

## State of Wisconsin

Notice of **Material Information** #2007-20  
Dated December 12, 2007

### Information Cover Sheet

This page is a cover sheet to the attached document that is being submitted to and filed with each of the Nationally Recognized Municipal Securities Information Repositories. At this time, no State Information Depository has been established for the State of Wisconsin. This page is not intended to be part of the filing; rather, it is intended to only assist with the filing and classification of the attached submittal.

**Issuer:** State of Wisconsin

**CUSIP Numbers:** 977053 Prefix (All)                      977055 Prefix (All)  
977056 Prefix (All)                      97705L Prefix (All)  
977087 Prefix (All)                      977092 Prefix (All)  
977100 Prefix (All)                      977109 Prefix (All)  
977123 Prefix (All)

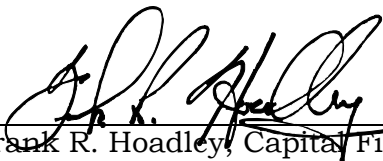
This filing relates to all securities issued by the State of Wisconsin that contain these six-digit base CUSIP numbers.

**Type of Filing:** Electronic. The following submission is also available on the State of Wisconsin Capital Finance web site at:

[www.doa.wi.gov/capitalfinance](http://www.doa.wi.gov/capitalfinance)

**Type of Information:** **Other Secondary Market Information**  
**Monthly General Fund Financial Information Report**  
**October 2007**

The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office (which is the office of the State of Wisconsin responsible for providing annual reports and giving notice of listed material events when notice is required by the State's Master Agreement on Continuing Disclosure) and is authorized to distribute this information publicly.

  
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December 11, 2007

To the Users of This Report:

Re: Monthly Financial Information—October 2007

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

- ***FY08 Budget and Projected FY08 General Fund Cash Flows.*** The projected general fund cash flow for FY08 that appears in many of the attached tables reflects the enacted budget for FY08 (2007 Wisconsin Act 20). Projections that appeared in reports for prior months reflected the governor's proposed budget. The enacted budget includes approximately \$148 million of additional general fund appropriations compared to the governor's proposed budget.

The projected general fund cash flow for FY08 continues to include the \$600 million of operating notes issued on July 2, 2007, which mature on June 16, 2008.

- ***FY08 Budget; 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 State's Injured Patients and Families Compensation Fund to its 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 FY08 and FY09.

The attached report includes information about the General Fund, while the litigation addresses a transfer from a fund other than the General Fund 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.

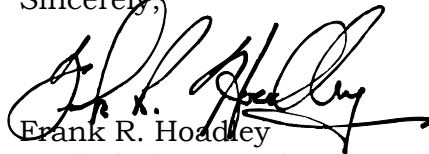
- ***Deposit Into Budget Stabilization Fund – FY07.*** A transfer of \$55.6 million has been made from the General Fund to the State's Budget Stabilization Fund (which is a "rainy day fund"). This transfer was completed in FY07 and pursuant to provisions of Wisconsin Statutes that address revenues received over original budget estimates.

- **Annual Fiscal Report (Budgetary Basis) - FY07.** The State's Annual Fiscal Report (unaudited, budgetary basis) was released on October 15, 2007, and it showed that the State ended FY07 with an undesignated balance of \$66.3 million. This balance would have been \$55.6 million higher had the transfer to the Budget Stabilization Fund not occurred. The Annual Fiscal Report for FY07 (unaudited, budgetary basis) is available from the Capital Finance Office website ([www.doa.state.wi.us/capitalfinance](http://www.doa.state.wi.us/capitalfinance)) or at the above address.

Audited financial statements for FY07 are expected to be available by December 31, 2007.

- **Tax Filing Update.** At June 30, 2007, the total amount of tax refunds that had been paid in FY07 was approximately \$147 million less than projected. This was the result of delays in processing tax returns during the latter part of FY07. As a result more tax returns are being processed and tax refunds paid in FY08; the total amount of tax refunds paid to-date in FY08 is approximately \$127 million more than projected.

