



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR

MICHAEL L. MORGAN
SECRETARY

Division of Executive Budget and Finance

Capital Finance Office

Post Office Box 7864

Madison, WI 53707-7864

Voice (608) 266-5355

Fax (608) 266-7645

E-mail: DOACapitalFinanceOffice@wisconsin.gov

www.doa.state.wi.us/capitalfinance

FRANK R. HOADLEY

CAPITAL FINANCE DIRECTOR

Telephone: (608) 266-2305

Facsimile: (608) 266-7645

DOACapitalFinanceOffice@wisconsin.gov

March 9, 2009

To the Users of This Report:

Re: Monthly Financial Information—January 2009

Please find attached the Report of Monthly General Fund Financial Information for the period ending January 31, 2009. 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 General Fund Revenues and Cash Flow Projections.** The tables in the attached report reflect the following recent activities; (i) General Fund tax collection projections released by the Legislative Fiscal Bureau (**LFB**) on January 29, 2009, as updated on February 11, 2009 to reflect the impact of the federal SCHIP legislation on the State's tax collection projections for cigarettes and other tobacco products, and (ii) legislation referred to as the State's economic stimulus and budget repair bill, as signed into law on February 19, 2009 (2009 Wisconsin Act 2).

The tables in the attached report *do not reflect* the federal economic stimulus money the State will receive in FY09, which in itself is expected to reduce General Fund expenditures by \$597 million and have a corresponding improvement in the projected ending General Fund cash balance (this being only a portion of the federal economic stimulus money the State expects to receive).

- **Updated FY09 General Fund Condition Statement (Budgetary Basis).** As a result of 2009 Wisconsin Act 2, the ending General Fund balance (budgetary basis) for FY09 is projected to be negative \$417 million. This amount is approximately \$177 million better than the projected balance that was included in the LFB memorandum of January 29, 2009. Provisions of Governor Doyle's executive budget for the 2009-11 biennium further address this projected negative balance for FY09 and, if enacted, would improve such ending balance to \$216 million.

The Wisconsin Constitution requires the Legislature to enact a balanced biennial budget (which the Legislature has done for FY09), and also requires

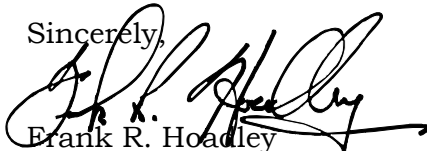
that if final budgetary expenses of any fiscal year exceed available revenues, then the Legislature must take action to balance the budget in the succeeding fiscal year.

- **Projected Negative Cash Balance.** The largest projected negative cash balance in FY09 is currently negative \$1.331 billion. This is expected to occur on June 15, 2009 and improves to negative \$659 million by June 30, 2009. As noted above, this projection does not reflect the federal economic stimulus money the State will receive in FY09, which in itself is expected to improve the projected General Fund cash flows by approximately \$597 million (this being only a portion of the federal economic stimulus money the State expects to receive).

Pursuant to Wisconsin Statutes, temporary reallocations (previously referred to as interfund borrowing) and other additional remedies are available to deal with periods when the cash balance is negative. The temporary reallocation 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. If the amount of temporary allocation available to the General Fund is insufficient, the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

Please contact this office for a copy of any item referenced above or in the attached report.

Sincerely,



Frank R. Hoadley
Capital Finance Director

Monthly General Fund Financial Information State of Wisconsin

For the Period Ending January 31, 2009

Prepared by the Wisconsin Department of Administration

Prepared on March 9, 2009

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 GENERAL FUND TAX COLLECTION PROJECTIONS RELEASED BY THE LEGISLATIVE FISCAL BUREAU (LFB) ON JANUARY 29, 2009 (AS UPDATED ON FEBRUARY 11, 2009) AND THE PROVISIONS OF 2009 WISCONSIN ACT 2 (STATE ECONOMIC STIMULUS AND BUDGET REPAIR BILL), BUT DOES NOT REFLECT FEDERAL ECONOMIC STIMULUS MONEY THE STATE EXPECTS TO RECEIVE IN FY09.

