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March 30, 2010

To the Users of This Report:

Re: General Fund Monthly Financial Information—February 2010

Please find attached the Report of Monthly General Fund Financial Information for the period ending February 28, 2010. 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 Tax Revenue Collection Estimates and General Fund Condition Statement.** The projected General Fund cash flows (cash basis) in the attached report for the remainder of FY10 reflect updated General Fund tax revenue collection estimates (budgetary basis) that were included in a memorandum released by the Legislative Fiscal Bureau (**LFB**) on January 27, 2010. While the LFB memorandum addressed the entire 2009-11 biennium, the \$214 million decrease for FY10 specifically included the following:

- A decrease of \$76 million in estimated individual income tax collections, of which \$30 million is the direct result of Minnesota's termination of the tax reciprocity agreement with Wisconsin.
- A decrease of \$74 million in estimated general sale and use tax collections.
- A decrease of \$35 million in estimated excise tax collections.

The LFB memorandum of January 27, 2010 also includes an updated General Fund condition statement; the projected gross ending General Fund balance for FY10 is \$305 million. This amount reflects the above changes in estimated General Fund tax revenue collections along with other updated revenues and appropriations. This projected ending gross General Fund balance for FY10 is approximately \$63 million less than the balance included in the enacted 2009-11 budget.

- **FY10 General Fund Cash Flow.** In addition to the updated General Fund tax revenue collection estimates included the January 27, 2010 LFB

memorandum, the FY10 actual and projected General Fund cash flows (cash basis) in the attached report also reflect the following:

- 2009 Wisconsin Act 2 and the 2009-11 biennial budget (2009 Wisconsin Act 28).
 - \$1.002 billion of certain federal economic stimulus money the State has received or expects to receive in FY10, which includes \$606 million for medical assistance programs, \$237 million for education aids, \$76 million for shared revenues, and \$83 million for other various purposes. This is only a portion of the federal economic stimulus money the State has received or expects to receive.
 - \$800 million of operating note proceeds and the resulting impoundment payments.
- **Tax Filing Update.** As of March 22, 2010, the total number of tax returns completely processed in calendar year **(CY)** 2010 was down 1.4% compared to this time in CY09. The total number of refunds issued in CY10 is down 6.7% compared to this time in CY09 and the average amount of refund is up 5.1%. The portion of all processed tax returns with refunds issued is 85.4% compared to 90.3% at this time in CY09. Electronic returns have increased by less than 1% over this time in CY09 and are now 83% of total returns.

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 February 28, 2010

Prepared by the Wisconsin Department of Administration

Prepared on March 30, 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.

ACTUAL AND PROJECTED GENERAL FUND FY10 CASH FLOWS (CASH BASIS) REFLECT 2009 WISCONSIN ACT 2, THE 2009-11 BIENNIAL BUDGET (2009 WISCONSIN ACT 28), \$1.002 BILLION OF CERTAIN FEDERAL ECONOMIC STIMULUS MONEY THE STATE HAS RECEIVED OR EXPECTS TO RECEIVE, \$800 MILLION OF OPERATING NOTE PROCEEDS AND THE RESULTING IMPOUNDMENT PAYMENTS, AND UPDATED GENERAL FUND TAX REVENUE COLLECTION ESTIMATES RELEASED BY LFB ON JANUARY 27, 2010.

