



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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June 5, 2008

To the Users of This Report:

Re: Monthly Financial Information—April 2008

Please find attached the Report of Monthly General Fund Financial Information for the period ending April 30, 2008. All footnotes and additional information for the tables appear as endnotes on the last two pages of this report.

This cover letter provides comment on the attached tables of General Fund financial information.

- **Updated General Fund Tax Revenue Estimates/Budget Adjustment Bill.** The projected General Fund cash flows for the remainder of fiscal year (**FY**) 2008 reflect (i) the memorandum released by the Legislative Fiscal Bureau (**LFB**) on February 13, 2008, which contains updated General Fund tax revenue estimates (budgetary basis) for the 2007-09 biennium, and (ii) the budget adjustment bill, as signed into law with some vetoes, by Governor Doyle on May 16, 2008 (2007 Wisconsin Act 226).

One provision of the budget adjustment bill includes the transfer of the balance in the State's Budget Stabilization Fund to the General Fund (an amount of approximately \$57 million).

A complete copy of the LFB memorandum, along with additional information on the budget adjustment bill as signed into law, can be obtained by contacting the State of Wisconsin Capital Finance Office at any of the addresses included above.

- **Largest Projected Negative Cash Balance – Negative \$629 Million.** The largest projected negative balance for the remainder of FY08 is negative \$629 million, which is expected to occur on June 16, 2008. This balance improves to negative \$364 million within four days.

Pursuant to Wisconsin Statutes, interfund borrowing and other remedies are available to deal with periods when the cash balance is negative. The interfund borrowing limit for FY08 is \$690 million with an additional \$414 million for a period of up to 30 days, which in aggregate exceeds \$1.1 billion.

- **Tax Filing Update.** The total amount of tax refunds paid to-date in FY08 is approximately \$259 million more than projected. This is primarily due to delays in processing tax returns during the latter part of FY07, which resulted in more tax returns from FY07 being processed and tax refunds paid in FY08. The total amount of tax refunds paid in FY07 was approximately \$147 million less than projected.

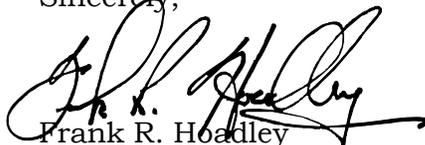
As of May 31, 2008, the total number of tax returns completely processed in calendar year **(CY)** 2008 was up 8.5% compared to this time in CY07. Improvements to the causes for delays that occurred in CY07 largely explain this gain. The total number of returns claiming refunds is up 8.7%. The average amount of refund is up 4.6%. The portion of all tax returns claiming refunds is 70.9%, nearly identical to the portion at this time in CY07. Electronic returns have increased by 9.3% over this time in CY07 and are now 64.3% of total returns.

- **FY09 Operating Notes.** The State of Wisconsin Building Commission has approved preliminary actions relating to the issuance of operating notes for FY09 in an amount not to exceed \$800 million.

The Department of Administration has provided notice to the Legislature's Joint Committee on Finance of its intent to request the Building Commission to authorize the operating notes in an amount not to exceed \$800 million. If approved by the Joint Committee on Finance, the Building Commission will be asked to consider this authorization at the meeting scheduled for June 25, 2008, with a competitive sale of these operating notes occurring potentially within a day of such authorization.

- **FY09 Projected General Fund Cash Flow.** The State expects that the FY09 general fund cash flow projections will be included within next month's General Fund Monthly Financial Information Report.

Sincerely,



Frank R. Hoadley
Capital Finance Director

Monthly General Fund Financial Information State of Wisconsin

For the Period Ending April 30, 2008

Prepared by the Wisconsin Department of Administration

Prepared on June 5, 2008

The following tables of General Fund financial information are provided with respect to securities issued by the State of Wisconsin. The information may be material to an investment decision in the securities, although the presence of information here does not imply the State of Wisconsin has made a determination of its materiality.

PROJECTED GENERAL FUND CASH FLOW FOR FY08 REFLECTS THE UPDATED REVENUE ESTIMATES RELEASED BY THE LEGISLATIVE FISCAL BUREAU (LFB) ON FEBRUARY 13, 2008, THE 2007-09 BUDGET (2007 WISCONSIN ACT 20), THE BUDGET ADJUSTMENT BILL FOR THE 2007-09 BIENNIUM (2007 WISCONSIN ACT 226), AND \$600 MILLION OF OPERATING NOTES ISSUED ON JULY 2, 2007.

