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ADMINISTRATION**

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November 8, 2010

To the Users of This Report:

Re: General Fund Monthly Financial Information—September 2010

Please find attached the Report of Monthly General Fund Financial Information for the period ending September 30, 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.

- ***Annual Fiscal Report (Budgetary Balance) – FY10.*** On October 15, 2010, the State's Annual Fiscal Report (unaudited, budgetary basis) was released and it showed that the State ended FY10 with an undesignated balance of \$71.0 million. This is \$264.8 million less than the projected balance of \$335.8 from the 2009-11 biennial budget (2009 Wisconsin Act 28) and other related budget legislation. The lower ending balance is primarily due to spending above estimated amounts for the Medical Assistance (**MA**) program, which was addressed by moving spending authority from FY11 to FY10. General-purpose revenue taxes were \$12.132 billion compared to \$12.113 billion in FY09, an increase of \$19.0 million, or 0.1%. This amount is nearly equal to the projected tax revenue estimates released by the Legislative Fiscal Bureau (**LFB**) on January 27, 2010.

The Annual Fiscal Report for FY10 (unaudited, budgetary basis) is available from the Capital Finance Office website (www.doa.state.wi.us/capitalfinance) or at the above addresses. Audited financial statements for FY10 are expected to be available by December 31, 2010.

- ***FY11 General Fund Cash Flow Projections.*** The FY11 General Fund cash flow results and 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 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.
- **State Medical Assistance Program.** The State currently expects to receive approximately \$194 million of additional federal MA matching funds in FY11 as a result of the six-month extension to June 2011 of the Federal Medical Assistance Percentage (FMAP) for States. After taking into consideration these additional federal matching funds from FMAP, the movement of appropriation authority from FY11 to FY10, and other balances available to and actions taken by the State, it is projected that the MA program will have a projected General Fund (or GPR) shortfall of approximately \$84 million for the 2009-11 biennium. The shortfall (and higher MA spending through FY10) is due to higher than anticipated enrollment in its MA programs due to the economic recession, but the amount was also partially offset by savings targeted for the MA program by the 2009-11 biennial budget.
- **November 20, 2010 Information.** The Department of Revenue is required to provide by November 20, 2010 any updated projections of General Fund tax revenues for FY11, along with projections of General Fund tax revenues for the 2011-13 biennium. At the same time, the Department of Administration is expected to provide a report that includes an updated projection of the General Fund condition statement for FY11. Copies of this information and report, when released, will be available from the Capital Finance Office website (www.doa.state.wi.us/capitalfinance) or from the above addresses.
- **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 September 30, 2010

Prepared by the Wisconsin Department of Administration

Prepared on November 8, 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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1. **Cautionary Information!**
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)**

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 by Function (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**

Includes final FY10 General Fund recorded revenues and expenditures.

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 FY11. The State’s Annual Fiscal Report (Budgetary Basis) for FY10 was released on October 15, 2010, and is available at www.doa.state.wi.us/capitalfinance or by contacting the State of Wisconsin Capital Finance Office at the addresses 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 SEPTEMBER 30, 2010 ^(a)
PROJECTED GENERAL FUND CASH FLOW; OCTOBER 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	\$ 919,992	\$ 1,409,416	\$ 1,282,564	\$ 519,302	\$ 1,416,207	\$ 1,291,480	\$ (198,805)	\$ 36,397	\$ 743,644
Ending Balance	(84,448)	497,619	919,992	1,409,416	1,282,564	519,302	1,416,207	1,291,480	(198,805)	36,397	743,644	(29,835)
Lowest Daily Balance ^(d)	(122,974)	(90,410)	297,835	634,549	712,918	(185,761)	461,174	991,935	(203,554)	(636,748)	36,395	(581,013)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 483,412	\$ 627,258	\$ 671,124	\$ 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	382,658	390,600	375,300	345,400	418,400	321,500	309,600	353,100	355,200	392,000
Corporate Income	43,130	25,350	173,894	34,300	28,800	165,100	29,100	20,600	217,600	34,800	22,600	159,700
Public Utility	-	63	62	3,400	163,400	500	800	100	100	1,900	170,500	500
Excise	70,623	68,097	67,433	81,700	77,600	68,900	51,200	59,900	49,700	50,800	53,900	59,200
Insurance	1,531	1,182	31,965	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	\$ 1,327,136	\$ 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	926,039	666,444	701,223	630,068	785,244	773,718	769,182	669,670	851,355	680,306
Other & Transfers	436,955	288,640	608,849	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	\$ 1,534,888	\$ 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	\$ 2,862,024	\$ 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	\$ 860,448	\$ 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	615,203	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	341,331	440,810	402,740	471,402	438,945	403,382	398,649	532,213	305,634	401,095
Tax Refunds	58,790	56,259	53,503	60,900	75,200	128,600	167,300	641,000	513,700	470,600	174,800	149,200
Debt Service	214,486	-	167,832	6,936	258	-	6,936	-	376,910	19,838	-	-
Miscellaneous	452,237	472,872	401,334	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	\$ 2,439,651	\$ 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 September 30, 2010
 (Amounts in Thousands)**

