

OFFICIAL STATEMENT

New Issue

This Official Statement provides information about the Bonds. Some of the information appears on this cover page for ready reference. To make an informed investment decision, a prospective investor should read the entire Official Statement.

\$154,890,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2007, SERIES C

Dated: Date of Delivery **Due: May 1, as shown below**

Ratings AA– Fitch Ratings
Aa3 Moody’s Investors Service, Inc.
AA– Standard & Poor’s Ratings Services

Tax Exemption Interest on the Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference. Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes—*See pages 7-8.*

Redemption The Bonds maturing on or after May 1, 2019 are callable at par on May 1, 2018 or any date thereafter—*See page 2.*

Security General obligations of the State of Wisconsin—*See page 2.*

Purpose Proceeds from the Bonds are being used for various governmental purposes—*See page 3.*

Interest Payment Dates May 1 and November 1

First Interest Payment Date May 1, 2008

Denominations Multiples of \$5,000

Closing/Settlement On or about December 5, 2007

Bond Counsel Foley & Lardner LLP

Registrar/Paying Agent Secretary of Administration

Issuer Contact Wisconsin Capital Finance Office
(608) 266-2305; DOACapitalFinanceOffice@wisconsin.gov

Book-Entry System The Depository Trust Company—*See pages 3-4.*

2006 Annual Report This Official Statement incorporates by reference Parts **I, II, and III** of the State of Wisconsin Continuing Disclosure Annual Report, dated December 22, 2006.

The Bonds were sold at competitive sale on November 15, 2007. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Call Date (May 1)	Call Price
97705L QY6	2009	\$ 5,190,000	5.00%	Not Callable	-
97705L QZ3	2010	5,450,000	5.00	Not Callable	-
97705L RA7	2011	5,720,000	5.00	Not Callable	-
97705L RB5	2012	6,005,000	5.00	Not Callable	-
97705L RC3	2013	6,305,000	5.00	Not Callable	-
97705L RD1	2014	6,600,000	5.00	Not Callable	-
97705L RE9	2015	6,930,000	5.00	Not Callable	-
97705L RF6	2016	7,280,000	5.00	Not Callable	-
97705L RG4	2017	7,640,000	5.00	Not Callable	-
97705L RH2	2018	8,025,000	5.00	Not Callable	-
97705L RJ8	2019	7,135,000	5.00	2018	100%
97705L RK5	2020	7,495,000	5.00	2018	100
97705L RL3	2021	7,865,000	5.00	2018	100
97705L RM1	2022	8,260,000	5.00	2018	100
97705L RN9	2023	8,675,000	5.00	2018	100
97705L RP4	2024	9,105,000	5.00	2018	100
97705L RQ2	2025	9,560,000	5.00	2018	100
97705L RR0	2026	10,040,000	5.00	2018	100
97705L RS8	2027	10,540,000	5.00	2018	100
97705L RT6	2028	11,070,000	5.00	2018	100

Purchase Price: \$163,400,399.90

November 15, 2007

This document is the State’s *official* statement about the offering of the Bonds; that is, it is the only document the State has authorized for providing information about the Bonds. This document is not an offer or solicitation for the Bonds, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. This document is not a contract, and it provides no investment advice. Prospective investors should consult their advisors and legal counsel with questions about this document, the Bonds, and anything else related to the offering.

The purpose of this document is to provide prospective investors with information that may be important in making an investment decision. It may not be used for any other purpose without the State’s permission. The State is the author of this document and is responsible for its accuracy and completeness. The Underwriter is not the author of this document. In accordance with its responsibilities under federal securities laws, the Underwriter is required to review the information in this document and must have a reasonable basis for its belief in the accuracy and completeness of key representations in this document.

The estimates, forecasts, projections, and opinions in this document are not hard facts, and no one guarantees them. Some of the people who prepared, compiled, or reviewed this information had specific functions that covered some aspects of the offering but not others. For example, financial staff focused on quantitative financial information, and legal counsel focused on specific documents or legal issues assigned to them.

No dealer, broker, sales representative, or other person has been authorized to give any information or to make any representations about the Bonds other than what is in this document. The information and expressions of opinion in this document may change without notice. The delivery of this document or any sale of the Bonds does not imply that there has been no change in the matters contained in this document since the date of this document. Material referred to in this document is not part of this document unless expressly included.

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STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF THE BONDS

BUILDING COMMISSION MEMBERS

Voting Members	Term of Office Expires
Governor Jim Doyle, Chairperson	January 2, 2011
Senator Fred A. Risser, Vice-Chairperson	January 4, 2009
Senator Ted Kanavas	January 4, 2009
Senator Jeffrey Plale	January 2, 2011
Representative Dean Kaufert	January 4, 2009
Representative Phil Montgomery*	January 4, 2009
Representative Jennifer Shilling	January 4, 2009
Mr. Terry McGuire, Citizen Member	At the pleasure of the Governor

* For the Building Commission meeting of October 17, 2007, Representative Robin Vos replaced Representative Phil Montgomery.

Nonvoting, Advisory Members

Mr. Adel Tabrizi, State Chief Engineer Department of Administration	_____
Mr. Dave Haley, State Chief Architect Department of Administration	_____

Acting Building Commission Secretary

Mr. David W. Helbach, Secretary Division of State Facilities Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration
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OTHER PARTICIPANTS

Mr. J.B. Van Hollen State Attorney General	January 2, 2011
Mr. Michael L. Morgan, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
Capital Finance Office
P.O. Box 7864
101 E. Wilson Street, 10th Floor
Madison, WI 53707-7864
Telefax (608) 266-7645

DOACapitalFinanceOffice@wisconsin.gov

Mr. Frank R. Hoadley
Capital Finance Director
(608) 266-2305
frank.hoadley@wisconsin.gov

Mr. Lawrence K. Dallia
Assistant Capital Finance Director
(608) 267-7399
larry.dallia@wisconsin.gov

Mr. David R. Erdman
Capital Finance Officer
(608) 267-0374
david.erdman@wisconsin.gov

SUMMARY DESCRIPTION OF BONDS

Selected information is presented on this page for the convenience of the reader. To make an informed investment decision, a prospective investor should read the entire Official Statement.

Description:	State of Wisconsin General Obligation Bonds of 2007, Series C
Principal Amount:	\$154,890,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about December 5, 2007)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning May 1, 2008
Maturities:	May 1, 2009-2028— <i>See front cover</i>
Redemption:	<i>Optional</i> —The Bonds maturing on or after May 1, 2019 are callable at par on May 1, 2018 or any date thereafter— <i>See page 2</i>
Form:	Book-entry-only— <i>See pages 3-4</i>
Paying Agent:	All payments of principal and interest on the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of October 1, 2007, general obligations of the State were outstanding in the principal amount of \$5,708,168,689.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Authority for Issuance:	The Bonds are issued under Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, water, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference— <i>See pages 7-8</i> Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes— <i>See page 8</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP— <i>See page C-1</i>

OFFICIAL STATEMENT
\$154,890,000
STATE OF WISCONSIN
GENERAL OBLIGATION BONDS OF 2007, SERIES C

INTRODUCTION

This Official Statement provides information about the \$154,890,000 General Obligation Bonds of 2007, Series C (**Bonds**), which are being issued by the State of Wisconsin (**State**). This Official Statement includes by reference Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 22, 2006 (**2006 Annual Report**).

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, as well as an authorizing resolution that the State of Wisconsin Building Commission (**Commission**) adopted on October 17, 2007.

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell all the State's general obligations. The Commission is assisted and staffed by the State of Wisconsin Department of Administration (**Department of Administration**).

The Commission has authorized the Department of Administration to prepare this Official Statement. This Official Statement contains information furnished by the State or obtained from the sources indicated.

THE STATE

The State is located in the Midwest among the northernmost tier of states. The State ranks 20th among the states in population and 26th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State, its financial condition, and its general obligation debt is included as **APPENDIX A**, which includes by reference, and makes changes or additions to, Parts II and III of the 2006 Annual Report. **APPENDIX A** also includes information on the results of the 2006-07 fiscal year and the 2007-09 biennial budget.

Requests for additional information about the State may be directed to:

Contact: Capital Finance Office
Attn: Capital Finance Director
Phone: (608) 266-2305
Mail: 101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
E-mail: DOACapitalFinanceOffice@wisconsin.gov
Web site: www.doa.wi.gov/capitalfinance

THE BONDS

General

The **front cover of this Official Statement** sets forth the maturity dates, amounts, and interest rates for the Bonds.

The Bonds will be dated their date of delivery (expected to be December 5, 2007) and will bear interest from that date payable on May 1 and November 1 of each year, beginning on May 1, 2008.

Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Payments of principal and interest for each Bond will be paid to the registered owner of the Bonds. The Bonds are being issued in book-entry-only form, so the registered owner will be a securities depository or its nominee. The Commission has appointed, as the securities depository for the Bonds, The Depository Trust Company, New York, New York (DTC). See “**THE BONDS; Book-Entry-Only Form**”.

The Bonds are issued as fully registered bonds without coupons in principal denominations of \$5,000 or multiples of \$5,000.

Security

The Bonds are direct and general obligations of the State. The full faith, credit, and taxing power of the State are irrevocably pledged to make principal and interest payments on the Bonds. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient to make principal and interest payments on the Bonds as the payments become due. The Bonds are secured equally with all other outstanding general obligations issued by the State.

Redemption Provisions

Optional Redemption

The Bonds maturing on or after May 1, 2019 may be redeemed on May 1, 2018 or any date thereafter, in whole or in part in multiples of \$5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date. The Commission may decide whether to redeem Bonds, and the Capital Finance Director may direct the amounts and maturities of the Bonds to be redeemed.

Selection of Bonds

If less than all the Bonds of a particular maturity are to be redeemed, the selection of Bonds to be redeemed depends on whether or not the Bonds are in book-entry-only form. See “**THE BONDS; Book-Entry-Only Form**”. If the Bonds are in book-entry-only form, selection of the beneficial owners affected by the redemption will be made by the securities depository and its participants in accordance with their rules. If the Bonds are not in book-entry-only form, then selection will be by lot.

Notice of Redemption

If the Bonds are in book-entry-only form, any redemption notice will be sent to the securities depository between 30 and 60 days before the redemption date. A redemption notice may be revoked by sending notice to the securities depository at least 15 days before the proposed redemption date.

If the Bonds are not in book-entry-only form, any redemption notice will be published between 30 and 60 days before the date of redemption in a financial newspaper published or circulated in New York, New York. The notice will also be mailed, postage prepaid, between 30 and 60 days before the redemption date to the registered owners of any Bonds to be redeemed. The mailing, however, will not be a condition to the redemption; any proceedings to redeem the Bonds will still be effective even if the notice is not mailed. A redemption notice may be revoked by publication of a notice at least 15 days before the proposed redemption date in a financial newspaper published or circulated in New York, New York. Any revocation notice will also be mailed, postage prepaid, at least 15 days before the proposed redemption date to the registered

owners of any Bonds to have been redeemed. The mailing, however, will not be a condition to the revocation; the revocation will still be effective even if the notice is not mailed.

