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ADMINISTRATION**

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March 6, 2008

To the Users of This Report:

Re: Monthly Financial Information—January 2008

Please find attached the Report of Monthly General Fund Financial Information for the period ending January 31, 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.*** The projected General Fund cash flow for the remainder of FY08, which appears in many of the attached tables, reflects updated General Fund tax revenue estimates (budgetary basis) for the 2007-09 biennium that were included in a memorandum released by the Legislative Fiscal Bureau (**LFB**) on February 13, 2008.

The updated General Fund tax revenue estimates differ negatively from the projections of General Fund tax collections that were made in January 2007 and used in preparing the State's 2007-09 biennial budget (2007 Wisconsin Act 20). While the LFB memorandum addressed the entire 2007-09 biennium, the following are updates that relate to only FY08 (budgetary basis):

- A decrease of \$99 million in estimated individual income tax collections.
- A decrease of \$100 million in estimated general sale and use tax collections.
- A decrease of \$78 million in estimated corporate income and franchise tax collections.

Taking into account certain actions already completed by the Secretary of Administration, the LFB memorandum includes an updated General Fund condition statement and projected gross ending General Fund balance for FY08 of negative \$77 million, not including the statutory required reserve (budgetary basis). This amount is approximately \$144 million less than the balance included in the enacted budget for FY08.

A complete copy of the February 13, 2008 LFB memorandum can be obtained by contacting the State of Wisconsin Capital Finance Office at the addresses included above.

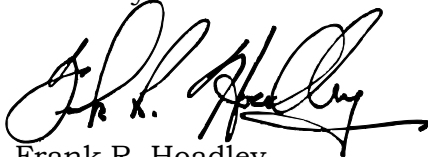
- **Largest Projected Negative Cash Balance – Negative \$974 Million.** The largest projected negative balance for the remainder of FY08 is negative \$974 million, which is expected to occur on June 16, 2008. This balance improves to negative \$687 million within seven days.

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 \$691 million with an additional \$415 million for a period of up to 30 days, which in aggregate exceeds \$1.1 billion.

- **Tax Filing Update.** At June 30, 2007, the total amount of tax refunds that had been paid in FY07 was approximately \$147 million less than projected. This was the result of delays in processing tax returns during the latter part of FY07. As a result more tax returns are being processed and tax refunds paid in FY08; the total amount of tax refunds paid to-date in FY08 is approximately \$161 million more than projected.
- **Deposit from General Fund to Budget Stabilization Fund.** As the State completed its Annual Fiscal Report for FY07, a transfer of \$55.6 million was made from the General Fund to the State's Budget Stabilization Fund (which is a "rainy day fund"). This transfer was pursuant to provisions of Wisconsin Statutes that address revenues received over original budget estimates.

Please note that the projected gross ending General Fund balance included in the February 13, 2008 LFB memorandum for the end of FY08 does not address or utilize this amount on deposit in the Budget Stabilization Fund.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. R. Hoadley', with a stylized flourish extending from the end.

Frank R. Hoadley
Capital Finance Director

Monthly General Fund Financial Information State of Wisconsin

For the Period Ending January 31, 2008

Prepared by the Wisconsin Department of Administration

Prepared on March 6, 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), AND \$600 MILLION OF OPERATING NOTES ISSUED ON JULY 2, 2007.

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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)**

