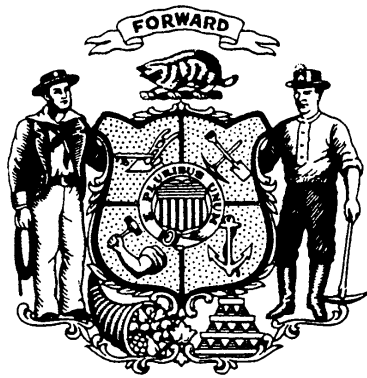


# WISCONSIN

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the fiscal year ended June 30, 1996

# STATE OF WISCONSIN

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the fiscal year ended June 30, 1996

**Tommy G. Thompson, Governor**

Department of Administration  
Mark D. Bugher, Secretary  
William J. Raftery, State Controller

Prepared by the State Controller's Office

This document is available on the Department of Administration homepage  
on the World Wide Web: <http://www.doa.state.wi.us>

DOA-6082P (R12/96)



**Mark D. Bugher, Secretary  
Department of Administration**



**William J. Raftery, CPA  
State Controller**



**Tommy G. Thompson**  
**Governor**

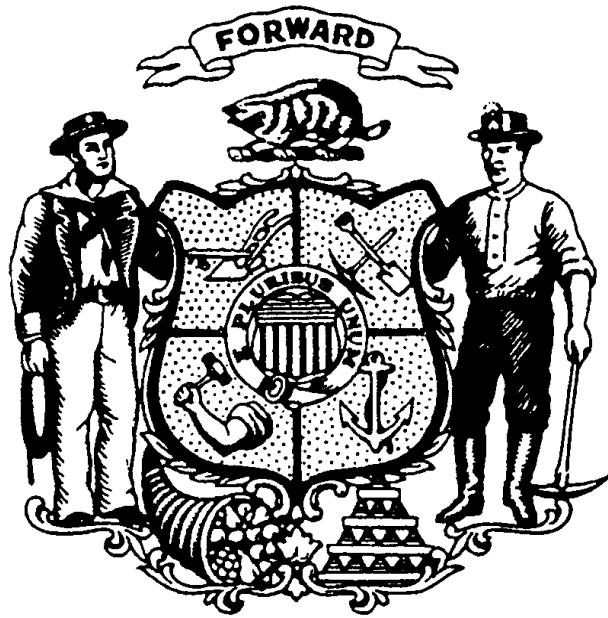
**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 1996**

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# **INTRODUCTORY SECTION**

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**TOMMY G. THOMPSON**  
GOVERNOR  
**MARK D. BUGHER**  
SECRETARY

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December 13, 1996

The Honorable Tommy G. Thompson  
The Honorable Members of the Legislature  
Citizens of the State of Wisconsin

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the State of Wisconsin for the fiscal year ended June 30, 1996. This report is prepared by the Department of Administration, Division of Executive Budget and Finance, State Controller's Office, which is responsible for both the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the State.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB). To report the State's financial activity, the State's budgetary funds are grouped into the fund types required by GAAP. The State's 46 budgetary funds are expanded and have been displayed into the 94 individual GAAP funds, the University of Wisconsin System, and two discrete component units. The major change has been to reclassify certain activities from the budgetary General Fund and present them in proprietary and fiduciary fund types more appropriate for the financial reporting of transactions related to commercial and trust activities. Note 1-C to the financial statements includes a more detailed discussion of the generic GAAP fund types.

Wisconsin's 1996 Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section, which provides information on the general contents of the report, contains this letter of transmittal, a list of State officials and an organizational chart of State government. The Financial Section is composed of the auditor's report, the general purpose financial statements and the combining financial statements. The Statistical Section provides various financial, economic and demographic data about the State, generally on a multi-year basis.

