



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR

DANIEL J. SCHOOFF
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

October 1, 2010

To the Users of This Report:

Re: General Fund Monthly Financial Information—August 2010

Please find attached the Report of Monthly General Fund Financial Information for the period ending August 31, 2010. All footnotes and additional information for the tables appear on the last page as endnotes to this report.

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

- **FY11 General Fund Cash Flow Projections.** The FY11 General Fund cash flow projections (cash basis) in the attached report reflect;
 - Decreased General Fund tax revenue collection estimates (budgetary basis) included in a memorandum released by the Legislative Fiscal Bureau (**LFB**) on January 27, 2010.
 - \$762 million of certain federal economic stimulus money the State expects to receive in FY11, which includes \$511 million for medical assistance programs, \$194 million for education aids, and \$57 million for other various purposes. This is only a portion of the federal economic stimulus money the State has received or expects to receive.
 - 2009-11 biennial budget (2009 Wisconsin Act 28) and subsequent actions of the Legislature and the Legislature's Joint Committee on Finance.
 - Proceeds from \$800 million of operating notes that were issued on July 1, 2010 and the impoundment payments due in February, March, April, and May 2011. The operating notes have a maturity date of June 15, 2011.

- **Preliminary FY10 Tax Collections.** On September 3, 2010, the Department of Revenue (**DOR**) released preliminary general purpose revenue (**GPR**) tax collections for FY10. The preliminary collections for FY10 are \$12.132 billion, or about \$18 million more (or 0.2%) than the collections for FY09, and \$441,000 below the projected tax revenue estimates released by LFB in January, 2010. Compared to the LFB projections from January, 2010, the preliminary tax collections from DOR for FY10 are \$66 million less for individual income, \$71 million less for general sales and use, and \$135

million more for corporate income/franchise.

The preliminary GPR tax collection amounts for FY10 are subject to final review prior to publication of the State's Annual Fiscal Report (budgetary basis). The preliminary GPR tax collection amounts do not offer any guidance on the ending General Fund balance (budgetary-basis) for FY10.

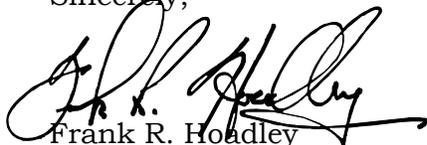
- **State Medical Assistance Program.** In March 2010, the State projected that its Medical Assistance (MA) program would have a projected General Fund shortfall of approximately \$273 million during the 2009-11 biennium. This was due to higher than anticipated enrollment in its MA programs, but also partially offset from savings targeted for the MA program in the 2009-11 biennial budget. The State expects to receive approximately \$194 million of additional federal MA matching funds as a result of the recent six-month extension (to June 2011) of the Federal Medical Assistance Percentage (FMAP) for States. The receipt of these additional federal funds partially addresses the projected General Fund shortfall for MA programs in the 2009-11 biennium.
- **Projected Ending Budgetary Balances.** The State will publish by October 15, 2010 its Annual Fiscal Report that will include the ending general fund balance (budgetary-basis) for FY10. When published, the Annual Fiscal Report will be available at www.doa.state.wi.us/capitalfinance or by contacting this office.

Based solely on the updated General Fund condition statement for the 2009-11 biennium that was part of a memorandum released by LFB on July 9, 2010, the projected gross ending General Fund balance (budgetary basis) for FY10 is \$336 million and for FY11 is \$45 million. These projected ending gross General Fund balances for FY10 and FY11 are approximately \$33 million less and \$230 million less, respectively, than the balances included in the enacted 2009-11 budget (2009 Wisconsin Act 28).