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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), and \$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 JANUARY 31, 2008^(a)
PROJECTED GENERAL FUND CASH FLOW; FEBRUARY 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	\$ 1,090,479	\$ (292,141)	\$ 185,180	\$ 253,708
Ending Balance^(d)	349,749	638,780	723,620	1,417,676	1,131,328	446,854	1,364,065	1,090,479	(292,141)	185,180	253,708	(470,485)
Lowest Daily Balance^(d)	39,257	(441)	159,554	606,183	783,121	(285,238)	435,780	861,190	(292,141)	(469,757)	34,516	(974,026)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 682,211	\$ 500,798	\$ 651,858	\$ 695,206	\$ 521,419	\$ 459,790	\$ 1,112,129	\$ 525,368	\$ 515,028	\$ 980,299	\$ 516,321	\$ 694,028
Sales & Use	414,387	413,404	401,674	396,967	385,034	345,203	421,814	307,573	297,620	339,094	341,914	372,771
Corporate Income	35,238	20,042	154,364	51,110	31,669	174,535	21,726	18,674	197,441	31,564	20,533	144,972
Public Utility	20	20	509	1,871	148,786	987	56	1,108	107	2,710	149,221	908
Excise	30,620	34,376	36,523	27,764	36,994	26,518	28,435	80,315	50,039	55,449	59,967	61,596
Insurance	584	1,777	33,083	489	1,004	31,518	2,096	22,154	28,997	32,521	1,912	34,686
Inheritance	12,784	17,121	14,108	14,117	15,580	10,886	4,291	8,949	10,777	9,335	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	\$ 964,141	\$ 1,100,009	\$ 1,450,972	\$ 1,102,956	\$ 1,321,857
NON-TAX RECEIPTS												
Federal	579,248	553,559	479,277	518,519	557,015	504,290	650,871	551,700	490,382	522,000	553,100	586,100
Other & Transfers	397,510	231,439	414,249	418,712	264,756	215,831	457,837	502,100	289,300	324,100	269,400	416,400
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	\$ 1,053,800	\$ 779,682	\$ 846,100	\$ 822,500	\$ 1,002,500
TOTAL RECEIPTS	\$ 2,746,602	\$ 1,772,536	\$ 2,185,645	\$ 2,124,755	\$ 1,962,257	\$ 1,769,558	\$ 2,699,255	\$ 2,017,941	\$ 1,879,691	\$ 2,297,072	\$ 1,925,456	\$ 2,324,357
DISBURSEMENTS												
Local Aids	1,088,886	170,143	841,399	120,205	928,976	1,293,374	244,301	294,000	1,359,200	145,400	185,800	1,962,700
Income Maintenance	554,657	462,141	430,767	475,577	408,147	473,582	425,771	416,936	410,942	424,007	417,660	209,916
Payroll and Related	293,794	439,220	257,475	384,708	457,197	272,879	447,230	489,317	286,550	435,077	460,002	279,832
Tax Refunds	114,634	89,140	53,251	63,034	69,419	157,306	100,895	539,200	394,604	329,517	131,279	164,100
Debt Service	95,411	5,720	170,526	-	3,239	-	-	1,537	327,165	-	27,037	-
Miscellaneous	294,406	317,141	347,387	387,175	381,627	256,891	563,847	398,300	327,400	329,300	478,700	432,002
Note Repayment ^(e)	4,213	-	-	-	-	-	-	152,237	156,450	156,450	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	\$ 2,291,527	\$ 3,262,311	\$ 1,819,751	\$ 1,856,928	\$ 3,048,550

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 January 31, 2008
 (Amounts in Thousands)**

