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September 10, 2006

To the Users of This Report:

Re: Monthly Financial Information—June 2006

Please find attached the Report of General Fund Financial Information for the month and fiscal year ending June 30, 2006. All footnotes and additional information for the tables appear as endnotes on the last two pages of this report. This cover letter is intended to provide comment on the attached tables of general fund financial information.

- **Payments Due Under Amended Gaming Compacts – Tribal Governments (FY06).** The FY06 budget assumed that the State would receive nearly \$74 million of payments, due in previous fiscal years, from two tribal governments. As of this date, the State has received payments from the two tribal governments that equal this amount. The FY06 budget also assumed that the State would receive approximately \$71 million of payments scheduled to be due in FY06. This amount due in FY06 was subsequently revised downward to \$67 million to reflect provisions of the compacts with the tribal governments. As of this date, the State has received payments, totaling \$44 million, from all but one tribal government. The State and this tribal government continue arbitration with respect to this tribal government's amended gaming compact.

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 decision made in May 2004. This earlier decision had invalidated compact amendments from 2003 that allowed tribes to offer additional games beyond those agreed to in the original tribal compacts.

- **FY2007 Projected General Fund Cash Flow.** The FY07 general fund cash flow projections are included in this monthly report.

Sincerely,

Frank R. Hoadley
Capital Finance Director
(608) 266-2305

Monthly General Fund Financial Information State of Wisconsin

For the Period Ending June 30, 2006

Prepared by the Wisconsin Department of Administration

Prepared on September 10, 2006

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.

THE PROJECTED GENERAL FUND CASH FLOW REFLECTS THE PROVISIONS OF 2005 WISCONSIN ACT 25, WHICH IS THE BUDGET BILL FOR FY 06 AND FY 07, AND THE REVENUE ESTIMATES RELEASED BY THE LEGISLATIVE FISCAL BUREAU (LFB) ON JANUARY 19, 2006.

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- 3. Projected General Fund Cash Flow for the Fiscal Year Ending June 30, 2007 (Cash Basis)**
This table is new and corresponds to Table II-7, page 43, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2005.
- 4. General Fund Cash Flow Year-To-Date Compared to Estimates and Previous Fiscal Year (Cash Basis)**
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- 5. General Fund Monthly Cash Position (Cash Basis)**
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- 7. General Fund Recorded Revenues Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**
This table corresponds to Table II-11, page 47, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2005.
- 8. General Fund Recorded Expenditures Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**
This table corresponds to Table II-12, page 48, of the State of Wisconsin Continuing Disclosure Annual Report, December 23, 2005.
- 9. Footnotes 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 FY06 or FY07. The State is required to issue its Annual Fiscal Report (budgetary basis) for FY06 by October 15, 2006.
- Projections of results for dates after the date this information is prepared are forward looking. Actual results will almost certainly differ.
 - It is important to note that cash flow projections are expressed on a *cash basis* while the revenue estimates released by the Department of Revenue and LFB are expressed on a *budgetary basis* and net of any refunds. The projected General Fund cash flow for FY07 reflects the revenue estimates released by LFB on January 19, 2006.
 - 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 these tables of financial information are subject to revision and reclassification for prior periods. This is particularly true for revenue data, where proper classification depends on tax returns which are received and processed significantly after the tax payments are received through electronic transfers.
- Some information is presented on a cash basis of accounting while other data is presented on a budgetary or agency recorded basis. Users should not compare information that is presented on one basis of accounting with information that is presented on a different basis of accounting.
- Comparison of monthly general fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- The State of Wisconsin is not obligated to provide this information or make it available on its website.
- None of the information in these tables of financial information is required by the State of Wisconsin’s continuing disclosure undertakings pursuant to SEC rule 15c2-12.
 - This information is not, and does not replace, a notice of a material event required by SEC rule 15c2-12.
 - This information is not, and does not replace, the annual financial information required by SEC rule 15c2-12.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2005 TO JUNE 30, 2006^(a)

(In Thousands of Dollars)