- **FY11 Negative Cash Balances.** Pursuant to Wisconsin Statutes, temporary reallocations and other additional remedies are available to deal with periods when the cash balance is negative. The limit of temporary reallocations for FY11 is 7% of the general-purpose revenue appropriations then in effect (approximately \$986 million), with an additional 3% for a period of up to 30 days (approximately \$422 million), which in aggregate is \$1.408 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 with any questions or to request 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 August 31, 2010

Prepared by the Wisconsin Department of Administration

Prepared on October 1, 2010

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 FY11 CASH FLOWS (CASH BASIS) REFLECT DECREASED GENERAL FUND TAX REVENUE COLLECTION ESTIMATES RELEASED BY LFB ON JANUARY 27, 2010, \$762 MILLION OF CERTAIN FEDERAL ECONOMIC STIMULUS MONEY THE STATE EXPECTS TO RECEIVE IN FY11, THE 2009-11 BIENNIAL BUDGET (2009 WISCONSIN ACT 28) AND SUBSEQUENT ACTIONS OF THE LEGISLATURE AND LEGISLATURE'S JOINT COMMITTEE ON FINANCE, AND \$800 MILLION OF OPERATING NOTE PROCEEDS AND THE RESULTING IMPOUNDMENT PAYMENTS.

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2. **Actual General Fund Cash Flow—FY10 (Cash Basis)**
Actual and Projected General Fund Cash Flow—FY11 (Cash Basis)
These tables correspond to Table II-9, page 42, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2009.
3. **General Fund Receipts and Disbursements Year-To-Date Compared to Estimates and Previous Fiscal Year (Cash Basis)**
This table corresponds to Table II-10, page 43, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2009.
4. **General Fund Monthly Cash Position (Cash Basis)**
This table corresponds to Table II-11, page 44, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2009.
5. **Cash Balances in Funds Available for Temporary Reallocation**
This table corresponds to Table II-12, page 45, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2009.
6. **General Fund Recorded Revenues (Agency Recorded Basis)**
General Fund Recorded Expenditures by Function (Agency Recorded Basis)
7. **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 FY10 or FY11. The State’s Annual Fiscal Report (Budgetary Basis) for FY10 will be released by October 15, 2010, and will be available at the time at www.doa.state.wi.us/capitalfinance or by contacting the State of Wisconsin Capital Finance Office at the address included in the cover letter to this report.
- 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 tax revenue collection estimates released by the Wisconsin Department of Revenue and LFB are expressed on a *budgetary basis* and net of any refunds.
 - 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. In addition, comparison of year-to-date annual General Fund financial information also has many inherent problems due to the potential of different revenue and budget provisions for each fiscal year.
- 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 the Securities and Exchange Commission (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, 2009 TO JUNE 30, 2010^{(a)(b)}
(Cash Basis)