The financial statements present information on the financial position and operations of State government as a single comprehensive reporting entity. The various agencies, departments, boards, commissions and accounts of the State that constitute the State reporting entity are included in this report in accordance with criteria established by the GASB. The reporting entity consists of all the funds and account groups of the primary government (the State of Wisconsin), as well as its component units which are legally separate organizations for which the State is financially accountable. Discretely presented component units include the Wisconsin Housing and Economic Development Authority and the Wisconsin Health Care Liability Insurance Plan. Blended component units, which are legally separate from the State, but are so intertwined with the State that they are, in substance, the same as the State, include the Wisconsin Public Broadcasting Foundation, Inc.

In addition, the University of Wisconsin System continues to be included in this report presented in conformity with applicable generally accepted accounting principles. Included in the University Funds, as a blended component unit, is the University Medical Center Corporation. During Fiscal Year 1996, this corporation, while legally separate, was so intertwined with the University of Wisconsin System that it was, in substance, the same as the University of Wisconsin System.

The State provides a full range of services which include education, health and social services, transportation, law, justice, public safety, recreation and resources development, public improvements and general administrative services. The costs associated with these services are presented within the financial statements in detail and summary form.

## **ECONOMIC CONDITION AND OUTLOOK**

Wisconsin's economy remains vibrant. A strong 1995 has been followed by a stronger 1996.

- Unemployment fell to 3.7 percent for all of 1995, the lowest rate since 1969. So far in 1996, unemployment has been even lower, averaging 3.6 percent.
- Manufacturing jobs set an all-time high in 1995 at 598,100. This eclipsed the old mark of 601,000 set in 1979. For 1996, manufacturing employment should remain high at an estimated 600,000.
- Construction employment increased to 100,100 in 1995, breaking the record set just the year before. Construction employment should again break a record in 1996 at an estimated 105,000 jobs.
- Total non-farm employment for 1995 increased to 2,555,100, also a new record. In 1996, employment should again set a new record at an estimated 2,586,000.
- Personal income increased 6.1 percent in 1995 and at a 5.6 percent annual rate through the first half of 1996.
- The State's exports increased 15.5 percent in 1995.

Wisconsin's economy has consistently outperformed the nation's in recent years.

- Since 1987, Wisconsin's unemployment rate has been below the national rate.
- Between 1990 and 1995, Wisconsin's per capita personal income has grown faster than the U.S. average. In Wisconsin, per capita incomes increased at an average annual rate of 4.7 percent between 1990 and 1995 compared to an average annual rate of 3.9 percent for the U.S.
- The Census Bureau reports Wisconsin is one of only eleven states with significant increases in median household income in 1995. Using a two year average for comparison, Wisconsin's median household income increased to \$38,673 compared to a national median of \$33,627.
- The State's population growth has been among the highest for Midwest states as people relocate to Wisconsin. In 1995, 16,000 more people moved into Wisconsin than left the State.
- Wisconsin's real growth in gross state product exceeded the national average so far in the 1990's. The Bureau of Economic Analysis projects Wisconsin's real growth will exceed the national average through the year 2005.

Looking ahead, continued strong gains in employment will be more difficult. The Wisconsin economy is at full employment. Some employers now face labor shortages. Unemployment should remain below 4 percent for 1997, but employment growth will slow to about 1.2 percent. The strongest gains in employment will be construction, trade and services.

Wisconsin's personal income growth will be affected by the slowdown in employment growth. Total personal income should increase by 4.9 percent in 1996 and 4.8 percent in 1997, well ahead of inflation but slightly below national growth rates.

## **MAJOR INITIATIVES**

**Economic Development** In 1996, the State continued its efforts to expand existing businesses and attract new businesses to Wisconsin. The major tools used in these efforts are the Wisconsin Development Fund and the Enterprise Development Zone program. The State awarded \$5.2 million in grants and loans from the Wisconsin Development Fund, primarily through the major economic development program and customized labor training grants. The Enterprise Development Zone program was established in 1995 Wisconsin Act 27 and has awarded more than \$18.7 million in tax credits, which is expected to create more than 3,200 new jobs, retain at least 2,600 jobs, and result in private investments in excess of \$602 million. In addition, the State offers a variety of programs that target minority business development and community-based economic development. Implementation of the new Department of Commerce, effective July 1, 1996, will provide more comprehensive, one-stop services to businesses, by combining the functions of the Department of Development with regulatory services formerly housed in the Department of Industry, Labor, and Human Relations.

