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ADMINISTRATION**

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November 21, 2008

To the Users of This Report:

Re: Monthly Financial Information—October 2008

Please find attached the Report of Monthly General Fund Financial Information for the period ending October 31, 2008. All footnotes and additional information for the tables appear on the last two pages as endnotes to this report. This cover letter provides comment on the attached tables of General Fund financial information.

- **Updated Revenue Estimates.** The Department of Administration (**DOA**) released a report on November 20, 2008 that includes updated projections of General Fund tax revenues for FY09, as provided by the Department of Revenue (**DOR**). The total updated projection of General Fund tax revenues for FY09 is \$12.762 billion, which is approximately \$281 million, or 2.2%, lower than the actual General Fund tax collections for FY08, and \$509 million less than the Legislative Fiscal Bureau (**LFB**) projections from February 2008.

The DOA report also includes an updated projection of the General Fund condition statement for FY09. This updated projection, which reflects the updated projections of General Fund tax revenues and other information available at this time, includes a net balance on June 30, 2009 of negative \$346.2 million. This balance is approximately \$387.5 million less than the balance included in the projected General Fund condition statement after 2007 Wisconsin Act 226 (budget adjustment bill).

A complete copy of the DOA report is available from the Capital Finance Office website (www.doa.state.wi.us/capitalfinance) or at the above address.

- **Current Economic Environment.** The attached reports for the period ending October 31, 2008 generally reflect revenues (cash basis) from economic activity that occurred in September, 2008. As a result, the data for these reports do not reflect the economic downturns that are generally acknowledged to have continued during the months of October and November, 2008.


The projections in the attached reports do not reflect the updated projections of General Fund General Fund tax revenues, as released on November 20, 2008. Projections in next month's reports will reflect these updated projections, as provided by DOR.

- ***Annual Fiscal Report (Budgetary Basis) - FY08.*** The State's Annual Fiscal Report (unaudited, budgetary basis) was released on October 15, 2008 and it showed that the State ended FY08 with an undesignated balance of \$130.7 million. This is \$50.2 million more than the projected balance of \$80.5 million from the estimate for the budget adjustment bill (2007 Wisconsin Act 226). General-purpose revenue taxes were \$13.043 billion compared to \$12.618 billion in FY07, an increase of \$425.0 million. This amount is also \$176.4 million higher than the 2007 Wisconsin Act 226 estimate of \$12.868 billion.

The Annual Fiscal Report for FY08 (unaudited, budgetary basis) is available from the Capital Finance Office website (www.doa.state.wi.us/capitalfinance) or at the above address. Audited financial statements for FY08 are expected to be available by December 31, 2008.

- ***Projected Negative Cash Balance.*** The largest projected negative cash balance in FY09 is currently negative \$883 million. This is expected to occur on June 15, 2009 and improves to negative \$525 million within seven days. Pursuant to Wisconsin Statutes, temporary reallocation (also referred to as interfund borrowing) and other additional remedies are available to deal with periods when the cash balance is negative. The interfund borrowing limit for FY09 is \$706 million with an additional \$424 million for a period of up to 30 days, which in aggregate is \$1.130 billion.

Sincerely,


Frank R. Hoadley
Capital Finance Director

Monthly General Fund Financial Information State of Wisconsin

For the Period Ending October 31, 2008

Prepared by the Wisconsin Department of Administration

Prepared on November 21, 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 FY09 REFLECTS THE BIENNIAL BUDGET FOR 2007-09 (2007 WISCONSIN ACT 20), UPDATED REVENUE ESTIMATES RELEASED BY THE LEGISLATIVE FISCAL BUREAU (LFB) ON FEBRUARY 13, 2008, THE BUDGET ADJUSTMENT BILL FOR THE 2007-09 BIENNIUM (2007 WISCONSIN ACT 226), AND \$800 MILLION OF OPERATING NOTES ISSUED ON JULY 1, 2008, BUT DOES NOT REFLECT THE REVENUE ESTIMATES RELEASED BY THE DEPARTMENT OF REVENUE (DOR) ON NOVEMBER 20, 2008.