	(In Thousands of Dollars)											
	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	January 2010	February 2010	March 2010	April 2010	May 2010	June 2010
BALANCES^(c)												
Beginning Balance	\$ (147,352)	\$ (209,782)	\$ 260,309	\$ 497,287	\$ 1,217,274	\$ 1,231,002	\$ 691,046	\$ 1,477,143	\$ 1,437,116	\$ 327,778	\$ 614,420	\$ 816,616
Ending Balance	(209,782)	260,309	497,287	1,217,274	1,231,002	691,046	1,477,143	1,437,116	327,778	614,420	816,616	383,306
Lowest Daily Balance^(d)	(360,039)	(231,168)	207,024	326,671	797,022	629	614,427	1,389,706	327,777	65,274	814,420	(8,164)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 584,331	\$ 510,851	\$ 643,062	\$ 510,233	\$ 614,846	\$ 599,354	\$ 810,569	\$ 463,814	\$ 682,855	\$ 1,049,144	\$ 397,454	\$ 815,511
Sales & Use	384,080	377,755	373,531	364,188	352,567	323,531	382,321	310,028	290,791	344,467	332,808	370,100
Corporate Income	33,814	25,608	140,812	54,329	65,449	176,170	48,401	35,595	190,142	51,078	35,405	167,902
Public Utility	18	13	77	6,378	170,474	1,214	97	282	66	1,422	142,322	1,701
Excise	62,971	58,649	54,576	81,812	67,087	59,501	66,683	61,144	50,625	65,466	60,969	66,063
Insurance	150	1,568	32,229	753	1,685	32,572	640	35	18,812	28,489	930	32,597
Inheritance	236	96	326	164	5,373	160	398	242	109	48	73	-
Subtotal Tax Receipts	\$ 1,065,600	\$ 974,540	\$ 1,244,613	\$ 1,017,857	\$ 1,277,481	\$ 1,192,502	\$ 1,309,109	\$ 871,140	\$ 1,233,400	\$ 1,540,114	\$ 969,961	\$ 1,453,874
NON-TAX RECEIPTS												
Federal ^(b)	808,446	793,084	680,650	576,443	738,467	749,828	726,946	788,120	783,046	728,315	789,356	978,156
Other & Transfers	586,306	173,702	702,693	792,105	338,944	383,595	528,704	645,266	386,289	374,359	205,501	483,614
Note Proceeds ^(e)	807,585	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 2,202,337	\$ 966,786	\$ 1,383,343	\$ 1,368,548	\$ 1,077,411	\$ 1,133,423	\$ 1,255,650	\$ 1,433,386	\$ 1,169,335	\$ 1,102,674	\$ 994,857	\$ 1,461,770
TOTAL RECEIPTS	\$ 3,267,937	\$ 1,941,326	\$ 2,627,956	\$ 2,386,405	\$ 2,354,892	\$ 2,325,925	\$ 2,564,759	\$ 2,304,526	\$ 2,402,735	\$ 2,642,788	\$ 1,964,818	\$ 2,915,644
DISBURSEMENTS												
Local Aids	\$ 1,231,927	\$ 161,676	\$ 876,945	\$ 124,811	\$ 1,018,143	\$ 1,272,650	\$ 213,872	\$ 273,302	\$ 1,356,950	\$ 140,988	\$ 201,047	\$ 2,025,921
Income Maintenance	877,082	616,363	564,447	622,636	610,394	596,845	582,610	493,884	487,275	650,428	551,995	460,641
Payroll and Related	536,684	280,644	325,623	525,134	290,275	452,740	446,191	384,062	390,787	518,752	309,200	381,726
Tax Refunds	62,484	56,397	72,047	94,976	118,210	192,560	128,851	603,472	561,022	459,464	145,049	77,369
Debt Service	212,413	-	99,930	-	64	-	-	526	139,327	-	-	25
Miscellaneous	394,192	356,155	451,986	298,861	304,078	351,086	407,138	400,262	371,998	381,765	350,560	403,272
Note Repayment ^(e)	15,585	-	-	-	-	-	-	189,045	204,714	204,749	204,771	-
TOTAL DISBURSEMENTS	\$ 3,330,367	\$ 1,471,235	\$ 2,390,978	\$ 1,666,418	\$ 2,341,164	\$ 2,865,881	\$ 1,778,662	\$ 2,344,553	\$ 3,512,073	\$ 2,356,146	\$ 1,762,622	\$ 3,348,954

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

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2010 TO AUGUST 31, 2010 ^(a)
PROJECTED GENERAL FUND CASH FLOW; SEPTEMBER 1, 2010 TO JUNE 30, 2011 ^(b)
(Cash Basis)