Sincerely,



Frank R. Hoadley  
Capital Finance Director

# Monthly General Fund Financial Information State of Wisconsin

## For the Period Ending October 31, 2007

Prepared by the Wisconsin Department of Administration

Prepared on December 11, 2007

The following tables of general fund financial information are provided with respect to securities issued by the State of Wisconsin. The information may be material to an investment decision in the securities, although the presence of information here does not imply the State of Wisconsin has made a determination of its materiality.

**PROJECTED GENERAL FUND CASH FLOW FOR FY08 REFLECTS THE ENACTED BUDGET (2007 WISCONSIN ACT 20), REVENUE ESTIMATES RELEASED BY THE LEGISLATIVE FISCAL BUREAU (LFB) ON JANUARY 30, 2007, AND \$600 MILLION OF OPERATING NOTES ISSUED ON JULY 2, 2007.**

### Table of Contents

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

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

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

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

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

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

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

## Cautionary Information

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| <b>Users of this information should be cautioned about several points:</b> |
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The general fund financial information in this document has been prepared using what is believed to be the best available data for these purposes. The tables in this document have been prepared using the same procedures used to prepare similar information for the State of Wisconsin Continuing Disclosure Annual Report, Official Statements prepared for specific securities, or reports filed in conjunction with various securities. This information is, however, preliminary in nature and subject to change.

- This information is unaudited and is not a “financial statement.” None of the data presented here has been subjected to customary fiscal period closing procedures or the procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- This information only speaks as of the date on which it was prepared.
- Statements of information for dates before the date this information is prepared will most likely be restated or revised. Information classified as “actual”, and any difference from any prior estimate, does not signify a change to official estimates. Any official revenue or expenditure re-estimates that do occur will be separately identified, and if material, appropriately noted.
- The information does not intend to reflect the State’s projected budgetary balance for FY08. The State has issued its Annual Fiscal Report (unaudited, budgetary basis) for FY07.
- Projections of results for dates after the date this information is prepared are forward looking. Actual results will almost certainly differ.
  - It is important to note that cash flow projections are expressed on a *cash basis* while the revenue estimates released by LFB are expressed on a *budgetary basis* and net of any refunds.
  - The projected general fund cash flow for the remainder of FY08 reflects the enacted budget (2007 Wisconsin Act 20), revenue estimates released by LFB on January 30, 2007, and \$600 million of operating notes issued on July 2, 2007, which mature on June 16, 2008.
  - Projections are not adjusted to reflect actual revenues and expenditures and routine variability in the timing of receipts and disbursements, but may be adjusted to reflect unique events.
  - Projections of remaining fiscal year cash flow may be adjusted when necessary to reflect unforeseen events or additional revised forecasts of the General Fund condition statement.
- Data in the tables of financial information are subject to revision and reclassification for prior periods. This is particularly true for revenue data, where proper classification depends on tax returns which are received and processed significantly after the tax payments are received through electronic transfers.
- Some information is presented on a cash basis of accounting while other data is presented on a budgetary or agency recorded basis. Users should not compare information that is presented on one basis of accounting with information that is presented on a different basis of accounting.
- Comparison of monthly general fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- The State of Wisconsin is not obligated to provide this information or make it available on its website.
- None of the information in these tables of financial information is required by the State of Wisconsin’s continuing disclosure undertakings pursuant to SEC rule 15c2-12.
  - This information is not, and does not replace, a notice of a material event required by SEC rule 15c2-12.
  - This information is not, and does not replace, the annual financial information required by SEC rule 15c2-12.

**ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2007 TO OCTOBER 31, 2007<sup>(e)</sup>**  
**PROJECTED GENERAL FUND CASH FLOW; NOVEMBER 1, 2007 TO JUNE 30, 2008<sup>(a)</sup>**