In 1996, the State expended \$7.9 million to market Wisconsin as a national and international tourism destination, assisting a tourism industry that pumps over \$6.1 billion into Wisconsin's economy and directly or indirectly supports 165,000 jobs. The new Department of Tourism began operation on January 1, 1996, with an emphasis on applying information technology to marketing Wisconsin tourism destinations. Through an Internet home page, the department is providing statewide tourism information and enabling local governments and local tourism organizations to showcase local and regional attractions.

**Transportation.** The State continued to make significant investments in transportation infrastructure through expansion in highway capacity and reconstruction of existing highways and bridges. In 1996, more than 729 miles of state trunk highway (STH) and local highways were improved, and 310 deficient STH bridges were rehabilitated or replaced. In all, more than \$442 million in construction projects on STH and local road systems was contracted through the Wisconsin Department of Transportation.

Wisconsin also distributes state transportation user fee revenues to local governments for transportation infrastructure improvements and transit operating assistance. In 1996, \$337.4 million was transferred to local governments for these purposes.

**Environment.** Created in 1989, Wisconsin's Warren Knowles-Gaylord Nelson Stewardship Program underscores the State's role as a national leader in environmental preservation and enhancement. The program is authorized to expend \$250 million through the sale of general obligation bonds and the use of federal grant moneys for various resource development and land protection activities. Through October 31, 1996, the Stewardship program had committed \$161.7 million in a variety of categories, including acquisition of state park lands, protection of urban rivers and assistance for local parks. Stewardship funding is also supporting park development associated with the Frank Lloyd Wright-inspired Monona Terrace Convention Center in Madison, due to be completed in the summer of 1997.

In 1995, Wisconsin began issuing a license plate depicting a timber wolf to benefit the State's endangered resources program. Through October 31, 1996, the endangered resources program has received over \$800,000 from sales and renewals of the plate. Funding will support habitat restoration and other efforts to preserve and protect Wisconsin's endangered and threatened natural resources.

Wisconsin's Clean Water Fund program provides financial assistance to municipalities for the planning, design and construction of pollution abatement facilities -- primarily for wastewater treatment. Most communities applying for assistance receive subsidized loans, although some are eligible for partial grants through a hardship component of the program. Funding is provided from a state-matched federal capitalization grant authorized through the Water Quality Act, and through State revenue and general obligation bonds. In Fiscal Year 1996, the Clean Water Fund made commitments to municipalities amounting to \$98.4 million, bringing the total amount of loans and grants awarded by the program to \$860.1 million since its inception in 1991.

In order to ensure maximum fiscal efficiency and environmental effectiveness, Wisconsin initiated a cost containment project for its Petroleum Environmental Cleanup Fund Award program (PECFA) in May 1996. PECFA assists owners of leaking petroleum storage tanks with environmental remediation costs and has provided \$370.6 million for cleanups at 4,300 locations since 1988. Technical staff from the Department of Natural Resources, in cooperation with the Department of Commerce, are performing audits of engineered groundwater treatment systems at PECFA sites to determine both the cost and environmental effectiveness of the selected remedy. Audit recommendations include closure of the site, specific system improvements, use of natural processes to complete the remediation, and continuation of present activity. Savings of \$12.3 million at 307 locations have been identified. Based on these preliminary results, total savings to the program are projected to be over \$40 million.

**Human Resources.** Fiscal Year 1996 saw the passage of Wisconsin Works, or W-2 in 1995 Wisconsin Act 289. This new program, which will replace the current welfare program by the end of 1997, is the culmination of all the welfare reform efforts which have gone before. W-2 is based on work. Rather than offering welfare checks to those who do not work, W-2 will offer participants the opportunity to earn wages and become fully productive citizens. As a result of prior welfare reform efforts and the approval of W-2 the AFDC caseload has continued to drop, from 71,485 in June of 1995 to 55,122 in June of 1996, a 29 percent reduction which brought the caseload to the lowest level since 1973.