Interest on any Bond called for redemption will cease to accrue on the redemption date so long as the Bond is paid or money is provided for its payment.

Registration and Payment of Bonds

How the Bonds are paid depends on whether or not they are in book-entry-only form.

If the Bonds are in book-entry-only form, then payment of principal will be made by wire transfer to the securities depository or its nominee by the **Paying Agent**—which is the Secretary of Administration. Payment of interest will be made by wire transfer to the securities depository or its nominee on the payment date.

If the Bonds are not in book-entry-only form, then payment of principal will be made by check or draft issued upon the presentation and surrender of the Bonds at the principal office of the Paying Agent, as designated by the Commission. Payment of interest due on the Bonds will be made by check or draft mailed to the registered owner shown in the registration book at the close of business on the **Record Date**—which is the 15th day (whether or not a business day) of the calendar month before the interest payment date.

Ratings

At the State’s request, several rating agencies have assigned a rating to the Bonds:

<u>Rating</u>	<u>Rating Agency</u>
AA–	Fitch Ratings
Aa3	Moody’s Investors Service, Inc.
AA–	Standard & Poor’s Ratings Services ^(a)

^(a) On November 13, 2007, Standard & Poor’s Ratings Services changed its rating outlook on the State’s general obligations from “positive” to “stable”.

Any explanation of what a rating means may only be obtained from the rating agency giving the rating. No one can offer any assurance that a rating given to the Bonds will be maintained for any period of time; a rating agency may lower or withdraw the rating it gives if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may adversely affect the market price of the Bonds.

Application of Bond Proceeds

The Wisconsin Legislature has established the borrowing purposes and amounts for which public debt may be issued. **APPENDIX B** includes a summary of these purposes and the amounts both authorized and previously issued for each borrowing purpose. **APPENDIX B** also identifies the purposes and amounts for which the Bonds are being issued.

Bond proceeds will be deposited in the State’s Capital Improvement Fund. Bond proceeds will be spent as the State incurs costs for the various borrowing purposes; until spent, the money will be invested by the State of Wisconsin Investment Board.

Book-Entry-Only Form

The Bonds will initially be issued in book-entry-only form. Purchasers of the Bonds will not receive bond certificates but instead will have their ownership in the Bonds recorded in the book-entry system.

Bond certificates are to be issued and registered in the name of a nominee of DTC, which acts as securities depository for the Bonds. Ownership of the Bonds by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system (**DTC Participants**). All transfers of ownership in the Bonds must be made, directly or indirectly, through DTC Participants.

Payment

The State will make all payments of principal of, and interest and any redemption premium on, the Bonds to DTC. Owners of the Bonds will receive payments through the DTC Participants.

Notices and Voting Rights

The State will provide notices and other communications about the Bonds to DTC. Owners of the Bonds will receive any notices or communications through the DTC Participants. In any situation involving voting rights, DTC will not vote but will rather give a proxy through the DTC Participants.

Redemption

If less than all of the Bonds of a given maturity are being redeemed, DTC's practice is to determine by lottery the amount of the Bonds to be redeemed from each DTC Participant.

Discontinued Service

In the event that participation in DTC's book-entry system were to be discontinued and a successor securities depository were not obtained, Bond certificates would be executed and delivered to DTC Participants.

Further Information

Further information concerning DTC and DTC's book-entry system is available at www.dtcc.com. The State is not responsible for any information available on DTC's web site. That information may be subject to change without notice.

The State is not responsible for a failure by DTC or any DTC Participant to transfer payments or notices to the owners of the Bonds or to follow the procedures established by DTC for its book-entry system.

OTHER INFORMATION

Limitations on Issuance of General Obligations

All general obligations issued by the State fall within a debt limit set forth in the Wisconsin Constitution and Statutes. There is an annual limit of three-quarters of one percent, and a cumulative limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual limit is \$3,734,402,615, and the aggregate limit is \$24,896,017,435. A funding or refunding obligation does not count for purposes of the annual debt limit or the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations. As of October 1, 2007, general obligations of the State were outstanding in the principal amount of \$5,708,168,689.

Borrowing Plans for 2007

General Obligations

The Bonds are the sixth series of general obligations to be issued in this calendar year. The State has previously issued two series of general obligation bonds in the aggregate par amount of \$308 million for general governmental purposes, two series of general obligation refunding bonds in

the aggregate amount of \$21 million for the refunding of general obligation bonds previously issued for the veterans housing loan program, and one series of general obligation refunding bonds in the par amount of \$299 million for the refunding of general obligation bonds previously issued for general governmental purposes.

The Commission has authorized, in addition to the Bonds, the issuance of the following general obligations:

- Up to \$350 million of general obligation refunding bonds to refund general obligation bonds previously issued for general governmental purposes. The amount and timing of any issuance of general obligation refunding bonds depend on market conditions.
- Up to \$25 million of general obligations for the veterans housing loan program, which may be in the form of bonds or extendible municipal commercial paper. Approximately \$10 million of this authorization, combined with approximately \$4 million for the funding of outstanding extendible municipal commercial paper notes, is expected to be issued in the fourth quarter in the form of general obligation bonds. The amount and timing of any additional issuance of general obligations depend on originations of veterans housing loans.
- Up to \$41 million of general obligation refunding bonds to refund general obligation bonds previously issued for the veterans housing loan program. The amount and timing of any issuance of general obligation refunding bonds depend on market conditions.
- General obligation extendible municipal commercial paper, to be issued pursuant to a new program resolution, for funding previously issued and outstanding general obligation extendible municipal commercial paper. This issuance may occur in the fourth quarter.

Other Obligations

The State has issued two series of transportation revenue bonds in this calendar year: \$149 million of transportation revenue bonds to fund projects and \$207 million of transportation revenue refunding bonds for the refunding of transportation revenue bonds previously issued to fund projects. The Commission has also authorized up to \$250 million of transportation revenue refunding bonds to refund previously issued transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend on market conditions.

The Commission has authorized up to \$150 million of clean water revenue bonds to fund additional loans in the Clean Water Fund Program. The amount and timing of any issuance of clean water revenue bonds depend on loan activity in the Clean Water Fund Program. The Commission has authorized up to \$125 million of clean water revenue refunding bonds to refund previously issued clean water revenue bonds. The amount and timing of any issuance of clean water revenue refunding bonds depend on market conditions.

The State has issued \$600 million of operating notes in this calendar year for the 2007-08 fiscal year.

Underwriting

The Bonds were purchased through competitive bidding on November 15, 2007 by Lehman Brothers (**Underwriter**). The Underwriter paid \$163,400,399.90, and its bid resulted in a true interest cost rate to the State of 4.382303%.

Reference Information About the Bonds

Both the following table and the [table on the front cover](#) include information about the Bonds and are provided for reference. The CUSIP number for each maturity has been obtained from sources the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriter has provided the reoffering yields and prices. For each of the Bonds subject to optional redemption, the dollar price at issuance is computed to the lower of the yield to the first optional call date or the yield to the nominal maturity date.

\$154,890,000
State of Wisconsin
General Obligation Bonds of 2007, Series C

Dated Date: Date of Delivery

First Interest Date: May 1, 2008

Delivery/Settlement Date: On or about December 5, 2007

CUSIP	Year (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)	Call Price
97705L QY6	2009	\$ 5,190,000	5.00%	3.35%	102.243%	Not Callable	-
97705L QZ3	2010	5,450,000	5.00	3.39	103.686	Not Callable	-
97705L RA7	2011	5,720,000	5.00	3.45	104.936	Not Callable	-
97705L RB5	2012	6,005,000	5.00	3.54	105.904	Not Callable	-
97705L RC3	2013	6,305,000	5.00	3.62	106.716	Not Callable	-
97705L RD1	2014	6,600,000	5.00	3.70	107.350	Not Callable	-
97705L RE9	2015	6,930,000	5.00	3.78	107.813	Not Callable	-
97705L RF6	2016	7,280,000	5.00	3.87	108.038	Not Callable	-
97705L RG4	2017	7,640,000	5.00	3.95	108.178	Not Callable	-
97705L RH2	2018	8,025,000	5.00	4.04	108.086	Not Callable	-
97705L RJ8	2019	7,135,000	5.00	4.16	107.032	^(a) 2018	100%
97705L RK5	2020	7,495,000	5.00	4.22	106.510	^(a) 2018	100
97705L RL3	2021	7,865,000	5.00	4.28	105.991	^(a) 2018	100
97705L RM1	2022	8,260,000	5.00	4.33	105.561	^(a) 2018	100
97705L RN9	2023	8,675,000	5.00	4.38	105.132	^(a) 2018	100
97705L RP4	2024	9,105,000	5.00	4.42	104.791	^(a) 2018	100
97705L RQ2	2025	9,560,000	5.00	4.46	104.452	^(a) 2018	100
97705L RR0	2026	10,040,000	5.00	4.50	104.114	^(a) 2018	100
97705L RS8	2027	10,540,000	5.00	4.54	103.777	^(a) 2018	100
97705L RT6	2028	11,070,000	5.00	4.54	103.777	^(a) 2018	100

^(a) These Bonds are priced to the May 1, 2018 first optional call date.

Legal Investment

State law provides that the Bonds are legal investments for the following:

- Banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business.
- Personal representatives, guardians, trustees, and other fiduciaries.
- The State and all public officers, municipal corporations, political subdivisions, and public bodies.

Legal Opinions

Bond Opinion

Legal matters relating to the authorization, issuance, and sale of the Bonds are subject to the approval of **Bond Counsel**, which is Foley & Lardner LLP. Bond Counsel will deliver an approving opinion when the Bonds are delivered, in substantially the form shown in [APPENDIX C](#).

If certificated Bonds were issued, then the opinion would be printed on the reverse side of each Bond.

Attorney General

As required by law, the office of the Attorney General will examine a certified copy of all proceedings leading to issuance of the Bonds. The Attorney General will deliver an opinion on the regularity and validity of the proceedings. The Attorney General's opinion will also state that there is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, restraining or enjoining the issuance, sale, execution, or delivery of the Bonds, and there also is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, in any way contesting or affecting (1) the titles to their respective offices of any of the State officers involved in the issuance of the Bonds, (2) the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale of the Bonds, or (3) the pledge or application of any moneys or security provided for the payment of the Bonds.

If certificated Bonds were issued, then a certificate of the Attorney General would be printed on the reverse side of each Bond.

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes. Such interest also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations, however, interest on the Bonds is taken into account in determining adjusted current earnings. As to questions of fact material to Bond Counsel's opinion, Bond Counsel has relied upon certified proceedings and certifications of public officials without independently undertaking to verify them. Moreover, the State must comply with all requirements of the Internal Revenue Code of 1986, as amended (**Code**), that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has promised to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date the Bonds were issued. The proceedings authorizing the Bonds do not provide for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds ceases to be excluded from gross income.

