

SEMI-ANNUAL REPORT (unaudited)

March 31, 2007

Madison Mosaic

*Government
Money Market*

money market



www.mosaicfunds.com

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Letter to Shareholders



Christopher Nisbet

The six-month period ended March 31, 2007 saw the seven-day yield of Government Money Market remain relatively steady as the Federal Reserve Board held the Fed Funds target rate steady throughout the period. The 7-day yield for the Fund began the period

at 4.68% and ended the period at 4.61%.

Money market rates and the Federal Funds rate are closely linked, with the Fed rate posture reflected in the yield of money market funds. Following 17 straight Fed rate increases through June 29, 2006, investors in money markets are seeing rates at a level they have not experienced in some time. In fact, the last quarter-end that saw rates in Government Money Market exceed the recent levels was December 31, 2000.

Economic Overview

The U.S. economy continued to expand over the six-months ended March 31, 2007, but in typical fashion, late-stage economic data has given conflicting signals. Economic strength and persistent inflation had some predicting that more rate hikes were needed. Meanwhile, the rollover in housing and the increasing default rate on loans to borrowers with lower credit ratings (sub-prime loans) argued for lower rates to prevent recession. The debate allows the Fed to remain on hold, patiently watching the data before acting.

The pace of GDP growth has been undeniably slower than earlier in the expansion, however much of the slack has come from housing and autos with the rest of the economy doing well. Aided by low unemployment, positive equity returns, and stable interest rates, U.S. consumers continued to support economic growth despite contraction in the manufacturing sector. However, slowing in the U.S. housing market remains a concern heading into the remainder of 2007 and we remain wary of the

potential for sub-prime loan problems to spread beyond the housing market.

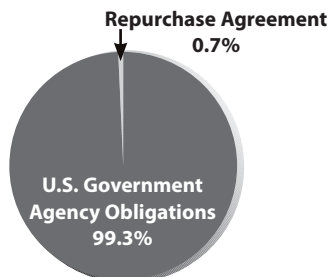
Inflation pressures remain a concern. Commodity prices, which have been rising steadily since 2002, took another leg upwards during the period, leading to further pressure on raw material input prices. Productive capacity was being utilized at a high rate. And the unemployment rate, which ended the period around 4.4%, was as low as it has been since the last recession. Inflation as a whole remained above the Fed's stated "comfort zone," as it has been since the spring of 2004, a situation which decreases the Fed's appetite for rate cuts.

Outlook

We expect economic growth to continue through the remainder of 2007, but at a more moderate pace. While we continue to believe that interest rates have upside risk, given recent inflation data, we are not looking for a sharp interest rate increase in the coming months. With money market rates staying close to their recent highs and above current annual inflation indicators, investors in Government Money Market should be particularly pleased to see a continuation of the current combination of high security and attractive yield.

Sincerely,

Christopher W. Nisbet, CFA
Senior Portfolio Manager



Statement of Net Assets (unaudited)