Table of Contents

1. **Cautionary Information!**
2. **Actual and Projected General Fund Cash Flow for the Fiscal Year Ending June 30, 2008 (Cash Basis)**
This corresponds to Table II-7, page 39, of the State of Wisconsin Continuing Disclosure Annual Report, December 21, 2007.
3. **General Fund Cash Flow Year-To-Date Compared to Estimates and Previous Fiscal Year (Cash Basis)**
This corresponds to Table II-8, page 40, of the State of Wisconsin Continuing Disclosure Annual Report, December 21, 2007.
4. **General Fund Monthly Cash Position (Cash Basis)**
This corresponds to Table II-9, page 41, of the State of Wisconsin Continuing Disclosure Annual Report, December 21, 2007.
5. **Actual and Projected Cash Balances in Funds Available for Interfund Borrowing**
This corresponds to Table II-10, page 42, of the State of Wisconsin Continuing Disclosure Annual Report, December 21, 2007.
6. **General Fund Recorded Revenues Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**
This corresponds to Table II-11, page 43, of the State of Wisconsin Continuing Disclosure Annual Report, December 21, 2007.
7. **General Fund Recorded Expenditures Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**
This corresponds to Table II-12, page 44, of the State of Wisconsin Continuing Disclosure Annual Report, December 21, 2007.
8. **Endnotes and Additional Information**

Cautionary Information!

Users of this information should be cautioned about several points:
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The General Fund financial information in this document has been prepared using what is believed to be the best available data for these purposes. The tables in this document have been prepared using the same procedures used to prepare similar information for the State of Wisconsin Continuing Disclosure Annual Report, Official Statements prepared for specific securities, or reports filed in conjunction with various securities. This information is, however, preliminary in nature and subject to change.

- This information is unaudited and is not a “financial statement.” None of the data presented here has been subjected to customary fiscal period closing procedures or the procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- This information only speaks as of the date on which it was prepared.
- Statements of information for dates before the date this information is prepared will most likely be restated or revised. Information classified as “actual”, and any difference from any prior estimate, does not signify a change to official estimates. Any official revenue or expenditure re-estimates that do occur will be separately identified, and if material, appropriately noted.
- The information does not intend to reflect the State’s projected budgetary balance for FY08.
- Projections of results for dates after the date this information is prepared are forward looking. Actual results will almost certainly differ.
 - It is important to note that cash flow projections are expressed on a *cash basis* while the revenue estimates released by LFB are expressed on a *budgetary basis* and net of any refunds.
 - The projected General Fund cash flow for the remainder of FY08 reflects the updated revenue estimates released by LFB on February 13, 2008, the 2007-09 budget (2007 Wisconsin Act 20), the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226), and the \$600 million of operating notes issued on July 2, 2007.
 - Projections are not adjusted to reflect actual revenues and expenditures and routine variability in the timing of receipts and disbursements, but may be adjusted to reflect unique events.
 - Projections of remaining fiscal year cash flow may be adjusted when necessary to reflect unforeseen events or additional revised forecasts of the General Fund condition statement.
- Data in the tables of financial information are subject to revision and reclassification for prior periods. This is particularly true for revenue data, where proper classification depends on tax returns which are received and processed significantly after the tax payments are received through electronic transfers.
- Some information is presented on a cash basis of accounting while other data is presented on a budgetary or agency recorded basis. Users should not compare information that is presented on one basis of accounting with information that is presented on a different basis of accounting.
- Comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- The State of Wisconsin is not obligated to provide this information or make it available on its website.
- None of the information in these tables of financial information is required by the State of Wisconsin’s continuing disclosure undertakings pursuant to SEC rule 15c2-12.
 - This information is not, and does not replace, a notice of a material event required by SEC rule 15c2-12.
 - This information is not, and does not replace, the annual financial information required by SEC rule 15c2-12.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2007 TO APRIL 30, 2008^(a)
PROJECTED GENERAL FUND CASH FLOW; MAY 1, 2008 TO JUNE 30, 2008^(b)

(In Thousands of Dollars)