Certain requirements and procedures contained or referred to in the authorizing resolution and other relevant documents may be changed, and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel does not express any opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Foley & Lardner LLP.

Future legislation or clarifications or amendments to the Code, if enacted into law, may cause the interest on the Bonds to be subject, directly or indirectly, to federal taxation, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending federal legislation.

The opinion of Bond Counsel is based on legal authorities that are current as of its date, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's

judgment regarding the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (**IRS**) or the courts, and it is not a guarantee of result.

The IRS has an active tax-exempt bond enforcement program. Bond Counsel is not obligated to defend the State regarding the tax-exempt status of the Bonds in the event of an examination by the IRS. Under current IRS procedures, the owners of the Bonds and other parties other than the State would have little, if any, right to participate in an IRS examination of the Bonds. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt obligations is difficult, obtaining independent review of IRS positions with which the State may legitimately disagree may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for examination, or the course or result of such an examination, or an examination of obligations presenting similar tax issues may affect the market price, or the marketability of the Bonds, and may cause the State or the owners of the Bonds to incur significant expense.

Bond Counsel expresses no opinion about other federal tax consequences arising regarding the Bonds. There may be other federal tax law provisions that could adversely affect the value of an investment in the Bonds for particular owners of Bonds. Prospective investors should consult their own tax advisors about the tax consequences of owning a Bond.

State of Wisconsin Income and Franchise Taxes

Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes. Prospective investors should consult their own tax advisors about the state and local tax consequences of owning a Bond.

Premium Bonds

Each Bond has an initial offering price to the public, excluding underwriters or other intermediaries (**Issue Price**) that is greater than the amount payable at the maturity of the Bond, and each Bond purchased at the Issue Price will have “amortizable bond premium” within the meaning of Section 171 of the Code (**Premium Bond**).

An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium. During each taxable year, such an owner must reduce his or her tax basis in the Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the owner owned the Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the Premium Bond.

Owners of Premium Bonds who do not purchase their Premium Bonds in the initial offering at the Issue Price should consult their own tax advisors with respect to the federal tax consequences of owning Premium Bonds. Owners of Premium Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning Premium Bonds.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State (**Annual Reports**). By December 27 of each year, the State will send the report to each nationally recognized municipal securities information repository (**NRMSIR**) and to any state information depository (**SID**) for the State. The State will also provide notices of the occurrence of certain events specified in the undertaking to each NRMSIR, or the Municipal Securities Rulemaking Board (**MSRB**), and to any SID. At this time, there is no SID for the State. [Part I of the](#)

[2006 Annual Report](#), which contains information on the undertaking, is included by reference as part of this Official Statement.

Copies of the Annual Reports and notices may be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov
www.doa.wi.gov/capitalfinance

The undertaking also describes the consequences if the State fails to provide any required information. The State must report the failure to the NRMSIRS, or the MSRB, and to any SID. In the last five years, the State has not failed to comply in any material respect with this or any similar undertaking.

Dated: November 15, 2007

STATE OF WISCONSIN

/S/ JIM DOYLE

Governor Jim Doyle, Chairperson
State of Wisconsin Building Commission

/S/ MICHAEL L. MORGAN

Michael L. Morgan, Secretary
State of Wisconsin Department of Administration

/S/ DAVID W. HELBACH

David W. Helbach, Secretary
State of Wisconsin Building Commission

APPENDIX A

INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin (**State**), as contained in Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 22, 2006 (**2006 Annual Report**). This Appendix includes information on the results of the 2006-07 fiscal year, the 2007-09 biennial budget, and other changes or additions to the information presented in Parts II and III of the 2006 Annual Report.

[Part II of the 2006 Annual Report](#) contains general information about the State. More specifically, that part presents information about the following matters:

- State's operations and financial procedures
- State's accounting and financial reporting
- Organization of, and services provided by, the State
- Results of fiscal year 2005-06
- State budget
- Potential effects of litigation
- Obligations of the State
- State Investment Board
- Statistical information about the State's population, income, and employment

Included as [APPENDIX A to Part II of the 2006 Annual Report](#) are the audited general purpose external financial statements for the fiscal year ending June 30, 2006, prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Government Accounting Standards Board, and the State Auditors' report.

[Part III of the 2006 Annual Report](#) contains information concerning general obligations issued by the State. That part discusses the security provisions for general obligations (including the flow of funds to pay debt service on general obligations) and presents data about the State's outstanding general obligations and the portion of outstanding general obligations that is revenue supported.

The 2006 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**) and is also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin". The Capital Finance Office web site is located at the following address:

www.doa.wi.gov/capitalfinance

Copies of the 2006 Annual Report may also be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov

After publication and filing of the 2006 Annual Report, certain changes or events have occurred that affect items discussed in the 2006 Annual Report. Listed below, by reference to particular sections of Parts II and III of the 2006 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes or additions have not been filed with the NRMSIRs. However, the State has filed, and expects to continue to file, certain informational notices with the NRMSIRs, some of which may describe occurrences other than listed material events under the State's Master Agreement on Continuing Disclosure.

State Budget (Part II; Page 28). Add the following new section:

Deposit Into Budget Stabilization Fund

As included in the State’s Annual Fiscal Report for the 2006-07 fiscal year (unaudited, budgetary basis), a transfer of \$55.6 million has been made from the General Fund to the State’s budget stabilization fund (which is a “rainy day fund”). The governor announced this transfer on September 11, 2007, based on the preliminary general fund tax collections released by the Department of Revenue (DOR) on September 10, 2007. This transfer was completed pursuant to statutory provisions addressing revenues received in excess of original budget estimates.

State Budget; Budget for 2006-07 Fiscal Year (Part II; Pages 28-32). Add the following:

Results of 2006-07 Fiscal Year

The State’s Annual Fiscal Report includes the ending general fund balance for the 2006-07 fiscal year (unaudited, budgetary basis) and was released on October 15, 2007. It reports the State ended the 2006-07 fiscal year on a statutory and unaudited basis with an undesignated balance of \$66.3 million. The balance would have been \$55.6 million higher had the transfer to the Budget Stabilization Fund not occurred. The State did not issue any operating notes during the 2006-07 fiscal year.

The complete Annual Fiscal Report is available from the address shown on [page A-1](#) of this Official Statement.

The following table shows the final General Fund condition statement for the 2006-07 fiscal year. This table also includes, for comparison, the estimated General Fund condition statements that reflect (1) the budget adjustments made in 2007 Wisconsin Act 5, (2) the January 30, 2007 Legislative Fiscal Bureau (LFB) memorandum, and (3) the report released by the State of Wisconsin Department of Administration (DOA) on November 20, 2006.

**General Fund Condition Statement
2006-07 Fiscal Year
(in Millions)**

	October 15, 2007 Annual <u>Fiscal Report</u>	March 16, 2007 <u>Wisconsin Act 5</u>	January 30, 2007 LFB <u>Memorandum</u>	November 30, 2006 DOA <u>Report</u>
Revenues				
Opening Balance	\$ 49.2	\$ 49.2	\$ 49.2	\$ 49.2
Taxes	12,618.0	12,542.6	12,542.6	12,490.9
Department Revenues				
Tribal Gaming	22.1	75.6	75.6	92.7
Other	<u>471.5</u>	<u>519.5</u>	<u>497.3</u>	<u>497.8</u>
Total Available	13,160.8	13,186.9	13,164.7	13,130.7
Appropriations				
Gross Appropriations	13,013.6	13,199.0	13,217.6	13,217.6
Compensation Reserves	55.6	178.3	178.3	178.3
Transfer to Medical Assistance Trust Fund	25.3	25.4	25.4	25.4
Transfer to Budget Stabilization Fund				
Less: Lapses and Sum Sufficient Reestimates	<u>0.0</u>	<u>(287.6)</u>	<u>(367.2)</u>	<u>(360.7)</u>
Net Appropriations	13,094.5	13,115.1	13,054.1	13,060.6
Balances				
Gross Balance	66.3	71.7	110.7	70.0
Less: Required Statutory Balance	<u>n/a</u>	<u>(65.0)</u>	<u>(65.0)</u>	<u>(65.0)</u>
Net Balance, June 30	\$ 66.3	\$ 6.7	\$ 45.7	\$ 5.0

Preliminary General Fund Tax Collections—September 10, 2007

On September 10, 2007, the DOR released preliminary General Fund tax collections for the 2006-07 fiscal year. General fund tax collections, on a budgetary basis, are about \$584 million, or 4.9%, above collections in the 2005-06 fiscal year. Subsequent to filing of the 2006 Annual Report, various updates to General Fund tax collection projections for the 2006-07 fiscal year have been provided by either LFB or DOR. The following table provides a summary of DOR preliminary General Fund tax collections compared to previous projections.

**Preliminary General Fund Tax Collections Compared to Previous Projections
2006-07 Fiscal Year
(in Millions)**

	DOR Projections <u>November 2006</u>	LFB Projections <u>January 2007</u>	LFB Projections <u>June 2007</u>	DOR Preliminary <u>September 2007</u>	Difference (DOR Nov. 2006 to DOR Sept. 2007)
Individual Income	\$ 6,457.9	\$ 6,480.0	\$ 6,555.0	\$ 6,573.8	\$ 115.9
Sales and Use	4,212.9	4,210.0	4,160.0	4,154.4	(58.5)
Corp. Income & Franchise	856.6	880.0	890.0	890.1	33.5
Public Utility	269.4	282.7	282.7	284.9	15.5
Excise					
Cigarettes	300.7	303.0	298.0	296.1	(4.6)
Liquor & Wine	42.1	42.0	42.0	42.7	0.6
Tobacco Products	17.7	17.5	17.5	17.5	(0.2)
Beer	9.4	9.4	9.4	9.5	0.1
Insurance Company	141.3	138.0	140.0	141.4	0.1
Estate	93.6	100.0	117.0	121.1	27.5
Miscellaneous Taxes	<u>89.3</u>	<u>80.0</u>	<u>80.0</u>	<u>82.1</u>	<u>(7.2)</u>
TOTAL	\$12,490.9	\$12,542.6	\$12,591.6	\$12,613.7	\$ 122.7

As outlined in the January 30, 2007 LFB memorandum accompanying the projections at that time, the estimates of collection of sales and use taxes did not reflect the-then recent court of appeals decision on sales tax paid on certain customized computer software. See **“STATE BUDGET; POTENTIAL EFFECT OF LITIGATION; Sales Tax on Customized Computer Software”** in this Appendix. A complete copy of the January 30, 2007 LFB memorandum is available from the address shown on [page A-1](#) of this Official Statement.

2007 Wisconsin Act 5 (Budget Adjustments)

On March 16, 2007, Governor Doyle signed into law budget adjustments for the 2006-07 fiscal year (2007 Wisconsin Act 5). This act addressed the shortfalls in four programs that were identified in the January 30, 2007 LFB memorandum. A complete copy of the January 30, 2007 LFB memorandum is available from the address shown on [page A-1](#) of this Official Statement.