	July 2005	August 2005	September 2005	October 2005	November 2005	December 2005	January 2006	February 2006	March 2006	April 2006	May 2006	June 2006
BALANCES^(e)												
Beginning Balance	(\$193,683)	(\$417,079)	\$136,628	\$309,053	\$818,545	\$586,768	(\$118,926)	\$882,782	\$1,145,630	\$115,031	\$831,334	\$1,369,935
Ending Balance ^(d)	(\$417,079)	\$136,628	\$309,053	\$818,545	\$586,768	(\$118,926)	\$882,782	\$1,145,630	\$115,031	\$831,334	\$1,369,935	\$4,563
Lowest Daily Balance ^(d)	(\$22,613)	(\$89,150)	(264,889)	158,797	418,125	(864,503)	(173,681)	686,665	100,921	(225,788)	611,737	(397,541)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$457,176	\$546,087	\$625,591	\$566,601	\$461,234	\$484,890	\$966,768	\$489,178	\$522,941	\$979,881	\$555,643	\$657,624
Sales & Use	402,599	400,199	384,904	378,257	364,808	356,213	411,358	319,356	309,399	340,820	342,919	375,380
Corporate Income	31,786	24,880	170,441	34,258	31,377	130,776	28,752	19,203	197,151	40,032	27,154	149,264
Public Utility	24	0	196	2,667	125,226	130	356	81	157	1,530	155,348	54
Excise	36,572	30,625	36,942	32,048	32,403	29,800	30,316	26,764	26,799	28,888	28,775	34,874
Insurance	690	1,273	27,858	1,556	1,839	33,661	2,840	22,490	22,319	26,422	1,037	31,382
Inheritance	16,949	6,932	8,463	13,570	11,203	7,341	7,020	7,236	12,159	6,428	7,829	9,601
Subtotal Tax Receipts	\$945,796	\$1,009,996	\$1,254,395	\$1,028,957	\$1,028,090	\$1,042,811	\$1,447,410	\$884,308	\$1,090,925	\$1,424,001	\$1,118,705	\$1,258,179
NON-TAX RECEIPTS												
Federal	\$524,946	\$554,359	\$554,537	\$487,805	\$539,678	\$499,963	\$567,423	\$508,860	\$536,237	\$470,205	\$541,885	\$460,998
Other & Transfers ^(e)	355,748	298,506	470,126	316,093	283,115	286,968	438,937	689,774	322,126	422,228	374,934	314,764
Note Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Non-Tax Receipts	\$880,694	\$852,865	\$1,024,663	\$803,898	\$822,793	\$786,931	\$1,006,360	\$1,198,634	\$858,363	\$892,433	\$916,819	\$775,762
TOTAL RECEIPTS	\$1,826,490	\$1,862,861	\$2,279,058	\$1,832,855	\$1,850,883	\$1,829,742	\$2,453,770	\$2,082,942	\$1,949,288	\$2,316,434	\$2,035,524	\$2,033,941
DISBURSEMENTS												
Local Aids	\$884,042	\$142,784	\$757,441	\$100,945	\$958,939	\$1,280,054	\$190,703	\$251,483	\$1,316,971	\$109,499	\$288,235	\$1,919,099
Income Maintenance	489,129	468,260	454,986	416,256	461,190	448,737	380,248	413,072	467,013	283,779	328,572	260,110
Payroll and Related	315,952	295,222	427,311	303,005	315,798	335,548	362,573	335,005	487,027	304,889	321,666	352,584
Tax Refunds	60,810	62,584	43,817	51,777	52,037	120,021	112,785	466,205	381,505	316,659	154,121	158,392
Debt Service	0	0	0	156,686	1,562	0	0	2,082	0	295,695	28,097	0
Miscellaneous ^(e)	299,953	340,304	423,078	294,694	293,134	351,076	405,753	352,247	327,371	289,610	376,232	709,128
Note Repayment	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DISBURSEMENTS	\$2,049,886	\$1,309,154	\$2,106,633	\$1,323,363	\$2,082,660	\$2,535,436	\$1,452,062	\$1,820,094	\$2,979,887	\$1,600,131	\$1,496,923	\$3,399,313

Note: All footnotes to this table appear on the last two pages of this report in the section entitled "Endnotes and Additional Information".