	PRINCIPAL AMOUNT	VALUE		PRINCIPAL AMOUNT	VALUE
US GOVERNMENT					
AGENCY OBLIGATIONS:					
99.0% of net assets			Fannie Mae, 5.1%, 5/23/07	\$1,250,000	\$1,240,753
Federal Farm Credit Bank, 5.16%, 4/2/07	\$1,250,000	\$1,249,820	Fannie Mae, 5.13%, 5/30/07	1,000,000	991,586
Federal Farm Credit Bank, 5.04%, 5/3/07	1,000,000	995,447	Fannie Mae, 5.1%, 5/31/07	1,000,000	991,459
Federal Farm Credit Bank, 5.1%, 5/30/07	750,000	743,698	Fannie Mae, 5.13%, 6/6/07	1,500,000	1,485,834
Federal Home Loan Bank, 5.1%, 4/11/07	1,250,000	1,248,216	Fannie Mae, 5.13%, 6/7/07	1,000,000	990,427
Federal Home Loan Bank, 5.11%, 4/13/07	850,000	848,544	Fannie Mae, 5.11%, 6/13/07	1,250,000	1,237,011
Federal Home Loan Bank, 5.15%, 5/15/07	750,000	745,268	Fannie Mae, 5.11%, 6/18/07	1,750,000	1,730,564
Freddie Mac, 5.12%, 4/3/07	1,000,000	999,713	Fannie Mae, 5.11%, 6/20/07	1,000,000	988,629
Freddie Mac, 5.13%, 4/16/07	750,000	748,388	Fannie Mae, 5.09%, 6/27/07	1,000,000	987,652
Freddie Mac, 5.13%, 4/23/07	1,000,000	996,850	Fannie Mae, 5.09%, 6/28/07	1,500,000	1,481,266
Freddie Mac, 5.11%, 5/8/07	1,000,000	994,716	Fannie Mae, 5.08%, 8/10/07	750,000	736,125
Freddie Mac, 5.05%, 5/11/07	1,000,000	994,338	TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS		
Freddie Mac, 5.12%, 5/21/07	1,500,000	1,489,282	(Cost \$34,095,046)		\$34,095,046
Freddie Mac, 5.14%, 6/11/07	1,000,000	989,832	REPURCHASE AGREEMENT:		
Freddie Mac, 5.1%, 7/30/07	1,000,000	982,927	1.1% of net assets		
Freddie Mac, 5.09%, 7/31/07	1,000,000	982,881	With Morgan Stanley and Company issued 3/30/07 at 5%, due 4/2/07, collateralized by \$395,664 in United States Treasury Notes due 11/15/26. Proceeds at maturity are \$386,161 (Cost \$386,000).		386,000
Freddie Mac, 5.09%, 8/3/07	500,000	491,223	TOTAL INVESTMENTS:		
Fannie Mae, 5.14%, 4/4/07	1,000,000	999,569	(Cost \$34,481,046+)		\$34,481,046
Fannie Mae, 5.11%, 4/9/07	1,000,000	998,856	LIABILITIES LESS CASH AND RECEIVABLES:		
Fannie Mae, 5.12%, 4/18/07	1,000,000	997,566	(0.1)% of net assets		(42,556)
Fannie Mae, 5.09%, 4/25/07	750,000	747,426	NET ASSETS: 100%		<u>\$34,438,490</u>
Fannie Mae, 5.07%, 5/2/07	1,000,000	995,586	CAPITAL SHARES OUTSTANDING		<u>34,440,102</u>
Fannie Mae, 5.1%, 5/16/07	1,000,000	993,594	NET ASSET VALUE PER SHARE		<u>\$1.00</u>

+ Aggregate cost for federal income tax purposes
as of March 31, 2007

The Notes to Financial Statements are an integral part of these statements.

Statement of Operations (unaudited)

For the period ended March 31, 2007

INVESTMENT INCOME (Note 1)

Interest income \$981,771

EXPENSES (Notes 3 and 4)

Investment advisory fees 93,681
 Other expenses 65,603
 Independent trustee and auditor fees 5,485
 Expenses waived (46,822)
 Total expenses 117,947

NET INVESTMENT INCOME \$863,824

NET REALIZED GAIN ON INVESTMENTS 74

TOTAL INCREASE IN NET ASSETS RESULTING FROM OPERATIONS \$863,898

Statements of Changes in Net Assets

	(unaudited) Six-Months Ended March 31, 2007	Year Ended September 30, 2006
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
Net investment income	\$ 863,824	\$ 1,575,622
Net realized gain (loss) on investments	<u>74</u>	<u>(1,602)</u>
Total increase in net assets resulting from operations	863,898	1,574,020
DISTRIBUTION TO SHAREHOLDERS		
From net investment income	(863,824)	(1,575,622)
CAPITAL SHARE TRANSACTIONS (Note 5)	<u>(2,407,227)</u>	<u>(5,036,658)</u>
TOTAL DECREASE IN NET ASSETS	(2,407,153)	(5,038,260)
NET ASSETS		
Beginning of period	\$36,845,643	\$41,883,903
End of period	<u>\$34,438,490</u>	<u>\$36,845,643</u>

The Notes to Financial Statements are an integral part of these statements.

