	22	0
86700	31300	3bu	Principal Repayment and Interest.....	43	0	43	0
86700	31400	3bv	Principal Repayment and Interest.....	23	0	23	0
86700	31500	3bd	Principal Repayment and Interest.....	37	0	37	0
86700	31600	3be	Principal Repayment and Interest.....	507	0	507	0
86700	31700	3bf	Principal Repayment and Interest.....	57	0	57	0
86700	31800	3bg	Principal Repayment and Interest.....	18	0	18	0
86700	31900	3bh	Principal Repayment and Interest.....	39	0	39	0
86700	32000	3bj	Principal Repayment and Interest.....	12	0	12	0
86700	32200	3cb	Principal Repayment and Interest.....	22	0	22	0
86700	32300	3cd	Principal Repayment and Interest.....	43	0	43	0
86700	32400	3cf	Principal Repayment and Interest.....	423	0	423	0
<i>Total Principal Repayment and Lease Rental.....</i>			\$508,730	\$631	\$507,201	\$2,160	
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			\$3,798,410	\$4,749	\$3,762,923	\$40,235	

(1)

(1) See Note K