

**Appendix Table 3 – General Fund Financial Summary**  
**December 2008 Consensus Forecast**  
(Dollars in Millions)

	Audited FY07	Preliminary FY08	Estimated FY09	Estimated FY10
<b>APPROPRIATION ACCOUNT</b>				
<b>REVENUE</b>				
Recurring Revenue, December 2008 Consensus Estimates	5,774.5	5,994.6	5,703.3	5,733.3
Nonrecurring Revenue, December 2008 Consensus Estimates	0.0	47.1	(55.7)	
Nonrecurring Revenue, December 2008 Governor's Savings Plan				
<b>TOTAL REVENUE</b>	<b>5,774.5</b>	<b>6,041.7</b>	<b>5,647.6</b>	<b>5,733.3</b>
<b>APPROPRIATIONS</b>				
Recurring Appropriations	5,113.1	5,675.0	6,026.8	5,733.3
Nonrecurring Appropriations	814.5	294.9	75.0	
<b>TOTAL APPROPRIATIONS</b>	<b>5,927.6</b>	<b>5,969.8</b>	<b>6,101.8</b>	<b>5,733.3</b>
<b>Transfer to/from General Fund Operating Reserve</b>	<b>(153.1)</b>	<b>71.9</b>	<b>(454.2)</b>	<b>-</b>
<b>GENERAL FUND OPERATING RESERVE</b>				
Beginning Balance	359.5	156.0	226.4	(229.4)
Reversions	0.4			
Appropriations	(10.8)	(1.5)	(1.5)	(1.5)
Transfers In Appropriation Account	-	71.9	-	-
Transfers Out Appropriation Account	(153.1)	-	(454.2)	-
Other	(40.0)	-	-	-
<b>Ending Balance</b>	<b>156.0</b>	<b>226.4</b>	<b>(229.4)</b>	<b>(230.9)</b>
Ending Balances as a Percentage of Prior Year Recurring Appropriations	3.3%	4.4%	-4.0%	-3.8%
<b>STATE SUPPORT RESERVE</b>				
Beginning Balance	-	1.0	1.0	1.0
Transfers In	1.0	-	-	-
Transfers Out	-	-	-	-
<b>Ending Balance</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>APPROPRIATION CONTINGENCY FUND</b>				
<b>Beginning Balance, Excluding Education Reform Expenditures</b>	19.9	47.7	26.7	(6.3)
Expenditures	(13.8)	(26.9)	(33.0)	(20.0)
Revenue, Transfers and Reversions	41.6	5.9		-
<b>Ending Balance, Excluding Education Reform</b>	<b>47.7</b>	<b>26.7</b>	<b>(6.3)</b>	<b>(26.3)</b>
<b>Education Reform, Beginning Balance</b>	79.8	74.9	67.4	67.4
Transfers In	-	-	-	-
Transfers Out	(4.9)	(7.5)	-	-
<b>Ending Balance, Education Reform</b>	<b>74.9</b>	<b>67.4</b>	<b>67.4</b>	<b>67.4</b>
<b>Ending Balance</b>	<b>122.6</b>	<b>94.1</b>	<b>61.1</b>	<b>41.1</b>
<b>TAX STABILIZATION RESERVE</b>				
Beginning Balance	254.4	254.4	254.4	254.4
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Ending Balance</b>	<b>254.4</b>	<b>254.4</b>	<b>254.4</b>	<b>254.4</b>
Ending Balances as a Percentage of Prior Year Recurring Appropriations	5.4%	5.0%	4.5%	4.2%
<b>TOBACCO SETTLEMENT PERMANENT FUND</b>				
Beginning Balance	84.6	116.7	137.9	131.2
Transfers In, December 2008 Consensus Estimate	36.2	44.9	47.2	50.4
Transfers Out	(18.1)	(22.4)	(23.6)	(25.2)
Gains or (Losses)	14.0	(1.3)	(30.3)	3.9
<b>Ending Balance</b>	<b>116.7</b>	<b>137.9</b>	<b>131.2</b>	160.2
<b>TOTAL BALANCES</b>	<b>650.6</b>	<b>713.7</b>	<b>218.2</b>	<b>225.8</b>
<b>Reserves as a Percentage of Current-year Recurring Appropriations</b>	<b>12.7%</b>	<b>12.6%</b>	<b>3.6%</b>	<b>3.9%</b>
<b>New Money -- recurring</b>				<b>(293.5)</b>
<b>Deficit for current year (Reserving 10% of current year recur. Approps)</b>			<b>(384.4)</b>	
<b>Nonrecurring subject to appropriation</b>				<b>(347.5)</b>

**Notes to General Fund Financial Summary:**

**"Reserves as a Percentage of Current-year Recurring Appropriations"** is calculated by dividing each year's ending total reserve balance by the total recurring appropriations for that year. E.G. for FY08,  $218.2/6,026.8 = 3.62\%$

**"New Money -- recurring"** is calculated by subtracting *previous* year's recurring appropriations from *current* year's recurring revenue. E.G. for FY10,  $5,733.3 - 6,026.8 = 293.5$

**"Deficit for current year (Reserving 10% of current year recur. approps)"** is calculated by subtracting 10% of current year's appropriations from the level of total reserve balance for that year. E.G., for FY09,  $218.2 - 10\% \times 6,026.8 = (384.4)$

**"Nonrecurring subject to appropriation"** is calculated by subtracting total reserve balances for the budget year from 10% of the same year's total recurring revenue. E.G. for FY10,  $225.8 - 10\% \times 5,733.3 = (347.5)$

**"Restricted sub-accounts"** is calculated by summing the final balance for the fiscal year in the "Education Lock-box", the Tax Stabilization Reserve and the Tobacco Settlement Permanent Fund and dividing by the total reserve balances for the fiscal year. E.G., for FY09,  $(67.4 + 254.4 + 131.2) / 218.2 = 207.5\%$

**Further note that the budget for FY10 must be balanced and the Governor and Legislature apparently agree that spending and revenues must result in 10% General Fund reserve balances at the end of FY10.**