**Education.** In Fiscal Year 1996, the Legislature and Governor formally approved a 1995-97 biennial budget that will increase the State's share of partial school costs (i.e., costs paid either by local property taxes or state aids and credits) to 66.7 percent in Fiscal Year 1997. To achieve this goal, the Legislature and Governor added a total of \$1.25 billion over the biennium to the Fiscal Year 1995 state aids and tax credit base of \$2.8 billion, a 45 percent increase. This total included a \$250 million (9 percent) increase in Fiscal Year 1996, raising the State's share of 1996 partial school costs from 51 percent to 53 percent. Combined with the continuation of statewide limits on local school district revenue increases, the net property tax levy increase was held to 0.9 percent. The school property tax levy rate decreased for the 3rd consecutive year, dropping from \$18.21 per \$1,000 of property value in Fiscal Year 1993 to \$15.29 in Fiscal Year 1996.

## FINANCIAL INFORMATION

### Internal Controls

The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that evaluation of costs and benefits requires estimates and judgments by management.

### Budgetary Controls

The State's biennial budget is prepared on a mixture of cash and modified accrual bases of accounting and represents departmental appropriations based on agency requests reviewed by the Department of Administration and recommended by the Governor. The Governor's budget is submitted to the State Legislature for approval. Following debate, amendment and approval by the Senate and Assembly, the budget bill is returned to the Governor for his signature or veto in entirety or in part.

The State Constitution provides that no money shall be paid out of the Treasury except as appropriated by law. The Statutes require that the Secretary of Administration must approve all payments, and then forward such requests to the State Treasurer for signature. The Department of Administration exercises detail allotment control over all agency appropriations and approval authority over all encumbrances.

The budgetary basis of accounting required by State law differs materially from the basis used to report revenues and expenditures in accordance with GAAP. In addition, the State's biennial budget is developed according to the statutorily required fund structure which differs extensively from the fund structure used in the financial statements.

### General Government Functions

The following schedules present a summary of revenues (and proceeds from sale of bonds) and expenditures for the governmental fund types (i.e., the General Fund, special revenue funds, capital projects funds, and debt service funds) for Fiscal Years 1996 and 1995. These revenues, proceeds from sale of bonds, and expenditures are reported on the modified accrual basis of accounting in accordance with GAAP (in thousands):

<b>Revenues and Bond Proceeds (by Source)</b>	<b>1996 Amount</b>	<b>Percent of Total</b>	<b>1995 Amount</b>	<b>Change 1995/1996</b>
Taxes	\$ 8,974,484	64.8%	\$ 8,587,733	\$ 386,751
Intergovernmental (e.g., federal assistance)	3,555,666	25.7	3,171,714	383,952
Licenses and Permits	684,330	4.9	635,731	48,599
Charges for Goods and Services	158,432	1.1	131,804	26,628
Investment Income	65,004	0.5	64,198	806
Gifts and Donations	5,940		3,908	2,032
Other Revenues	73,724	0.5	58,538	15,186
Total Revenues	13,517,580		12,653,626	863,954
Proceeds from Sale of Bonds	344,334	2.5	277,203	67,131
Total Revenues and Bond Proceeds	\$ 13,861,914	100.0%	\$ 12,930,829	\$ 931,058

Revenues of governmental fund types totaled \$13.5 billion for the Fiscal Year 1996, increasing \$863.9 million or approximately 6.8 percent over the previous year. Due to continued strong growth, State tax revenue for Fiscal Year 1996 totaled \$8.9 billion, an increase of approximately \$386.8 million which represents a 4.5 percent increase over the previous year. Major increases in tax revenues occurred in individual income, general sales and use, corporation franchise income, and public utility taxes. Intergovernmental revenues consisting primarily of federal assistance increased \$384.0 million over Fiscal Year 1995, while revenues from all other sources, excluding proceeds from sale of bonds, increased \$93.2 million, a 10.4 percent increase from the previous year.