(In Thousands of Dollars)												
	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011
BALANCES^(c)												
Beginning Balance	\$ 383,306	\$ (84,448)	\$ 497,619	\$ 719,457	\$ 1,208,881	\$ 1,082,029	\$ 318,766	\$ 1,215,672	\$ 1,090,945	\$ (399,340)	\$ (164,139)	\$ 543,109
Ending Balance	(84,448)	497,619	719,457	1,208,881	1,082,029	318,766	1,215,672	1,090,945	(399,340)	(164,139)	543,109	(230,371)
Lowest Daily Balance ^(d)	(122,974)	(90,410)	151,493	434,014	512,383	(386,296)	260,638	791,400	(404,089)	(837,283)	(164,141)	(781,549)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 483,412	\$ 627,258	\$ 703,817	\$ 476,815	\$ 642,892	\$ 625,658	\$ 949,443	\$ 526,967	\$ 570,413	\$ 1,039,144	\$ 648,564	\$ 745,701
Sales & Use	385,326	387,798	395,200	390,600	375,300	345,400	418,400	321,500	309,600	353,100	355,200	392,000
Corporate Income	43,130	25,350	160,900	34,300	28,800	165,100	29,100	20,600	217,600	34,800	22,600	159,700
Public Utility	-	63	500	3,400	163,400	500	800	100	100	1,900	170,500	500
Excise	70,623	68,097	96,400	81,700	77,600	68,900	51,200	59,900	49,700	50,800	53,900	59,200
Insurance	1,531	1,182	28,400	600	1,200	34,900	2,600	18,300	20,600	25,800	1,200	29,200
Subtotal Tax Receipts	\$ 984,022	\$ 1,109,748	\$ 1,385,217	\$ 987,415	\$ 1,289,192	\$ 1,240,458	\$ 1,451,543	\$ 947,367	\$ 1,168,013	\$ 1,505,544	\$ 1,251,964	\$ 1,386,301
NON-TAX RECEIPTS												
Federal ^(b)	809,284	822,212	689,258	666,444	701,223	630,068	785,244	773,718	769,182	669,670	851,355	680,306
Other & Transfers	436,955	288,640	592,770	461,633	353,447	294,466	584,679	641,174	352,015	396,803	354,893	483,067
Note Proceeds ^(e)	803,408	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 2,049,647	\$ 1,110,852	\$ 1,282,028	\$ 1,128,077	\$ 1,054,670	\$ 924,534	\$ 1,369,923	\$ 1,414,892	\$ 1,121,197	\$ 1,066,473	\$ 1,206,248	\$ 1,163,373
TOTAL RECEIPTS	\$ 3,033,669	\$ 2,220,600	\$ 2,667,245	\$ 2,115,492	\$ 2,343,862	\$ 2,164,992	\$ 2,821,466	\$ 2,362,259	\$ 2,289,210	\$ 2,572,017	\$ 2,458,212	\$ 2,549,674
DISBURSEMENTS												
Local Aids	\$ 1,429,366	\$ 202,649	\$ 912,069	\$ 150,007	\$ 1,015,558	\$ 1,285,577	\$ 216,393	\$ 269,766	\$ 1,300,662	\$ 155,879	\$ 164,904	\$ 1,942,920
Income Maintenance	795,141	602,501	570,110	614,009	611,138	697,602	557,019	554,573	626,648	622,944	443,882	241,581
Payroll and Related	539,995	304,252	344,035	440,810	402,740	471,402	438,945	403,382	398,649	532,213	305,634	401,095
Tax Refunds	58,790	56,259	50,500	60,900	75,200	128,600	167,300	641,000	513,700	470,600	174,800	149,200
Debt Service	214,486	-	161,854	6,936	258	-	6,936	-	376,910	19,838	-	-
Miscellaneous	452,237	472,872	406,839	353,406	365,820	345,073	537,968	425,851	359,104	331,519	457,923	588,357
Note Repayment ^(e)	11,408	-	-	-	-	-	-	192,414	203,822	203,822	203,822	-
TOTAL DISBURSEMENTS	\$ 3,501,423	\$ 1,638,533	\$ 2,445,407	\$ 1,626,068	\$ 2,470,714	\$ 2,928,254	\$ 1,924,561	\$ 2,486,986	\$ 3,779,495	\$ 2,336,815	\$ 1,750,965	\$ 3,323,153

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 August 31, 2010
 (Amounts in Thousands)**