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3. **General Fund Cash Flow Year-To-Date Compared to Estimates and Previous Fiscal Year (Cash Basis)**
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4. **General Fund Monthly Cash Position (Cash Basis)**
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5. **Actual and Projected Cash Balances in Funds Available for Interfund Borrowing**
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6. **General Fund Recorded Revenues Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**
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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 FY09.
- 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 FY09 reflects the 2007-09 budget (2007 Wisconsin Act 20), updated revenue estimates released by LFB on February 13, 2008, the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226), and \$800 million of operating notes issued on July 1, 2008. The projected General Fund cash flow for FY09 *does not reflect* the revenue estimates released by DOR on November 20, 2008.
 - 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, 2008 TO OCTOBER 31, 2008
PROJECTED GENERAL FUND CASH FLOW; NOVEMBER 1, 2008 TO JUNE 30, 2009^{(a) (b)}

(In Thousands of Dollars)

	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009
BALANCES^(c)												
Beginning Balance	\$ 24,835	\$ 172,120	\$ 464,375	\$ 895,808	\$ 1,403,014	\$ 1,090,619	\$ 542,231	\$ 1,353,402	\$ 1,249,992	\$ (142,836)	\$ 311,826	\$ 570,644
Ending Balance^(d)	172,120	464,375	895,808	1,403,014	1,090,619	542,231	1,353,402	1,249,992	(142,836)	311,826	570,644	(230,268)
Lowest Daily Balance^(d)	17,165	(74,304)	125,448	395,498	805,764	(400,463)	397,864	1,005,944	(142,836)	(532,561)	39,467	(882,851)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 599,419	\$ 416,459	\$ 852,654	\$ 635,921	\$ 470,404	\$ 555,940	\$ 1,088,287	\$ 600,673	\$ 613,719	\$ 1,025,393	\$ 540,072	\$ 688,256
Sales & Use	424,497	414,465	400,891	405,299	380,600	353,400	425,200	326,400	315,800	359,800	362,900	395,600
Corporate Income	29,250	34,416	144,769	36,415	28,300	163,800	28,600	20,300	215,400	43,200	22,300	158,600
Public Utility	61	150	1,178	4,977	156,900	1,600	100	1,200	200	2,900	159,400	900
Excise	68,383	58,369	61,880	62,978	53,400	49,300	51,000	47,200	41,600	47,800	51,000	54,100
Insurance	712	1,106	37,504	440	1,578	40,185	2,978	21,558	28,211	31,639	1,861	33,748
Inheritance	12,093	10,971	7,118	3,216	-	-	-	-	-	-	-	-
Subtotal Tax Receipts	\$ 1,134,415	\$ 935,936	\$ 1,505,994	\$ 1,149,246	\$ 1,091,182	\$ 1,164,225	\$ 1,596,165	\$ 1,017,331	\$ 1,214,930	\$ 1,510,732	\$ 1,137,533	\$ 1,331,204
NON-TAX RECEIPTS												
Federal	563,248	566,365	480,475	697,621	576,488	521,920	673,625	630,940	507,525	540,249	572,436	641,030
Other & Transfers	514,783	206,097	514,202	574,653	282,545	293,232	465,544	556,921	283,616	340,483	320,272	451,360
Note Proceeds ^(e)	801,840	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,879,871	\$ 772,462	\$ 994,677	\$ 1,272,274	\$ 859,033	\$ 815,152	\$ 1,139,169	\$ 1,187,861	\$ 791,141	\$ 880,732	\$ 892,708	\$ 1,092,390
TOTAL RECEIPTS	\$ 3,014,286	\$ 1,708,398	\$ 2,500,671	\$ 2,421,520	\$ 1,950,215	\$ 1,979,377	\$ 2,735,334	\$ 2,205,192	\$ 2,006,071	\$ 2,391,464	\$ 2,030,241	\$ 2,423,594
DISBURSEMENTS												
Local Aids	1,172,822	130,313	881,727	181,686	1,025,475	1,331,112	245,207	282,190	1,357,945	111,512	160,021	1,969,005
Income Maintenance	636,352	425,402	352,616	720,279	403,477	450,789	443,039	418,166	410,209	448,219	338,725	229,859
Payroll and Related	474,451	427,624	275,539	508,109	384,195	358,393	522,558	395,680	286,440	436,168	386,805	384,555
Tax Refunds	76,352	67,223	47,309	69,728	52,000	122,100	130,900	549,900	473,200	395,000	156,800	166,300
Debt Service	104,317	-	158,589	-	3,239	-	-	1,537	327,165	-	28,837	-
Miscellaneous	392,867	365,581	353,458	434,512	394,224	265,371	582,459	465,236	338,207	340,170	494,502	474,787
Note Repayment ^(e)	9,840	-	-	-	-	-	-	195,893	205,733	205,733	205,733	-
TOTAL DISBURSEMENTS	\$ 2,867,001	\$ 1,416,143	\$ 2,069,238	\$ 1,914,314	\$ 2,262,610	\$ 2,527,765	\$ 1,924,163	\$ 2,308,602	\$ 3,398,899	\$ 1,936,802	\$ 1,771,423	\$ 3,224,506