<b>Expenditures (by Function)</b>	<b>1996 Amount</b>	<b>Percent of Total</b>	<b>1995 Amount</b>	<b>Change 1995/1996</b>
Current:				
Commerce	\$ 161,923	1.3%	\$ 146,571	\$ 15,352
Education	3,283,511	25.8	3,005,096	278,415
Transportation	1,343,563	10.6	1,303,450	40,113
Environmental Resources	507,420	4.0	499,482	7,938
Human Relations and Resources	5,033,062	39.6	4,635,202	397,860
General Executive	246,561	1.9	246,086	475
Judicial	82,505	0.6	71,981	10,524
Legislative	50,165	0.4	50,732	(567)
Tax Relief and Other				
General Expenditures	574,771	4.5	616,891	(42,120)
Intergovernmental (Shared Revenue)	1,010,618	7.9	992,437	18,181
Capital Outlay	153,809	1.2	190,307	(36,498)
Debt Service	270,555	2.1	257,649	12,906
Total	<u>\$ 12,718,463</u>	<u>100.0%</u>	<u>\$ 12,015,884</u>	<u>\$ 702,579</u>

Governmental expenditures totaled \$12.7 billion for the fiscal year ended June 30, 1996. This represents \$702.6 million or a 5.8 percent increase over the previous year. Human Relations and Resources, and Education had the largest increases of \$397.9 million and \$278.4 million, respectively.

The 8.6 percent increase in Human Relations and Resources was due primarily to increased State aid in the Medical Assistance Program, reflecting declining federal financial participation and cost increases in nursing home care, and increases in the State's correctional services due to growth in the correctional population and expenditures related to the corrections program.

Education expenditures increased approximately 9.3 percent due in part to an increase in State assistance to Wisconsin's 427 school districts and 17 public library systems.

## General Fund Balance

The General Fund balance on June 30, 1996 was \$(918.5) million. The fund balances appearing in the CAFR include accounts receivable for revenues accrued but cash not received, and accounts payable on expenditures which are recorded but for which cash has not yet been disbursed.

A reconciliation between the budgetary basis fund balance and the CAFR fund balance at June 30, 1996 follows (in thousands):

---

Fund Balance June 30, 1996 (budgetary basis - budgetary fund structure)	\$ 918,625
To reclassify activities reported in another GAAP fund type	<u>(233,133)</u>
Fund balance June 30, 1996 (budgetary basis - GAAP fund structure)	685,493
Adjustments:	
To adjust expenditures for the municipal and county shared revenue program	(504,309)
To adjust expenditures for state property tax credit program	(253,136)
To defer revenue for tax-related items and other tax credit/aid programs (net)	(755,990)
To adjust revenues and expenditures for other items (net)	<u>(90,570)</u>
Fund balance June 30, 1996 (GAAP basis - as reported in CAFR)	<u><u>\$ (918,513)</u></u>

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As discussed previously, the State's 46 budgetary funds are expanded and have been displayed into 94 individual GAAP funds, the University of Wisconsin System, and two discrete component units. Accordingly, the reporting of the University of Wisconsin System in separate funds and the reclassification of certain activities from the budgetary General Fund to fiduciary and proprietary fund types resulted in the reduction of the budgetary fund balance at June 30, 1996 of \$233.1 million, as noted above.

In applying GAAP based expenditure and liability recognition and measurement criteria, the largest single accruals relate to deferred Municipal and County Shared Revenue Program payments and deferred State Property Tax Credit Program payments. Since the early 1980's, funding of these programs has been deferred to the State fiscal year following their accrual, resulting in liabilities for these programs totaling \$760.7 million and \$757.4 million at June 30, 1995 and 1996, respectively.

Accruals and deferrals of various tax-related items and other tax credit/aid programs also significantly contribute to the budgetary basis and GAAP basis fund difference. Net accruals/deferrals for these items resulted in an additional liability of \$721.4 million and \$756.0 million on June 30, 1995 and 1996, respectively.