Financial Highlights

Selected data for a share outstanding for the periods indicated.

	(unaudited) Six-Months Ended March 31,	Year Ended September 30,			
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net asset value, beginning of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Net investment income	0.02	0.04	0.02	0.01	0.01
Less distributions from net investment income	(0.02)	(0.04)	(0.02)	(0.01)	(0.01)
Net asset value, end of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total return (%)	2.32	4.05	2.08	0.52	0.59
Ratios and supplemental data					
Net assets, end of period (thousands)	\$34,438	\$36,846	\$41,884	\$37,687	\$39,231
Ratio of expenses to average net assets before fee waiver (%)	0.88	0.88	0.88	0.88	0.88
Ratio of expenses to average net assets after fee waiver ¹ (%)	0.63	0.63	0.63	0.63	0.68
Ratio of net investment income to average net assets before fee waiver (%)	4.35	3.69	1.84	0.27	0.38
Ratio of net investment income to average net assets after fee waiver ¹ (%)	4.60	3.94	2.09	0.52	0.58

¹See Note 3 to the Financial Statements.

The Notes to Financial Statements are an integral part of these statements.

Notes to Financial Statements

1. Summary of Significant Accounting Policies. Madison Mosaic Government Money Market (the “Fund”) is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as an open-end, diversified investment management company. The Fund invests solely in securities issued by the U.S. Government or any of its agencies or instrumentalities or in repurchase agreements backed by such securities. Because the Fund is 100% no-load, its shares are offered and redeemed at the net asset value per share.

Securities Valuation: Securities are valued at amortized cost, which approximates fair market value. Portfolio securities are valued at acquisition cost as adjusted for amortization of premium or accretion of discount.

Investment Transactions: Investment transactions are recorded on a trade date basis. The cost of investments sold is determined on the identified cost basis for financial statement and Federal income tax purposes.

Investment Income: Interest income is recorded on an accrual basis. Bond premium is amortized and original issue discount and market discount are accreted over the expected life of each applicable security using the effective interest method.

Distribution of Income: Net investment income, determined as gross investment income less total expenses, is declared as a dividend each business day. Dividends are distributed to shareholders or reinvested in additional shares as of the close of business at the end of each month. Distributions paid during the years ended September 30, 2006 and 2005 were \$1,575,622 and \$792,381, respectively. All distributions were paid from ordinary income and were identical for book purposes and tax purposes. As of June 30, 2007, the Fund had \$1,528 of accumulated net realized losses as the only component of distributable earnings on a tax basis.

Income Tax: No provision is made for Federal income taxes since it is the intention of the Fund to comply with the provisions of the Internal Revenue Code available to investment companies and to make the requisite distribution to shareholders of taxable income which will be sufficient to relieve it from all or substantially all Federal income taxes. As of September 30, 2006, capital loss carryovers available to offset future capital gains for federal income tax purposes was \$1,602 expiring September 30, 2014.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Such estimates affect the reported amounts of assets and liabilities and reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

2. Investment in Repurchase Agreements. When the Fund purchases securities under agreements to resell, the securities are held in safekeeping by the Fund’s custodian bank as collateral. Should the market value of the securities purchased under such an agreement decrease below the principal amount to be received at the termination of the agreement plus accrued interest, the counterparty is required to place an equivalent amount of additional securities in safekeeping with the Fund’s custodian bank. Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other registered investment companies having Advisory and Services Agreements with the same advisor, transfers uninvested cash balances into a joint trading account. The aggregate balance in this joint trading account is invested in one or more consolidated repurchase agreements whose underlying securities are U.S. Treasury or Federal agency obligations. The Fund has approximately a 1.1% interest in the consolidated repurchase agreement of \$34,543,000 collateralized by

Notes to Financial Statements (continued)

\$35,407,857 in United States Treasury Notes.
Proceeds at maturity are \$34,557,393.