	<u>FY10 through September 2009</u>		<u>FY11 through September 2010</u>				Difference FY10 Actual to FY11 Actual
	<u>Actual</u>		<u>Actual^(b)</u>	<u>Estimate^(b)</u>	<u>Variance^(c)</u>	<u>Adjusted Variance^(f)</u>	
RECEIPTS							
Tax Receipts							
Individual Income	\$ 1,738,244		\$ 1,781,794	\$ 1,785,703	\$ (3,909)	(3,909)	\$ 43,550
Sales	1,135,366		1,155,782	1,194,100	(38,318)	(38,318)	20,416
Corporate Income	200,234		242,374	210,300	32,074	32,074	42,140
Public Utility	108		125	500	(375)	(375)	17
Excise	176,196		206,153	214,000	(7,847)	(7,847)	29,957
Insurance	33,947		34,678	30,200	4,478	4,478	731
Inheritance	658		-	-	-	-	(658)
Total Tax Receipts	\$ 3,284,753		\$ 3,420,906	\$ 3,434,803	\$ (13,897)	\$ (13,897)	\$ 136,153
Non-Tax Receipts							
Federal ^(b)	\$ 2,282,180		\$ 2,557,535	\$ 2,070,246	\$ 487,289	\$ 487,289	\$ 275,355
Other and Transfers	1,462,701		1,334,444	1,422,459	(88,015)	(88,015)	(128,257)
Note Proceeds ^(e)	807,585		803,408	803,408	-	-	(4,177)
Total Non-Tax Receipts	\$ 4,552,466		\$ 4,695,387	\$ 4,296,113	\$ 399,274	\$ 399,274	\$ 142,921
TOTAL RECEIPTS	\$ 7,837,219		\$ 8,116,293	\$ 7,730,916	\$ 385,377	\$ 385,377	\$ 279,074
DISBURSEMENTS							
Local Aids	\$ 2,270,548		\$ 2,492,463	\$ 2,449,907	\$ (42,556)	\$ (42,556)	\$ 221,915
Income Maintenance	2,060,225		2,012,845	1,983,301	(29,544)	(29,544)	(47,380)
Payroll & Related	1,142,951		1,185,578	1,159,271	(26,307)	(26,307)	42,627
Tax Refunds	190,928		168,552	175,100	6,548	6,548	(22,376)
Debt Service	312,343		382,318	377,101	(5,217)	(5,217)	69,975
Miscellaneous	1,200,000		1,326,443	1,113,930	(212,513)	(212,513)	126,443
Note Repayment ^(e)	15,585		11,408	11,408	-	-	(4,177)
TOTAL DISBURSEMENTS	\$ 7,192,580		\$ 7,579,607	\$ 7,270,018	\$ (309,589)	\$ (309,589)	\$ 387,027
FY11 VARIANCE YEAR-TO-DATE					\$ 75,788	\$ 75,788	

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 September 30, 2010 — Actual
October 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)	(d) 2,220,600	1,638,533
	September.....	497,619	2,862,024	2,439,651
	October.....	919,992	2,115,492	1,626,068
	November.....	1,409,416	2,343,862	2,470,714
	December.....	1,282,564	(d) 2,164,992	2,928,254
2011	January.....	519,302	2,821,466	1,924,561
	February.....	1,416,207	2,362,259	2,486,986
	March.....	1,291,480	(d) 2,289,210	3,779,495
	April.....	(198,805)	(d) 2,572,017	2,336,815
	May.....	36,397	2,458,212	1,750,965
	June.....	743,644	(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 September 30, 2010 — Actual
October 31, 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	<u>1,335</u>	
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	<u>3,833</u>	
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 September 30, 2010 Compared With Previous Year