PROJECTED GENERAL FUND CASH FLOW; JULY 1, 2006 TO JUNE 30, 2007^(b)

(In Thousands of Dollars)

	July 2006	August 2006	September 2006	October 2006	November 2006	December 2006	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007
BALANCES^(c)												
Beginning Balance	\$4,563	(\$152,470)	\$277,997	\$335,746	\$899,803	\$639,332	(\$100,400)	\$1,050,811	\$1,115,411	\$31,431	\$507,596	\$1,057,739
Ending Balance^(d)	(\$152,470)	\$277,997	\$335,746	\$899,803	\$639,332	(\$100,400)	\$1,050,811	\$1,115,411	\$31,431	\$507,596	\$1,057,739	\$29,063
Lowest Daily Balance^(d)	(428,669)	(413,040)	(3,955)	149,536	460,586	(879,740)	(118,985)	706,197	13,316	(382,775)	369,722	(422,186)
RECEIPTS												
TAX RECEIPTS												
Individual Income	575,300	485,700	575,600	667,700	436,100	501,900	1,151,000	528,000	500,200	1,070,400	552,200	673,800
Sales & Use	403,200	412,200	403,700	400,300	392,200	358,100	431,300	330,500	316,000	362,300	369,900	392,900
Corporate Income	21,300	19,900	151,400	33,500	25,400	172,500	26,300	19,400	214,300	32,100	20,700	153,200
Public Utility	100	0	300	4,500	144,700	2,000	0	1,300	100	3,300	138,000	1,000
Excise	32,500	32,100	32,500	30,200	37,600	30,000	29,200	30,800	25,900	28,600	31,800	31,500
Insurance	800	2,000	27,300	500	1,500	38,000	2,100	18,700	27,900	28,700	1,700	29,300
Inheritance	11,500	15,900	20,500	8,700	10,400	8,100	13,700	9,300	10,400	17,300	10,600	9,500
Subtotal Tax Receipts	\$1,044,700	\$967,800	\$1,211,300	\$1,145,400	\$1,047,900	\$1,110,600	\$1,653,600	\$938,000	\$1,094,800	\$1,542,700	\$1,124,900	\$1,291,200
NON-TAX RECEIPTS												
Federal	\$545,944	\$576,533	\$576,718	\$507,317	\$561,265	\$519,962	\$590,120	\$529,214	\$557,686	\$489,013	\$563,560	\$563,435
Other & Transfers ^(e)	353,400	304,500	477,300	320,200	320,500	270,200	502,700	504,700	355,432	379,900	457,100	430,100
Note Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Non-Tax Receipts	\$899,344	\$881,033	\$1,054,018	\$827,517	\$881,765	\$790,162	\$1,092,820	\$1,033,914	\$913,118	\$868,913	\$1,020,660	\$993,535
TOTAL RECEIPTS	\$1,944,044	\$1,848,833	\$2,265,318	\$1,972,917	\$1,929,665	\$1,900,762	\$2,746,420	\$1,971,914	\$2,007,918	\$2,411,613	\$2,145,560	\$2,284,735
DISBURSEMENTS												
Local Aids	\$889,915	\$125,806	\$823,918	\$134,188	\$985,474	\$1,324,475	\$244,452	\$249,671	\$1,306,572	\$134,143	\$197,844	\$1,958,030
Income Maintenance	496,788	498,923	429,369	435,351	461,947	435,965	449,715	424,823	446,385	372,613	423,613	322,256
Payroll and Related	297,986	346,860	411,406	312,961	337,575	353,568	385,111	350,009	501,427	313,274	337,438	409,290
Tax Refunds	52,900	46,000	47,000	45,800	62,900	128,500	73,200	465,900	480,600	422,800	177,300	133,600
Debt Service	0	5,001	0	169,957	5,001	0	0	5,001	0	330,700	5,001	0
Miscellaneous ^(e)	363,488	395,776	495,877	310,603	337,239	397,986	442,730	411,911	356,914	361,919	454,221	490,234
Note Repayment	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DISBURSEMENTS	\$2,101,077	\$1,418,366	\$2,207,570	\$1,408,860	\$2,190,136	\$2,640,494	\$1,595,208	\$1,907,315	\$3,091,898	\$1,935,449	\$1,595,417	\$3,313,410