3. Investment Advisory Fee and Other Transactions

with Affiliates. The Investment Advisor to the Fund, Madison Mosaic, LLC, a wholly owned subsidiary of Madison Investment Advisors, Inc. (the "Advisor"), earns an advisory fee equal to 0.5% per annum of the average net assets of the Fund. The fee is accrued daily and paid monthly. Since December 9, 2002, the Advisor has been irrevocably waiving 0.25% of this fee for the Fund. For the six-months ended March 31, 2007, the waived amount was \$46,822. This waiver may end at any time.

The Advisor will reimburse the Fund for the amount of any expenses of the Fund (less certain expenses) that exceed 1.5% per annum of the average net assets of the Fund up to \$40 million and 1% per annum of such amount in excess of \$40 million. No amounts were reimbursed to the Fund by the Advisor for the six-months ended March 31, 2007.

4. Other Expenses. Under a separate Services Agreement, the Advisor will provide or arrange for the Fund to have all other necessary operational and support services for a fee based on a percentage of average net assets, other than the expenses of the Fund's Independent Trustees and auditor ("Independent Service Providers") which are paid directly based on cost. For the six-months ended March 31, 2007, this services fee was 0.35%. The Fund paid \$5,485 directly for Independent Service Providers fees for the six-months ended. The Fund uses US Bancorp Fund Services, LLC as its transfer agent and US Bank as its custodian. The transfer agent and custodian fees are paid by the Advisor and allocated to the Fund pursuant to a services agreement and are included in other expenses.

5. Capital Share Transactions. An unlimited number of capital shares, without par value, are authorized. Transactions in capital shares (in dollars) were as follows:

	(unaudited) Six-Months Ended March 31, 2007	Year Ended September 30, 2006
Shares sold	\$8,488,857	\$20,107,792
Shares issued in reinvestment of dividends	<u>844,896</u>	<u>1,536,688</u>
Total shares issued	9,333,753	21,644,480
Shares redeemed	<u>(11,740,980)</u>	<u>(26,681,138)</u>
Net decrease	<u>\$(2,407,227)</u>	<u>\$(5,036,658)</u>

6. Line of Credit. The Fund has a \$12 million revolving credit facility with a bank for temporary emergency purpose, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The interest rate on the outstanding principal amount is equal to the prime rate less 1/2%. During the six-months ended March 31, 2007, the Fund did not borrow on the line of credit.

7. New Accounting Pronouncement. In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109" ("FIN 48"), which clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return. FIN 48 provides guidance on the measurement, recognition, classification and disclosure of tax positions, along with accounting for the related interest and penalties. FIN 48 is effective for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the date of effectiveness. The Fund is currently evaluating the impact, if any, of applying the various provisions of FIN 48.

On September 15, 2006, the Financial Accounting Standards Board issued Standard No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 addresses how companies should measure fair value when specified assets and liabilities are measured at fair value for either recognition or disclosure purposes under

Notes to Financial Statements (continued)

generally accepted accounting principles (GAAP). FAS 157 is intended to make the measurement of fair value more consistent and comparable and improve disclosures about those measures. FAS 157 is effective for financial statements issued for fiscal

years beginning after November 15, 2007. At this time, management believes the adoption of FAS 157 will have no material impact on the financial statements of the Fund.

Fund Expenses (unaudited).

Example: This Example is intended to help you understand your costs (in dollars) of investing in the Fund and to compare these costs with the costs of investing in other mutual funds. See footnotes 3 and 4 above for an explanation of the types of costs charged by the Fund.

This Example is based on an investment of \$1,000 invested on October 1, 2006 and held for the six-months ended March 31, 2007.

Actual Expenses

The table below titled “Based on Actual Total Return” provides information about actual account values and actual expenses. You may use the information provided in this table, together with the amount you invested, to estimate the expenses that you paid over the period. To estimate the expenses you paid on your account, divide your ending account value by \$1,000 (for example, an \$8,500 ending account valued divided by \$1,000 = 8.5), then multiply the result by the number under the heading entitled “Expenses Paid During the Period.”

