



**WISCONSIN DEPARTMENT OF  
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October 2, 2007

To the Users of This Report:

Re: Monthly Financial Information—August 2007

Please find attached the Report of Monthly General Fund Financial Information for the period ending August 31, 2007. All footnotes and additional information for the tables appear as endnotes on the last four pages of this report. This cover letter provides comment on the attached tables of general fund financial information.

- **FY08 Budget Status.** As of this date, the Wisconsin Legislature has not yet passed a budget for FY08 and appropriations from FY07 automatically continue until the FY08 budget is enacted.
- **Projected FY08 General Fund Cash Flows.** The projected general fund cash flow for FY08 in many of the attached tables continues to reflect the Governor's proposed budget for FY08. The projected general fund cash flow for FY08 also includes the \$600 million of operating notes issued on July 2, 2007, which mature on June 16, 2008.
- **Preliminary FY07 General Fund Tax Collections.** On September 10, 2007, the Wisconsin Department of Revenue announced that preliminary general fund tax collections for FY07 (budgetary basis) were approximately \$22 million more than Legislative Fiscal Bureau (LFB) projections from June 2007, \$71 million more than LFB projections from January 2007, and nearly \$584 million, or 4.9%, above collections in FY06. The State's Annual Fiscal Report will include the ending general fund balance for FY07 (unaudited, budgetary basis) and will be available by October 15, 2007.
- **Preliminary Estimate – Transfer to State's "Rainy Day" Fund.** Based on the preliminary general fund tax collections, estimates of departmental revenues, and agency expenditures for FY07, it is anticipated that a transfer of approximately \$50 million will be made to the State's budget stabilization, or "rainy day" fund. This transfer is pursuant to state law that addresses excess revenues. The transfer will be completed and reported as part of the Annual Fiscal Report, which will be available by October 15, 2007.

Sincerely,

Frank R. Hoadley  
Capital Finance Director

# Monthly General Fund Financial Information State of Wisconsin

## For the Period Ending August 31, 2007

Prepared by the Wisconsin Department of Administration

Prepared on October 2, 2007

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 CASH FLOW FOR FY08 REFLECTS THE GOVERNOR'S PROPOSED BUDGET, REVENUE ESTIMATES RELEASED BY THE LEGISLATIVE FISCAL BUREAU (LFB) ON JANUARY 30, 2007, AND \$600 MILLION OF OPERATING NOTES ISSUED ON JULY 2, 2007.**

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- 1. Cautionary Information!**
- 2. Actual and Projected General Fund Cash Flow for the Fiscal Year Ending June 30, 2008 (Cash Basis)**

This table is an addition to Table II-7, page 42, of the State of Wisconsin Continuing Disclosure Annual Report, December 22, 2006.
- 3. General Fund Cash Flow Year-To-Date Compared to Estimates and Previous Fiscal Year (Cash Basis)**

This table is an addition to Table II-8, page 43, of the State of Wisconsin Continuing Disclosure Annual Report, December 22, 2006.
- 4. General Fund Monthly Cash Position (Cash Basis)**

This table corresponds to Table II-9, page 44, of the State of Wisconsin Continuing Disclosure Annual Report, December 22, 2006.
- 5. Actual and Projected Cash Balances in Funds Available for Interfund Borrowing**

This table corresponds to Table II-10, page 45, of the State of Wisconsin Continuing Disclosure Annual Report, December 22, 2006.
- 6. General Fund Recorded Revenues Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**

This table is an addition to Table II-11, page 46, of the State of Wisconsin Continuing Disclosure Annual Report, December 22, 2006.
- 7. General Fund Recorded Expenditures Year-to-Date Compared to Previous Fiscal Year (Agency Recorded Basis)**

This table is an addition to Table II-12, page 47, of the State of Wisconsin Continuing Disclosure Annual Report, December 22, 2006.
- 8. Endnotes and Additional Information.**

Includes final FY07 general fund recorded revenues and expenditures.

