



**WISCONSIN LEGISLATIVE AUDIT BUREAU
AUDIT SUMMARY**

Report 99-11

August 1999

Wisconsin Lottery, Department of Revenue

We have issued an unqualified opinion on the Wisconsin Lottery's financial statements for fiscal years (FYs) 1997-98 and 1996-97.

According to the State's constitution, proceeds from lottery sales must be distributed as property tax relief. However, property tax credits for 1996 were not distributed during FY 1996-97 because of a court ruling that determined the method used to distribute property tax credits was unconstitutional. Provisions to address constitutionality issues were enacted as part of 1997 Wisconsin Act 27. Therefore, the FY 1997-98 transfer of lottery proceeds for property tax credit effectively included two years of property tax credits. A total of \$216,895,949 in Wisconsin Lottery proceeds was used to provide local property tax relief in FY 1997-98.

The Wisconsin Lottery implemented two new accounting standards. The first of these requires the Lottery to report its investments at fair value, which is based on quoted market prices, rather than on a cost basis, as was done in the past. The other new standard requires that the Wisconsin Lottery include disclosure of its year 2000 readiness as supplementary information.

[full report, PDF file \(87KB\)](#)