State Budget; Budget for 2007-09 Biennium (Part II–Page 33). Add the following:

Budget Enacted for 2007-09 Biennium (2007 Wisconsin Act 20)

On October 23, 2007 the Wisconsin legislature adopted a budget bill for the 2007-09 biennium, and Governor Doyle signed this bill into law, with some partial vetoes, on October 26, 2007. The following is the General Fund condition statement for the 2007-08 and 2008-09 fiscal years.

General Fund Condition Statement
2007-08 and 2008-09 Fiscal Years
(in Millions)

	<u>Budget</u> <u>2007-08 Fiscal Year</u>	<u>Budget</u> <u>2008-09 Fiscal Year</u>
Revenues		
Opening Balance	\$ 66.3	\$ 67.0
Taxes	13,100.1	13,626.2
Department Revenues		
Tribal Gaming	96.7	46.3
Other	<u>428.2</u>	<u>435.0</u>
Total Available	13,691.3	14,175.5
Appropriations		
Gross Appropriations	13,824.0	14,212.1
Compensation Reserves	62.8	156.6
Less: Lapses	<u>(262.4)</u>	<u>(262.0)</u>
Net Appropriations	13,624.4	14,106.8
Balances		
Gross Balance	67.0	67.8
Less: Required Statutory Balance	<u>(65.0)</u>	<u>(65.0)</u>
Net Balance, June 30	\$ 2.0	\$ 2.8

Although the above table reflects the enacted budget, the detailed tables containing information on the budget for the 2007-08 and 2008-09 fiscal years that are found on pages [A-5](#) and [A-6](#) reflect the Governor’s proposed budget because updates to these tables reflecting the enacted budget are not yet available. More information about the enacted budget for the 2007-09 biennium may also be obtained from the address shown on [page A-1](#) of this Official Statement.

Litigation Regarding Transfer from Injured Patients and Families Compensation Fund

On October 29, 2007, the Wisconsin Medical Society, Inc. filed a suit in the Dane County Circuit Court to prevent the transfer of \$200 million from the Injured Patients and Families Compensation Fund to the State’s Medical Assistance trust fund. The enacted budget for the 2007-09 biennium (2007 Wisconsin Act 20) provides for this transfer to occur in the amounts of \$72 million and \$128 million, respectively, for the 2007-08 and 2008-09 fiscal years. The transfer is to the Medical Assistance trust fund; if the court were to invalidate the transfer, then subsequent legislation would be needed to address the resulting shortfall in the Medical Assistance trust fund.

LFB Projected General Fund Tax Collections—January 30, 2007

The projections of General Fund tax collections released by LFB on January 30, 2007 also include revenue estimates for the 2007-09 biennium, namely, \$12.941 billion for the 2007-08 fiscal year and \$13.398 billion for the 2008-09 fiscal year, or annual increases of 3.2% and 3.5%, respectively. These respective amounts are lower than estimates included in the November 20, 2006 DOA report by less than \$1 million for the 2007-08 fiscal year and about \$64 million for the 2008-09 fiscal year. A complete copy of the January 30, 2007 LFB memorandum is available from the address shown on [page A-1](#) of this Official Statement.

Table II-4; State Budget—General Fund (Part II—Page 31). Replace with the following updated table:

	Actual 2006-07 ^(a)	Governor's Proposed Budget ^(b) 2007-08	Governor's Proposed Budget ^(b) 2008-09
RECEIPTS			
Fund Balance from Prior Year.....	\$ 49,217,000	\$ 80,147,100	\$ 131,000,600
Tax Revenue			
State Taxes Deposited to General Fund			
Individual Income.....	6,573,778,000	6,765,700,000	7,102,000,000
General Sales and Use.....	4,158,612,000	4,311,400,000	4,484,100,000
Corporate Franchise and Income.....	890,056,000	887,700,000	852,300,000
Public Utility.....	284,940,000	297,200,000	314,400,000
Excise			
Cigarette/Tobacco Products.....	313,644,000	322,400,000	324,300,000
Liquor and Wine.....	42,674,000	42,500,000	43,000,000
Malt Beverage.....	9,530,000	9,400,000	9,400,000
Inheritance, Estate & Gift.....	121,114,000	95,000,000	25,000,000
Insurance Company.....	141,405,000	141,000,000	144,000,000
Other.....	102,132,000	11,000,000 ^(d)	11,000,000 ^(d)
Subtotal.....	<u>12,637,885,000</u>	<u>12,883,300,000</u>	<u>13,309,500,000</u>
Nontax Revenue			
Departmental Revenue			
Tribal Gaming Revenues	n/a ^(c)	47,245,600	51,114,600
Other.....	291,316,000	416,022,700	394,655,100
Program Revenue-Federal.....	6,505,269,000	6,434,556,600	6,671,373,100
Program Revenue-Other.....	3,688,954,000	4,056,339,100	4,204,529,600
Subtotal.....	<u>10,485,539,000</u>	<u>10,954,164,000</u>	<u>11,321,672,400</u>
Total Available.....	<u>\$ 23,172,641,000</u>	<u>\$ 23,917,611,100</u>	<u>\$ 24,762,173,000</u>
DISBURSEMENTS AND RESERVES			
Commerce.....	281,047,000	299,683,000	302,407,400
Education.....	10,542,076,000	11,025,395,100	11,261,959,800
Environmental Resources.....	328,094,000	339,771,400	337,281,900
Human Relations and Resources.....	9,341,228,000	9,173,442,300	9,606,630,700
General Executive.....	720,467,000	948,244,200	982,595,700
Judicial.....	121,332,000	127,186,700	127,277,200
Legislative.....	63,372,000	70,998,000	71,030,300
General Appropriations.....	1,807,627,000	1,948,296,400	1,987,130,000
Subtotal.....	<u>23,205,243,000</u>	<u>23,933,017,100</u>	<u>24,676,313,000</u>
Less: (Lapses).....	n/a	(214,191,100)	(218,774,800)
Compensation Reserves.....	n/a	67,784,500	172,546,700
Required Statutory Balance.....	n/a	130,000,000	130,000,000
Transfer to Medical Assistance Trust Fund	n/a	n/a	n/a
Changes in Continuing Balance.....	(105,713,000)	n/a	n/a
Total Disbursements & Reserves.....	<u>\$ 23,099,530,000</u>	<u>\$ 23,916,610,500</u>	<u>\$ 24,760,084,900</u>
Fund Balance.....	\$ 73,111,000	\$ 1,000,600	\$ 2,088,100
Undesignated Balance.....	\$ 66,288,000	\$ 131,000,600	\$ 132,088,100

(a) The amounts shown are unaudited, rounded to the nearest thousand dollars and are based on statutorily required accounting and not on GAAP.

(b) Although the budget for the 2007-09 biennium has been enacted, this table reflects the governor's proposed budget, which may differ from the enacted budget, because updates to reflect the enacted budget (2007 Wisconsin Act 20) are not yet available.

(c) Tribal gaming revenues are budgeted separately; however, when the payments are received by the State, they are not specifically reported but rather included within the category entitled "Nontax Revenue - Departmental Revenue".

(d) The governor's proposed budget would have moved the proceeds of the Real Estate Transfer Fee into a segregated fund. The amount of the Real Estate Transfer Fee collected in the 2006-07 fiscal year was \$72 million.

Sources: Legislative Fiscal Bureau and Department of Administration.

Table II-5; State Budget—All Funds^(a) (Part II—Page 32). Replace with the following updated table:

	Actual 2006-07 ^(b)	Governor's Proposed Budget ^(c) 2007-08	Governor's Proposed Budget ^(c) 2008-09
RECEIPTS			
Fund Balance from Prior Year.....	\$ 49,217,000	\$ 80,147,100	\$ 131,000,600
Tax Revenue			
Individual Income.....	6,573,778,000	6,765,700,000	7,102,000,000
General Sales and Use.....	4,158,612,000	4,311,400,000	4,484,100,000
Corporate Franchise and Income.....	890,056,000	887,700,000	852,300,000
Public Utility.....	284,940,000	297,200,000	314,400,000
Excise			
Cigarette/Tobacco Products.....	313,644,000	322,400,000	324,300,000
Liquor and Wine.....	42,674,000	42,500,000	43,000,000
Malt Beverage.....	9,530,000	9,400,000	9,400,000
Inheritance, Estate & Gift.....	121,114,000	95,000,000	25,000,000
Insurance Company.....	141,405,000	141,000,000	144,000,000
Other.....	1,294,322,000	11,000,000 ^(e)	11,000,000 ^(e)
Subtotal.....	13,830,075,000	12,883,300,000	13,309,500,000
Nontax Revenue			
Departmental Revenue			
Tobacco Settlement.....			
Tobacco Securitization.....			
Tribal Gaming Revenues.....	n/a ^(d)	47,245,600	51,114,600
Other.....	291,316,000	416,022,700	394,655,100
Total Federal Aids.....	6,505,269,000	7,255,959,900	7,499,021,600
Total Program Revenue.....	3,688,954,000	4,056,339,100	4,204,529,600
Total Segregated Funds.....	4,603,731,000	3,665,184,900	3,803,200,200
Bond Authority.....	973,120,000	552,275,000	585,740,000
Employee Benefit Contributions ^(f)	16,371,516,000	8,952,664,000	9,173,493,000
Subtotal.....	32,433,906,000	24,945,691,200	25,711,754,100
Total Available.....	\$ 46,313,198,000	\$ 37,909,138,300	\$ 39,152,254,700
DISBURSEMENTS AND RESERVES			
Commerce.....	\$ 424,086,000	482,960,700	487,014,200
Education.....	11,018,490,000	11,127,021,600	11,370,286,900
Environmental Resources.....	3,180,555,000	3,261,637,200	3,363,945,200
Human Relations and Resources.....	10,682,544,000	9,993,497,700	10,450,406,200
General Executive.....	6,320,484,000	1,104,659,000	1,135,654,500
Judicial.....	121,681,000	137,045,500	138,045,500
Legislative.....	63,372,000	70,998,000	71,030,300
General Appropriations.....	2,723,622,000	2,241,785,600	2,290,778,900
General Obligation Bond Program.....	783,670,000	552,275,000	585,740,000
Employee Benefit Payments ^(f)	5,080,501,000	5,476,343,000	5,977,452,000
Reserve for Employee Benefit Payments ^(f)	11,291,015,000	3,476,321,000	3,196,041,000
Subtotal.....	51,690,020,000	37,924,544,300	39,066,394,700
Less: (Lapses).....	n/a	(214,191,100)	(218,774,800)
Compensation Reserves.....	n/a	67,784,500	172,546,700
Required Statutory Balance.....	n/a	130,000,000	130,000,000
Transfer to Medical Assistance Trust Fund.....	n/a	n/a	n/a
Change in Continuing Balance.....	5,449,933,000	n/a	n/a
Total Disbursements & Reserves.....	\$ 46,240,087,000	\$ 37,908,137,700	\$ 39,150,166,600
Fund Balance.....	\$ 73,111,000	\$ 1,000,600	\$ 2,088,100
Undesignated Balance.....	\$ 66,288,000	\$ 131,000,600	\$ 132,088,100

(a) The all-funds budget assumes that certain categories of revenues are expended in like amounts. This includes federal funds, revenues paid into specific funds (other than the General Fund) for a specified program or purpose or which are credited to an appropriation to finance a specific program or agency, and proceeds of general obligation debt. In any given fiscal year, there may be a balance at year-end in the funds, specific program, or agency.