## Cautionary Information

<b>Users of this information should be cautioned about several points:</b>
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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 FY07 or FY08. The State is required to issue its Annual Fiscal Report (budgetary basis) for FY07 by October 15, 2007.
- 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 LFB are expressed on a *budgetary basis* and net of any refunds.
  - As of this date, the legislature has not yet passed a budget for FY08 and appropriations from FY07 automatically continue until the FY08 budget is enacted.
  - The projected general fund cash flow for FY08 reflects the (i) Governor’s proposed budget for FY08, (ii) revenue estimates release by LFB on January 30, 2007, and (iii) \$600 million of operating notes issued on July 2, 2007, which mature on June 16, 2008.
  - 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.
- 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, 2007 TO AUGUST 31, 2007**  
**PROJECTED GENERAL FUND CASH FLOW; SEPTEMBER 1, 2007 TO JUNE 30, 2008<sup>(a)</sup>**

(In Thousands of Dollars)

	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008
<b>BALANCES<sup>(b)</sup></b>												
Beginning Balance	\$ 49,148	\$ 349,749	\$ 638,780	\$ 900,883	\$ 1,764,719	\$ 1,430,894	\$ 822,756	\$ 1,645,214	\$ 1,450,636	\$ 173,450	\$ 762,789	\$ 995,267
Ending Balance <sup>(c)</sup>	349,749	638,780	900,883	1,764,719	1,430,894	822,756	1,645,214	1,450,636	173,450	762,789	995,267	178,711
Lowest Daily Balance <sup>(c)</sup>	39,257	(441)	217,390	735,938	1,149,654	31,024	811,989	1,174,247	173,450	(48,435)	612,295	(284,104)
<b>RECEIPTS</b>												
<b>TAX RECEIPTS</b>												
Individual Income	\$ 682,211	\$ 500,798	\$ 632,937	\$ 710,849	\$ 524,977	\$ 531,147	\$ 1,082,495	\$ 538,481	\$ 566,664	\$ 1,229,733	\$ 530,808	\$ 758,708
Sales & Use	414,387	413,404	399,400	396,100	388,000	354,300	426,700	326,900	312,600	358,400	366,000	388,700
Corporate Income	35,238	20,042	171,200	37,900	28,800	195,100	29,700	22,000	242,300	36,300	23,400	173,300
Public Utility	20	20	104	1,542	151,061	263	187	80	256	2,340	140,286	1,017
Excise	30,620	34,376	36,583	30,655	32,738	31,263	29,192	28,788	27,339	25,949	34,115	33,792
Insurance	584	1,777	27,300	500	1,493	37,829	2,091	18,616	27,774	28,571	1,692	29,168
Inheritance	12,784	17,121	6,664	8,007	8,857	13,053	10,493	6,122	9,893	5,564	6,396	5,731
<b>Subtotal Tax Receipts</b>	<b>\$ 1,175,844</b>	<b>\$ 987,538</b>	<b>\$ 1,274,188</b>	<b>\$ 1,185,553</b>	<b>\$ 1,135,926</b>	<b>\$ 1,162,955</b>	<b>\$ 1,580,858</b>	<b>\$ 940,987</b>	<b>\$ 1,186,826</b>	<b>\$ 1,686,857</b>	<b>\$ 1,102,697</b>	<b>\$ 1,390,416</b>
<b>NON-TAX RECEIPTS</b>												
Federal	579,248	553,559	538,675	574,106	501,392	466,580	638,635	544,001	490,382	546,058	565,488	565,356
Other & Transfers	397,510	231,439	535,708	450,202	301,433	250,914	426,381	528,258	374,328	279,980	477,212	421,138
Note Proceeds <sup>(d)</sup>	594,000	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal Non-Tax Receipts</b>	<b>\$ 1,570,758</b>	<b>\$ 784,998</b>	<b>\$ 1,074,383</b>	<b>\$ 1,024,308</b>	<b>\$ 802,825</b>	<b>\$ 717,494</b>	<b>\$ 1,065,016</b>	<b>\$ 1,072,259</b>	<b>\$ 864,710</b>	<b>\$ 826,038</b>	<b>\$ 1,042,700</b>	<b>\$ 986,494</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 2,746,602</b>	<b>\$ 1,772,536</b>	<b>\$ 2,348,571</b>	<b>\$ 2,209,861</b>	<b>\$ 1,938,751</b>	<b>\$ 1,880,449</b>	<b>\$ 2,645,874</b>	<b>\$ 2,013,246</b>	<b>\$ 2,051,536</b>	<b>\$ 2,512,895</b>	<b>\$ 2,145,397</b>	<b>\$ 2,376,910</b>
<b>DISBURSEMENTS</b>												
Local Aids	1,088,886	170,143	847,298	144,863	944,062	1,330,381	251,155	276,499	1,343,397	138,797	161,255	1,988,158
Income Maintenance	554,657	462,141	390,601	474,039	421,833	409,441	426,194	421,817	407,681	443,510	422,628	312,437
Payroll and Related	293,794	439,220	270,408	426,864	456,384	283,297	467,311	489,317	286,550	435,077	460,002	279,832
Tax Refunds	114,634	89,140	48,200	47,600	66,900	158,681	76,100	485,300	500,300	440,700	184,500	138,500
Debt Service	95,411	5,720	194,314	-	13,491	-	-	1,537	327,165	-	90,637	-
Miscellaneous	294,406	317,141	335,647	252,659	369,906	306,787	602,656	381,117	307,179	309,022	437,447	474,539
Note Repayment <sup>(d)</sup>	4,213	-	-	-	-	-	-	152,237	156,450	156,450	156,450	-
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 2,446,001</b>	<b>\$ 1,483,505</b>	<b>\$ 2,086,468</b>	<b>\$ 1,346,025</b>	<b>\$ 2,272,576</b>	<b>\$ 2,488,587</b>	<b>\$ 1,823,416</b>	<b>\$ 2,207,824</b>	<b>\$ 3,328,722</b>	<b>\$ 1,923,556</b>	<b>\$ 1,912,919</b>	<b>\$ 3,193,466</b>