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- 1. Cautionary Information!**
- 2. Actual and Projected General Fund Cash Flow (Cash Basis)**
This table corresponds 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 Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**
This table corresponds to Table II-13, page 46, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2009.
- 7. General Fund Recorded Expenditures Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**
This table corresponds to Table II-14, page 47, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2009.
- 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 FY10.
- 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 FEBRUARY 28, 2010^(a)
PROJECTED GENERAL FUND CASH FLOW; MARCH 1, 2010 TO JUNE 30, 2010^(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	\$ 29,034	\$ 674,640	\$ 964,472
Ending Balance^(d)	(209,782)	260,309	497,287	1,217,274	1,231,002	691,046	1,477,143	1,437,116	29,034	674,640	964,472	266,900
Lowest Daily Balance^(d)	(360,039)	(231,168)	207,024	326,671	797,022	629	614,427	1,389,706	29,034	(172,846)	512,197	(122,884)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 584,331	\$ 510,851	\$ 643,062	\$ 510,233	\$ 614,846	\$ 599,354	\$ 810,569	\$ 463,814	\$ 504,185	\$ 1,125,577	\$ 588,812	\$ 574,509
Sales & Use	384,080	377,755	373,531	364,188	352,567	323,531	382,321	310,028	283,268	300,058	303,985	328,531
Corporate Income	33,814	25,608	140,812	54,329	65,449	176,170	48,401	35,595	136,092	24,855	16,132	137,967
Public Utility	18	13	77	6,378	170,474	1,214	97	282	203	2,735	168,056	506
Excise	62,971	58,649	54,576	81,812	67,087	59,501	66,683	61,144	59,173	69,688	64,717	63,857
Insurance	150	1,568	32,229	753	1,685	32,572	640	35	20,837	24,505	1,167	26,671
Inheritance	236	96	326	164	5,373	160	398	242	-	-	-	-
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	\$ 1,003,758	\$ 1,547,418	\$ 1,142,869	\$ 1,132,041
NON-TAX RECEIPTS												
Federal ^(b)	808,446	793,084	680,650	576,443	738,467	749,828	726,946	788,120	707,048	923,620	863,011	890,554
Other & Transfers	586,306	173,702	702,693	792,105	338,944	383,595	528,704	645,266	355,100	488,100	280,200	644,277
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	\$ 1,062,148	\$ 1,411,720	\$ 1,143,211	\$ 1,534,831
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	\$ 2,065,906	\$ 2,959,138	\$ 2,286,080	\$ 2,666,872
DISBURSEMENTS												
Local Aids	\$ 1,231,927	\$ 161,676	\$ 876,945	\$ 124,811	\$ 1,018,143	\$ 1,272,650	\$ 213,872	\$ 273,302	\$ 1,378,521	\$ 148,621	\$ 184,021	\$ 1,995,121
Income Maintenance	877,082	616,363	564,447	622,636	610,394	596,845	582,610	493,884	497,851	618,606	547,179	350,637
Payroll and Related	536,684	280,644	325,623	525,134	290,275	452,740	446,191	384,062	404,954	537,172	314,658	377,719
Tax Refunds	62,484	56,397	72,047	94,976	118,210	192,560	128,851	603,472	526,146	459,071	182,417	189,417
Debt Service	212,413	-	99,930	-	64	-	-	526	104,977	-	92,260	258
Miscellaneous	394,192	356,155	451,986	298,861	304,078	351,086	407,138	400,262	356,761	345,284	470,936	451,293
Note Repayment ^(e)	15,585	-	-	-	-	-	-	189,045	204,778	204,778	204,777	-
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	\$ 3,473,988	\$ 2,313,532	\$ 1,996,248	\$ 3,364,445

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 February 28, 2010
 (Amounts in Thousands)**

	<u>FY09 through February 2009</u>		<u>FY10 through February 2010</u>			Difference FY09 Actual to FY10 Actual	
	<u>Actual</u>		<u>Actual</u>	<u>Estimate^(b)</u>	<u>Variance^(c)</u>		<u>Adjusted Variance^(f)</u>
RECEIPTS							
Tax Receipts							
Individual Income	\$ 5,034,961		\$ 4,737,060	\$ 4,980,317	\$ (243,257)	(243,257)	\$ (297,901)
Sales	3,064,448		2,868,001	3,007,358	(139,357)	(139,357)	(196,447)
Corporate Income	452,837		580,178	478,654	101,524	101,524	127,341
Public Utility	173,501		178,553	161,400	17,153	17,153	5,052
Excise	457,359		512,423	547,965	(35,542)	(35,542)	55,064
Insurance	100,303		69,632	90,520	(20,888)	(20,888)	(30,671)
Inheritance	35,643		6,995	-	6,995	6,995	(28,648)
Total Tax Receipts	\$ 9,319,052		\$ 8,952,842	\$ 9,266,214	\$ (313,372)	\$ (313,372)	\$ (366,210)
Non-Tax Receipts							
Federal ^(b)	\$ 4,861,749		\$ 5,861,984	\$ 5,446,411	\$ 415,573	\$ 415,573	\$ 1,000,235
Other and Transfers	3,235,079		4,151,315	3,573,400	577,915	577,915	916,236
Note Proceeds ^(c)	801,840		807,585	807,585	-	-	5,745
Total Non-Tax Receipts	\$ 8,898,668		\$ 10,820,884	\$ 9,827,396	\$ 993,488	\$ 993,488	\$ 1,922,216
TOTAL RECEIPTS	\$ 18,217,720		\$ 19,773,726	\$ 19,093,610	\$ 680,116	\$ 680,116	\$ 1,556,006
DISBURSEMENTS							
Local Aids	\$ 5,246,326		\$ 5,173,326	\$ 5,458,570	\$ 285,244	\$ 285,244	\$ (73,000)
Income Maintenance	3,968,443		4,966,594	4,585,141	(381,453)	(381,453)	998,151
Payroll & Related	3,353,385		3,241,353	3,328,840	87,487	87,487	(112,032)
Tax Refunds	1,272,799		1,328,997	1,266,749	(62,248)	(62,248)	56,198
Debt Service	262,906		312,933	349,791	36,858	36,858	50,027
Miscellaneous	3,126,824		2,961,425	3,002,481	41,056	41,056	(165,399)
Note Repayment ^(e)	205,254		204,630	204,778	148	148	(624)
TOTAL DISBURSEMENTS	\$ 17,435,937		\$ 18,189,258	\$ 18,196,350	\$ 7,092	\$ 7,092	\$ 753,321
FY10 VARIANCE YEAR-TO-DATE					\$ 687,208	\$ 687,208	