Note: All footnotes to this table appear on the last two pages 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^(f)**

**(Cash Basis)
As of June 30, 2006
(Amounts in Thousands)**

	<u>FY05 through June 2005</u>	<u>FY06 through June 2006</u>				Adjusted Variance ^(g)	Difference FY05 Actual to FY06 Actual
	Actual	Actual	Estimate ^(a)	Variance			
RECEIPTS							
Tax Receipts							
Individual Income ^(b)	\$ 7,027,534	\$ 7,391,009	\$ 7,467,788	\$ (76,779)	\$ 28,221	\$ 363,475	
Sales	4,339,249	4,514,425	4,490,172	24,253	24,253	175,176	
Corporate Income	876,579	892,483	819,265	73,218	73,218	15,904	
Public Utility	270,369	285,769	276,092	9,677	9,677	15,400	
Excise	355,308	374,806	355,464	19,342	19,342	19,498	
Insurance	192,820	173,367	197,111	(23,744)	(23,744)	(19,453)	
Inheritance	113,888	114,731	107,803	6,928	6,928	843	
Total Tax Receipts	\$ 13,175,747	\$ 13,746,590	\$ 13,713,695	\$ 32,895	\$ 137,895	\$ 570,843	
Non-Tax Receipts							
Federal	\$ 6,080,128	\$ 6,246,896	\$ 6,259,932	\$ (13,036)	\$ (13,036)	\$ 166,768	
Other and Transfers ^(b)	3,625,206	4,360,303	4,023,619	336,684	231,684	735,097	
Note Proceeds ⁽ⁱ⁾	-	-	-	-	-	-	
Total Non-Tax Receipts	\$ 9,705,334	\$ 10,607,199	\$ 10,283,551	\$ 323,648	\$ 218,648	\$ 901,865	
TOTAL RECEIPTS	\$ 22,881,081	\$ 24,353,789	\$ 23,997,246	\$ 356,543	\$ 356,543	\$ 1,472,708	
DISBURSEMENTS							
Local Aids	\$ 7,503,309	\$ 8,200,195	\$ 8,080,968	\$ (119,227)	\$ (119,227)	\$ 696,886	
Income Maintenance	5,053,635	4,871,352	4,985,123	113,771	113,771	(182,283)	
Payroll & Related	4,066,065	4,156,580	4,285,420	128,840	128,840	90,515	
Tax Refunds	1,856,158	1,980,713	1,994,076	13,363	13,363	124,555	
Debt Service	374,090	484,122	520,255	36,133	36,133	110,032	
Miscellaneous	4,200,291	4,462,580	4,427,870	(34,710)	(34,710)	262,289	
Note Repayment ⁽ⁱ⁾	-	-	-	-	-	-	
TOTAL DISBURSEMENTS	\$ 23,053,548	\$ 24,155,542	\$ 24,293,712	\$ 138,170	\$ 138,170	\$ 1,101,994	
VARIANCE FY06 YEAR-TO-DATE				\$ 494,713	\$ 494,713		

Note: All footnotes to this table appear on the last two pages of this report in the section entitled "Endnotes and Additional Information".