|   | (In Thousands of Dollars) |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | July<br>2007              | August<br>2007      | September<br>2007   | October<br>2007     | November<br>2007    | December<br>2007    | January<br>2008     | February<br>2008    | March<br>2008       | April<br>2008       | May<br>2008         | June<br>2008        |
| <b>BALANCES<sup>(b)</sup></b>             |                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                  | \$ 49,148                 | \$ 349,749          | \$ 638,780          | \$ 723,620          | \$ 1,417,676        | \$ 1,084,359        | \$ 678,952          | \$ 1,523,101        | \$ 1,253,844        | \$ (113,709)        | \$ 344,868          | \$ 362,118          |
| <b>Ending Balance<sup>(c)</sup></b>       | 349,749                   | 638,780             | 723,620             | 1,417,676           | 1,084,359           | 678,952             | 1,523,101           | 1,253,844           | (113,709)           | 344,868             | 362,118             | (165,698)           |
| <b>Lowest Daily Balance<sup>(c)</sup></b> | 39,257                    | (441)               | 159,554             | 606,183             | 803,526             | (260,513)           | 678,952             | 1,019,980           | (113,706)           | (319,806)           | 133,037             | (779,348)           |
| <b>RECEIPTS</b>                           |                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>TAX RECEIPTS</b>                       |                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Individual Income                         | \$ 682,211                | \$ 500,798          | \$ 651,858          | \$ 695,206          | \$ 524,977          | \$ 549,723          | \$ 1,101,300        | \$ 534,900          | \$ 524,400          | \$ 998,300          | \$ 526,800          | \$ 705,600          |
| Sales & Use                               | 414,387                   | 413,404             | 401,674             | 396,967             | 381,600             | 354,400             | 426,300             | 327,300             | 316,600             | 360,800             | 363,900             | 396,600             |
| Corporate Income                          | 35,238                    | 20,042              | 154,364             | 51,110              | 30,800              | 177,000             | 31,200              | 22,100              | 233,100             | 37,300              | 24,300              | 171,200             |
| Public Utility                            | 20                        | 20                  | 509                 | 1,871               | 147,400             | 1,500               | 100                 | 1,100               | 100                 | 2,700               | 149,900             | 900                 |
| Excise                                    | 30,620                    | 34,376              | 36,523              | 27,764              | 32,100              | 32,100              | 36,000              | 73,800              | 46,200              | 51,200              | 55,300              | 56,900              |
| Insurance                                 | 584                       | 1,777               | 33,083              | 489                 | 1,442               | 36,711              | 2,721               | 19,695              | 25,773              | 28,905              | 1,700               | 30,831              |
| Inheritance                               | 12,784                    | 17,121              | 14,108              | 14,117              | 7,800               | 7,700               | 7,600               | 6,300               | 7,600               | 6,600               | 9,200               | 9,100               |
| <b>Subtotal Tax Receipts</b>              | <b>\$ 1,175,844</b>       | <b>\$ 987,538</b>   | <b>\$ 1,292,119</b> | <b>\$ 1,187,524</b> | <b>\$ 1,126,119</b> | <b>\$ 1,159,134</b> | <b>\$ 1,605,221</b> | <b>\$ 985,195</b>   | <b>\$ 1,153,773</b> | <b>\$ 1,485,805</b> | <b>\$ 1,131,100</b> | <b>\$ 1,371,131</b> |