	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008
BALANCES^(c)												
Beginning Balance	\$ 49,148	\$ 349,749	\$ 638,780	\$ 723,620	\$ 1,417,676	\$ 1,131,328	\$ 446,854	\$ 1,364,065	\$ 1,117,488	\$ (212,538)	\$ 412,897	\$ 481,425
Ending Balance^(d)	349,749	638,780	723,620	1,417,676	1,131,328	446,854	1,364,065	1,117,488	(212,538)	412,897	481,425	(60,368)
Lowest Daily Balance^(d)	39,257	(441)	159,554	606,183	783,121	(285,238)	435,780	1,048,982	(212,538)	(648,410)	262,233	(629,136)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 682,211	\$ 500,798	\$ 651,858	\$ 695,206	\$ 521,419	\$ 459,790	\$ 1,112,129	\$ 574,257	\$ 578,486	\$ 1,193,252	\$ 516,321	\$ 694,028
Sales & Use	414,387	413,404	401,674	396,967	385,034	345,203	421,814	323,947	310,458	358,240	341,914	372,771
Corporate Income	35,238	20,042	154,364	51,110	31,669	174,535	21,726	30,498	188,247	49,678	20,533	144,972
Public Utility	20	20	509	1,871	148,786	987	56	20	94	1,111	149,221	908
Excise	30,620	34,376	36,523	27,764	36,994	26,518	28,435	74,544	47,280	51,023	59,967	61,596
Insurance	584	1,777	33,083	489	1,004	31,518	2,096	23,510	26,594	33,065	1,912	34,686
Inheritance	12,784	17,121	14,108	14,117	15,580	10,886	4,291	11,192	18,117	10,360	13,088	12,896
Subtotal Tax Receipts	\$ 1,175,844	\$ 987,538	\$ 1,292,119	\$ 1,187,524	\$ 1,140,486	\$ 1,049,437	\$ 1,590,547	\$ 1,037,968	\$ 1,169,276	\$ 1,696,729	\$ 1,102,956	\$ 1,321,857
NON-TAX RECEIPTS												
Federal	579,248	553,559	479,277	518,519	557,015	504,290	650,871	609,628	553,043	450,485	553,100	586,100
Other & Transfers	397,510	231,439	414,249	418,712	264,756	215,831	457,837	507,579	230,775	315,770	269,400	617,400
Note Proceeds ^(e)	594,000	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,570,758	\$ 784,998	\$ 893,526	\$ 937,231	\$ 821,771	\$ 720,121	\$ 1,108,708	\$ 1,117,207	\$ 783,818	\$ 766,255	\$ 822,500	\$ 1,203,500
TOTAL RECEIPTS	\$ 2,746,602	\$ 1,772,536	\$ 2,185,645	\$ 2,124,755	\$ 1,962,257	\$ 1,769,558	\$ 2,699,255	\$ 2,155,175	\$ 1,953,094	\$ 2,462,984	\$ 1,925,456	\$ 2,525,357
DISBURSEMENTS												
Local Aids	1,088,886	170,143	841,399	120,205	928,976	1,293,374	244,301	255,745	1,358,278	113,409	185,800	1,962,700
Income Maintenance	554,657	462,141	430,767	475,577	408,147	473,582	425,771	484,702	438,158	484,009	417,660	228,516
Payroll and Related	293,794	439,220	257,475	384,708	457,197	272,879	447,230	491,507	258,898	398,933	460,002	279,832
Tax Refunds	114,634	89,140	53,251	63,034	69,419	157,306	100,895	567,085	409,708	384,057	131,279	164,100
Debt Service	95,411	5,720	170,526	-	3,239	-	-	1,500	330,346	-	27,037	-
Miscellaneous	294,406	317,141	347,387	387,175	381,627	256,891	563,847	450,369	331,924	301,106	478,700	432,002
Note Repayment ^(e)	4,213	-	-	-	-	-	-	150,844	155,808	156,035	156,450	-
TOTAL DISBURSEMENTS	\$ 2,446,001	\$ 1,483,505	\$ 2,100,805	\$ 1,430,699	\$ 2,248,605	\$ 2,454,032	\$ 1,782,044	\$ 2,401,752	\$ 3,283,120	\$ 1,837,549	\$ 1,856,928	\$ 3,067,150

Note: All footnotes to this table appear on the last two pages of this report in the section entitled "Endnotes and Additional Information".

**GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
 COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR^(a)
 (Cash Basis)
 As of April 30, 2008
 (Amounts in Thousands)**

	<u>FY07 through April 2007</u>	<u>FY08 through April 2008</u>				Difference FY07 Actual to FY08 Actual
	Actual	Actual	Estimate ^(f)	Variance	Adjusted Variance ^(g)	
RECEIPTS						
Tax Receipts						
Individual Income	\$ 6,611,527	\$ 6,969,406	\$ 6,652,730	\$ 316,676	316,676	\$ 357,879
Sales	3,744,327	3,771,128	3,709,587	61,541	61,541	26,801
Corporate Income	837,417	757,107	741,179	15,928	15,928	(80,310)
Public Utility	149,428	153,474	156,894	(3,420)	(3,420)	4,046
Excise	296,996	394,077	428,072	(33,995)	(33,995)	97,081
Insurance	141,494	153,720	155,389	(1,669)	(1,669)	12,226
Inheritance	100,033	128,556	81,145	47,411	47,411	28,523
Total Tax Receipts	\$ 11,881,222	\$ 12,327,468	\$ 11,924,996	\$ 402,472	\$ 402,472	\$ 446,246
Non-Tax Receipts						
Federal	\$ 5,179,255	\$ 5,455,935	\$ 5,424,046	\$ 31,889	\$ 31,889	\$ 276,680
Other and Transfers	3,565,510	3,454,458	3,807,888	(353,430)	(353,430)	(111,052)
Note Proceeds ^(e)	-	594,000	594,000	-	-	594,000
Total Non-Tax Receipts	\$ 8,744,765	\$ 9,504,393	\$ 9,825,934	\$ (321,541)	\$ (321,541)	\$ 759,628
TOTAL RECEIPTS	\$ 20,625,987	\$ 21,831,861	\$ 21,750,930	\$ 80,931	\$ 80,931	\$ 1,205,874
DISBURSEMENTS						
Local Aids	\$ 6,091,248	\$ 6,414,716	\$ 6,508,882	\$ 94,166	\$ 94,166	\$ 323,468
Income Maintenance	4,470,451	4,637,442	4,456,192	(181,250)	(181,250)	166,991
Payroll & Related	3,643,284	3,701,841	3,822,180	120,339	120,339	58,557
Tax Refunds	1,756,913	2,008,529	1,749,504	(259,025)	(259,025)	251,616
Debt Service	541,214	606,742	633,455	26,713	26,713	65,528
Miscellaneous	3,508,555	3,631,942	3,664,846	32,904	32,904	123,387
Note Repayment ^(e)	-	466,900	469,350	2,450	2,450	466,900
TOTAL DISBURSEMENTS	\$ 20,011,665	\$ 21,468,112	\$ 21,304,409	\$ (163,703)	\$ (163,703)	\$ 1,456,447
VARIANCE FY08 YEAR-TO-DATE				\$ (82,772)	\$ (82,772)	

Note: All footnotes to this table appear on the last two pages of this report in the section entitled "Endnotes and Additional Information".

GENERAL FUND MONTHLY CASH POSITION^(e)
July 1, 2005 through April 30, 2008 — Actual
May 1, 2008 through June 30, 2008 — Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>		<u>Receipts^(e)</u>	<u>Disbursements^(e)</u>
2005	July.....	\$ (193,683)	(d)	\$ 1,826,490	\$ 2,049,886
	August.....	(417,079)	(d)	1,862,861	1,309,154
	September.....	136,628	(d)	2,279,058	2,106,633
	October.....	309,053		1,832,855	1,323,363
	November.....	818,545		1,850,883	2,082,660
	December.....	586,768	(d)	1,829,742	2,535,436
2006	January.....	(118,926)	(d)	2,453,770	1,452,062
	February.....	882,782		2,082,942	1,820,094
	March.....	1,145,630		1,949,288	2,979,887
	April.....	115,031	(d)	2,316,434	1,600,131
	May.....	831,334		2,035,524	1,496,923
	June.....	1,369,935	(d)	2,033,941	3,399,313
	July.....	4,563	(d)	1,920,630	2,121,122
	August.....	(195,929)	(d)	1,695,545	1,391,455
	September.....	108,161	(d)	2,288,498	2,041,092
	October.....	355,567		2,130,549	1,373,404
	November.....	1,112,712		1,856,520	2,086,743
	December.....	882,489	(d)	1,791,636	2,501,552
2007	January.....	172,573		2,570,733	1,717,796
	February.....	1,025,510		1,949,875	1,947,201
	March.....	1,028,184	(d)	1,869,287	2,934,724
	April.....	(37,253)	(d)	2,548,712	1,896,578
	May.....	614,881		2,009,550	1,525,908
	June.....	1,098,523	(d)	2,307,089	3,356,463
	July.....	49,149		2,746,602	2,446,001
	August.....	349,750	(d)	1,772,536	1,483,505
	September.....	638,781		2,185,645	2,100,805
	October.....	723,621		2,124,755	1,430,699
	November.....	1,417,677		1,962,257	2,248,605
	December.....	1,131,329	(d)	1,769,558	2,454,032
2008	January.....	446,855		2,699,255	1,782,044
	February.....	1,364,066		2,155,175	2,401,752
	March.....	1,117,489	(d)	1,953,094	3,283,120
	April.....	(212,537)	(d)	2,462,984	1,837,549
	May.....	412,898		1,925,456	1,856,928
	June.....	481,426	(d)	2,525,357	3,067,150