(b) The amounts shown are unaudited, rounded to the nearest thousand dollars and are based on statutorily required accounting and not on GAAP.

(c) Although the budget for the 2007-09 biennium has been enacted, this table reflects the governor's proposed budget, which may differ from the enacted budget, because updates to reflect the enacted budget (2007 Wisconsin Act 20) are not yet available.

(d) Tribal gaming revenues are budgeted separately; however, when the payments are received by State, they are not specifically reported but rather included within the category entitled "Nontax Revenue - Departmental Revenue".

(e) The budgeted amounts do not include taxes collected for segregated funds. The largest such tax is the motor fuel tax. The State collected \$995 million of motor fuel taxes in the 2006-07 fiscal year. The governor's proposed budget would have moved the proceeds of the Real Estate Transfer Fee into a segregated fund. The amount of the Real Estate Transfer Fee collected in the 2006-07 fiscal year was \$72 million.

(f) State law separates the accounting of employee benefits from the budget. They are included for purposes of comparability to the figures presented in this table and Tables II-1 and II-2 of the 2006 Annual Report.

Sources: Legislative Fiscal Bureau and Department of Administration.

State Budget; Potential Effect of Litigation (Part II; Pages 33-34). Add the following:

Sales Tax on Customized Computer Software

On January 25, 2007, a Wisconsin court of appeals reversed the circuit court decision and affirmed the decision of the State Tax Appeals Commission to grant a refund for sales tax paid on sales of certain customized computer software.

Based on estimates prepared by the State and included in the January 30, 2007 LFB memorandum, this decision could result in the State (1) losing approximately \$28 million in annual sales tax revenues, starting in the 2007-08 fiscal year, and (2) paying approximately \$221 million in refunds for taxes collected on sales of similar customized computer software in the 2006-07 and prior fiscal years.

At the time of the January 30, 2007 LFB memorandum, the State had not decided whether to appeal this decision. As a result, the sales tax estimates included in the January 30, 2007 LFB memorandum and in this **APPENDIX A** do not incorporate the potential effect of this decision.

On May 22, 2007, the State Supreme Court accepted the State's petition to review the court of appeals' decision, and oral arguments are scheduled for November 29, 2007.

General Fund Information; General Fund Cash Flow (Part II; Pages 39-47).

The following tables provide updates and additions to various tables containing General Fund information for the 2006-07 and 2007-08 fiscal years, which are presented on either a cash basis or agency recorded basis. Although the budget for the 2007-09 biennium has been enacted, the projections and estimates in the following tables for the 2007-08 fiscal year continue to reflect the projected General Fund revenues released by LFB on January 30, 2007 and the governor's proposed budget, which may differ from the enacted budget. The tables, unless noted, contain information through September 30, 2007.

The comparison of monthly General Fund information that is presented on a cash basis has many inherent problems. Unforeseen events or variations from underlying assumptions may cause a decrease or increase in receipts and disbursements from those projected for any specific month.

Operating notes were not issued for the 2005-06 and 2006-07 fiscal years, but \$600 million of operating notes were issued on July 2, 2007 for the 2007-08 fiscal year. The following tables may show negative balances on a cash basis. The Wisconsin Statutes provide certain administrative remedies, such as interfund borrowing, to deal with periods when the balance, on a cash basis, is negative. If the amount of interfund borrowing available to the General Fund is not sufficient, then the Secretary of Administration is authorized to prorate and defer certain payments.

The State can have a negative cash balance at the end of a fiscal year. By contrast, the Wisconsin Constitution requires the Legislature to enact a balanced biennial budget, and if final budgetary expenses of any fiscal year exceed available revenues, then the Legislature must take actions to balance the budget in the succeeding fiscal year.

Table II-7; Actual and Projected General Fund Cash Flow (Part II–Page 42). Replace with the following updated tables:

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

(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^(b)												
Beginning Balance	\$ 4,563	\$ (195,929)	\$ 108,161	\$ 355,567	\$ 1,112,712	\$ 882,489	\$ 172,573	\$ 1,025,510	\$ 1,028,184	\$ (37,253)	\$ 614,881	\$ 1,098,523
Ending Balance ^(c)	(195,929)	108,161	355,567	1,112,712	882,489	172,573	1,025,510	1,028,184	(37,253)	614,881	1,098,523	49,149
Lowest Daily Balance ^(c)	(451,652)	(488,713)	(100,789)	355,566	628,474	(547,039)	138,110	594,866	(37,254)	(397,049)	289,082	(497,774)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 565,897	\$ 474,676	\$ 605,681	\$ 680,238	\$ 502,370	\$ 508,275	\$ 1,035,880	\$ 515,293	\$ 446,568	\$ 1,276,649	\$ 503,010	\$ 641,597
Sales & Use	402,145	401,109	397,579	396,789	378,295	345,906	430,155	334,817	300,179	357,353	362,545	398,458
Corporate Income	37,496	28,116	185,473	34,815	23,319	173,619	43,211	22,369	237,573	51,427	26,470	168,888
Public Utility	50	11	99	1,468	143,824	250	178	76	244	2,228	146,026	211
Excise	34,911	32,778	34,592	28,986	30,956	29,561	27,603	27,221	25,851	24,537	28,496	30,483
Insurance	316	938	30,876	592	820	33,568	4,405	18,619	21,349	30,011	2,152	32,774
Inheritance	7,193	9,971	8,044	9,665	10,691	15,756	12,666	7,390	11,941	6,716	13,764	12,037
Subtotal Tax Receipts	\$ 1,048,008	\$ 947,599	\$ 1,262,344	\$ 1,152,553	\$ 1,090,275	\$ 1,106,935	\$ 1,554,098	\$ 925,785	\$ 1,043,705	\$ 1,748,921	\$ 1,082,463	\$ 1,284,448
NON-TAX RECEIPTS												
Federal	\$ 502,417	\$ 581,763	\$ 513,024	\$ 546,768	\$ 477,516	\$ 444,362	\$ 608,224	\$ 518,096	\$ 467,030	\$ 520,055	\$ 710,788	\$ 511,648
Other & Transfers ^(d)	370,205	166,183	513,130	431,228	288,729	240,339	408,411	505,994	358,552	279,736	216,299	510,993
Note Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Non-Tax Receipts	\$ 872,622	\$ 747,946	\$ 1,026,154	\$ 977,996	\$ 766,245	\$ 684,701	\$ 1,016,635	\$ 1,024,090	\$ 825,582	\$ 799,791	\$ 927,087	\$ 1,022,641
TOTAL RECEIPTS	\$ 1,920,630	\$ 1,695,545	\$ 2,288,498	\$ 2,130,549	\$ 1,856,520	\$ 1,791,636	\$ 2,570,733	\$ 1,949,875	\$ 1,869,287	\$ 2,548,712	\$ 2,009,550	\$ 2,307,089
DISBURSEMENTS												
Local Aids	\$ 896,807	\$ 130,871	\$ 824,354	\$ 131,610	\$ 911,622	\$ 1,297,119	\$ 204,888	\$ 236,990	\$ 1,311,244	\$ 145,745	\$ 162,288	\$ 2,007,042
Income Maintenance	509,527	436,928	399,100	442,531	442,391	437,168	435,225	503,594	427,964	436,025	448,909	349,463
Payroll and Related	295,693	358,565	411,764	307,885	336,493	350,578	384,840	355,111	508,573	333,782	328,897	419,855
Tax Refunds	64,862	80,941	45,628	52,478	33,584	115,915	102,004	481,641	385,436	357,598	102,631	152,576
Debt Service	58,612	2,473	0	160,015	0	0	0	0	0	320,114	35,757	0
Miscellaneous ^(d)	295,621	381,677	360,246	278,885	362,653	300,772	590,839	369,865	301,507	303,314	447,426	427,527
Note Repayment	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DISBURSEMENTS	\$ 2,121,122	\$ 1,391,455	\$ 2,041,092	\$ 1,373,404	\$ 2,086,743	\$ 2,501,552	\$ 1,717,796	\$ 1,947,201	\$ 2,934,724	\$ 1,896,578	\$ 1,525,908	\$ 3,356,463

(a) Projections in this table had assumed 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 the 2006-07 fiscal year, and \$30 million, which is an estimate of a payment due in the previous biennium that is expected to be made in the 2006-07 fiscal year by a tribal government. With respect to the estimated \$82 million of payments due in the 2006-07 fiscal year, the estimated amount due was subsequently revised downward to \$70 million pursuant to provisions of the compacts. The State did receive payments due in the 2006-07 fiscal year totaling \$51 million from all but one tribal government, and did not receive from the same tribal government the payment that was 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. This table does not include interfund borrowings.

(b) The General Fund cash balances presented in this schedule 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 \$160 to \$300 million during the 2006-07 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds were expected to average approximately \$30 million during the 2006-07 fiscal year.

(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 was approximately \$661 million for the 2006-07 fiscal year. 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 \$397 million for the 2006-07 fiscal year) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, then the Secretary of Administration is authorized to prorate and defer certain payments.