| <b>NON-TAX RECEIPTS</b>                   |                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Federal                                   | 579,248                   | 553,559             | 479,277             | 518,519             | 529,200             | 501,200             | 601,800             | 551,700             | 490,382             | 522,000             | 553,100             | 586,100             |
| Other & Transfers                         | 397,510                   | 231,439             | 414,249             | 418,712             | 288,209             | 450,809             | 484,209             | 570,209             | 407,227             | 363,809             | 300,309             | 579,628             |
| Note Proceeds <sup>(d)</sup>              | 594,000                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Subtotal Non-Tax Receipts</b>          | <b>\$ 1,570,758</b>       | <b>\$ 784,998</b>   | <b>\$ 893,526</b>   | <b>\$ 937,231</b>   | <b>\$ 817,409</b>   | <b>\$ 952,009</b>   | <b>\$ 1,086,009</b> | <b>\$ 1,121,909</b> | <b>\$ 897,609</b>   | <b>\$ 885,809</b>   | <b>\$ 853,409</b>   | <b>\$ 1,165,728</b> |
| <b>TOTAL RECEIPTS</b>                     | <b>\$ 2,746,602</b>       | <b>\$ 1,772,536</b> | <b>\$ 2,185,645</b> | <b>\$ 2,124,755</b> | <b>\$ 1,943,528</b> | <b>\$ 2,111,143</b> | <b>\$ 2,691,230</b> | <b>\$ 2,107,104</b> | <b>\$ 2,051,382</b> | <b>\$ 2,371,614</b> | <b>\$ 1,984,509</b> | <b>\$ 2,536,859</b> |
| <b>DISBURSEMENTS</b>                      |                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Local Aids                                | 1,088,886                 | 170,143             | 841,399             | 120,205             | 940,400             | 1,299,400           | 267,000             | 314,100             | 1,373,400           | 159,700             | 204,000             | 1,983,500           |
| Income Maintenance                        | 554,657                   | 462,141             | 430,767             | 475,577             | 417,222             | 483,919             | 406,889             | 416,936             | 410,942             | 424,007             | 417,660             | 209,916             |
| Payroll and Related                       | 293,794                   | 439,220             | 257,475             | 384,708             | 456,384             | 283,297             | 467,311             | 489,317             | 286,550             | 435,077             | 460,002             | 279,832             |
| Tax Refunds                               | 114,634                   | 89,140              | 53,251              | 63,034              | 52,900              | 151,283             | 88,800              | 539,200             | 463,800             | 387,300             | 154,300             | 164,100             |
| Debt Service                              | 95,411                    | 5,720               | 170,526             | -                   | 13,491              | -                   | -                   | 1,537               | 327,165             | -                   | 90,637              | -                   |
| Miscellaneous                             | 294,406                   | 317,141             | 347,387             | 387,175             | 396,448             | 298,651             | 617,081             | 463,034             | 400,628             | 350,503             | 484,210             | 427,327             |
| Note Repayment <sup>(d)</sup>             | 4,213                     | -                   | -                   | -                   | -                   | -                   | -                   | 152,237             | 156,450             | 156,450             | 156,450             | -                   |
| <b>TOTAL DISBURSEMENTS</b>                | <b>\$ 2,446,001</b>       | <b>\$ 1,483,505</b> | <b>\$ 2,100,805</b> | <b>\$ 1,430,699</b> | <b>\$ 2,276,845</b> | <b>\$ 2,516,550</b> | <b>\$ 1,847,081</b> | <b>\$ 2,376,361</b> | <b>\$ 3,418,935</b> | <b>\$ 1,913,037</b> | <b>\$ 1,967,259</b> | <b>\$ 3,064,675</b> |