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- 1. Cautionary Information!**
- 2. Actual and Projected General Fund Cash Flow for the Fiscal Year Ending June 30, 2009 (Cash Basis)**

This corresponds to Table II-8, page 43, of the State of Wisconsin Continuing Disclosure Annual Report, December 26, 2008.
- 3. General Fund Cash Flow Year-To-Date Compared to Estimates and Previous Fiscal Year (Cash Basis)**

This corresponds to Table II-9, page 44, of the State of Wisconsin Continuing Disclosure Annual Report, December 26, 2008.
- 4. General Fund Monthly Cash Position (Cash Basis)**

This corresponds to Table II-10, page 45, of the State of Wisconsin Continuing Disclosure Annual Report, December 26, 2008.
- 5. Actual and Projected Cash Balances in Funds Available for Temporary Reallocation**

This corresponds to Table II-11, page 46, of the State of Wisconsin Continuing Disclosure Annual Report, December 26, 2008.
- 6. General Fund Recorded Revenues Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**

This corresponds to Table II-12, page 47, of the State of Wisconsin Continuing Disclosure Annual Report, December 26, 2008.
- 7. General Fund Recorded Expenditures Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**

This corresponds to Table II-13, page 48, of the State of Wisconsin Continuing Disclosure Annual Report, December 26, 2008.
- 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 DOR 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), the budget adjustment bill for the 2007-09 biennium (2007 Wisconsin Act 226), \$800 million of operating notes issued on July 1, 2008, General Fund tax collection projections released by LFB on January 29, 2008 (as updated on February 11, 2009), and the State economic stimulus and budget repair bill (2009 Wisconsin Act 2).
 - 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 JANUARY 31, 2009
PROJECTED GENERAL FUND CASH FLOW; FEBRUARY 1, 2009 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	\$ 1,127,538	\$ 410,515	\$ 1,092,877	\$ 845,912	\$ (560,636)	\$ (100,611)	\$ 34,003
Ending Balance^(d)	172,120	464,375	895,808	1,403,014	1,127,538	410,515	1,092,877	845,912	(560,636)	(100,611)	34,003	(658,741)
Lowest Daily Balance^(d)	17,165	(74,304)	125,448	395,498	868,079	(238,871)	410,515	767,959	(560,636)	(952,743)	(374,024)	(1,330,397)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 599,419	\$ 416,459	\$ 852,654	\$ 635,921	\$ 448,743	\$ 530,156	\$ 1,006,460	\$ 523,095	\$ 627,504	\$ 1,156,586	\$ 389,441	\$ 837,071
Sales & Use	424,497	414,465	400,891	405,299	372,531	327,928	401,249	281,682	271,278	312,010	316,114	345,896
Corporate Income	29,250	34,416	144,769	36,415	25,102	137,104	22,307	14,737	149,176	24,972	16,293	138,722
Public Utility	61	150	1,178	4,977	166,701	115	128	-	200	2,600	179,100	500
Excise	68,383	58,369	61,880	62,978	52,292	50,023	54,133	54,100	46,000	49,900	54,000	56,300
Insurance	712	1,106	37,504	440	1,372	36,557	3,671	22,619	27,778	32,736	1,543	35,609
Inheritance	12,093	10,971	7,118	3,216	458	453	754	-	-	-	-	-
Subtotal Tax Receipts	\$ 1,134,415	\$ 935,936	\$ 1,505,994	\$ 1,149,246	\$ 1,067,199	\$ 1,082,336	\$ 1,488,702	\$ 896,233	\$ 1,121,936	\$ 1,578,804	\$ 956,491	\$ 1,414,098
NON-TAX RECEIPTS												
Federal	563,248	566,365	480,475	697,621	505,320	695,264	617,061	583,500	598,800	525,400	699,000	520,800
Other & Transfers	514,783	206,097	514,202	574,653	260,962	248,921	417,508	576,500	309,421	344,210	281,093	588,577
Note Proceeds ^(e)	801,840	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,879,871	\$ 772,462	\$ 994,677	\$ 1,272,274	\$ 766,282	\$ 944,185	\$ 1,034,569	\$ 1,160,000	\$ 908,221	\$ 869,610	\$ 980,093	\$ 1,109,377
TOTAL RECEIPTS	\$ 3,014,286	\$ 1,708,398	\$ 2,500,671	\$ 2,421,520	\$ 1,833,481	\$ 2,026,521	\$ 2,523,271	\$ 2,056,233	\$ 2,030,157	\$ 2,448,414	\$ 1,936,584	\$ 2,523,475
DISBURSEMENTS												
Local Aids	1,172,822	130,313	881,727	181,686	1,026,759	1,344,140	232,877	303,500	1,385,900	150,200	191,900	2,002,200
Income Maintenance	636,352	425,402	352,616	720,279	433,319	506,686	437,842	418,166	410,209	448,219	338,725	201,403
Payroll and Related	474,451	427,624	275,539	508,109	287,731	447,779	537,623	368,834	251,350	412,713	386,805	384,723
Tax Refunds	76,352	67,223	47,309	69,728	92,804	127,611	176,175	593,400	511,200	435,100	174,300	172,100
Debt Service	104,317	-	158,589	-	-	-	-	1,537	327,165	-	28,837	-
Miscellaneous	392,867	365,581	353,458	434,512	268,344	317,328	456,392	421,868	345,148	336,424	475,670	455,793
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	\$ 2,108,957	\$ 2,743,544	\$ 1,840,909	\$ 2,303,198	\$ 3,436,705	\$ 1,988,389	\$ 1,801,970	\$ 3,216,219