The remaining difference between the General Fund budgetary balance and the GAAP basis balance, as listed above, represents accruals/deferrals for such items as Medicaid claims (additional liabilities of \$88.5 million and \$87.1 million at June 30, 1995 and 1996, respectively) and other numerous, miscellaneous adjustments to assets and liabilities.

The increase between Wisconsin's GAAP balance at June 30, 1995 (as reported in the 1995 CAFR) of \$(1,128.7) million and the GAAP balance at June 30, 1996 of \$(918.5) million amounted to \$210.2 million. The budgetary surplus increased \$71.3 million (from a budgetary fund balance of \$847.3 million at June 30, 1995 to \$918.6 million at June 30, 1996). A decrease in the Municipal and County Shared Revenue Program appropriation of \$4.0 million resulted in a \$2.0 million increase in the fund balance. Other factors impacting the change included: a decrease in the amount of activity reclassified as individual fund types totaling \$108.2 million; a decrease in the net liability relating to individual income taxes of \$13.1 million; an increase in the liability for other tax programs of \$46.5 million; and a decrease in other accruals/deferrals totaling \$62.0 million.

## **Proprietary Operations**

The State has various proprietary funds (i.e., enterprise and internal service funds) that account for ongoing activities and organizations that are similar to those found in the private sector.

Enterprise funds are established to account for services provided to the public for which the revenues derived by the activity will support the services provided. The enterprise fund with the largest operating revenues is the Lottery Fund. The Lottery Fund's activities are used to provide property tax relief to taxpayers. Operating revenues of this fund totaled \$482.2 million in 1996.

Internal service funds are established to account for the financing of goods or services provided to State agencies, or to other governments, on a cost-reimbursement basis. The internal service fund with the largest operating revenues is the Information Technology Services Fund. This fund was established to account for computing services provided to other State agencies and the purchase and installation of data and word processing equipment. Operating revenues of this fund totaled \$39.6 million in 1996.

## **Pension Trust Funds**

The Wisconsin Retirement System (WRS), consisting of the Fixed Retirement Investment Fund, the Variable Retirement Investment Fund, the Special Death Benefits Fund, and the Police and Firefighters Fund, is administered by the Department of Employee Trust Funds. The WRS provides coverage to all eligible employees of the State of Wisconsin and other participating local units of government.

The most current actuarial valuations of the pension trust funds indicated that the WRS had accumulated \$7.5 billion of net assets over the pension benefit obligation, which was \$28.5 billion for the 413,709 participants of the WRS. The State's contribution represents 28.6 percent of total contributions required of all participating entities.

## **Debt Administration**

The State of Wisconsin Building Commission, an agency of the State, is empowered by law to consider, act upon, authorize, issue and sell all debt obligations of the State. The total general obligation debt outstanding for the State as of June 30, 1996 was \$3.1 billion.

During Fiscal Year 1996, \$300.9 million of these general obligation bonds were issued to provide for the acquisition or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes. An additional \$147.7 million of general obligation bonds were issued to provide for an advance refunding and a replacement refunding of general obligation bonds outstanding during Fiscal Year 1996. As a result, the general obligation bonds refunded are considered defeased and the corresponding liability for those bonds has been removed from the General Long-term Debt Account Group. The advance refunding resulted in an aggregate economic gain (the difference between the present values of the debt service on the old debt and the new debt) of \$3.0 million for the State.

Article VIII of the Wisconsin Constitution and Wis. Stat. Sec. 18.05 limits the amount of debt the State can contract in total and in any calendar year. In total, debt cannot exceed five percent of the value of all taxable property in the State. The amount of debt contracted in any calendar year is limited to the lesser of three-quarters of one percent of aggregate value of taxable property or five percent of aggregate value of taxable property less net indebtedness at January 1.

At June 30, 1996, State of Wisconsin bonds had a rating of Aa from Moody's Investors Services, a rating of AA from Standard and Poor's Corporation, and AA+ from Fitch Investors Service, L.P.