	<u>FY10 through August 2009</u>		<u>FY11 through August 2010</u>				Difference FY10 Actual to FY11 Actual
	<u>Actual</u>		<u>Actual^(b)</u>	<u>Estimate^(b)</u>	<u>Variance</u>	<u>Adjusted Variance^(f)</u>	
RECEIPTS							
Tax Receipts							
Individual Income	\$ 1,095,182		\$ 1,110,670	\$ 1,081,886	\$ 28,784	28,784	\$ 15,488
Sales	761,835		773,124	798,900	(25,776)	(25,776)	11,289
Corporate Income	59,422		68,480	49,400	19,080	19,080	9,058
Public Utility	31		63	-	63	63	32
Excise	121,620		138,720	117,600	21,120	21,120	17,100
Insurance	1,718		2,713	1,800	913	913	995
Inheritance	332		-	-	-	-	(332)
Total Tax Receipts	\$ 2,040,140		\$ 2,093,770	\$ 2,049,586	\$ 44,184	\$ 44,184	\$ 53,630
Non-Tax Receipts							
Federal ^(b)	\$ 1,601,530		\$ 1,631,496	\$ 1,380,988	\$ 250,508	\$ 250,508	\$ 29,966
Other and Transfers	760,008		725,595	829,689	(104,094)	(104,094)	(34,413)
Note Proceeds ^(c)	807,585		803,408	803,408	-	-	(4,177)
Total Non-Tax Receipts	\$ 3,169,123		\$ 3,160,499	\$ 3,014,085	\$ 146,414	\$ 146,414	\$ (8,624)
TOTAL RECEIPTS	\$ 5,209,263		\$ 5,254,269	\$ 5,063,671	\$ 190,598	\$ 190,598	\$ 45,006
DISBURSEMENTS							
Local Aids	\$ 1,393,603		\$ 1,632,015	\$ 1,537,838	\$ (94,177)	\$ (94,177)	\$ 238,412
Income Maintenance	1,495,778		1,397,642	1,413,191	15,549	15,549	(98,136)
Payroll & Related	817,328		844,247	815,236	(29,011)	(29,011)	26,919
Tax Refunds	118,881		115,049	124,600	9,551	9,551	(3,832)
Debt Service	212,413		214,486	215,247	761	761	2,073
Miscellaneous	748,014		925,109	707,091	(218,018)	(218,018)	177,095
Note Repayment ^(e)	15,585		11,408	11,408	-	-	(4,177)
TOTAL DISBURSEMENTS	\$ 4,801,602		\$ 5,139,956	\$ 4,824,611	\$ (315,345)	\$ (315,345)	\$ 338,354
FY11 VARIANCE YEAR-TO-DATE					\$ (124,747)	\$ (124,747)	

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)}
(Cash Basis)

July 1, 2008 through August 31, 2010 — Actual
September 1, 2010 through June 30, 2011 — Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(e)</u>	<u>Disbursements^(e)</u>
2008	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	2,189,572	2,475,831
	March.....	806,619 (d)	2,228,792	3,530,714
	April.....	(495,303) (d)	3,251,394	2,730,689
	May.....	25,402 (d)	2,008,161	1,987,460
	June.....	46,103 (d)	3,188,104	3,381,558
	July.....	(147,352) (d)	3,267,937	3,330,367
	August.....	(209,782) (d)	1,941,326	1,471,235
	September.....	260,309	2,627,956	2,390,978
	October.....	497,287	2,386,405	1,666,418
	November.....	1,217,274	2,354,892	2,341,164
	December.....	1,231,002	2,325,925	2,865,881
2010	January.....	691,046	2,564,759	1,778,662
	February.....	1,477,143	2,304,526	2,344,553
	March.....	1,437,116	2,402,735	3,512,073
	April.....	327,778	2,642,788	2,356,146
	May.....	614,420	1,964,818	1,762,622
	June.....	816,616 (d)	2,915,644	3,348,954
	July.....	383,306 (d)	3,033,669	3,501,423
	August.....	(84,448) (a)	2,220,600	1,638,533
	September.....	497,619	2,667,245	2,445,407
	October.....	719,457	2,115,492	1,626,068
	November.....	1,208,881	2,343,862	2,470,714
	December.....	1,082,029 (d)	2,164,992	2,928,254
2011	January.....	318,766	2,821,466	1,924,561
	February.....	1,215,672	2,362,259	2,486,986
	March.....	1,090,945 (d)	2,289,210	3,779,495
	April.....	(399,340) (d)	2,572,017	2,336,815
	May.....	(164,139) (d)	2,458,212	1,750,965
	June.....	543,109 (d)	2,549,674	3,323,153