(d) Includes \$20 million that were transferred from the Petroleum Inspection Fund to the General Fund on September 1, 2006, \$88 million that were transferred from the Transportation Fund to the General Fund on October 12, 2006, and \$25 million that were transferred from the General Fund to the Medical Assistance Trust Fund on June 30, 2007.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2007 TO SEPTEMBER 30, 2007
PROJECTED GENERAL FUND CASH FLOW; OCTOBER 1, 2007 TO JUNE 30, 2008^(a)
(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
BALANCES^(b)												
Beginning Balance	\$ 49,148	\$ 349,749	\$ 638,780	\$ 723,620	\$ 1,587,456	\$ 1,253,631	\$ 645,493	\$ 1,467,951	\$ 1,273,373	\$ (3,813)	\$ 585,526	\$ 818,004
Ending Balance ^(c)	349,749	638,780	723,620	1,587,456	1,253,631	645,493	1,467,951	1,273,373	(3,813)	585,526	818,004	1,448
Lowest Daily Balance ^(c)	39,257	(441)	159,554	558,675	972,391	(146,239)	634,726	996,984	(3,813)	(225,698)	435,032	(461,367)
RECEIPTS												
TAX RECEIPTS												
Individual Income	\$ 682,211	\$ 500,798	\$ 651,858	\$ 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	401,674	396,100	388,000	354,300	426,700	326,900	312,600	358,400	366,000	388,700
Corporate Income	35,238	20,042	154,364	37,900	28,800	195,100	29,700	22,000	242,300	36,300	23,400	173,300
Public Utility	20	20	509	1,542	151,061	263	187	80	256	2,340	140,286	1,017
Excise	30,620	34,376	36,523	30,655	32,738	31,263	29,192	28,788	27,339	25,949	34,115	33,792
Insurance	584	1,777	33,083	500	1,493	37,829	2,091	18,616	27,774	28,571	1,692	29,168
Inheritance	12,784	17,121	14,108	8,007	8,857	13,053	10,493	6,122	9,893	5,564	6,396	5,731
Subtotal Tax Receipts	\$ 1,175,844	\$ 987,538	\$ 1,292,119	\$ 1,185,553	\$ 1,135,926	\$ 1,162,955	\$ 1,580,858	\$ 940,987	\$ 1,186,826	\$ 1,686,857	\$ 1,102,697	\$ 1,390,416
NON-TAX RECEIPTS												
Federal	\$ 579,248	\$ 553,559	\$ 479,277	\$ 574,106	\$ 501,392	\$ 466,580	\$ 638,635	\$ 544,001	\$ 490,382	\$ 546,058	\$ 565,488	\$ 565,356
Other & Transfers	397,510	231,439	414,249	450,202	301,433	250,914	426,381	528,258	374,328	279,980	477,212	421,138
Note Proceeds ^(d)	594,000	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	\$ 1,570,758	\$ 784,998	\$ 893,526	\$ 1,024,308	\$ 802,825	\$ 717,494	\$ 1,065,016	\$ 1,072,259	\$ 864,710	\$ 826,038	\$ 1,042,700	\$ 986,494
TOTAL RECEIPTS	\$ 2,746,602	\$ 1,772,536	\$ 2,185,645	\$ 2,209,861	\$ 1,938,751	\$ 1,880,449	\$ 2,645,874	\$ 2,013,246	\$ 2,051,536	\$ 2,512,895	\$ 2,145,397	\$ 2,376,910
DISBURSEMENTS												
Local Aids	\$ 1,088,886	\$ 170,143	\$ 841,399	\$ 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	430,767	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	257,475	426,864	456,384	283,297	467,311	489,317	286,550	435,077	460,002	279,832
Tax Refunds	114,634	89,140	53,251	47,600	66,900	158,681	76,100	485,300	500,300	440,700	184,500	138,500
Debt Service	95,411	5,720	170,526	-	13,491	-	-	1,537	327,165	-	90,637	-
Miscellaneous	294,406	317,141	347,387	252,659	369,906	306,787	602,656	381,117	307,179	309,022	437,447	474,539
Note Repayment ^(d)	4,213	-	-	-	-	-	-	152,237	156,450	156,450	156,450	-
TOTAL DISBURSEMENTS	\$ 2,446,001	\$ 1,483,505	\$ 2,100,805	\$ 1,346,025	\$ 2,272,576	\$ 2,488,587	\$ 1,823,416	\$ 2,207,824	\$ 3,328,722	\$ 1,923,556	\$ 1,912,919	\$ 3,193,466

(a) Although the budget for the 2007-09 biennium has been enacted, the projections in this table continue to reflect the projected General Fund revenues released by LFB on January 30, 2007 and the governor's proposed budget for the 2007-08 fiscal year, which may differ from the enacted budget. This table does not include interfund borrowings. 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 General Fund cash balances presented in this schedule 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 the 2007-08 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average approximately \$22 million during the 2007-08 fiscal year.

(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. Based on the governor's proposed budget, this amount is approximately \$672 million for the 2007-08 fiscal year. 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 the 2007-08 fiscal year) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, then the Secretary of Administration is authorized to prorate and defer certain payments.

(d) Includes \$600 million of operating note proceeds that were issued on July 2, 2007 and impoundment payments to be made on February 29, 2008, March 31, 2008, April 30, 2008, and May 30, 2008. The February 29, 2008 impoundment payment reflects the premium that was received on July 2, 2007 and deposited into the Operating Note Redemption Fund.

Table II-8; General Fund Cash Receipts and Disbursements Year to Date; Compared to Estimates and Previous Fiscal Year. (Part II–Page 43). Replace with the following updated tables.

2006-07 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR^(a)
(Cash Basis)
As of June 30, 2007
(Amounts in Thousands)

	FY06 through June 2006		FY07 through June 2007			Difference FY06 Actual to FY07 Actual	
	Actual		Actual	Estimate ^(b)	Variance		Adjusted Variance ^(c)
RECEIPTS							
Tax Receipts							
Individual Income	\$ 7,313,614		\$ 7,756,134	\$ 7,753,167	\$ 2,967	\$ 2,967	\$ 442,520
Sales	4,386,212		4,505,330	4,475,800	29,530	29,530	119,118
Corporate Income	885,074		1,032,775	937,733	95,042	95,042	147,701
Public Utility	285,769		294,665	285,967	8,698	8,698	8,896
Excise	374,806		355,975	376,233	(20,258)	(20,258)	(18,831)
Insurance	173,367		176,420	177,834	(1,414)	(1,414)	3,053
Inheritance	114,731		125,834	121,634	4,200	4,200	11,103
Total Tax Receipts	\$ 13,533,573		\$ 14,247,133	\$ 14,128,368	\$ 118,765	\$ 118,765	\$ 713,560
Non-Tax Receipts							
Federal	\$ 6,246,896		\$ 6,401,691	\$ 6,430,767	\$ (29,076)	\$ (29,076)	\$ 154,795
Other and Transfers	4,573,319		4,292,802	4,676,032	(383,230)	(383,230)	(280,517)
Note Proceeds ^(d)	-		-	-	-	-	-
Total Non-Tax Receipts	\$ 10,820,215		\$ 10,694,493	\$ 11,106,799	\$ (412,306)	\$ (412,306)	\$ (125,722)
TOTAL RECEIPTS	\$ 24,353,788		\$ 24,941,626	\$ 25,235,167	\$ (293,541)	\$ (293,541)	\$ 587,838
DISBURSEMENTS							
Local Aids	\$ 8,200,195		\$ 8,260,578	\$ 8,374,488	\$ 113,910	\$ 113,910	\$ 60,383
Income Maintenance	4,871,352		5,268,823	5,197,748	(71,075)	(71,075)	397,471
Payroll & Related	4,156,580		4,392,036	4,356,905	(35,131)	(35,131)	235,456
Tax Refunds	1,980,713		2,012,120	2,159,662	147,542	147,542	31,407
Debt Service	484,122		576,971	579,273	2,302	2,302	92,849
Miscellaneous	4,462,580		4,383,508	4,587,124	203,616	203,616	(79,072)
Note Repayment ^(d)	-		-	-	-	-	-
TOTAL DISBURSEMENTS	\$ 24,155,542		\$ 24,894,036	\$ 25,255,200	\$ 361,164	\$ 361,164	\$ 738,494
VARIANCE FY07 YEAR-TO-DATE					\$ 67,623	\$ 67,623	

- (a) 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 estimates in this table reflected 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. The estimates in this table did not reflect the projected General Fund revenues and expenditures released by LFB on January 30, 2007 and no changes to the estimates were needed as a result of 2007 Wisconsin Act 5, which included adjustments to the budget for the 2006-07 fiscal year. The estimates in this table assumed that the State would receive approximately \$112 million in the 2006-07 fiscal year pursuant to the amended gaming compacts with tribal governments. This amount reflected estimates of (1) all payments due this fiscal year (\$82 million), and (2) a payment due in the previous biennium from a tribal government that is expected to be made in the 2006-07 fiscal year (\$30 million). With respect to the estimated \$82 million of payments due in the 2006-07 fiscal year, the estimated amount due was subsequently revised downward to \$70 million pursuant to provisions of the compacts.
- (c) 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 cannot be changed and results in large variances. This column includes adjustments to the variances to more accurately reflect the variance between the estimated and actual amounts.
- (d) Operating notes were not issued for the 2005-06 and 2006-07 fiscal years.

Source: Wisconsin Department of Administration

**2007-08 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR^(a)**

**(Cash Basis)
As of September 30, 2007
(Amounts in Thousands)**

	<u>FY07 through September 2006</u>	<u>FY08 through September 2007</u>				<u>Difference FY07 Actual to FY08 Actual</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimate^(b)</u>	<u>Variance</u>	<u>Adjusted Variance^(c)</u>	
RECEIPTS						
Tax Receipts						
Individual Income	\$ 1,646,254	\$ 1,834,867	\$ 1,770,335	\$ 64,532	\$ 64,532	\$ 188,613
Sales	1,200,833	1,229,465	1,206,000	23,465	23,465	28,632
Corporate Income	251,084	209,644	217,800	(8,156)	(8,156)	(41,440)
Public Utility	160	549	169	380	380	389
Excise	102,281	101,519	108,169	(6,650)	(6,650)	(762)
Insurance	32,130	35,444	30,100	5,344	5,344	3,314
Inheritance	25,208	44,013	20,884	23,129	23,129	18,805
Total Tax Receipts	\$ 3,257,950	\$ 3,455,501	\$ 3,353,457	\$ 102,044	\$ 102,044	\$ 197,551
Non-Tax Receipts						
Federal	\$ 1,597,204	\$ 1,612,084	\$ 1,677,064	\$ (64,980)	\$ (64,980)	\$ 14,880
Other and Transfers	1,052,521	1,043,198	1,095,697	(52,499)	(52,499)	(9,323)
Note Proceeds ^(d)	-	594,000	594,000	-	-	594,000
Total Non-Tax Receipts	\$ 2,649,725	\$ 3,249,282	\$ 3,366,761	\$ (117,479)	\$ (117,479)	\$ 599,557
TOTAL RECEIPTS	\$ 5,907,675	\$ 6,704,783	\$ 6,720,218	\$ (15,435)	\$ (15,435)	\$ 797,108
DISBURSEMENTS						
Local Aids	\$ 1,852,032	\$ 2,100,428	\$ 2,077,682	\$ (22,746)	\$ (22,746)	\$ 248,396
Income Maintenance	1,345,555	1,447,565	1,403,102	(44,463)	(44,463)	102,010
Payroll & Related	1,066,022	990,489	1,017,380	26,891	26,891	(75,533)
Tax Refunds	191,431	257,025	150,200	(106,825)	(106,825)	65,594
Debt Service	61,085	271,657	291,262	19,605	19,605	210,572
Miscellaneous	1,037,544	958,934	990,475	31,541	31,541	(78,610)
Note Repayment ^(d)	-	4,213	4,213	-	-	4,213
TOTAL DISBURSEMENTS	\$ 5,553,669	\$ 6,030,311	\$ 5,934,314	\$ (95,997)	\$ (95,997)	\$ 476,642
VARIANCE FY08 YEAR-TO-DATE				\$ (111,432)	\$ (111,432)	

(a) 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) Although the budget for the 2007-09 biennium has been enacted, the projections in this table continue to reflect the projected General Fund revenues released by LFB on January 30, 2007 and the governor's proposed budget for the 2007-08 fiscal year, which may differ from the enacted budget.