Note: All footnotes to this table appear on the last four 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<sup>(e)</sup>**

**(Cash Basis)**

**As of August 31, 2007**

**(Amounts in Thousands)**

	<u>FY07 through August 2006</u>	<u>FY08 through August 2007</u>				Difference FY07 Actual to FY08 Actual
	<u>Actual</u>	<u>Actual</u>	<u>Estimate<sup>(a)</sup></u>	<u>Variance</u>	<u>Adjusted Variance<sup>(f)</sup></u>	
<b>RECEIPTS</b>						
<b>Tax Receipts</b>						
Individual Income	\$ 1,040,573	\$ 1,183,009	\$ 1,137,398	\$ 45,611	\$ 45,611	\$ 142,436
Sales	803,254	827,791	806,600	21,191	21,191	24,537
Corporate Income	65,611	55,280	46,600	8,680	8,680	(10,331)
Public Utility	61	40	65	(25)	(25)	(21)
Excise	67,689	64,996	71,586	(6,590)	(6,590)	(2,693)
Insurance	1,254	2,361	2,800	(439)	(439)	1,107
Inheritance	17,164	29,905	14,220	15,685	15,685	12,741
<b>Total Tax Receipts</b>	<b>\$ 1,995,606</b>	<b>\$ 2,163,382</b>	<b>\$ 2,079,269</b>	<b>\$ 84,113</b>	<b>\$ 84,113</b>	<b>\$ 167,776</b>
<b>Non-Tax Receipts</b>						
Federal	\$ 1,084,180	\$ 1,132,807	\$ 1,138,389	\$ (5,582)	\$ (5,582)	\$ 48,627
Other and Transfers	539,315	628,949	559,989	68,960	68,960	89,634
Note Proceeds <sup>(d)</sup>	-	594,000	594,000	-	-	594,000
<b>Total Non-Tax Receipts</b>	<b>\$ 1,623,495</b>	<b>\$ 2,355,756</b>	<b>\$ 2,292,378</b>	<b>\$ 63,378</b>	<b>\$ 63,378</b>	<b>\$ 732,261</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 3,619,101</b>	<b>\$ 4,519,138</b>	<b>\$ 4,371,647</b>	<b>\$ 147,491</b>	<b>\$ 147,491</b>	<b>\$ 900,037</b>
<b>DISBURSEMENTS</b>						
Local Aids	\$ 1,027,678	\$ 1,259,029	\$ 1,230,384	\$ (28,645)	\$ (28,645)	\$ 231,351
Income Maintenance	946,455	1,016,798	1,012,501	(4,297)	(4,297)	70,343
Payroll & Related	654,258	733,014	746,972	13,958	13,958	78,756
Tax Refunds	145,803	203,774	102,000	(101,774)	(101,774)	57,971
Debt Service	61,085	101,131	96,948	(4,183)	(4,183)	40,046
Miscellaneous	677,298	611,547	654,828	43,281	43,281	(65,751)
Note Repayment <sup>(d)</sup>	-	4,213	4,213	-	-	4,213
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 3,512,577</b>	<b>\$ 3,929,506</b>	<b>\$ 3,847,846</b>	<b>\$ (81,660)</b>	<b>\$ (81,660)</b>	<b>\$ 416,929</b>
<b>VARIANCE FY08 YEAR-TO-DATE</b>				<b>\$ 65,831</b>	<b>\$ 65,831</b>	