Note: All footnotes to this table appear on the last two pages of this report in the section entitled "Endnotes and Additional Information".

CASH BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING^(b)

July 31, 2005 to April 30, 2008 — Actual
May 31, 2008 to June 30, 2008 — Projected^(b)
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation, or interfund borrowing. The first table does not include balances in the Local Government Investment Pool (LGIP) and the second table does include such balances. Though the LGIP is available for temporary allocation, or interfund borrowing, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of \$2.2 billion during November 2005 to a high of \$4.2 billion during April 2008. The Secretary of Administration may not exercise the authority to complete interfund borrowing if this temporary reallocation would jeopardize the cash flow of any fund or account from which interfund borrowing would be made.

Available Balances; Does Not Include Balances in the LGIP

<u>Month (Last Day)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
January		\$ 1,118	\$ 1,048	\$ 1,203
February		1,041	1,131	1,265
March		1,188	1,154	1,298
April		957	1,114	<u>1,211</u>
May		912	1,202	912
June		1,074	1,208	1,074
July	\$ 1,048	932	1,141	
August	1,100	1,052	1,204	
September	1,176	1,067	1,204	
October	1,115	925	1,110	
November	1,167	966	1,229	
December	1,135	1,019	1,244	

Available Balances; Includes Balances in the LGIP

<u>Month (Last Day)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
January		\$ 4,232	\$ 4,509	\$ 4,943
February		4,237	4,773	5,255
March		4,476	4,860	5,453
April		3,981	4,593	<u>5,273</u>
May		3,708	4,408	3,708
June		3,940	4,536	3,941
July	\$ 4,193	4,218	4,862	
August	3,823	3,978	4,383	
September	3,746	3,845	4,264	
October	3,361	3,361	3,900	
November	3,370	3,477	4,017	
December	3,692	3,764	4,141	

Note: All footnotes to this table appear on the last two pages of this report in the section entitled "Endnotes and Additional Information".

GENERAL FUND RECORDED REVENUES^(a)
(Agency Recorded Basis)
July 1, 2007 to April 30, 2008 compared with previous year⁽ⁱ⁾

	Revenues <u>2006-07 FY^(j)</u>	Projected Revenues <u>2007-08 FY^(k)</u>	Recorded Revenues July 1, 2006 to <u>April 30, 2007^(l)</u>	Recorded Revenues July 1, 2007 to <u>April 30, 2008^(m)</u>
Individual Income Tax	\$ 6,573,778,000	\$ 6,758,800,000	\$ 5,177,238,939	\$ 5,308,081,539
General Sales and Use Tax	4,158,612,000	4,310,000,000	3,091,594,945	3,160,756,558
Corporate Franchise and Income Tax	890,056,000	887,775,000	728,396,540	644,285,740
Public Utility Taxes	284,940,000	297,200,000	141,636,488	146,498,916
Excise Taxes	365,848,000	537,300,000	270,019,919	364,120,240
Inheritance Taxes	121,114,000	95,000,000	96,609,123	126,583,629
Insurance Company Taxes	141,405,000	141,000,000	93,685,522	102,755,816
Miscellaneous Taxes	82,244,000	73,000,000	80,627,377	76,140,922
SUBTOTAL.....	<u>12,617,997,000</u>	<u>13,100,075,000</u>	<u>9,679,808,852</u>	<u>9,929,223,360</u>
Federal and Other Inter- Governmental Revenues ⁽ⁿ⁾	6,505,269,000	6,239,071,300	5,210,875,680	5,525,125,105
Dedicated and Other Revenues ^(o)	4,000,158,000	4,548,254,700	3,732,493,832	3,648,763,471
TOTAL.....	<u>\$23,123,424,000</u>	<u>\$ 23,887,401,000</u>	<u>\$ 18,623,178,364</u>	<u>\$ 19,103,111,936</u>