GENERAL FUND MONTHLY CASH POSITION^(c)
July 1, 2004 through June 30, 2006 — Actual^(a)
July 1, 2006 through June 30, 2007 — Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>		<u>Receipts⁽ⁱ⁾</u>	<u>Disbursements⁽ⁱ⁾</u>
2004	July.....	\$ (21,216)	^(d)	\$ 1,525,326	\$ 1,935,550
	August.....	(431,440)	^(d)	1,865,101	1,224,534
	September.....	209,127		2,123,484	1,796,300
	October.....	536,311		1,717,213	1,377,813
	November.....	875,711		1,893,722	1,856,738
	December.....	912,695	^(d)	1,633,039	2,340,555
2005	January.....	205,179		2,417,010	1,448,909
	February.....	1,173,280		1,833,051	1,789,367
	March.....	1,216,964		1,859,956	2,704,980
	April.....	371,940		2,042,253	1,831,196
	May.....	582,997		1,895,196	1,475,143
	June.....	1,003,050	^(a)	2,075,730	3,272,463
	July.....	(193,683)	^(d)	1,826,490	2,049,886
	August.....	(417,079)	^(d)	1,862,861	1,309,154
	September.....	136,628	^(d)	2,279,058	2,106,633
	October.....	309,053		1,832,855	1,323,363
	November.....	818,545		1,850,883	2,082,660
	December.....	586,768	^(a)	1,829,742	2,535,436
2006	January.....	(118,926)	^(d)	2,453,770	1,452,062
	February.....	882,782		2,082,942	1,820,094
	March.....	1,145,630		1,949,288	2,979,887
	April.....	115,031	^(d)	2,316,434	1,600,131
	May.....	831,334		2,035,524	1,496,923
	June.....	1,369,935	^(d)	2,033,941	3,399,313
	July.....	4,563	^(d)	1,944,044	2,101,077
	August.....	(152,470)	^(d)	1,848,833	1,418,366
	September.....	277,997	^(d)	2,265,318	2,207,570
	October.....	335,746		1,972,917	1,408,860
	November.....	899,803		1,929,665	2,190,136
	December.....	639,332	^(d)	1,900,762	2,640,494
	January.....	(100,400)	^(d)	2,746,420	1,595,208
	February.....	1,050,811		1,971,914	1,907,315
	March.....	1,115,411		2,007,918	3,091,898
	April.....	31,431	^(d)	2,411,613	1,935,449
	May.....	507,596		2,145,560	1,595,417
	June.....	1,057,739	^(d)	2,284,735	3,313,410

Note: All footnotes to this table appear on the last two pages of this report in the section entitled “Endnotes and Additional Information”.

CASH BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING⁽¹⁾
July 31, 2004 to June 30, 2006 — Actual
July 31, 2006 to June 30, 2007 — Projected
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for interfund borrowing. The first table does not include balances in the Local Government Investment Pool (LGIP). While the LGIP is available for interfund borrowing, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State.

(Does Not Include Balances in the Local Government Investment Pool)

<u>Month (Last Day)</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
January		\$ 830	\$ 1,118	\$ 1,118
February		960	1,041	1,041
March		1,043	1,188	1,188
April		964	963	963
May		1,045	1,045	1,045
June		1,182	1,117	1,117
July	\$ 908	1,048	1,048	
August	1,003	1,100	1,100	
September	997	1,176	1,176	
October	954	1,115	1,115	
November	827	1,167	1,167	
December	892	1,135	1,135	

The second table includes the balances in the LGIP. The average monthly daily balances in the LGIP for the past five years have ranged from a low of \$2.216 billion during November 2002 to a high of \$4.521 billion during March 2002.

(Includes Balances in the Local Government Investment Pool)

<u>Month (Last Day)</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
January		\$ 3,818	\$ 4,232	\$ 4,232
February		3,984	4,237	4,237
March		4,101	4,476	4,476
April		3,749	3,749	3,749
May		3,627	3,626	3,626
June		3,905	4,329	4,329
July	\$ 4,268	4,193	4,193	
August	3,904	3,823	3,823	
September	3,726	3,746	3,746	
October	3,233	3,361	3,361	
November	3,059	3,370	3,370	
December	3,392	3,692	3,692	

Note: All footnotes to this table appear on the last two pages of this report in the section entitled **“Endnotes and Additional Information”**.