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 January 31, 2009
 (Amounts in Thousands)**

	FY08 through January 2008		FY09 through January 2009			Difference FY08 Actual to FY09 Actual
	Actual	Actual	Estimate ^(b)	Variance	Adjusted Variance ^(f)	
RECEIPTS						
Tax Receipts						
Individual Income	\$ 4,623,411	\$ 4,489,812	\$ 4,636,675	\$ (146,863)	(146,863)	\$ (133,599)
Sales	2,778,483	2,746,860	2,705,000	41,860	41,860	(31,623)
Corporate Income	488,684	429,363	435,100	(5,737)	(5,737)	(59,321)
Public Utility	152,249	173,310	162,500	10,810	10,810	21,061
Excise	221,230	408,058	386,700	21,358	21,358	186,828
Insurance	70,551	81,362	86,212	(4,850)	(4,850)	10,811
Inheritance	88,887	35,063	30,953	4,110	4,110	(53,824)
Total Tax Receipts	\$ 8,423,495	\$ 8,363,828	\$ 8,443,140	\$ (79,312)	\$ (79,312)	\$ (59,667)
Non-Tax Receipts						
Federal	\$ 3,842,779	\$ 4,125,354	\$ 3,935,475	\$ 189,879	\$ 189,879	\$ 282,575
Other and Transfers	2,400,334	2,737,126	2,501,920	235,206	235,206	336,792
Note Proceeds ^(e)	594,000	801,840	801,840	-	-	207,840
Total Non-Tax Receipts	\$ 6,837,113	\$ 7,664,320	\$ 7,239,235	\$ 425,085	\$ 425,085	\$ 827,207
TOTAL RECEIPTS	\$ 15,260,608	\$ 16,028,148	\$ 15,682,375	\$ 345,773	\$ 345,773	\$ 767,540
DISBURSEMENTS						
Local Aids	\$ 4,687,284	\$ 4,970,324	\$ 4,996,508	\$ 26,184	\$ 26,184	\$ 283,040
Income Maintenance	3,230,642	3,512,496	3,275,774	(236,722)	(236,722)	281,854
Payroll & Related	2,552,503	2,958,856	2,923,412	(35,444)	(35,444)	406,353
Tax Refunds	647,679	657,202	487,400	(169,802)	(169,802)	9,523
Debt Service	274,896	262,906	282,661	19,755	19,755	(11,990)
Miscellaneous	2,548,474	2,588,482	2,653,732	65,250	65,250	40,008
Note Repayment ^(e)	4,213	9,840	9,840	-	-	5,627
TOTAL DISBURSEMENTS	\$ 13,945,691	\$ 14,960,106	\$ 14,629,327	\$ (330,779)	\$ (330,779)	\$ 1,014,415
VARIANCE FY09 YEAR-TO-DATE				\$ 14,994	\$ 14,994	

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^{(a) (c)}
July 1, 2006 through January 31, 2009 — Actual
February 1, 2009 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		1,833,481	2,108,957
	December.....	1,127,539	(d)	2,026,521	2,743,544
2009	January.....	410,516		2,523,271	1,840,909
	February.....	1,092,878		2,056,233	2,303,198
	March.....	845,913	(d)	2,030,157	3,436,705
	April.....	(560,635)	(d)	2,448,414	1,988,389
	May.....	(100,610)	(d)	1,936,584	1,801,970
	June.....	34,004	(d)	2,523,475	3,216,219

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 TEMPORARY REALLOCATION^{(a) (g)}
July 31, 2006 to January 31, 2009 — Actual
February 28, 2009 to June 30, 2009 — Projected^(b)
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation, which was previously 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 temporary reallocations, 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 temporary reallocation 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	<u>\$ 1,045</u>
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	1,011	
December	1,019	1,244	1,072	