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency Recorded Basis)
July 1, 2007 to April 30, 2008 compared with previous year⁽ⁱ⁾

	Expenditures <u>2006-07 FY^(j)</u>	Appropriations <u>2007-08 FY^(k)</u>	Recorded Expenditures July 1, 2006 to <u>April 30, 2007^(p)</u>	Recorded Expenditures July 1, 2007 to <u>April 30, 2008^(q)</u>
Commerce.....	\$ 281,047,000	\$ 294,328,200	\$ 211,191,087	\$ 195,378,099
Education.....	10,542,076,000	10,961,021,300	7,965,189,397	8,128,033,318
Environmental Resources.....	328,094,000	367,720,800	311,923,902	294,857,793
Human Relations & Resources	9,341,228,000	9,256,908,100	7,832,207,479	7,989,627,057
General Executive.....	720,467,000	947,430,200	682,611,287	727,885,011
Judicial.....	121,332,000	127,264,900	103,724,887	107,024,133
Legislative.....	63,372,000	71,124,100	48,744,124	50,025,121
General Appropriations.....	1,807,627,000	2,060,562,300	1,759,139,813	1,978,901,744
TOTAL.....	<u>\$ 23,205,243,000</u>	<u>\$ 24,086,359,900</u>	<u>\$ 18,914,731,976</u>	<u>\$ 19,471,732,276</u>

Note: All footnotes to these tables appear on the last two pages of this report in the section entitled "Endnotes and Additional Information".

ENDNOTES AND ADDITIONAL INFORMATION

- (a) Please refer to the cautionary statements at the beginning of this document. The cautionary statements are an integral part of this table. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (b) The projections or estimates included in this table for the remainder of FY08 reflect the updated General Fund revenue estimates released by LFB on February 13, 2008, the budget for FY08 (2007 Wisconsin Act 20), and the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226). The projections also reflect (i) \$254 million that will be transferred from various funds to General Fund on June 12, 2008 (\$229 million of this amount relates to lapses and other requirements of 2007 Wisconsin Act 226, including, but not limited to, the transfer of \$57 million from the Budget Stabilization Fund), (ii) proceeds of the \$600 million in operating notes issued on July 2, 2007 for FY08 and the impoundment payments for the operating notes made or to be made on February 29, 2008, March 31, 2008, April 30, 2008, and May 30, 2008, and (iii) assumption that the State will receive approximately \$124 million pursuant to the amended gaming compacts with tribal governments. A complete copy of the February 13, 2008 memorandum containing LFB's updated General Fund revenue estimates and additional information on the budget adjustment bill can be obtained by contacting the State of Wisconsin Capital Finance Office. Amounts do not reflect interfund borrowing.
- (c) The General Fund cash balances presented are not based on Generally Accepted Accounting Principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds are expected to range from \$191 to \$324 million during FY08. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average \$22 million during FY08.
- (d) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. This amount is approximately \$690 million for FY08. In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately \$414 million for FY08) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, the Secretary of Administration is authorized to prorate and defer certain payments.
- (e) Operating notes were not issued for FY06 and FY07, but \$600 million of operating notes were issued on July 2, 2007 for FY08. The February 29, 2008 impoundment payment reflected the premium received on July 2, 2007 and deposited into the Operating Note Redemption Fund.
- (f) The estimates in this table (i) through the month of September 2007 had reflected the governor's proposed budget for FY08, (ii) for the period of October 2007 to January 2008 had reflected the budget for FY08 (2007 Wisconsin Act 20), (iii) for the period of February 2008 to April 2008 had reflected the budget for FY08 and the updated General Fund revenue estimates released by LFB on February 13, 2008, and (iv) for May 2008 and subsequent months reflect the budget for FY08, the updated General Fund revenue estimates released by LFB on February 13, 2008, and the budget adjustment bill for FY08 (2007 Wisconsin Act 226).
- (g) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates can not be changed and the result is a large variance. This column may include adjustments to the variances to more accurately reflect the variance between the estimated and actual amounts.
- (h) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund has a negative balance and is subject to interfund borrowing.
- (i) The amounts shown do not include FY07 revenues and expenditures that were recorded by state agencies during the FY08 months of July and August, 2007.
- (j) The amounts are from the Annual Fiscal Report (unaudited, budgetary basis) for FY07, dated October 15, 2007.
- (k) The projections or estimates included in this table reflect the projected General Fund revenues released by LFB on January 30, 2007 and the budget for FY08 (2007 Wisconsin Act 20); the projections do not reflect the updated General Fund revenue estimates released by LFB on February 13, 2008 nor the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226). Projections for FY08 also assume that the State will receive approximately \$124 million pursuant to the amended gaming compacts with tribal governments.