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, 2007 through February 28, 2010 — Actual
March 1, 2010 through June 30, 2010 — Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(e)</u>	<u>Disbursements^(e)</u>
2007	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	2,189,572	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	2,065,906	3,473,988
	April.....	29,034	(d) 2,959,138	2,313,532
	May.....	674,640	2,286,080	1,996,248
	June.....	964,472	(d) 2,666,872	3,364,445

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, 2007 to February 28, 2010 — Actual
March 31, 2010 to June 30, 2010 — 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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
January		\$ 1,203	\$ 1,045	\$ 1,042
February		1,265	1,180	955
March		1,298	1,124	1,124
April		1,210	1,020	1,020
May		1,166	1,191	1,191
June		1,079	1,167	1,167
July	\$ 1,141	910	981	
August	1,204	944	1,064	
September	1,204	1,081	1,233	
October	1,110	906	1,035	
November	1,229	1,011	1,118	
December	1,244	1,072	1,073	

Available Balances; Includes Balances in the LGIP

<u>Month (Last Day)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
January		\$ 4,943	\$ 5,372	\$ 4,100
February		5,255	5,543	4,133
March		5,453	5,440	5,440
April		5,273	4,852	4,852
May		5,010	4,632	4,632
June		4,813	4,474	4,474
July	\$ 4,862	5,422	5,102	
August	4,383	4,589	4,189	
September	4,264	4,479	4,076	
October	3,900	3,900	3,438	
November	4,017	3,936	3,500	
December	4,141	4,461	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, 2009 to February 28, 2010 compared with previous year

	Revenues FY09^(h)	Projected Revenues FY10⁽ⁱ⁾	Recorded Revenues July 1, 2008 to February 28, 2009^(j)	Recorded Revenues July 1, 2009 to February 28, 2010^(k)
Individual Income Tax	\$ 6,222,735,000	\$ 6,230,973,000	\$ 4,041,152,209	\$ 3,757,836,822
General Sales and Use Tax	4,083,959,000	4,089,220,000	\$2,472,769,293	\$2,299,270,270
Corporate Franchise and Income Tax	629,523,000	717,150,000	288,552,319	388,430,659
Public Utility Taxes	320,110,000	318,200,000	165,826,555	173,907,062
Excise Taxes	647,621,000	795,680,000	386,972,797	446,545,245
Inheritance Taxes	20,853,000	-	20,704,487	718,883
Insurance Company Taxes	136,291,000	148,000,000	76,296,422	68,862,760
Miscellaneous Taxes	52,059,000	47,000,000	41,051,734	39,994,550
SUBTOTAL.....	<u>12,113,151,000</u>	<u>12,346,223,000</u>	<u>7,493,325,816</u>	<u>7,175,566,250</u>
Federal and Other Inter- Governmental Revenues ^(l)	8,411,740,000	8,451,323,200	4,883,045,474	5,927,214,115
Dedicated and Other Revenues ^(m)	<u>4,553,355,000</u>	<u>5,082,068,100</u>	<u>3,494,528,312</u>	<u>3,430,335,700</u>
TOTAL.....	<u>\$ 25,078,246,000</u>	<u>\$ 25,879,614,300</u>	<u>\$ 15,870,899,602</u>	<u>\$ 16,533,116,065</u>

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION
(Agency Recorded Basis)
July 1, 2009 to February 28, 2010 compared with previous year