	Revenues <u>FY10^(h)</u>	Projected Revenues <u>FY11⁽ⁱ⁾</u>	Recorded Revenues July 1, 2009 to <u>September 30, 2009^(j)</u>	Recorded Revenues July 1, 2010 to <u>September 30, 2010^(k)</u>
Individual Income Tax	\$ 6,089,170,000	\$ 6,432,371,000	\$ 1,344,800,064	\$ 1,389,164,397
General Sales and Use Tax	3,944,187,000	4,320,730,000	680,057,302	709,849,550
Corporate Franchise and Income Tax	834,479,000	808,300,000	164,734,630	200,221,867
Public Utility Taxes	319,377,000	327,400,000	(230,756)	(4,916,773)
Excise Taxes	757,947,000	797,500,000	112,654,565	134,656,598
Inheritance Taxes	871,000	-	36,597	(159,314)
Insurance Company Taxes	130,718,000	148,000,000	1,556,681	2,473,994
Miscellaneous Taxes	54,910,000	48,000,000	12,039,986	11,001,849
SUBTOTAL.....	<u>12,131,659,000</u>	<u>12,882,301,000</u>	<u>2,315,649,069</u>	<u>2,442,292,169</u>
Federal and Other Inter- Governmental Revenues ^(l)	10,144,453,000	7,650,453,600	2,291,858,204	2,694,778,599
Dedicated and Other Revenues ^(m)	<u>4,641,967,000</u>	<u>5,423,391,300</u>	<u>1,298,834,137</u>	<u>1,405,643,342</u>
TOTAL.....	<u>\$ 26,918,079,000</u>	<u>\$ 25,956,145,900</u>	<u>\$ 5,906,341,410</u>	<u>\$ 6,542,714,110</u>

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION
(Agency Recorded Basis)
July 1, 2010 to September 30, 2010 Compared With Previous Year

	Expenditures <u>FY10^(h)</u>	Estimated Appropriations <u>FY11⁽ⁱ⁾</u>	Recorded Expenditures July 1, 2009 to <u>September 30, 2009⁽ⁿ⁾</u>	Recorded Expenditures July 1, 2010 to <u>September 30, 2010^(o)</u>
Commerce.....	\$ 377,721,000	\$ 292,866,000	\$ 59,754,834	\$ 83,269,604
Education.....	11,250,162,000	11,558,214,700	2,393,280,612	2,727,930,001
Environmental Resources.....	169,701,000	341,297,800	46,359,052	67,299,572
Human Relations & Resources	11,561,658,000	10,418,320,400	3,139,843,509	3,187,519,143
General Executive.....	1,090,559,000	1,118,318,600	394,809,503	439,726,187
Judicial.....	130,653,000	136,586,600	40,911,076	42,141,533
Legislative.....	65,930,000	73,917,600	11,891,864	12,700,691
General Appropriations.....	2,286,961,000	2,426,149,100	1,102,555,555	1,160,879,045
TOTAL.....	<u>\$ 26,933,345,000</u>	<u>\$ 26,365,670,800</u>	<u>\$ 7,189,406,006</u>	<u>\$ 7,721,465,776</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 results for FY10 (cash basis) reflected the 2009-11 biennial budget (2009 Wisconsin Act 28), 2009 Wisconsin Act 2, 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 FY10 for its medical assistance program, education, shared revenue, and various other programs, and \$800 million of operating note proceeds and the resulting impoundment payments.

The results, projections, or estimates for FY11 (cash basis) reflect the budget for the 2009-11 biennium (2009 Wisconsin Act 28) and subsequent actions of the Legislature and Legislature's Joint Committee on Finance, 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, 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.
- (h) The amounts are from the Annual Fiscal Report (unaudited, budgetary basis) for FY10, dated October 15, 2010. A complete copy of the Annual Fiscal Report (unaudited, budgetary basis) for FY10 can be obtained by contacting the State of Wisconsin Capital Finance Office.
- (i) The projections or estimates on an agency recorded basis reflect the 2009-11 biennial budget (2009 Wisconsin Act 28), \$364 million of certain federal economic stimulus money the State expects to receive in FY11, 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. The projections from January 27, 2010 reduce General Fund tax revenue collection estimates for FY11 by an aggregate amount of \$81 million compared to those from the 2009-11 biennial budget.
- (j) The amounts shown are FY10 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.

The table of final recorded revenues for FY10 is included at the end of these endnotes and additional information.

- (k) The amounts shown are FY11 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.
- (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 FY10 expenditures as recorded by state agencies.

The table of final recorded expenditures for FY10 is included at the end of these endnotes and additional information.

- (o) The amounts shown are FY11 expenditures as recorded by state agencies.