GENERAL FUND RECORDED REVENUES^(f)
(Agency Recorded Basis)
July 1, 2005 to June 30, 2006 compared with previous year

	Annual Fiscal Report Revenues <u>2004-05 FY^(k)</u>	Projected Revenues <u>2005-06 FY^(a)</u>	Recorded Revenues July 1, 2004 to <u>June 30, 2005^(l)</u>	Recorded Revenues July 1, 2005 to <u>June 30, 2006^(m)</u>
Individual Income Tax	\$ 5,650,109,000	\$ 6,144,500,000	\$ 5,310,911,477	\$ 5,792,860,189
General Sales and Use Tax	4,038,715,000	4,181,600,000	3,623,572,533	3,752,915,134
Corporate Franchise and Income Tax	764,053,000	683,320,000	769,425,013	778,061,390
Public Utility Taxes	254,443,000	267,465,000	253,064,010	274,993,296
Excise Taxes	359,444,000	354,720,000	322,945,961	335,218,363
Inheritance Taxes	112,346,000	105,000,000	112,371,418	108,795,356
Insurance Company Taxes	129,839,000	131,000,000	101,768,016	103,514,981
Miscellaneous Taxes	87,701,000	89,500,000	99,262,611	114,776,758
SUBTOTAL.....	<u>\$ 11,396,650,000</u>	<u>\$ 11,957,105,000</u>	<u>10,593,321,040</u>	<u>11,261,135,465</u>
Federal and Other Inter- Governmental Revenues ⁽ⁿ⁾	\$ 6,190,669,000	\$ 5,881,969,000	6,133,390,658	6,250,794,224
Dedicated and Other Revenues ^(o)	<u>3,584,486,000</u>	<u>4,445,764,600</u>	<u>3,842,955,894</u>	<u>4,353,487,144</u>
TOTAL.....	<u>\$ 21,171,805,000</u>	<u>\$ 22,284,838,600</u>	<u>\$ 20,569,667,592</u>	<u>\$ 21,865,416,832</u>

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(f)
(Agency Recorded Basis)
July 1, 2005 to June 30, 2006 compared with previous year

	Annual Fiscal Report Expenditures <u>2004-05 FY^(k)</u>	Appropriations <u>2005-06 FY^(p)</u>	Recorded Expenditures July 1, 2004 to <u>June 30, 2005^(q)</u>	Recorded Expenditures July 1, 2005 to <u>June 30, 2006^(r)</u>
Commerce.....	\$ 253,520,000	\$ 288,639,300	\$ 247,023,318	\$ 252,538,619
Education.....	9,614,612,000	10,151,858,300	9,579,549,079	10,131,718,065
Environmental Resources.....	233,160,000	296,476,000	217,932,095	283,886,397
Human Relations & Resources	8,933,512,000	8,496,069,700	8,858,598,944	8,629,316,295
General Executive.....	626,194,000	890,108,400	641,648,013	730,530,179
Judicial.....	114,247,000	113,245,800	110,547,548	111,093,642
Legislative.....	58,234,000	63,707,200	53,852,007	57,425,787
General Appropriations.....	<u>1,654,699,000</u>	<u>1,915,407,600</u>	<u>1,635,548,223</u>	<u>1,846,471,698</u>
TOTAL.....	<u>\$ 21,488,178,000</u>	<u>\$ 22,215,512,300</u>	<u>\$ 21,344,699,226</u>	<u>\$ 22,042,980,681</u>

Note: All footnotes to these tables appear on the last two pages of this report in the section entitled "Endnotes and Additional Information".