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

**GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE  
 COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR<sup>(e)</sup>  
 (Cash Basis)  
 As of October 31, 2007  
 (Amounts in Thousands)**

|                                   | <u>FY07 through October 2006</u> | <u>FY08 through October 2007</u> |                               |                     |  | Difference FY07<br>Actual to FY08<br>Actual |
|-----------------------------------|----------------------------------|----------------------------------|-------------------------------|---------------------|--|---|
|                                   | <u>Actual</u>                    | <u>Actual</u>                    | <u>Estimate<sup>(j)</sup></u> | <u>Variance</u>     | <u>Adjusted<br/>Variance<sup>(f)</sup></u> |   |
| <b>RECEIPTS</b>                   |                                  |                                  |                               |                     |  |   |
| <b>Tax Receipts</b>               |                                  |                                  |                               |                     |  |   |
| Individual Income                 | \$ 2,326,492                     | \$ 2,530,073                     | \$ 2,456,035                  | \$ 74,038           | \$ 74,038                                  | \$ 203,581                                  |
| Sales                             | 1,597,622                        | 1,626,432                        | 1,603,000                     | 23,432              | 23,432                                     | 28,810                                      |
| Corporate Income                  | 285,899                          | 260,754                          | 254,500                       | 6,254               | 6,254                                      | (25,145)                                    |
| Public Utility                    | 1,628                            | 2,420                            | 3,969                         | (1,549)             | (1,549)                                    | 792   |
| Excise                            | 131,267                          | 129,283                          | 142,069                       | (12,786)            | (12,786)                                   | (1,984)                                     |
| Insurance                         | 32,722                           | 35,933                           | 30,843                        | 5,090               | 5,090                                      | 3,211                                       |
| Inheritance                       | 34,873                           | 58,130                           | 28,984                        | 29,146              | 29,146                                     | 23,257                                      |
| <b>Total Tax Receipts</b>         | <b>\$ 4,410,503</b>              | <b>\$ 4,643,025</b>              | <b>\$ 4,519,400</b>           | <b>\$ 123,625</b>   | <b>\$ 123,625</b>                          | <b>\$ 232,522</b>                           |
| <b>Non-Tax Receipts</b>           |                                  |                                  |                               |                     |  |   |
| Federal                           | \$ 2,143,972                     | \$ 2,130,603                     | \$ 2,227,764                  | \$ (97,161)         | \$ (97,161)                                | \$ (13,369)                                 |
| Other and Transfers               | 1,483,749                        | 1,461,910                        | 1,485,606                     | (23,696)            | (23,696)                                   | (21,839)                                    |
| Note Proceeds <sup>(d)</sup>      | -                                | 594,000                          | 594,000                       | -                   | -  | 594,000                                     |
| <b>Total Non-Tax Receipts</b>     | <b>\$ 3,627,721</b>              | <b>\$ 4,186,513</b>              | <b>\$ 4,307,370</b>           | <b>\$ (120,857)</b> | <b>\$ (120,857)</b>                        | <b>\$ 558,792</b>                           |
| <b>TOTAL RECEIPTS</b>             | <b>\$ 8,038,224</b>              | <b>\$ 8,829,538</b>              | <b>\$ 8,826,770</b>           | <b>\$ 2,768</b>     | <b>\$ 2,768</b>                            | <b>\$ 791,314</b>                           |
| <b>DISBURSEMENTS</b>              |                                  |                                  |                               |                     |  |   |
| Local Aids                        | \$ 1,983,642                     | \$ 2,220,633                     | \$ 2,203,482                  | \$ (17,151)         | \$ (17,151)                                | \$ 236,991                                  |
| Income Maintenance                | 1,788,086                        | 1,923,142                        | 1,896,277                     | (26,865)            | (26,865)                                   | 135,056                                     |
| Payroll & Related                 | 1,373,907                        | 1,375,197                        | 1,404,244                     | 29,047              | 29,047                                     | 1,290                                       |
| Tax Refunds                       | 243,909                          | 320,059                          | 193,200                       | (126,859)           | (126,859)                                  | 76,150                                      |
| Debt Service                      | 221,100                          | 271,657                          | 291,262                       | 19,605              | 19,605                                     | 50,557                                      |
| Miscellaneous                     | 1,316,429                        | 1,346,109                        | 1,297,666                     | (48,443)            | (48,443)                                   | 29,680                                      |
| Note Repayment <sup>(d)</sup>     | -                                | 4,213                            | 4,213                         | -                   | -  | 4,213                                       |
| <b>TOTAL DISBURSEMENTS</b>        | <b>\$ 6,927,073</b>              | <b>\$ 7,461,010</b>              | <b>\$ 7,290,344</b>           | <b>\$ (170,666)</b> | <b>\$ (170,666)</b>                        | <b>\$ 533,937</b>                           |
| <b>VARIANCE FY08 YEAR-TO-DATE</b> |                                  |                                  |                               | <b>\$ (167,898)</b> | <b>\$ (167,898)</b>                        |   |