**GENERAL FUND RECORDED REVENUES (FY10 FINAL)⁽¹⁾
(Agency Recorded Basis)**

	Revenues	Projected	Recorded Revenues	Recorded Revenues
	FY09⁽²⁾	Revenues	July 1, 2008 to	July 1, 2009 to
		FY10⁽³⁾	June 30, 2009⁽⁴⁾	June 30, 2010⁽⁵⁾
Individual Income Tax	\$ 6,222,735,000	\$ 6,230,973,000	\$ 6,230,723,064	\$ 6,089,371,577
General Sales and Use Tax	4,083,959,000	4,089,220,000	\$4,087,332,217	\$3,944,260,371
Corporate Franchise and Income Tax	629,523,000	717,150,000	626,114,318	834,983,402
Public Utility Taxes	320,110,000	318,200,000	320,109,613	319,376,774
Excise Taxes	647,621,000	795,680,000	647,621,004	757,947,035
Inheritance Taxes	20,853,000	-	20,853,110	871,188
Insurance Company Taxes	136,291,000	148,000,000	136,291,544	130,718,048
Miscellaneous Taxes	52,059,000	47,000,000	77,726,403	79,311,536
SUBTOTAL.....	<u>12,113,151,000</u>	<u>12,346,223,000</u>	<u>12,146,771,273</u>	<u>12,156,839,930</u>
Federal and Other Inter- Governmental Revenues ⁽⁶⁾	8,411,740,000	8,451,323,200	8,411,952,270	10,144,346,382
Dedicated and Other Revenues ⁽⁷⁾	<u>4,553,355,000</u>	<u>5,082,068,100</u>	<u>4,786,075,067</u>	<u>5,111,677,664</u>
TOTAL.....	<u>\$ 25,078,246,000</u>	<u>\$ 25,879,614,300</u>	<u>\$ 25,344,798,610</u>	<u>\$ 27,412,863,976</u>

(1) This table includes final FY10 revenues as recorded by state agencies; the FY10 revenues are presented on an agency recorded basis and not a budgetary basis. 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.

(2) The amounts are from the Annual Fiscal Report (budgetary basis) for FY09, dated October 15, 2009.

(3) Projections in this table reflected 2009 Wisconsin Act 2, the budget for the 2009-11 biennium (2009 Wisconsin Act 28), certain federal economic stimulus money in the amount of \$1.002 billion that the State expected to receive in FY10 in the General Fund (\$606 million for medical assistance programs, \$237 million for education aids, \$76 million for shared revenue, and \$83 million for other various purposes), the revised General Fund tax revenue estimates included in the May 11, 2009 LFB memorandum (as modified on May 14, 2009), and \$800 million of operating note proceeds received on July 1, 2009 and the resulting impoundment payments due in February, March, April, and May 2010. The projections in this table do not reflect the decreased projected General Fund tax revenues shown in the January 27, 2010 LFB memorandum.

(4) The amounts shown are FY09 revenues 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.

(5) The amounts shown are FY10 revenues 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.

(6) 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.

(7) 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.

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION (FY10 FINAL)⁽¹⁾
(Agency Recorded Basis)**

	Expenditures FY09⁽²⁾	Estimated Appropriations FY10⁽³⁾	Recorded Expenditures July 1, 2008 to June 30, 2009⁽⁴⁾	Recorded Expenditures July 1, 2009 to June 30, 2010⁽⁵⁾
Commerce.....	\$ 263,800,000	\$ 307,224,700	\$ 251,999,225	\$ 303,822,382
Education.....	11,130,263,000	11,428,901,400	11,163,614,074	11,217,389,771
Environmental Resources.....	327,566,000	330,460,100	327,208,321	169,044,492
Human Relations & Resources	10,361,591,000	10,195,574,700	10,329,782,031	11,539,869,522
General Executive.....	844,724,000	1,306,939,400	850,544,774	1,030,802,601
Judicial.....	130,541,000	136,201,700	130,982,029	130,341,465
Legislative.....	65,289,000	73,817,900	65,288,990	65,929,776
General Appropriations.....	<u>2,156,962,000</u>	<u>2,346,576,300</u>	<u>2,151,655,694</u>	<u>2,291,776,665</u>
TOTAL.....	<u>\$ 25,280,736,000</u>	<u>\$ 26,125,696,200</u>	<u>\$ 25,271,075,138</u>	<u>\$ 26,748,976,674</u>

(1) This table includes final FY10 expenditures as recorded by state agencies; the FY10 expenditures are presented on an agency recorded basis and not a budgetary basis. 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.

(2) The amounts are from the Annual Fiscal Report (budgetary basis) for FY09, dated October 15, 2009.

(3) The projections or estimates reflect the 2009 Wisconsin Act 2 and the budget for the 2009-11 biennium (2009 Wisconsin Act 28). The estimates in this table do not reflect any projections included in the January 27, 2010 LFB memorandum.

(4) The amounts shown are FY09 expenditures as recorded by state agencies.

(5) The amounts shown are FY10 expenditures as recorded by state agencies.