ENDNOTES AND ADDITIONAL INFORMATION

- (a) FY06 projections reflected the biennial budget bill for the 2005-07 biennium (2005 Wisconsin Act 25) and the General Fund revenue estimates released by the Legislative Fiscal Bureau (LFB) on May 16, 2005, which were incorporated into 2005 Wisconsin Act 25. No changes were needed to the projections as a result of the revised revenue estimates released by LFB on January 19, 2006. Projections assumed that the State would receive approximately \$146 million pursuant to the amended gaming compacts with tribal governments. Included in this amount is \$73 million, which is the estimate of all payments due in FY06. The amount of estimated payments due in FY06 was subsequently revised downward to \$67 million to reflect provisions of the compacts with the tribal governments. As of the date of this report, the State has received payments, totaling \$44 million, from all but one tribal government. The State and this tribal government continue arbitration with respect to this tribal government's amended gaming compact. Also included in this amount is \$74 million, which is an estimate of payments due in previous fiscal years that are expected to be made in FY06 by two tribal governments. As of the date of this report, the State has received payments from the two tribal governments that equal this amount due in previous fiscal years. Amounts do not reflect interfund borrowing.
- (b) FY07 projections, or estimates, reflect the biennial budget bill for the 2005-07 biennium (2005 Wisconsin Act 25) and the General Fund revenue estimates released by LFB on January 19, 2006. Projections assume that the State will receive approximately \$112 million pursuant to the amended gaming compacts with tribal governments. Included in this amount is \$82 million, which is the estimate of all payments due in FY07, and \$30 million, which is an estimate of a payment due in the previous biennium that is expected to be made in FY07 by a tribal government. Amounts do not reflect interfund borrowing.
- (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 \$150 to \$300 million during the FY06 and are expected to range from \$160 to \$300 million during the FY07. In addition, the General Fund is the depository for several escrow accounts pursuant to court orders or federal rulings. These funds were expected to average approximately \$50 million during FY06 and are expected to average approximately \$30 million during FY07.
- (d) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. This amount was approximately \$634 million for FY06 and is approximately \$661 million for FY07. In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately \$380 million for FY06 and approximately \$397 million for FY07) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, the Secretary of Administration is authorized to prorate and defer certain payments.
- (e) The actual FY06 General Fund cash flow reflects \$175 million transferred from the Transportation Fund to the General Fund on February 1, 2006, \$100 million transferred from the Transportation Fund to the General Fund on April 18, 2006, \$63 million transferred from the Transportation Fund to the General Fund on June 1, 2006, \$235 million transferred from the General Fund to the Medical Assistance Trust Fund on June 16, 2006, and \$51 million transferred from the General Fund to the Medical Assistance Trust Fund on June 30, 2006 (pursuant to provisions of 2005 Wisconsin Act 211). The projected FY07 General Fund cash flow includes \$88 million that will be transferred from the Transportation Fund to the General Fund on September 1, 2006, \$20 million that will be transferred from the Petroleum Inspection Fund to the General Fund on September 1, 2006, and \$25 million that will be transferred from the General Fund to the Medical Assistance Trust Fund on June 30, 2007.
- (f) Please refer to the cautionary statements contained on page 2 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.
- (g) 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 includes adjustments to the variances to more accurately reflect the variance between the estimated and actual amounts. An example is the re-categorization of receipts from FY05, which is further discussed in the following footnote.
- (h) The "FY05 Through June 2005" column has been adjusted to reflect a re-categorization of \$98 million in receipts between the "Individual Income" and "Other and Transfers" categories. An error made in July 2004 on preliminary deposit reports resulted in the "Individual Income" category to be overstated by \$98 million. This same error resulted in the "Other and Transfers" category to be understated by the same amount. The total amount of FY05 receipts is not impacted by the error or this adjustment.
- (i) Operating notes were not issued for FY05 or FY06.
- (j) The following funds are available for interfund borrowing. The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund listed below has a negative balance and is subject to interfund borrowing.