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

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

|      | <u>Starting Date</u> | <u>Starting Balance</u>     |    | <u>Receipts<sup>(d)</sup></u> | <u>Disbursements<sup>(d)</sup></u> |
|------|----------------------|-----------------------------|----|-------------------------------|------------------------------------|
| 2005 | July.....            | \$ (193,683) <sup>(c)</sup> | \$ | 1,826,490                     | \$ 2,049,886                       |
|      | August.....          | (417,079) <sup>(c)</sup>    |    | 1,862,861                     | 1,309,154                          |
|      | September.....       | 136,628 <sup>(c)</sup>      |    | 2,279,058                     | 2,106,633                          |
|      | October.....         | 309,053                     |    | 1,832,855                     | 1,323,363                          |
|      | November.....        | 818,545                     |    | 1,850,883                     | 2,082,660                          |
|      | December.....        | 586,768 <sup>(c)</sup>      |    | 1,829,742                     | 2,535,436                          |
| 2006 | January.....         | (118,926) <sup>(c)</sup>    |    | 2,453,770                     | 1,452,062                          |
|      | February.....        | 882,782                     |    | 2,082,942                     | 1,820,094                          |
|      | March.....           | 1,145,630                   |    | 1,949,288                     | 2,979,887                          |
|      | April.....           | 115,031 <sup>(c)</sup>      |    | 2,316,434                     | 1,600,131                          |
|      | May.....             | 831,334                     |    | 2,035,524                     | 1,496,923                          |
|      | June.....            | 1,369,935 <sup>(c)</sup>    |    | 2,033,941                     | 3,399,313                          |
|      | July.....            | 4,563 <sup>(c)</sup>        |    | 1,920,630                     | 2,121,122                          |
|      | August.....          | (195,929) <sup>(c)</sup>    |    | 1,695,545                     | 1,391,455                          |
|      | September.....       | 108,161 <sup>(c)</sup>      |    | 2,288,498                     | 2,041,092                          |
|      | October.....         | 355,567                     |    | 2,130,549                     | 1,373,404                          |
|      | November.....        | 1,112,712                   |    | 1,856,520                     | 2,086,743                          |
|      | December.....        | 882,489 <sup>(c)</sup>      |    | 1,791,636                     | 2,501,552                          |
| 2007 | January.....         | 172,573                     |    | 2,570,733                     | 1,717,796                          |
|      | February.....        | 1,025,510                   |    | 1,949,875                     | 1,947,201                          |
|      | March.....           | 1,028,184 <sup>(c)</sup>    |    | 1,869,287                     | 2,934,724                          |
|      | April.....           | (37,253) <sup>(c)</sup>     |    | 2,548,712                     | 1,896,578                          |
|      | May.....             | 614,881                     |    | 2,009,550                     | 1,525,908                          |
|      | June.....            | 1,098,523 <sup>(c)</sup>    |    | 2,307,089                     | 3,356,463                          |
|      | July.....            | 49,149                      |    | 2,746,602                     | 2,446,001                          |
|      | August.....          | 349,750 <sup>(c)</sup>      |    | 1,772,536                     | 1,483,505                          |
|      | September.....       | 638,781                     |    | 2,185,645                     | 2,100,805                          |
|      | October.....         | 723,621                     |    | 2,124,755                     | 1,430,699                          |
|      | November.....        | 1,417,677                   |    | 1,943,528                     | 2,276,845                          |
|      | December.....        | 1,084,360 <sup>(c)</sup>    |    | 2,111,143                     | 2,516,550                          |
| 2008 | January.....         | 678,953                     |    | 2,691,230                     | 1,847,081                          |
|      | February.....        | 1,523,102                   |    | 2,107,104                     | 2,376,361                          |
|      | March.....           | 1,253,845 <sup>(c)</sup>    |    | 2,051,382                     | 3,418,935                          |
|      | April.....           | (113,708) <sup>(c)</sup>    |    | 2,371,614                     | 1,913,037                          |
|      | May.....             | 344,869                     |    | 1,984,509                     | 1,967,259                          |
|      | June.....            | 362,119 <sup>(c)</sup>      |    | 2,536,859                     | 3,064,675                          |

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



**CASH BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING<sup>(g)</sup>**

**July 31, 2005 to October 31, 2007 — Actual**

**November 30, 2007 to June 30, 2008 — Projected<sup>(a)</sup>**

**(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       | 1,204        |             |
| October .....           | 1,115       | 925         | <u>1,110</u> |             |
| 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       | <u>3,901</u> |             |
| November .....          | 3,370       | 3,477       | 3,477        |             |
| December .....          | 3,692       | 3,764       | 3,764        |             |