Chapter 18 of the Wisconsin Statutes authorizes the State to issue revenue obligations. These obligations, which are not debt of the State, are secured by a pledge of revenues or property derived from the operations of a program funded by the issuance of the obligations. Revenue bonds totaled \$2.9 billion outstanding at fiscal year-end. These bonds include: \$775.9 million in Transportation Revenue Bonds issued to finance certain transportation facilities and major highway projects; \$.2 million of Veterans Mortgage Revenue Bonds; \$8.5 million of Wisconsin Education Revenue Bonds for the Health Education Assistance Loan Program; \$1.8 billion of Wisconsin Housing and Economic Development Authority Revenue Bonds; and \$364.6 million of Clean Water Fund bonds.

Other bonds presented in the balance sheet include \$1.8 million of Wisconsin Building Corporation Bonds issued to provide funds for the acquisition and construction of certain buildings and facilities for public purposes. Revenues pledged to the repayment of these bonds are derived through lease-rental agreements between State agencies and the corporations.

### **Cash Management**

The State of Wisconsin Investment Board is responsible for investing in cash resources of the State. On a daily basis, excess cash from all funds is pooled and invested through a variety of investment vehicles. Interest income earned on these investments is allocated to the various funds based on their average daily cash balances. The total amount of investments in the State Investment Fund at June 30, 1996 was \$5.6 billion.

The State's General Fund cash flow requirements are greatest in the earlier part of the fiscal year. To meet these cash flow needs, the State sold \$150.0 million in short-term general obligation operating notes for Fiscal Year 1997. The final payment on these notes will be made on June 16, 1997.

### **Risk Management**

The State's risk management program, encompassing all State agencies, began in 1974 within the Department of Administration. Statutory responsibilities and authority include, but are not limited to:

- Protecting the State's assets from catastrophic loss;
- Emphasizing loss reduction;
- Identifying and evaluating exposures to loss;
- Recommending changes in procedures and programs to eliminate or reduce existing exposures;
- Arranging appropriate insurance for the transfer of risk of loss; and
- Approving all insurance purchases.

Currently, the State is essentially self-insured, through its risk management program, against major losses to which it is exposed. The Risk Management Fund, an internal service fund, services most claims for risk of loss, including damage to State owned property, liability for property damages and injuries to third parties, and worker's compensation. Additional disclosures on the State's risk management activities are provided in Note 20.

## **OTHER INFORMATION**

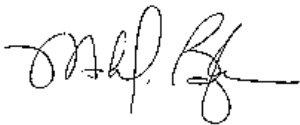
### **Independent Audit**

In compliance with Wis. Stat. Sec. 13.94 (1)(c), the State Legislative Audit Bureau has performed an examination of the State's general purpose financial statements. The examination was made in accordance with generally accepted auditing standards. Their report is contained in the Financial Section which follows.

## **ACKNOWLEDGMENTS**

We wish to express our appreciation to the many individuals whose dedicated efforts have made this report possible. The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the financial managers and accountants of the State agencies and component units, along with staff within the State Controller's Office.