Note: All footnotes to this table appear at the end 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 October 31, 2008
 (Amounts in Thousands)**

	<u>FY08 through October 2007</u>	<u>FY09 through October 2008</u>				Difference FY08 Actual to FY09 Actual
	Actual	Actual	Estimate ^(b)	Variance	Adjusted Variance ^(f)	
RECEIPTS						
Tax Receipts						
Individual Income	\$ 2,530,073	\$ 2,504,453	\$ 2,571,456	\$ (67,003)	(67,003)	\$ (25,620)
Sales	1,626,432	1,645,152	1,611,200	33,952	33,952	18,720
Corporate Income	260,754	244,850	242,000	2,850	2,850	(15,904)
Public Utility	2,420	6,366	4,400	1,966	1,966	3,946
Excise	129,283	251,610	223,300	28,310	28,310	122,327
Insurance	35,933	39,762	34,584	5,178	5,178	3,829
Inheritance	58,130	33,398	30,953	2,445	2,445	(24,732)
Total Tax Receipts	\$ 4,643,025	\$ 4,725,591	\$ 4,717,893	\$ 7,698	\$ 7,698	\$ 82,566
Non-Tax Receipts						
Federal	\$ 2,130,603	\$ 2,307,709	\$ 2,205,087	\$ 102,622	\$ 102,622	\$ 177,106
Other and Transfers	1,461,910	1,809,735	1,459,675	350,060	350,060	347,825
Note Proceeds ^(e)	594,000	801,840	801,840	-	-	207,840
Total Non-Tax Receipts	\$ 4,186,513	\$ 4,919,284	\$ 4,466,602	\$ 452,682	\$ 452,682	\$ 732,771
TOTAL RECEIPTS	\$ 8,829,538	\$ 9,644,875	\$ 9,184,495	\$ 460,380	\$ 460,380	\$ 815,337
DISBURSEMENTS						
Local Aids	\$ 2,220,633	\$ 2,366,548	\$ 2,395,933	\$ 29,385	\$ 29,385	\$ 145,915
Income Maintenance	1,923,142	2,134,649	1,978,469	(156,180)	(156,180)	211,507
Payroll & Related	1,375,197	1,685,723	1,687,875	2,152	2,152	310,526
Tax Refunds	320,059	260,612	172,900	(87,712)	(87,712)	(59,447)
Debt Service	271,657	262,906	279,422	16,516	16,516	(8,751)
Miscellaneous	1,346,109	1,546,418	1,382,778	(163,640)	(163,640)	200,309
Note Repayment ^(e)	4,213	9,840	9,840	-	-	5,627
TOTAL DISBURSEMENTS	\$ 7,461,010	\$ 8,266,696	\$ 7,907,217	\$ (359,479)	\$ (359,479)	\$ 805,686
VARIANCE FY09 YEAR-TO-DATE				\$ 100,901	\$ 100,901	

Note: All footnotes to this table appear at the end of this report in the section entitled "Endnotes and Additional Information".

GENERAL FUND MONTHLY CASH POSITION^(c)
July 1, 2006 through October 31, 2008 — Actual
November 1, 2008 through June 30, 2009 — Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>		<u>Receipts^(e)</u>	<u>Disbursements^(e)</u>
2006	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		1,987,901	1,816,466
	June.....	584,333	(d)	2,614,345	3,173,842
	July.....	24,836		3,014,286	2,867,001
	August.....	172,121	(d)	1,708,398	1,416,143
	September.....	464,376		2,500,671	2,069,238
	October.....	895,809		2,421,520	1,914,314
	November.....	1,403,015		1,950,215	2,262,610
	December.....	1,090,620	(d)	1,979,377	2,527,765
2009	January.....	542,232		2,735,334	1,924,163
	February.....	1,353,403		2,205,192	2,308,602
	March.....	1,249,993	(d)	2,006,071	3,398,899
	April.....	(142,835)	(d)	2,391,464	1,936,802
	May.....	311,827		2,030,241	1,771,423
	June.....	570,645	(d)	2,423,594	3,224,506

Note: All footnotes to this table appear at the end of this report in the section entitled "Endnotes and Additional Information".