(c) 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 cannot be changed and results in large variances. This column includes adjustments to the variances to more accurately reflect the variance between the estimated and actual amounts.

(d) Operating notes were not issued for the 2006-07 fiscal year but were issued for the 2007-08 fiscal year.

Source: Wisconsin Department of Administration

Table II-9; General Fund Monthly Position (Part II–Page 44). Replace with the following updated table:

GENERAL FUND MONTHLY CASH POSITION^(a)
July 1, 2005 through September 30, 2007 — Actual
October 1, 2007 through June 30, 2008 — Estimated^(b)
 (Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(c)</u>	<u>Disbursements^(c)</u>
2005	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 ^(d)	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)	1,920,630	2,121,122
	August.....	(195,929) ^(d)	1,695,545	1,391,455
	September.....	108,161 ^(d)	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 ^(d)	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	1,869,287	2,934,724
	April.....	(37,253) ^(d)	2,548,712	1,896,578
	May.....	614,881	2,009,550	1,525,908
	June.....	1,098,523 ^(d)	2,307,089	3,356,463
	July.....	49,149	2,746,602	2,446,001
	August.....	349,750	1,772,536	1,483,505
	September.....	638,781	2,185,645	2,100,805
	October.....	723,621	2,209,861	1,346,025
	November.....	1,587,457	1,938,751	2,272,576
	December.....	1,253,632 ^(d)	1,880,449	2,488,587
2008	January.....	645,494	2,645,874	1,823,416
	February.....	1,467,952	2,013,246	2,207,824
	March.....	1,273,374	2,051,536	3,328,722
	April.....	(3,812) ^(d)	2,512,895	1,923,556
	May.....	585,527	2,145,397	1,912,919
	June.....	818,005 ^(d)	2,376,910	3,193,466

^(a) The General Fund balances presented in this table are not based on generally accepted accounting principles (GAAP).

^(b) Although the budget for the 2007-09 biennium has been enacted, the projections in this table continue to reflect the projected General Fund revenues released by LFB on January 30, 2007 and the governor's proposed budget for the 2007-08 fiscal year, which may differ from the enacted budget.

^(c) Operating notes were not issued for the 2005-06 and 2006-07 fiscal years but were issued for the 2007-08 fiscal year.

^(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. Based on the governor's proposed budget, this amount is approximately \$672 million for the 2007-08 fiscal year. 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 the 2007-08 fiscal year) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, then the Secretary of Administration is authorized to prorate and defer certain payments.

Source: Wisconsin Department of Administration

Table II-10; Balances in Funds Available for Interfund Borrowing (Part II–Page 45). Replace with the following updated table:

BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING^(a)
July 31, 2005 to September 30, 2007 — Actual
October 31, 2007 to June 30, 2008 — Estimated
(Amounts in Millions)

The following shows, 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); the second table does include such balances. Though 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. 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.

Available Balances; Does Not Include Balances in the LGIP

<u>Month (Last Day)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
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	1,204	
September.....	1,176	1,067	1,205	
October.....	1,115	925	925	
November	1,167	966	967	
December.....	1,135	1,019	1,019	

Available Balances; Includes Balances in the LGIP

<u>Month (Last Day)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
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	4,383	
September.....	3,746	3,845	4,264	
October.....	3,361	3,361	3,361	
November.....	3,370	3,477	3,477	
December	3,692	3,764	3,764	

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

Source: Wisconsin Department of Administration

Table II-11; General Fund Recorded Revenues (Part II–Page 46). Replace with the following updated tables:

GENERAL FUND RECORDED REVENUES^(a)				
(2006-07 FISCAL YEAR FINAL)				
(Agency Recorded Basis)				
July 1, 2006 to June 30, 2007 compared with previous year				
	Annual Fiscal Report Revenues <u>2005-06 FY^(b)</u>	Projected Revenues <u>2006-07 FY^(c)</u>	Recorded Revenues July 1, 2005 to <u>June 30, 2006^(d)</u>	Recorded Revenues July 1, 2006 to <u>June 30, 2007^(e)</u>
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
SUBTOTAL.....	\$ 12,030,086,000	\$ 12,490,900,000	12,051,460,246	12,633,684,102
Federal and Other Inter- Governmental Revenues ^(f)	\$ 6,320,576,000	\$ 5,976,875,800	6,320,309,672	6,505,384,718
Dedicated and Other Revenues ^(g)	3,971,208,000	4,323,194,600	4,344,293,322	4,215,077,771
TOTAL.....	\$ 22,321,870,000	\$ 22,790,970,400	\$ 22,716,063,241	\$ 23,354,146,591

- (a) The revenues in this table 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.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for 2005-06 fiscal year, dated October 15, 2006.
- (c) Projections in this table reflected 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 did not reflect the projected general fund revenues released by LFB on January 30, 2007 or June 4, 2007, and no changes were needed to the projected general fund cash flow as a result of 2007 Wisconsin Act 5, which included adjustments to the 2006-07 fiscal year budget. Projections assumed that the State will receive approximately \$112 million in the 2006-07 fiscal year pursuant to the amended gaming compacts with tribal governments. This amount reflected estimates of (1) all payments due that fiscal year (\$82 million), and (2) a payment due in the previous biennium from a tribal government that is expected to be made that fiscal year (\$30 million).
- (d) The amounts shown are 2005-06 fiscal year revenues as recorded by state agencies.
- (e) The amounts shown are 2006-07 fiscal year revenues as recorded by state agencies. The final 2006-07 fiscal year revenues, on a budgetary basis, have been included in the Annual Fiscal Report that the State released on October 15, 2007.
- (f) 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.
- (g) 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.

Source: Wisconsin Department of Administration

GENERAL FUND RECORDED REVENUES^(a)
(Agency Recorded Basis)
July 1, 2007 to September 30, 2007 compared with previous year^(b)

	Annual Fiscal Report Revenues <u>2006-07 FY^(c)</u>	Projected Revenues <u>2007-08 FY^(d)</u>	Recorded Revenues July 1, 2006 to <u>September 30, 2006^(e)</u>	Recorded Revenues July 1, 2007 to <u>September 30, 2007^(f)</u>
Individual Income Tax	\$ 6,573,778,000	\$ 6,765,700,000	\$ 1,226,093,959	\$ 1,295,652,471
General Sales and Use Tax	4,158,612,000	4,311,400,000	742,376,097	792,804,043
Corporate Franchise and Income Tax	890,056,000	887,700,000	229,568,866	182,354,363
Public Utility Taxes	284,940,000	297,200,000	-	-
Excise Taxes	365,848,000	374,300,000	66,858,565	68,679,899
Inheritance Taxes	121,114,000	95,000,000	23,922,415	41,885,656
Insurance Company Taxes	141,405,000	141,000,000	842,481	1,835,848
Miscellaneous Taxes	82,244,000	11,000,000 ⁽ⁱ⁾	19,052,914	17,639,429
SUBTOTAL.....	<u>12,617,997,000</u>	<u>12,883,300,000</u>	<u>2,308,715,296</u>	<u>2,400,851,708</u>
Federal and Other Inter- Governmental Revenues ^(g)	6,505,269,000	6,434,556,600	1,611,848,038	1,489,346,283
Dedicated and Other Revenues ^(h)	<u>4,000,158,000</u>	<u>4,599,754,500</u>	<u>1,114,970,580</u>	<u>1,094,687,880</u>
TOTAL.....	<u>\$ 23,123,424,000</u>	<u>\$ 23,917,611,100</u>	<u>\$ 5,035,533,914</u>	<u>\$ 4,984,885,871</u>

(a) 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.

(b) This table does not include the revenues for the 2006-07 fiscal year that were recorded by State agencies during the months of July and August, 2007.

(c) The amounts are from the Annual Fiscal Report (unaudited and budgetary basis) for the 2006-07 fiscal year, dated October 15, 2007.

(d) Although the budget for the 2007-09 biennium has been enacted, the projections continue to reflect the projected General Fund revenues released by LFB on January 30, 2007 and the governor's proposed budget for the 2007-08 fiscal year, which may differ from the enacted budget.

(e) The amounts shown are 2006-07 fiscal year revenues as recorded by state agencies.

(f) The amounts shown are 2007-08 fiscal year revenues as recorded by state agencies.

(g) 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.

(h) 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.

(i) The governor's proposed budget for the 2007-08 fiscal year moves the proceeds of the Real Estate Transfer Fee into a new segregated fund. The amount of the Real Estate Transfer Fee collected in the 2006-07 fiscal year was \$72 million.

Source: Wisconsin Department of Administration.

Table II-12; General Fund Recorded Expenditures By Function (Part II–Page 47). Replace with the following updated tables:

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(2006-07 FISCAL YEAR FINAL)
(Agency Recorded Basis)
July 1, 2006 to June 30, 2007 compared with previous year**

	Annual Fiscal Report Expenditures <u>2005-06 FY^(b)</u>	Appropriations <u>2006-07 FY^(c)</u>	Recorded Expenditures July 1, 2005 to <u>June 30, 2006^(d)</u>	Recorded Expenditures July 1, 2006 to <u>June 30, 2007^(e)</u>
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>
TOTAL.....	<u>\$ 22,148,049,000</u>	<u>\$ 22,925,704,500</u>	<u>\$ 22,146,945,958</u>	<u>\$ 23,191,723,209</u>

- (a) The expenditures in this table 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.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2005-06 fiscal year, dated October 15, 2006.
- (c) 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 2006-07 fiscal year budget.
- (d) The amounts shown are 2005-06 fiscal year expenditures as recorded by state agencies.
- (e) The amounts shown are 2006-07 fiscal year expenditures as recorded by state agencies. The final 2006-07 fiscal year expenditures, on a budgetary basis, have been included in the Annual Fiscal Report that the State released on October 15, 2007.