	Expenditures FY09^(h)	Estimated Appropriations FY10⁽ⁱ⁾	Recorded Expenditures July 1, 2008 to February 28, 2009⁽ⁿ⁾	Recorded Expenditures July 1, 2009 to February 28, 2010^(o)
Commerce.....	\$ 263,800,000	\$ 307,224,700	\$ 152,263,404	\$ 181,524,429
Education.....	11,130,263,000	11,428,901,400	6,358,101,651	6,174,393,342
Environmental Resources.....	327,566,000	330,460,100	168,966,986	98,735,178
Human Relations & Resources	10,361,591,000	10,195,574,700	6,739,305,737	7,143,670,881
General Executive.....	844,724,000	1,306,939,400	623,753,597	725,618,890
Judicial.....	130,541,000	136,201,700	94,903,921	94,856,077
Legislative.....	65,289,000	73,817,900	37,803,079	38,566,812
General Appropriations.....	<u>2,156,962,000</u>	<u>2,346,576,300</u>	<u>1,984,979,177</u>	<u>2,100,992,720</u>
TOTAL.....	<u>\$ 25,280,736,000</u>	<u>\$ 26,125,696,200</u>	<u>\$ 16,160,077,551</u>	<u>\$ 16,558,358,329</u>

Note: All footnotes to this table 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 actual results and the projections or estimates for FY10 (cash basis) reflect 2009 Wisconsin Act 2, the 2009-11 biennial budget (2009 Wisconsin Act 28), signed into law by Governor Doyle on June 29, 2009, \$1.002 billion of certain federal economic stimulus money the State has received or is expected to receive for its medical assistance program, education, shared revenue, and various other programs, \$800 million of operating note proceeds and the resulting impoundment payments, and updated General Fund tax revenue collection estimates released by LFB on January 27, 2010. 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. 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.
- (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; for FY10 this amount may be up to 7% of the general-purpose revenue appropriations then in effect, or approximately \$940 million. 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, which provides an aggregate amount of \$1.343 billion.

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) \$600 million of operating notes issued on July 2, 2007 for FY08, \$800 million of operating notes issued on July 1, 2008 for FY09, and \$800 million of operating notes issued on July 1, 2009 for FY10. The February, 2010 impoundment payment reflected the amount of premium received on July 1, 2009 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 FY09, dated October 15, 2009. A complete copy of the Annual Fiscal Report (unaudited, budgetary basis) for FY09 can be obtained by contacting the State of Wisconsin Capital Finance Office.
- (i) The projections or estimates on an agency recorded basis reflect 2009 Wisconsin Act 2, the 2009-11 biennial budget (2009 Wisconsin Act 28), and the General Fund tax revenue estimates released by LFB on May 11, 2009 (as modified on May 14, 2009), but the projections do not reflect updated General Fund tax revenue collection estimates released by LFB on January 27, 2010.
- (j) The amounts shown are FY09 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 tax 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) The amounts shown are FY10 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 tax 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. Additional information about year-to-date FY10 General Fund agency recorded revenues **appears on the next page.**

- (l) 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.
- (m) 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.
- (n) The amounts shown are FY09 expenditures as recorded by state agencies.
- (o) The amounts shown are FY10 expenditures as recorded by state agencies.

Additional information regarding the tables on the previous pages:

FY10 General Fund Revenues. The General Fund tax revenue collection estimates included in LFB's January 2010 memorandum shows an annual change of 0.2% in General Fund tax revenue collections between FY09 and FY10. However, it cannot be assumed that this annual change also applies to collections year-to-date on either a budgetary or agency recorded basis. The 2009-11 biennial budget includes several General Fund tax increases; however, many of these projected General Fund tax revenue increases (including, but not limited to, changes to capital gains exclusion and an additional top income tax bracket) will not be realized until final tax year 2009 settlements in April, 2010.

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. 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 FY08, budget and General Fund cash receipts assumed that the State would 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 were 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 did not receive such payments.

In FY09, budget and General Fund cash receipts assumed that the State would receive approximately \$75 million pursuant to the amended gaming compacts with tribal governments. The FY09 budget and General Fund Cash receipts further 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. This payment (and the settlement of the new gaming compact amendment) was from the same tribal government that did not make its scheduled payment in FY08 and payments due in previous years. With the new gaming compact amendment, the State and this tribal governments agree on the methodology for payments due from the tribal government for each fiscal year, beginning with FY09.

The FY10 budget and projected General Fund cash flows assume that the State will receive approximately \$47 million pursuant to the amended gaming compacts with tribal governments.