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

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

|  | <b>Revenues</b><br><b><u>2006-07 FY<sup>(i)</sup></u></b> | <b>Projected</b><br><b>Revenues</b><br><b><u>2007-08 FY<sup>(a)</sup></u></b> | <b>Recorded Revenues</b><br><b>July 1, 2006 to</b><br><b><u>October 31, 2006<sup>(k)</sup></u></b> | <b>Recorded Revenues</b><br><b>July 1, 2007 to</b><br><b><u>October 31, 2007<sup>(l)</sup></u></b> |
|--|---|---|--|--|
| Individual Income Tax .....  | \$ 6,573,778,000  | \$ 6,758,800,000  | \$ 1,888,482,785   | \$ 1,964,094,008   |
| General Sales and Use Tax .....  | 4,158,612,000   | 4,310,000,000   | 1,110,291,887  | 1,157,511,735  |
| Corporate Franchise<br>and Income Tax .....                            | 890,056,000   | 887,775,000   | 260,359,231  | 226,770,614  |
| Public Utility Taxes .....   | 284,940,000   | 297,200,000   | 339,494  | 761,715  |
| Excise Taxes .....   | 365,848,000   | 537,300,000   | 96,907,310   | 96,245,640   |
| Inheritance Taxes .....  | 121,114,000   | 95,000,000  | 33,312,394   | 55,594,029   |
| Insurance Company Taxes .....  | 141,405,000   | 141,000,000   | 31,531,592   | 34,662,850   |
| Miscellaneous Taxes .....  | 82,244,000  | 73,000,000  | 26,080,688   | 25,077,280   |
| <b>SUBTOTAL.....</b>   | <b><u>12,617,997,000</u></b>                              | <b><u>13,100,075,000</u></b>  | <b><u>3,447,305,380</u></b>  | <b><u>3,560,717,870</u></b>  |
| Federal and Other Inter-<br>Governmental Revenues <sup>(n)</sup> ..... | 6,505,269,000   | 6,239,071,300   | 2,148,001,557  | 2,107,983,625  |
| Dedicated and<br>Other Revenues <sup>(o)</sup> .....                   | <u>4,000,158,000</u>                                      | <u>4,614,522,700</u>  | <u>1,551,759,315</u>   | <u>1,436,766,515</u>   |
| <b>TOTAL.....</b>  | <b><u>\$23,123,424,000</u></b>                            | <b><u>\$ 23,953,669,000</u></b>   | <b><u>\$ 7,147,066,252</u></b>   | <b><u>\$ 7,105,468,009</u></b>   |

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

|                                   | <b>Expenditures</b><br><b><u>2006-07 FY<sup>(i)</sup></u></b> | <b>Appropriations</b><br><b><u>2007-08 FY<sup>(a)</sup></u></b> | <b>Recorded</b><br><b>Expenditures</b><br><b>July 1, 2006 to</b><br><b><u>October 31, 2006<sup>(p)</sup></u></b> | <b>Recorded</b><br><b>Expenditures</b><br><b>July 1, 2007 to</b><br><b><u>October 31, 2007<sup>(q)</sup></u></b> |
|-----------------------------------|---|---|--|--|
| Commerce.....                     | \$ 281,047,000  | \$ 294,328,200  | \$ 90,524,808  | \$ 72,672,779  |
| Education.....                    | 10,542,076,000  | 10,961,021,300  | 2,535,228,248  | 2,630,301,117  |
| Environmental Resources.....      | 328,094,000   | 367,720,800   | 98,966,206   | 105,006,748  |
| Human Relations & Resources ..... | 9,341,228,000   | 9,256,908,100   | 3,114,010,240  | 3,164,859,527  |
| General Executive.....            | 720,467,000   | 947,430,200   | 299,659,074  | 335,187,022  |
| Judicial.....                     | 121,332,000   | 127,264,900   | 44,759,886   | 46,349,618   |
| Legislative.....                  | 63,372,000  | 71,124,100  | 16,796,153   | 17,604,852   |
| General Appropriations.....       | <u>1,807,627,000</u>  | <u>2,060,562,300</u>  | <u>691,858,680</u>   | <u>879,736,936</u>   |
| <b>TOTAL.....</b>                 | <b><u>\$ 23,205,243,000</u></b>                               | <b><u>\$ 24,086,359,900</u></b>                                 | <b><u>\$ 6,891,803,295</u></b>   | <b><u>\$ 7,251,718,599</u></b>   |