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

**GENERAL FUND MONTHLY CASH POSITION<sup>(b)</sup>**  
**July 1, 2005 through August 31, 2007 — Actual**  
**September 1, 2007 through June 30, 2008 — Estimated<sup>(a)</sup>**  
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>		<u>Receipts<sup>(d)</sup></u>	<u>Disbursements<sup>(d)</sup></u>
2005	July.....	\$ (193,683) <sup>(c)</sup>		\$ 1,826,490	\$ 2,049,886
	August.....	(417,079) <sup>(c)</sup>		1,862,861	1,309,154
	September.....	136,628 <sup>(c)</sup>		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 <sup>(c)</sup>		1,829,742	2,535,436
2006	January.....	(118,926) <sup>(c)</sup>		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 <sup>(c)</sup>		2,316,434	1,600,131
	May.....	831,334		2,035,524	1,496,923
	June.....	1,369,935 <sup>(c)</sup>		2,033,941	3,399,313
	July.....	4,563 <sup>(c)</sup>		1,920,630	2,121,122
	August.....	(195,929) <sup>(c)</sup>		1,695,545	1,391,455
	September.....	108,161 <sup>(c)</sup>		2,288,498	2,041,092
	October.....	355,567		2,130,549	1,373,404
	November.....	1,112,712		1,856,520	2,086,743
	December.....	882,489 <sup>(c)</sup>		1,791,636	2,501,552
2007	January.....	172,573		2,570,733	1,717,796
	February.....	1,025,510		1,949,875	1,947,201
	March.....	1,028,184 <sup>(c)</sup>		1,869,287	2,934,724
	April.....	(37,253) <sup>(c)</sup>		2,548,712	1,896,578
	May.....	614,881		2,009,550	1,525,908
	June.....	1,098,523 <sup>(c)</sup>		2,307,089	3,356,463
	July.....	49,149		2,746,602	2,446,001
	August.....	349,750 <sup>(c)</sup>		1,772,536	1,483,505
	September.....	638,781		2,348,571	2,086,468
	October.....	900,884		2,209,861	1,346,025
	November.....	1,764,720		1,938,751	2,272,576
	December.....	1,430,895		1,880,449	2,488,587
2008	January.....	822,757		2,645,874	1,823,416
	February.....	1,645,215		2,013,246	2,207,824
	March.....	1,450,637		2,051,536	3,328,722
	April.....	173,451 <sup>(c)</sup>		2,512,895	1,923,556
	May.....	762,790		2,145,397	1,912,919
	June.....	995,268 <sup>(c)</sup>		2,376,910	3,193,466

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

**CASH BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING<sup>(g)</sup>**  
**July 31, 2005 to August 31, 2007 — Actual**  
**September 30, 2007 to June 30, 2008 — Projected<sup>(a)</sup>**  
**(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)**

<b><u>Month (Last Day)</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
January .....		\$ 1,118	\$ 1,048	\$ 1,048
February .....		1,041	1,131	1,131
March .....		1,188	1,154	1,188
April .....		957	1,114	957
May .....		912	1,202	912
June .....		1,074	1,208	1,074
July .....	\$ 1,048	932	1,141	
August .....	1,100	1,052	<u>1,204</u>	
September .....	1,176	1,067	1,067	
October .....	1,115	925	925	
November .....	1,167	966	967	
December .....	1,135	1,019	1,019	

The second table includes the balances in the LGIP. The monthly average daily balances in the LGIP for the past five years have ranged from a low of \$2.2 billion during November 2005 to a high of \$4.2 billion during April 2003.