Sincerely,



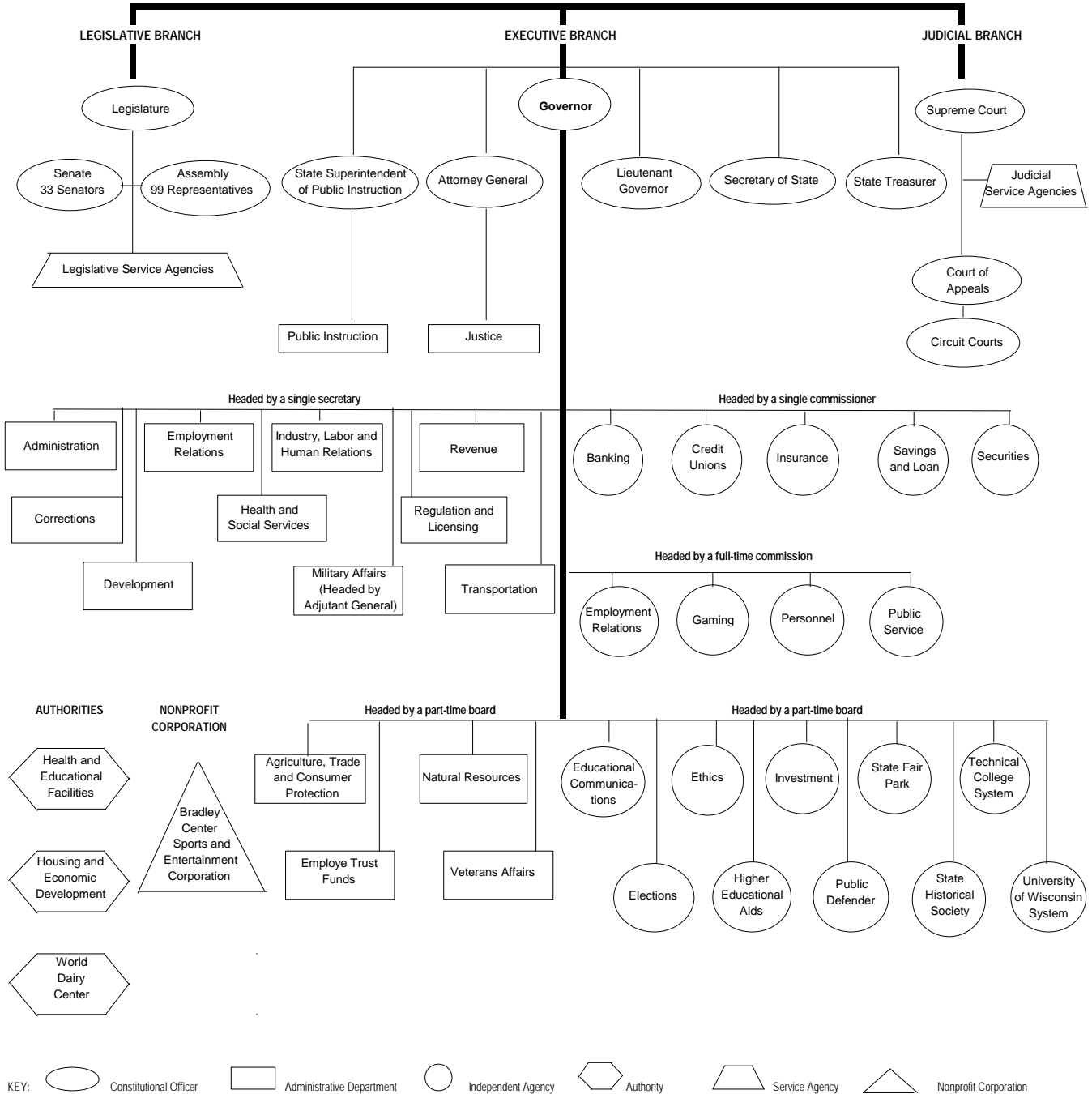
Mark D. Bugher  
Secretary



William J. Raftery, CPA  
State Controller

# Organizational Chart

WISCONSIN STATE GOVERNMENT ORGANIZATION  
January 1995



# Principal State Officials

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## EXECUTIVE

Tommy G. Thompson  
*Governor*

Scott McCallum  
*Lieutenant Governor*

Douglas J. LaFollette  
*Secretary of State*

Jack C. Voight  
*State Treasurer*

James E. Doyle  
*Attorney General*

John T. Benson  
*State Superintendent of Public Instruction*

## LEGISLATIVE

Fred Risser (beginning July 9, 1996)  
Brian D. Rude (through June 13, 1996)  
*President of the State Senate*

David T. Prosser  
*Speaker of the Assembly*

## JUDICIAL

Shirley S. Abrahamson (beginning August 1, 1996)  
Roland B. Day (through July 31, 1996)  
*Chief Justice of the Supreme Court*