	<u>FY07 through January 2007</u>	<u>FY08 through January 2008</u>				Difference FY07 Actual to FY08 Actual
	Actual	Actual	Estimate ^(f)	Variance	Adjusted Variance ^(g)	
RECEIPTS						
Tax Receipts						
Individual Income	\$ 4,373,017	\$ 4,623,411	\$ 4,632,035	\$ (8,624)	(8,624)	\$ 250,394
Sales	2,751,978	2,778,483	2,765,300	13,183	13,183	26,505
Corporate Income	526,048	488,684	493,500	(4,816)	(4,816)	(37,364)
Public Utility	145,880	152,249	152,969	(720)	(720)	6,369
Excise	219,387	221,230	242,269	(21,039)	(21,039)	1,843
Insurance	71,515	70,551	71,717	(1,166)	(1,166)	(964)
Inheritance	73,986	88,887	52,084	36,803	36,803	14,901
Total Tax Receipts	\$ 8,161,811	\$ 8,423,495	\$ 8,409,874	\$ 13,621	\$ 13,621	\$ 261,684
Non-Tax Receipts						
Federal	\$ 3,674,074	\$ 3,842,779	\$ 3,859,964	\$ (17,185)	(17,185)	\$ 168,705
Other and Transfers	2,421,228	2,400,334	2,692,388	(292,054)	(292,054)	(20,894)
Note Proceeds ^(e)	-	594,000	594,000	-	-	594,000
Total Non-Tax Receipts	\$ 6,095,302	\$ 6,837,113	\$ 7,146,352	\$ (309,239)	\$ (309,239)	\$ 741,811
TOTAL RECEIPTS	\$ 14,257,113	\$ 15,260,608	\$ 15,556,226	\$ (295,618)	\$ (295,618)	\$ 1,003,495
DISBURSEMENTS						
Local Aids	\$ 4,397,269	\$ 4,687,284	\$ 4,710,282	\$ 22,998	\$ 22,998	\$ 290,015
Income Maintenance	3,102,868	3,230,642	3,204,307	(26,335)	(26,335)	127,774
Payroll & Related	2,445,818	2,552,503	2,611,236	58,733	58,733	106,685
Tax Refunds	532,238	647,679	486,183	(161,496)	(161,496)	115,441
Debt Service	221,100	274,896	304,753	29,857	29,857	53,796
Miscellaneous	2,533,869	2,548,474	2,609,846	61,372	61,372	14,605
Note Repayment ^(e)	-	4,213	4,213	-	-	4,213
TOTAL DISBURSEMENTS	\$ 13,233,162	\$ 13,945,691	\$ 13,930,820	\$ (14,871)	\$ (14,871)	\$ 712,529
VARIANCE FY08 YEAR-TO-DATE				\$ (310,489)	\$ (310,489)	

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 January 31, 2008 — Actual
February 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 ^(d)	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	2,017,941	2,291,527
	March.....	1,090,480 ^(d)	1,879,691	3,262,311
	April.....	(292,140) ^(d)	2,297,072	1,819,751
	May.....	185,181	1,925,456	1,856,928
	June.....	253,709 ^(d)	2,324,357	3,048,550

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 January 31, 2008 — Actual

February 29, 2008 to June 30, 2008 — Projected^(b)

(Amounts in Millions)

The following shows, on a monthly basis, the cash balances available for interfund borrowing. The first table does not include balances in the Local Government Investment Pool (LGIP); the second table does include such balances. Though the LGIP is available for 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 2003.

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	1,131
March		1,188	1,154	1,188
April		957	1,114	957
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	4,773
March		4,476	4,860	4,476
April		3,981	4,593	3,981
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 January 31, 2008 compared with previous year⁽ⁱ⁾

	Revenues <u>2006-07 FY⁽ⁱ⁾</u>	Projected Revenues <u>2007-08 FY^(b)</u>	Recorded Revenues July 1, 2006 to <u>January 31, 2007^(k)</u>	Recorded Revenues July 1, 2007 to <u>January 31, 2008^(l)</u>
Individual Income Tax	\$ 6,573,778,000	\$ 6,758,800,000	\$ 3,871,490,208	\$ 3,995,632,384
General Sales and Use Tax	4,158,612,000	4,310,000,000	2,177,702,020	2,210,855,041
Corporate Franchise and Income Tax	890,056,000	887,775,000	457,212,252	414,566,683
Public Utility Taxes	284,940,000	297,200,000	141,263,883	145,868,892
Excise Taxes	365,848,000	537,300,000	188,692,131	193,037,369
Inheritance Taxes	121,114,000	95,000,000	71,344,071	89,519,927
Insurance Company Taxes	141,405,000	141,000,000	65,890,180	69,053,865
Miscellaneous Taxes	82,244,000	73,000,000	46,206,900	43,540,557
SUBTOTAL.....	<u>12,617,997,000</u>	<u>13,100,075,000</u>	<u>7,019,801,644</u>	<u>7,162,074,717</u>
Federal and Other Inter- Governmental Revenues ^(m)	6,505,269,000	6,239,071,300	3,698,606,604	3,864,100,408
Dedicated and Other Revenues ⁽ⁿ⁾	<u>4,000,158,000</u>	<u>4,548,254,700</u>	<u>2,565,160,511</u>	<u>2,569,969,476</u>
TOTAL.....	<u>\$23,123,424,000</u>	<u>\$ 23,887,401,000</u>	<u>\$ 13,283,568,759</u>	<u>\$ 13,596,144,602</u>