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	<u>\$ 5,372</u>
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	3,936	
December	3,764	4,141	4,461	

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 January 31, 2009 compared with previous year

	Revenues FY08^(h)	Projected Revenues FY09^(b)	Recorded Revenues July 1, 2007 to January 31, 2008⁽ⁱ⁾	Recorded Revenues July 1, 2008 to January 31, 2009^(j)
Individual Income Tax	\$ 6,713,681,000	\$ 6,585,000,000	\$ 3,995,632,384	\$ 3,990,042,191
General Sales and Use Tax	4,268,045,000	4,034,400,000	2,210,855,041	\$2,166,719,250
Corporate Franchise and Income Tax	837,807,000	677,700,000	414,566,683	277,978,074
Public Utility Taxes	297,460,000	327,000,000	145,868,892	165,824,071
Excise Taxes	540,259,000	653,800,000	193,037,369	337,851,308
Inheritance Taxes	158,789,000	22,000,000	89,519,927	21,302,111
Insurance Company Taxes	156,606,000	170,000,000	69,053,865	75,290,702
Miscellaneous Taxes	70,296,000	55,700,000	43,540,557	37,152,496
SUBTOTAL.....	<u>13,042,943,000</u>	<u>12,525,600,000</u>	<u>7,162,074,717</u>	<u>7,072,160,203</u>
Federal and Other Inter- Governmental Revenues ^(k)	6,803,292,000	6,440,565,100	3,864,100,408	4,143,255,252
Dedicated and Other Revenues ^(l)	<u>4,151,603,000</u>	<u>4,802,995,000</u>	<u>2,569,969,476</u>	<u>2,814,019,465</u>
TOTAL.....	<u>\$23,997,838,000</u>	<u>\$ 23,769,160,100</u>	<u>\$ 13,596,144,602</u>	<u>\$ 14,029,434,921</u>

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

	Expenditures FY08^(h)	Estimated Appropriations FY09^(b)	Recorded Expenditures July 1, 2007 to January 31, 2008^(m)	Recorded Expenditures July 1, 2008 to January 31, 2009⁽ⁿ⁾
Commerce.....	\$ 240,689,000	\$ 297,356,200	\$ 136,923,731	\$ 134,119,934
Education.....	10,853,809,000	11,206,194,400	5,446,998,672	5,729,484,088
Environmental Resources.....	321,892,000	352,393,100	140,575,797	131,777,342
Human Relations & Resources	9,645,679,000	9,281,574,700	5,574,926,700	5,926,548,973
General Executive.....	802,326,000	1,127,630,700	510,041,261	550,608,601
Judicial.....	126,563,000	128,761,600	82,756,908	86,733,685
Legislative.....	65,047,000	71,588,000	33,831,001	32,234,124
General Appropriations.....	<u>2,047,768,000</u>	<u>2,188,558,500</u>	<u>1,808,649,411</u>	<u>1,899,886,224</u>
TOTAL.....	<u>\$ 24,103,773,000</u>	<u>\$ 24,654,057,200</u>	<u>\$ 13,734,703,481</u>	<u>\$ 14,491,392,970</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 (2007 Wisconsin Act 20), (ii) the budget adjustment bill (2007 Wisconsin Act 226), (iii) 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, (vi) updated General Fund tax collection projections released by LFB on January 29, 2009, (v) the State's economic stimulus and budget repair bill (2009 Wisconsin Act 2), (vi) assumption that the State will receive approximately \$75 million pursuant to the amended gaming compacts with tribal governments and the receipt of \$60 million made by a tribal government pursuant to settlement of a new gaming compact amendment, and (vii) additional receipts resulting from lapses and timing of transfers during May and June 2009. The projections *do not reflect* the federal economic stimulus money the State will receive in FY09, which in itself is expected to reduce General Fund expenditures by \$597 million and have a corresponding improvement in the projected ending General Fund cash balance (this being only a portion of the federal economic stimulus money the State expects to receive). Amounts do not reflect temporary reallocations.
- (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 temporary reallocation available to the General Fund is not sufficient, the Secretary of Administration is authorized to set priorities for payments from the General Fund and 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 temporary reallocation 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. In addition, the FY09 budget (pursuant to 2009 Wisconsin Act 2) and General Fund cash flows also reflect receipt of an additional \$60 million payment made by a tribal government on December 15, 2008 pursuant to settlement of a new gaming compact amendment.