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, 2008 to August 31, 2010 — Actual
September 30, 2010 to June 30, 2011 — Projected^(b)
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. 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 \$2.211 billion during November 2005 to a high of \$4.347 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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
January		\$ 1,045	\$ 1,042	\$ 1,042
February		1,180	955	955
March		1,124	935	935
April		1,020	1,209	1,209
May		1,191	1,289	1,289
June		1,167	1,427	1,427
July	\$ 910	981	1,188	
August	944	1,064	1,246	
September	1,081	1,233	1,233	
October	906	1,035	1,035	
November	1,011	1,118	1,118	
December	1,072	1,073	1,073	

Available Balances; Includes Balances in the LGIP

<u>Month (Last Day)</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
January		\$ 5,372	\$ 4,100	\$ 4,100
February		5,543	4,133	4,133
March		5,440	4,130	4,130
April		4,852	4,089	4,089
May		4,632	3,842	3,842
June		4,474	4,035	4,035
July	\$ 5,422	5,102	4,469	
August	4,589	4,189	3,883	
September	4,479	4,076	4,076	
October	3,900	3,438	3,438	
November	3,936	3,500	3,500	
December	4,461	3,666	3,666	

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
(Agency Recorded Basis)
July 1, 2010 to August 31, 2010 Compared With Previous Year

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION
(Agency Recorded Basis)
July 1, 2010 to August 31, 2010 Compared With Previous Year

The typical Report of Monthly General Fund Financial Information includes two tables that address General Fund Recorded Revenues and Expenditures by Function (agency recorded basis). During the months of July-September, State agencies process entries to accrue revenues and expenditures to the previous fiscal year. Since the timing of these entries varies from year-to-year, *the recorded revenues and expenditures as of July 31st and August 31st vary greatly between fiscal years and are not suitable for comparison.* For this reason, these two tables are not included in this report, but should be included in next month's report for the period ending September 30, 2010.

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 results for FY10 (cash basis) reflected decreased General Fund tax revenue collection estimates released by LFB on January 27, 2010, \$1.188 billion of certain federal economic stimulus money the State received in FY 10 for its medical assistance program, education, shared revenue, and various other programs, the 2009-11 biennial budget (2009 Wisconsin Act 28), 2009 Wisconsin Act 2, and \$800 million of operating note proceeds and the resulting impoundment payments.

The results, projections, or estimates for FY11 (cash basis) reflect decreased General Fund tax revenue collection estimates released by LFB on January 27, 2010, \$762 million of certain federal economic stimulus money that the State expects to receive in FY11 for its medical assistance programs, education aids, and various other purposes, the budget for the 2009-11 biennium (2009 Wisconsin Act 28) and subsequent actions of the Legislature and Legislature's Joint Committee on Finance, and \$800 million of operating note proceeds and the resulting impoundment payments.

The federal economic stimulus money referenced above is only a portion of the federal economic stimulus money the State has received or expects to receive.

- (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 were expected to range from \$220 to \$400 million during FY10 and are expected to range from \$200 to \$400 million during FY11. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds were expected to average \$5 million during FY10 and are expected to average \$10 million during FY11.
- (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 to the General Fund in an amount up to up to 7% of the general-purpose revenue appropriations then in effect. This amount is approximately \$940 million for FY10 and approximately \$986 million for FY11. In addition, the Secretary of Administration may also temporarily reallocate for a period of up to 30 days an additional amount up to 3% of the general-purpose revenue appropriations then in effect, or approximately \$403 million for FY10 and approximately \$422 million for FY11. In aggregate, these amounts are \$1.343 billion for FY10 and \$1.408 billion for FY11.

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) \$800 million of operating notes issued on July 1, 2008 for FY09, \$800 million of operating notes issued on July 1, 2009 for FY10, and \$800 million of operating notes issued on July 1, 2010 for FY11. Impoundment payments were made, or are due, in February, March, April, and May of the corresponding fiscal year. The February, 2011 impoundment payment reflects the amount of premium received on July 1, 2010 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.