Source: Wisconsin Department of Administration

GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
(Agency Recorded Basis)
July 1, 2006 to September 30, 2007 compared with previous year^(b)

	Annual Fiscal Report Expenditures <u>2006-07 FY^(c)</u>	Estimated Appropriations <u>2007-08 FY^(d)</u>	Expenditures July 1, 2006 to <u>September 30, 2006^(e)</u>	Expenditures July 1, 2007 to <u>September 30, 2007^(f)</u>
Commerce.....	\$ 281,047,000	\$ 299,683,000	\$ 69,428,966	\$ 54,866,176
Education.....	10,542,076,000	11,025,395,100	2,089,477,398	2,141,031,029
Environmental Resources.....	328,094,000	339,771,400	46,268,876	172,339,314
Human Relations & Resources	9,341,228,000	9,173,442,300	2,323,381,065	2,388,948,333
General Executive.....	720,467,000	948,224,200	225,006,975	271,229,469
Judicial.....	121,332,000	127,186,700	37,354,625	24,727,865
Legislative.....	63,372,000	70,998,000	12,019,779	12,595,543
General Appropriations.....	<u>1,807,627,000</u>	<u>1,948,296,400</u>	<u>673,471,440</u>	<u>865,304,707</u>
TOTAL.....	<u>\$ 23,205,243,000</u>	<u>\$ 23,932,997,100</u>	<u>\$ 5,476,409,125</u>	<u>\$ 5,931,042,436</u>

- (a) 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.
- (b) This table does not include the expenditures for the 2006-07 fiscal year that were recorded by State agencies during the months of July and August, 2007.
- (c) The amounts are from the Annual Fiscal Report (unaudited and budgetary basis) for the 2006-07 fiscal year, dated October 15, 2007.
- (d) Although the budget for the 2007-09 biennium has been enacted, the estimates continue to reflect the governor's proposed budget for the 2007-08 fiscal year, which may differ from the enacted budget.
- (e) The amounts shown are 2006-07 fiscal year expenditures as recorded by state agencies.
- (f) The amounts shown are 2007-08 fiscal year expenditures as recorded by state agencies.

Source: Wisconsin Department of Administration.

APPENDIX B

State of Wisconsin General Obligation Issuance Status Report November 1, 2007

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>G.O. Bonds of 2007, Series C</u>	<u>Total Authorized Unissued Debt</u>
University of Wisconsin; academic facilities.....	\$ 1,567,180,800	\$ 1,109,161,744	\$ 12,857,602	\$ 24,000,000	\$ 421,161,454
University of Wisconsin; self-amortizing facilities.....	1,615,268,200	980,092,661	2,548,994	36,959,000	595,667,545
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	1,432,000,000	366,774,651	179,090	52,050,000	1,012,996,259
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,744	141,818		139,438
Clean water fund program.....	697,643,200	475,694,053		6,000,000	215,949,147
Safe drinking water loan program.....	38,400,000	31,971,520			6,428,480
Natural resources; nonpoint source grants.....	94,310,400	82,884,918	152,240	2,500,000	8,773,242
Natural resources; nonpoint source	11,000,000	3,350,000	3,034		7,646,966
Natural resources; environmental repair.....	54,000,000	42,919,054	180,912		10,900,034
Natural resources; urban nonpoint source cost-sharing.....	29,900,000	19,878,640	10,318	2,000,000	8,011,042
Natural resources; contaminated sediment removal.....	17,000,000				17,000,000
Natural resources; environmental segregated fund supported administrative facilities.....	10,339,800	5,697,686	143	495,000	4,146,971
Natural resources; segregated revenue supported dam safety projects.....	6,600,000	5,932,779	255		666,966
Natural resources; pollution abatement and sewage collection facilities, ORAP funding.....	145,060,325	145,010,325	50,000		
Natural resources; pollution abatement and sewage collection facilities.....	893,493,400	874,927,239	18,513,077		53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow.....	200,600,000	194,312,599	6,287,401		
Natural resources; recreation projects.....	56,055,000	56,053,994	1,006		
Natural resources; local parks land acquisition and development.....	2,490,000	2,447,741	42,259		
Natural resources; recreation development.....	23,061,500	22,914,510	141,270		5,720
Natural resources; land acquisition.....	45,608,600	45,116,930	491,671		
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,445,793	17,174		37,033

General Obligation Issuance Status Report—Continued
November 1, 2007

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>G.O. Bonds of 2007, Series C</u>	<u>Total Authorized Unissued Debt</u>
Natural resources; segregated revenue supported facilities.....	73,277,700	41,212,692	74,256		31,990,752
Natural resources; general fund supported administrative facilities.....	11,410,200	10,894,102	21,432	160,000	334,666
Natural resources; ice age trail.....	750,000	750,000			
Natural resources; dam safety projects.....	5,500,000	5,420,148	49,855		29,997
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,500,000			
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	227,652,895	1,299,080		2,048,025
Transportation; administrative facilities.....	8,890,400	8,759,479	33,943		96,978
Transportation; accelerated bridge improvements.....	46,849,800	46,849,800			
Transportation; rail passenger route development...	82,000,000	1,992,921	3,781		80,003,298
Transportation; accelerated highway improvements.....	185,000,000	185,000,000			
Transportation; connecting highway improvements.....	15,000,000	15,000,000			
Transportation; federally aided highway facilities.....	10,000,000	10,000,000			
Transportation; highway projects.....	41,000,000	41,000,000			
Transportation; major highway and rehabilitation projects.....	565,480,400	565,480,400			
Transportation; Marquette interchange and I 94 north-south corridor reconstruction projects.....	303,300,000	209,300,000	3,017,816	782,184	90,200,000
Transportation; state highway rehabilitation projects.....	250,000,000	248,817,000	1,182,896		104
Transportation; harbor improvements.....	53,400,000	35,726,500	232,619		17,440,881
Transportation; rail acquisitions and improvements.....	66,500,000	37,184,500	5,187	1,000,000	28,310,313
Transportation; local roads for job preservation, state funds.....	2,000,000	2,000,000			
Corrections; correctional facilities.....	812,235,900	778,300,337	11,467,380	1,000,000	21,468,183
Corrections; self-amortizing facilities and equipment.....	7,337,000	2,115,438	99		5,221,463
Corrections; juvenile correctional facilities.....	28,984,500	27,258,551	108,724		1,617,225
Health and family services; mental health and secure treatment facilities.....	172,817,700	121,845,268	895,124		50,077,308

General Obligation Issuance Status Report—Continued
November 1, 2007

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>G.O. Bonds of 2007, Series C</u>	<u>Total Authorized Unissued Debt</u>
Agriculture; soil and water.....	33,075,000	21,987,960	3,025		11,084,015
Agriculture; conservation reserve enhancement...	40,000,000	10,536,000		260,000	29,204,000
Administration; Black Point Estate.....	1,600,000	1,372,000	445	125,000	102,555
Administration; energy conservation projects; capital improvement fund.....	30,000,000				30,000,000
Building commission; previous lease rental authority.....	143,071,600	143,068,654			2,946
Building commission; refunding tax-supported general obligation debt.....	2,102,086,430	2,102,086,530			
Building commission; refunding self-amortizing general obligation debt.....	272,863,033	272,863,033			
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005...	250,000,000	250,000,000			
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	1,775,000,000	1,266,025,000			508,975,000
Building commission; housing state departments and agencies.....	554,279,900	414,688,306	2,346,388	5,000,000	132,245,206
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,805,521	294,479		
Building commission; project contingencies.....	47,961,200	43,739,610	64,761	325,000	3,831,829
Building commission; capital equipment acquisition.....	126,335,000	112,778,761	739,059		12,817,180
Building commission; discount sale of debt.....	90,000,000	67,493,598			22,506,402
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(b)			11,167
Building commission; other public purposes.....	1,883,901,000	1,428,978,393	8,332,221	19,275,463	427,314,923
Medical College of Wisconsin, Inc.;					
basic science education and health information technology facilities....	10,000,000	10,000,000			
Bond Health Center.....	1,000,000				1,000,000
HR Academy, Inc.....	1,500,000	1,500,000			
Medical College of Wisconsin, Inc.;					
biomedical research and technology incubator.....	35,000,000	25,000,000			10,000,000
Marquette University; dental clinic and education facility...	15,000,000	14,999,182	818		
Civil War exhibit at the Kenosha Public Museums.....	500,000				500,000

General Obligation Issuance Status Report—Continued
November 1, 2007

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Interest Earnings^(a)	G.O. Bonds of 2007, Series C	Total Authorized Unissued Debt
Swiss cultural center.....	1,000,000				1,000,000
Racine County; Discovery Place museum.....	1,000,000				1,000,000
Hmong cultural centers.....	2,250,000				2,250,000
Milwaukee Police Athletic League; youth activities center.....	1,000,000	1,000,000			
Children's research institute.....	10,000,000	9,272,000		728,000	
Administration; school educational technology infrastructure financial assistance.....	71,911,300	71,480,216	431,066		18
Administration; public library educational technology infrastructure financial assistance.....	269,000	268,918	42		40
Educational communications board; educational communications facilities.....	23,981,500	21,137,389	38,503	400,000	2,405,608
Historical society; self-amortizing facilities.....	1,157,000	1,029,156	3,896		123,948
Historical society; historic records.....	18,650,000				18,650,000
Historical society; historic sites.....	3,107,800	1,918,756	251	1,000,000	188,793
Historical society; museum facility.....	4,384,400	4,362,469			21,931
Historical society; Wisconsin history center.....	30,000,000				30,000,000
Public instruction; state school, state center and library facilities.....	7,367,700	7,330,612	32,509		4,579
Military affairs; armories and military facilities.....	32,772,500	22,407,447	195,308	230,000	9,939,745
Veterans affairs; veterans facilities.....	10,090,100	9,405,485	50,593		634,022
Veterans affairs; self-amortizing mortgage loans.....	2,205,840,000	2,118,097,395			87,742,605
Veterans affairs; refunding bonds.....	1,015,000,000	741,739,245			273,260,755
Veterans affairs; self-amortizing facilities.....	38,051,600	13,477,450	1,561		24,572,589
State fair park board; board facilities.....	14,787,100	14,769,010		353	17,737
State fair park board; housing facilities.....	11,000,000	10,999,985	15		
State fair park board; self-amortizing facilities.....	52,987,100	51,189,300	22,401	600,000	1,175,399
Total.....	<u>\$21,012,425,088</u>	<u>\$16,503,961,826</u>	<u>\$72,567,798</u>	<u>\$154,890,000</u>	<u>\$4,281,005,566</u>

^(a) Interest earnings reduce issuance authority by the same amount.

^(b) Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the statutory authority to issue debt.

Source: Wisconsin Department of Administration.

APPENDIX C

EXPECTED FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds, it is expected that Foley & Lardner LLP will deliver a legal opinion in substantially the following form:

(Letterhead of Foley & Lardner LLP)

\$154,890,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2007, SERIES C

We have served as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$154,890,000 General Obligation Bonds of 2007, Series C, dated the date hereof (**Bonds**). The Bonds are being issued pursuant to Article VIII of the Wisconsin Constitution, Chapters 18 and 20 of the Wisconsin Statutes, and a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on October 17, 2007 (**Resolution**).

We examined the law, a certified copy of the proceedings relating to the issuance of the Bonds, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon those certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is a valid and binding obligation of the State enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes. It also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations, however, interest on the Bonds is taken into account in determining adjusted current earnings. The State must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactive to the date the Bonds were issued. This letter expresses no opinion about other federal tax law consequences regarding the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (except only the matters set forth as our opinion in the Official Statement). However, in serving as bond counsel, nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial statements and other financial or statistical data included therein, as to which we express no view), as of the date of delivery of the Bonds, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law.

Very truly yours,

FOLEY & LARDNER LLP