**(Includes Balances in the Local Government Investment Pool)**

<b><u>Month (Last Day)</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
January .....		\$ 4,232	\$ 4,509	\$ 4,509
February .....		4,237	4,773	4,773
March .....		4,476	4,860	4,476
April .....		3,981	4,593	3,981
May .....		3,708	4,408	3,708
June .....		3,940	4,536	3,941
July .....	\$ 4,193	4,218	4,862	
August .....	3,823	3,978	<u>4,383</u>	
September .....	3,746	3,845	3,845	
October .....	3,361	3,361	3,361	
November .....	3,370	3,477	3,477	
December .....	3,692	3,764	3,764	

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

**GENERAL FUND RECORDED REVENUES<sup>(e)</sup>**  
**(Agency Recorded Basis)**  
**July 1, 2007 to August 31, 2007 compared with previous year<sup>(h)</sup>**

<b>Revenues</b>	<b>Projected Revenues</b>	<b>Recorded Revenues</b>	<b>Recorded Revenues</b>
<b><u>2006-07 FY</u></b>	<b><u>2007-08 FY</u></b>	<b><u>July 1, 2006 to August 31, 2006<sup>(i)</sup></u></b>	<b><u>July 1, 2007 to August 31, 2007<sup>(i)</sup></u></b>
Individual Income Tax .....		\$ 1,017,813,469	\$ 1,133,017,855
General Sales and Use Tax .....		801,804,222	831,046,439
Corporate Franchise and Income Tax .....		53,217,286	41,710,785
Public Utility Taxes .....		0	0
Excise Taxes .....		32,382,374	32,427,862
Inheritance Taxes .....		16,018,724	29,467,043
Insurance Company Taxes .....		108,563	0
Miscellaneous Taxes .....		<u>10,328,487</u>	<u>9,692,049</u>
SUBTOTAL.....		1,931,673,125	2,077,362,033
Federal and Other Inter-Governmental Revenues <sup>(k)</sup> .....		1,088,970,077	1,135,376,288
Dedicated and Other Revenues <sup>(l)</sup> .....		<u>511,543,795</u>	<u>490,077,603</u>
TOTAL.....		<u>\$ 3,532,186,997</u>	<u>\$ 3,702,815,924</u>

Not Available; Final revenues for FY07 will be included in the Annual Fiscal Report for FY07, which is expected to be available no later than October 15, 2007. In addition, the Wisconsin Legislature has not yet passed a budget for FY08.

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION<sup>(e)</sup>**  
**(Agency Recorded Basis)**  
**July 1, 2007 to August 31, 2007 compared with previous year<sup>(h)</sup>**

<b>Expenditures</b>	<b>Appropriations</b>	<b>Recorded Expenditures</b>	<b>Recorded Expenditures</b>
<b><u>2006-07 FY</u></b>	<b><u>2007-08 FY</u></b>	<b><u>July 1, 2006 to August 31, 2006<sup>(m)</sup></u></b>	<b><u>July 1, 2007 to August 31, 2007<sup>(n)</sup></u></b>
Commerce.....		\$ 49,387,214	\$ 35,171,293
Education.....		906,279,351	927,773,777
Environmental Resources.....		15,946,685	72,330,765
Human Relations & Resources .....		1,574,782,277	1,623,924,609
General Executive.....		180,333,801	214,113,738
Judicial.....		30,062,322	16,972,993
Legislative.....		7,418,656	7,555,652
General Appropriations.....		<u>666,986,205</u>	<u>861,181,091</u>
TOTAL.....		<u>\$ 3,431,196,512</u>	<u>\$ 3,759,023,919</u>

Not Available; Final expenditures for FY07 will be included in the Annual Fiscal Report for FY07, which is expected to be available no later than October 15, 2007. In addition, the Wisconsin Legislature has not yet passed a budget for FY08.

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

## ENDNOTES AND ADDITIONAL INFORMATION

- (a) Projections, or estimates, for FY08 reflect the Governor’s proposed budget for FY08 and projected general fund revenues released by LFB on January 30, 2007. As of this date, the Wisconsin Legislature has not yet passed a budget for FY08 and appropriations from FY07 automatically continue until the FY08 budget is enacted. Projections for FY08 also reflect \$600 million of operating notes that were issued on July 2, 2007 for FY08 and mature on June 16, 2008. Projections for FY08 assume that the State will receive approximately \$76 million pursuant to the amended gaming compacts with tribal governments, which is an estimate of all payments due in FY08. A complete copy of LFB’s revenue estimates can be obtained by contacting the State of Wisconsin Capital Finance Office. Amounts do not reflect interfund borrowing.
- (b) 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 are expected to range from \$191 to \$324 million during FY08. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average \$22 million during FY08.
- (c) 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 is approximately \$672 million for FY08 (based on the Governor’s proposed budget). 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 \$403 million for FY08) 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.
- (d) Operating notes were not issued for FY06 and FY07, but \$600 million of operating notes were issued on July 2, 2007 for FY08. The February 29, 2008 impoundment payment reflects the premium received on July 2, 2007 and deposited into the Operating Note Redemption Fund.
- (e) 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.
- (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 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