- (l) The amounts shown are FY07 revenues as recorded by state agencies.
- (m) The amounts shown are FY08 general purpose revenues and program revenue taxes collected across all state agencies. There may be differences between the tax revenues shown in this report and those reported by the Department of Revenue from time to time in their monthly general purpose revenue collections report; the Department of Revenue report only includes general purpose revenues or taxes that are actually collected by the Department of Revenue.
- (n) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (o) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (p) The amounts shown are FY07 expenditures as recorded by state agencies.
- (q) The amounts shown are FY08 expenditures as recorded by state agencies.

Additional information regarding the tables on the previous pages.

Tribal Government Payments. In May 2004, the Wisconsin Supreme Court ruled that certain amendments to the gaming compacts with tribal governments were unconstitutional. Although this decision concerned only an amendment to a gaming compact with one tribal government, the reasoning of the opinion applied to similar amendments to other gaming compacts that were executed on or after January 1, 2003. Subsequent to the Wisconsin Supreme Court's decision, the State still received in FY04 the expected payments from all but one tribal government, which did not make its payment of about \$30 million.

In FY05, the State received the expected payments from all but two tribal governments. One tribal government placed its payment of nearly \$44 million in escrow for release to the State upon completion of a new amendment to its gaming compact. The other tribal government did not make its payment of about \$30 million.

In FY06, budget and General Fund cash receipts assumed that the State would receive approximately \$146 million pursuant to the amended gaming compacts with tribal governments. This amount reflected (i) \$73 million, which was the estimate of all payments due in FY06, and (ii) \$74 million, which was an estimate of payments due in previous fiscal years that were expected to be made in FY06 by two tribal governments. With respect to the estimated \$73 million of payments due in FY06, the estimated amount due was subsequently revised downward to \$67 million to reflect provisions of the compacts with the tribal governments, and the State received payments totaling \$44 million from all but one tribal government. The State and this tribal government continue arbitration with respect to this tribal government's amended gaming compact. With respect to the estimated \$74 million of payments due in previous fiscal years that were expected to be made in FY06, the State received payments from the two tribal governments that equal this amount.

On July 14, 2006, the Wisconsin Supreme Court held that a 1993 amendment to the gambling provision of the Wisconsin Constitution did not invalidate or affect the extension, renewal, or amendment of State-tribal compacts originally executed in 1991 and 1992. In addition, the Wisconsin Supreme Court overruled a portion of its earlier decision from 2004 that had invalidated compact amendments from 2003 that allowed tribes to offer additional games beyond those agreed to in the original tribal compacts.

In FY07, budget and General Fund cash receipts assumed that the State will receive approximately \$112 million pursuant to the amended gaming compacts with tribal governments. This amount reflected (i) \$82 million, which is the estimate of all payments due in FY07, and (ii) \$30 million, which is an estimate of a payment due in the previous biennium that is expected to be made in FY07 by a tribal government. With respect to the estimated \$82 million of payments due in FY07, the estimated amount was subsequently revised downward to \$70 million pursuant to provisions of the compacts and the State received payments totaling \$51 million from all but one tribal government. With respect to the estimated \$30 million payment due in a previous biennium, the State did not receive such payment. It is the same tribal government that did not make its scheduled payment in FY07, the \$30 million payment due in a previous biennium, and its scheduled payment due in FY06. The State and this tribal government continue arbitration with respect to this tribal government's amended gaming compact.

The FY08 budget and projected General Fund cash receipts assume that the State will receive approximately \$124 million pursuant to the amended gaming compacts with tribal governments. This amount reflects (i) \$72 million, which is the estimate of all payments due in FY08, and (ii) \$52 million, which is an estimate of payments due in previous years from a tribal government that are expected to be made in FY08. With respect to the amount that was due in previous years, the timing of such payment may be affected by the outcome of litigation currently pending in a federal district court. The State and this tribal government also continue arbitration with respect to the tribal government's amended gaming compact.