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

**ENDNOTES AND ADDITIONAL INFORMATION**

- (a) The projections or estimates reflect the enacted budget for FY08 (2007 Wisconsin Act 20), projected General Fund revenues released by LFB on January 30, 2007, and the \$600 million of operating notes that were issued on July 2, 2007 for FY08, which mature on June 16, 2008. Projections for FY08 also assume that the State will receive approximately \$124 million pursuant to the amended gaming compacts with tribal governments. A complete copy of LFB's revenue estimates can be obtained by contacting the State of Wisconsin Capital Finance Office. Amounts do not reflect interfund borrowing.
- (b) The General Fund cash balances presented are not based on Generally Accepted Accounting Principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds are expected to range from \$191 to \$324 million during FY08. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average \$22 million during FY08.
- (c) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. This amount is approximately \$691 million for FY08 (based on the Governor's proposed budget). In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately \$415 million for FY08) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, the Secretary of Administration is authorized to prorate and defer certain payments.
- (d) Operating notes were not issued for FY06 and FY07, but \$600 million of operating notes were issued on July 2, 2007 for FY08. The February 29, 2008 impoundment payment reflects the premium received on July 2, 2007 and deposited into the Operating Note Redemption Fund.
- (e) Please refer to the cautionary statements at the beginning of this document. The cautionary statements are an integral part of this table. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly general fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (f) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates can not be changed and the result is a large variance. This column may include adjustments to the variances to more accurately reflect the variance between the estimated and actual amounts.
- (g) The following funds are available for interfund borrowing. The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund listed below has a negative balance and is subject to interfund borrowing.

|  |   |                                     |
|--|---|-------------------------------------|
| Transportation                               | Common School                           | Uninsured Employers                 |
| Conservation (Partial)                       | Normal School                           | Health Insurance Risk Sharing Plan  |
| Wisconsin Health Education Loan Repayment    | University                              | Local Government Property Insurance |
| Waste Management                             | Local Government Investment Pool        | Patients Compensation               |
| Wisconsin Election Campaign                  | Farms for the Future                    | Mediation                           |
| Investment & Local Impact                    | Agrichemical Management                 | Medical Assistance                  |
| Elderly Property Tax Deferral                | Historical Society Trust                | Environmental                       |
| Lottery                                      | School Income Fund                      | Recycling                           |
| Children's Trust                             | Benevolent                              | University Trust Principal          |
| Racing                                       | Groundwater                             | Veterans Mortgage Loan Repayment    |
| Work Injury Supplemental Benefit             | Petroleum Storage Environmental Cleanup | State Building Trust                |
| Unemployment Compensation Interest Repayment | Environmental Improvement Fund          | Agricultural College                |
- (h) These tables do not include FY07 revenues and expenditures that were recorded by state agencies during the months of July and August, 2007.
- (i) The amounts are from the Annual Fiscal Report (unaudited, budgetary basis) for FY07, dated October 15, 2007.
- (j) The estimates included in this table through October 1, 2007 reflect the governor's proposed budget for FY08.
- (k) The amounts shown are FY07 revenues as recorded by state agencies.
- (l) The amounts shown are FY08 revenues as recorded by state agencies.

- (m) The Governor's proposed budget for FY08 moves the proceeds of the Real Estate Transfer Fee into a new segregated fund. The amount of the Real Estate Transfer Fee collected in FY07 was \$72 million. The enacted budget does not include this transfer of the Real Estate Fee.
- (n) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (o) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (p) The amounts shown are FY07 expenditures as recorded by state agencies.
- (q) The amounts shown are FY08 expenditures as recorded by state agencies.

Additional information regarding the tables on the previous pages.

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

In FY05, the State received the expected payments from all but two tribal governments. One tribal government placed its payment of nearly \$44 million in escrow for release to the State upon completion of a new amendment to its gaming compact. The other tribal government did not make its payment of about \$30 million.

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

On July 14, 2006, the Wisconsin Supreme Court held that a 1993 amendment to the gambling provision of the Wisconsin Constitution did not invalidate or affect the extension, renewal, or amendment of State-tribal compacts originally executed in 1991 and 1992. In addition, the Wisconsin Supreme Court overruled a portion of its earlier decision from 2004 that had invalidated compact amendments from 2003 that allowed tribes to offer additional games beyond those agreed to in the original tribal compacts.

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

In FY08, budget and General Fund cash receipts assume that the State will receive approximately \$124 million pursuant to the amended gaming compacts with tribal governments. This amount reflects (i) \$72 million, which is the estimate of all payments due in FY08, and (ii) \$52 million, which is an estimate of payments due in previous years from a tribal government that are expected to be made in FY08. With respect to the amount due in previous years, the State and this tribal government continue arbitration with respect to the tribal government's amended gaming compact.