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency Recorded Basis)
July 1, 2007 to January 31, 2008 compared with previous year⁽ⁱ⁾

	Expenditures <u>2006-07 FY⁽ⁱ⁾</u>	Appropriations <u>2007-08 FY^(b)</u>	Recorded Expenditures July 1, 2006 to <u>January 31, 2007^(o)</u>	Recorded Expenditures July 1, 2007 to <u>January 31, 2008^(p)</u>
Commerce.....	\$ 281,047,000	\$ 294,328,200	\$ 147,480,782	\$ 136,923,731
Education.....	10,542,076,000	10,961,021,300	5,303,263,484	5,446,998,672
Environmental Resources.....	328,094,000	367,720,800	131,177,552	140,575,797
Human Relations & Resources	9,341,228,000	9,256,908,100	5,321,709,596	5,574,926,700
General Executive.....	720,467,000	947,430,200	474,830,003	510,041,261
Judicial.....	121,332,000	127,264,900	76,848,432	82,756,908
Legislative.....	63,372,000	71,124,100	31,361,361	33,831,001
General Appropriations.....	<u>1,807,627,000</u>	<u>2,060,562,300</u>	<u>1,591,955,849</u>	<u>1,808,649,411</u>
TOTAL.....	<u>\$ 23,205,243,000</u>	<u>\$ 24,086,359,900</u>	<u>\$ 13,078,627,060</u>	<u>\$ 13,734,703,481</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 for the remainder of FY08 reflect the updated General Fund revenue estimates released by LFB on February 13, 2008 and the budget for FY08 (2007 Wisconsin Act 20). The projections or estimates also reflect proceeds of the \$600 million in operating notes issued on July 2, 2007 for FY08 and the impoundment payments for the operating notes to be made on February 29, 2008, March 31, 2008, April 30, 2008, and May 30, 2008. Projections for FY08 also assume that the State will receive approximately \$124 million pursuant to the amended gaming compacts with tribal governments. A complete copy of the memorandum containing LFB's updated General Fund revenue estimates 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 \$691 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 \$415 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 reflects the premium received on July 2, 2007 and deposited into the Operating Note Redemption Fund.
- (f) The estimates in this table through the month of September, 2007 had reflected the governor's proposed budget for FY08. The estimates in this table for the period of October, 2007 to January, 2008 reflected the enacted budget for FY08.
- (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 following funds are available for interfund borrowing. The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund listed below has a negative balance and is subject to interfund borrowing.

Transportation	Common School	Uninsured Employers
Conservation (Partial)	Normal School	Health Insurance Risk Sharing Plan
Wisconsin Health Education Loan Repayment	University	Local Government Property Insurance
Waste Management	Local Government Investment Pool	Patients Compensation
Wisconsin Election Campaign	Farms for the Future	Mediation
Investment & Local Impact	Agrichemical Management	Medical Assistance
Elderly Property Tax Deferral	Historical Society Trust	Environmental
Lottery	School Income Fund	Recycling
Children's Trust	Benevolent	University Trust Principal
Racing	Groundwater	Veterans Mortgage Loan Repayment
Work Injury Supplemental Benefit	Petroleum Storage Environmental Cleanup	State Building Trust
Unemployment Compensation Interest Repayment	Environmental Improvement Fund	Agricultural College

- (i) The amounts shown do not include FY07 revenues and expenditures that were recorded by state agencies during the 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 amounts shown are FY07 revenues as recorded by state agencies.
- (l) The amounts shown are FY08 revenues as recorded by state agencies.
- (m) 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.
- (n) 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.
- (o) The amounts shown are FY07 expenditures as recorded by state agencies.
- (p) 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.