CASH BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING^(g)
July 31, 2006 to October 31, 2008 — Actual
November 30, 2008 to June 30, 2009 — Projected^(h)
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation, also referred to as 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 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 August 2008. The Secretary of Administration may not exercise the authority to use interfund borrowing if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

<u>Month (Last Day)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
January		\$ 1,048	\$ 1,203	\$ 1,203
February		1,131	1,265	1,265
March		1,154	1,298	1,298
April		1,114	1,211	1,211
May		1,202	1,166	1,166
June		1,208	1,079	1,079
July	\$ 932	1,141	910	
August	1,052	1,204	944	
September	1,067	1,204	1,081	
October	925	1,110	906	
November	966	1,229	1,229	
December	1,019	1,244	1,244	

Available Balances; Includes Balances in the LGIP

<u>Month (Last Day)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
January		\$ 4,509	\$ 4,943	\$ 4,943
February		4,773	5,255	5,255
March		4,860	5,453	5,453
April		4,593	5,273	5,273
May		4,408	5,010	5,010
June		4,536	4,813	4,813
July	\$ 4,218	4,862	5,422	
August	3,978	4,383	4,589	
September	3,845	4,264	4,479	
October	3,361	3,900	3,900	
November	3,477	4,017	4,017	
December	3,764	4,141	4,141	

Note: All footnotes to this table appear at the end of this report in the section entitled “Endnotes and Additional Information”.

GENERAL FUND RECORDED REVENUES^(a)
(Agency Recorded Basis)
July 1, 2008 to October 31, 2008 compared with previous year

	Revenues 2007-08 FY^(h)	Projected Revenues 2008-09 FY^(b)	Recorded Revenues July 1, 2007 to October 31, 2007⁽ⁱ⁾	Recorded Revenues July 1, 2008 to October 31, 2008^(j)
Individual Income Tax	\$ 6,713,681,000	\$ 6,965,000,000	\$ 1,964,094,008	\$ 2,082,661,735
General Sales and Use Tax	4,268,045,000	4,295,000,000	1,157,511,735	1,131,183,675
Corporate Franchise and Income Tax	837,807,000	830,000,000	226,770,614	175,959,800
Public Utility Taxes	297,460,000	316,200,000	761,715	4,345,860
Excise Taxes	540,259,000	617,300,000	96,245,640	182,211,073
Inheritance Taxes	158,789,000	30,000,000	55,594,029	20,387,791
Insurance Company Taxes	156,606,000	160,000,000	34,662,850	37,865,390
Miscellaneous Taxes	70,296,000	73,000,000	25,077,280	23,623,868
SUBTOTAL.....	<u>13,042,943,000</u>	<u>13,286,500,000</u>	<u>3,560,717,870</u>	<u>3,658,239,191</u>
Federal and Other Inter- Governmental Revenues ^(k)	6,803,292,000	6,457,183,500	2,107,983,625	2,334,582,442
Dedicated and Other Revenues ^(l)	<u>4,151,603,000</u>	<u>4,698,803,200</u>	<u>1,436,766,515</u>	<u>1,633,434,976</u>
TOTAL.....	<u>\$23,997,838,000</u>	<u>\$ 24,442,486,700</u>	<u>\$ 7,105,468,009</u>	<u>\$ 7,626,256,609</u>

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

	Expenditures 2007-08 FY^(h)	Appropriations 2008-09 FY^(b)	Recorded Expenditures July 1, 2007 to October 31, 2007^(m)	Recorded Expenditures July 1, 2008 to October 31, 2008⁽ⁿ⁾
Commerce.....	\$ 240,689,000	\$ 294,718,400	\$ 72,672,779	\$ 78,366,398
Education.....	10,853,809,000	11,216,515,600	2,630,301,117	2,787,489,172
Environmental Resources.....	321,892,000	380,037,300	105,006,748	103,389,261
Human Relations & Resources	9,645,679,000	9,577,562,400	3,164,859,527	3,489,436,643
General Executive.....	802,326,000	963,061,100	335,187,022	343,808,363
Judicial.....	126,563,000	127,641,200	46,349,618	48,719,054
Legislative.....	65,047,000	70,324,700	17,604,852	16,373,934
General Appropriations.....	<u>2,047,768,000</u>	<u>2,177,798,400</u>	<u>879,736,936</u>	<u>951,411,036</u>
TOTAL.....	<u>\$ 24,103,773,000</u>	<u>\$ 24,807,659,100</u>	<u>\$ 7,251,718,599</u>	<u>\$ 7,818,993,861</u>