- (h) These tables do not include additional FY07 revenues and expenditures that were recorded by state agencies during the months of July and August, 2007. **The final tables of recorded revenues and recorded expenditures for FY07 are included at the end of these endnotes and additional information.**
- (i) The amounts shown are FY07 revenues as recorded by state agencies.
- (j) The amounts shown are FY08 revenues as recorded by state agencies.

- (k) 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.
- (l) 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.
- (m) The amounts shown are FY07 expenditures as recorded by state agencies.
- (n) The amounts shown are FY08 expenditures as recorded by state agencies.

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.

In FY06, budget and general fund cash receipts assumed that the State would receive approximately \$146 million pursuant to the amended gaming compacts with tribal governments. This amount reflected (i) \$73 million, which was the estimate of all payments due in FY06, and (ii) \$74 million, which was an estimate of payments due in previous fiscal years that were expected to be made in FY06 by two tribal governments. With respect to the estimated \$73 million of payments due in FY06, the estimated amount due was subsequently revised downward to \$67 million to reflect provisions of the compacts with the tribal governments, and the State 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 were expected to be made in FY06, the State received payments from the two tribal governments that equal this amount.

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 FY07, budget and general fund cash receipts assumed that the State will receive approximately \$112 million pursuant to the amended gaming compacts with tribal governments. This amount reflected (i) \$82 million, which is the estimate of all payments due in FY07, and (ii) \$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. With respect to the estimated \$82 million of payments due in FY07, the estimated amount due was subsequently revised downward to \$70 million pursuant to provisions of the compacts. As of this date, the State has received payments totaling \$51 million from all but one tribal government. The tribal government that did not make its scheduled payment in FY07 is the same tribal government that did not make the \$30 million payment due in a previous biennium and its scheduled payment due in FY06. The State and this tribal government continue arbitration with respect to this tribal government's amended gaming compact.

For the Governor's proposed FY08 budget, the projections of general fund cash receipts assume the State will receive approximately \$76 million pursuant to the amended gaming compacts with tribal governments, which is an estimate of all payments due in FY08.

**GENERAL FUND RECORDED REVENUES (FY07 FINAL)<sup>(1)</sup>**  
**(Agency Recorded Basis)**

**July 1, 2006 to June 30, 2007 compared with previous year**

	<b>Annual Fiscal Report Revenues <u>2005-06 FY<sup>(2)</sup></u></b>	<b>Projected Revenues <u>2006-07 FY<sup>(3)</sup></u></b>	<b>Recorded Revenues July 1, 2005 to <u>June 30, 2006<sup>(4)</sup></u></b>	<b>Recorded Revenues July 1, 2006 to <u>June 30, 2007<sup>(5)</sup></u></b>
Individual Income Tax .....	\$ 6,144,299,000	\$ 6,457,900,000	\$ 6,151,413,883	\$ 6,573,777,561
General Sales and Use Tax .....	4,127,585,000	4,212,900,000	4,127,971,952	4,154,411,238
Corporate Franchise and Income Tax .....	780,320,000	856,600,000	773,205,408	890,179,593
Public Utility Taxes .....	275,147,000	269,400,000	275,146,924	284,939,816
Excise Taxes .....	368,693,000	369,900,000	368,693,206	365,848,384
Inheritance Taxes .....	108,571,000	93,600,000	108,570,770	121,113,660
Insurance Company Taxes .....	134,665,000	141,300,000	134,665,536	141,405,453
Miscellaneous Taxes .....	90,806,000	89,300,000	111,792,568	102,008,397
<b>SUBTOTAL.....</b>	<b>\$ 12,030,086,000</b>	<b>\$ 12,490,900,000</b>	<b>12,051,460,246</b>	<b>12,633,684,102</b>
Federal and Other Inter- Governmental Revenues <sup>(6)</sup> .....	\$ 6,320,576,000	\$ 5,976,875,800	6,320,309,672	6,505,384,718
Dedicated and Other Revenues <sup>(7)</sup> .....	3,971,208,000	4,323,194,600	4,344,293,322	4,215,077,771
<b>TOTAL.....</b>	<b>\$ 22,321,870,000</b>	<b>\$ 22,790,970,400</b>	<b>\$ 22,716,063,241</b>	<b>\$ 23,354,146,591</b>