Transportation	Common School	Uninsured Employers
Conservation (Partial)	Normal School	Health Insurance Risk Sharing Plan
Wisconsin Health Education Loan Repayment	University	Local Government Property Insurance
Waste Management	Local Government Investment Pool	Patients Compensation
Wisconsin Election Campaign	Farms for the Future	Mediation
Investment & Local Impact	Agrichemical Management	Medical Assistance
Elderly Property Tax Deferral	Historical Society Trust	Environmental
Lottery	School Income Fund	Recycling
Children's Trust	Benevolent	University Trust Principal
Racing	Groundwater	Veterans Mortgage Loan Repayment
Work Injury Supplemental Benefit	Petroleum Storage Environmental Cleanup	State Building Trust
Unemployment Compensation Interest Repayment	Environmental Improvement Fund	Agricultural College

- (k) The amounts are from the Annual Fiscal Report (budgetary basis) for FY05, dated October 15, 2005.
- (l) The amounts shown are FY05 revenues as recorded by state agencies as of June 30, 2005. Additional revenues were recorded by state agencies for FY05 during the month of July, 2005.
- (m) The amounts shown are FY06 revenues as recorded by state agencies as of June 30, 2006. Additional revenues will be recorded by state agencies for FY06 during the month of July, 2006.
- (n) 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.
- (o) 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.
- (p) Estimated appropriations based on the 2005-07 biennial budget bill (2005 Wisconsin Act 25) and do not reflect any acts subsequent to the biennial budget.
- (q) The amounts shown are FY05 expenditures as recorded by state agencies as of June 30, 2005. Additional expenditures were recorded by state agencies for FY05 during the month of July, 2005.
- (r) The amounts shown are FY06 expenditures as recorded by state agencies as of June 30, 2006. Additional expenditures will be recorded by state agencies for FY06 during the month of July, 2006.

Additional information regarding the tables on the previous pages.

Tribal Government Payments. In May 2004, the Wisconsin Supreme Court ruled that certain amendments to the gaming compacts with tribal governments were unconstitutional. Although this decision concerned only an amendment to a gaming compact with one tribal government, the reasoning of the opinion applied to similar amendments to other gaming compacts that were executed on or after January 1, 2003. Subsequent to the Wisconsin Supreme Court's decision, the State still received in FY04 the expected payments from all but one tribal government, which did not make its payment of about \$30 million. In FY05, the State received the expected payments from all but two tribal governments. One tribal government placed its payment of nearly \$44 million in escrow for release to the State upon completion of a new amendment to its gaming compact. The other tribal government did not make its payment of about \$30 million.

Projections for the FY06 budget and General Fund cash receipts assume that the State will receive approximately \$146 million pursuant to the amended gaming compacts with tribal governments. This amount reflects (i) \$73 million, which is the estimate of all payments due in FY06, and (ii) \$74 million, which is an estimate of payments due in previous fiscal years that are expected to be made in FY06 by two tribal governments. With respect to the estimated \$73 million of payments due in FY2006, the estimated amount due was subsequently revised downward to \$67 million to reflect provisions of the compacts with the tribal governments. As of the date of this report, the State has received payments, totaling \$44 million, from all but one tribal government. The State and this tribal government continue arbitration with respect to this tribal government's amended gaming compact.

With respect to the estimated \$74 million of payments due in previous fiscal years that are expected to be made in FY06, as of the date of this report, the State has received payments from the two tribal governments that equal this amount.

- Nearly \$44 million received on February 1, 2006 from the Forest County Potawatomi. This payment, due in the 2003-05 biennium, resulted from an agreement announced in October 2005 regarding that tribal government's gaming compact.
- \$30 million received on May 11, 2006 from the Ho-Chunk Nation. This payment is the result of an agreement announced on May 10, 2006 regarding negotiation between the State and that tribal government of their gaming compact.

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 decision made in May 2004. This earlier decision had invalidated compact amendments from 2003 that allowed tribes to offer additional games beyond those agreed to in the original tribal compacts.

Projections for the FY07 budget and General Fund cash receipts assume that the State will receive approximately \$112 million pursuant to the amended gaming compacts with tribal governments. Included in this amount is \$82 million, which is the estimate of all payments due in FY07, and \$30 million, which is an estimate of a payment due in the previous biennium that is expected to be made in FY07 by a tribal government.