Note: All footnotes to these tables appear at the end 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 FY09 reflect (i) the budget for FY09 (2007 Wisconsin Act 20), (ii) updated General Fund revenue estimates released by LFB on February 13, 2008, (iii) the budget adjustment bill (2007 Wisconsin Act 226), (iv) proceeds of \$800 million in operating notes issued on July 1, 2008 and the resulting impoundment payments to be made on February 28, 2009, March 31, 2009, April 30, 2009, and May 29, 2009, and (v) assumption that the State will receive approximately \$75 million pursuant to the amended gaming compacts with tribal governments. General Fund cash flow projections for September 2008 and subsequent months (but not those used in projections on an agency recorded basis) also reflect receipt of \$60 million to be made by a tribal government pursuant to settlement of a new gaming compact amendment, and additional receipts resulting from lapses and timing of transfers during May and June 2009. **The projections or estimates for FY09 do not reflect the revenue estimates released by DOR on November 20, 2008.** 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 \$206 to \$350 million during FY09. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average \$10 million during FY09.
- (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 \$706 million for FY09. 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 \$424 million for FY09) 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 FY07, \$600 million of operating notes were issued on July 2, 2007 for FY08 and \$800 million of operating notes were issued on July 1, 2008 for FY09. The February 28, 2009 impoundment payment reflects the premium received on July 1, 2008 and deposited into the Operating Note Redemption Fund.
- (f) 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.
- (g) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and interfund borrowing was used for such fund.
- (h) The amounts are from the Annual Fiscal Report (unaudited, budgetary basis) for FY08, dated October 15, 2008. A complete copy of the Annual Fiscal Report (unaudited, budgetary basis) for FY08 can be obtained by contacting the State of Wisconsin Capital Finance Office.
- (i) The amounts shown are FY08 general purpose revenues and program revenues taxes as recorded by state agencies. There may be differences between the tax revenues shown in this report and those that may be reported by the Department of Revenue from time to time in their monthly general purpose revenue collections report; the Department of Revenue report (i) only includes general purpose revenues or taxes that are actually collected by the Department of Revenue, and (ii) may include accruals or other adjustments that may not be recorded by state agencies until a subsequent month.
- (j) The amounts shown are FY09 general purpose revenues and program revenue taxes as recorded by state agencies. There may be differences between the tax revenues shown in this report and those that may be reported by the Department of Revenue from time to time in their monthly general purpose revenue collections report; the Department of Revenue report (i) only includes general purpose revenues or taxes that are actually collected by the Department of Revenue, and (ii) may include accruals or other adjustments that may not be recorded by state agencies until a subsequent month.
- (k) 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.
- (l) 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.

(m) The amounts shown are FY08 expenditures as recorded by state agencies.

(n) The amounts shown are FY09 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.

In FY08, budget and General Fund cash receipts assumed that the State will receive approximately \$124 million pursuant to the amended gaming compacts with tribal governments. This amount reflected (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 estimated \$72 million of payments due in FY08, the State received payments totaling \$44 million from all but one tribal government. With respect to the estimated \$52 million of payments due in previous years, the State had not received such payments.

It is the same tribal government that did not make its scheduled payment in FY08 and the payments due in previous years. On September 17, 2008, the State and this tribal government reached agreement on a new gaming compact amendment. As part of this new gaming compact amendment, (i) this tribal government will make a \$60 million payment to the State upon notice of the gaming compact amendment being published in the Federal Register, and (ii) the parties agree on the methodology for payments due from the tribal government for each fiscal year, beginning with FY09.

The FY09 budget and projected General Fund cash flows assume that the State will receive approximately \$75 million pursuant to the amended gaming compacts with tribal governments. The projected General Fund cash flows further assume receipt of the \$60 million payment to be made by a tribal government pursuant to settlement of a new gaming compact amendment.