(1) This table includes FY07 revenues including those recorded by state agencies during the months of July and August, 2007; the FY07 revenues are presented on an agency recorded basis and not a budgetary basis. The final FY07 revenues on a budgetary basis, including the FY07 ending budgetary balance, will be included in the Annual Fiscal Report that the State is required to release by October 15, 2007. 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 FY06, dated October 15, 2006.

(3) Projections in this table reflect the biennial budget for the 2005-07 biennium (2005 Wisconsin Act 25), all enacted bills from the 2005 legislative session, and the general fund revenue estimates released by DOR on November 20, 2006. Projections in this table do not reflect the projected general fund revenues released by LFB on January 30, 2007 or June 4, 2007. No changes were needed to the projected general fund cash flow for the remainder of FY07 as a result of 2007 Wisconsin Act 5, which included adjustments to the budget for FY07. Projections assume that the State will receive approximately \$112 million in FY07 pursuant to the amended gaming compacts with tribal governments. This amount reflects estimates of (i) all payments due that fiscal year (\$82 million) and (ii) a payment due in the previous biennium from a tribal government that is expected to be made in FY07 (\$30 million).

(4) The amounts shown are FY06 revenues as recorded by state agencies.

(5) The amounts shown are FY07 revenues as recorded by state agencies.

(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 (FY 07 FINAL)<sup>(1)</sup>**  
**(Agency Recorded Basis)**  
**July 1, 2006 to June 30, 2007 compared with previous year**

	<b>Annual Fiscal Report Expenditures 2005-06 FY<sup>(2)</sup></b>	<b>Appropriations 2006-07 FY<sup>(3)</sup></b>	<b>Recorded Expenditures July 1, 2005 to June 30, 2006<sup>(4)</sup></b>	<b>Recorded Expenditures July 1, 2006 to June 30, 2007<sup>(5)</sup></b>
Commerce.....	\$ 266,877,000	\$ 281,243,700	\$ 262,182,620	\$ 267,798,374
Education.....	10,146,322,000	10,387,854,300	10,148,028,097	10,542,842,611
Environmental Resources.....	291,548,000	337,924,200	293,413,771	326,425,344
Human Relations & Resources .....	8,712,564,000	8,970,947,600	8,718,438,864	9,314,681,943
General Executive.....	694,145,000	878,235,600	688,288,306	747,644,373
Judicial.....	115,262,000	113,448,700	115,263,496	121,331,937
Legislative.....	61,343,000	65,290,600	61,342,707	63,371,991
General Appropriations.....	<u>1,859,988,000</u>	<u>1,890,759,800</u>	<u>1,859,988,096</u>	<u>1,807,626,637</u>
<b>TOTAL.....</b>	<b><u>\$ 22,148,049,000</u></b>	<b><u>\$ 22,925,704,500</u></b>	<b><u>\$ 22,146,945,958</u></b>	<b><u>\$ 23,191,723,209</u></b>

(1) This table includes FY07 expenditures including those recorded by state agencies during the months of July and August, 2007; the FY07 expenditures are presented on an agency recorded basis and not a budgetary basis. The final FY07 expenditures on a budgetary basis, including the FY07 ending budgetary balance, will be included in the Annual Fiscal Report that the State is required to release by October 15, 2007. 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 FY06, dated October 15, 2006.

(3) Estimated appropriations are based on the biennial budget for the 2005-07 biennium (2005 Wisconsin Act 25) and all enacted bills from the 2005 legislative session but do not include the projected General Fund expenditures released by LFB on January 30, 2007 and do not reflect 2007 Wisconsin Act 5, which included adjustments to the budget for FY07.

(4) The amounts shown are FY06 expenditures as recorded by state agencies.

(5) The amounts shown are FY07 expenditures as recorded by state agencies.