Based on Actual Total Return¹

	Actual Total Return ²	Beginning Account Value	Ending Account Value	Annualized Expense Ratio ³	Expenses Paid During the Period ³
Government Money Market	2.32%	\$1,000.00	\$1,023.22	0.63%	\$3.17

¹For the six months ended March 31, 2007.
²Assumes reinvestment of all dividends and capital gains distributions, if any, at net asset value.
³Expenses (net of voluntary waiver) are equal to the Fund’s annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 365.

Hypothetical Example
for Comparison Purposes

The table below titled “Based on Hypothetical Total Return” provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio and an assumed rate of return of 5.00% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to

estimate the actual ending account balance or expenses you paid for the period. You may use the information provided in this table to compare the ongoing costs of investing in the Fund and other funds. To do so, compare the 5.00% hypothetical example relating to the Fund with the 5.00% hypothetical examples that appear in the shareholder reports of the other funds.

Notes to Financial Statements (concluded)

Based on Hypothetical Total Return¹

	Hypothetical Annualized Total Return	Beginning Account Value	Ending Account Value	Annualized Expense Ratio ²	Expenses Paid During the Period ²
Government Money Market	5.00%	\$1,000.00	\$1,025.19	0.63%	\$3.17

¹For the six months ended March 31, 2007.

²Expenses (net of voluntary waiver) are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 365.

Forward-Looking Statement Disclosure. One of our most important responsibilities as mutual fund managers is to communicate with shareholders in an open and direct manner. Some of our comments in our letters to shareholders are based on current management expectations and are considered “forward-looking statements.” Actual future results, however, may prove to be different from our expectations. You can identify forward-looking statements by words such as “estimate,” “may,” “will,” “expect,” “believe,” “plan” and other similar terms. We cannot promise future returns. Our opinions are a reflection of our best judgment at the time this report is compiled, and we disclaim any obligation to update or alter forward-looking statements as a result of new information, future events, or otherwise.

Proxy Voting Information. The Fund only invests in non-voting securities. Nevertheless, the Fund adopted policies that provide guidance and set forth parameters for the voting of proxies relating to securities held in the Fund's portfolio. These policies are available to you upon request and free of charge by writing to Madison Mosaic Funds, 550 Science Drive, Madison, WI 53711 or by calling toll-free at 1-800-368-3195. The Fund's proxy voting policies may also be obtained by visiting the Securities and Exchange Commission web site at www.sec.gov. The Fund will respond to shareholder requests for copies of our policies within two business days of request by first-class mail or other means designed to ensure prompt delivery.

N-Q Disclosure. The Fund files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (the “Commission”) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the Commission's website. The Fund's Forms N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information about the operation of the Public Reference Room may be obtained by calling the Commission at 1-202-942-8090. Form N-Q and other information about the Fund are available on the EDGAR Database on the Commission's Internet site at <http://www.sec.gov>. Copies of this information may also be obtained, upon payment of a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov, or by writing the Commission's Public Reference Section, Washington, DC 20549-0102. Finally, you may call us at 800-368-3195 if you would like a copy of Form N-Q and we will mail one to you at no charge.

The Madison Mosaic Family of Mutual Funds

Equity Trust

Investors Fund

Balanced Fund

Mid-Cap Fund

Foresight Fund

Madison Institutional Equity Option Fund

Income Trust

Government Fund

Intermediate Income Fund

Institutional Bond Fund

Tax-Free Trust

Virginia Tax-Free Fund

Tax-Free National Fund

Government Money Market

For more complete information on any Madison Mosaic fund, including charges and expenses, request a prospectus by calling 1-800-368-3195. Read it carefully before you invest or send money. This document does not constitute an offering by the distributor in any jurisdiction in which such offering may not be lawfully made. Madison Mosaic Funds were known as Mosaic Funds prior to November 1, 2006. Mosaic Funds Distributor, LLC.

TRANSFER AGENT

Madison Mosaic Funds
c/o US Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

TELEPHONE NUMBERS

Shareholder Service

Toll-free nationwide: 888-670-3600

Mosaic Tiles (24 hour automated information)

Toll-free nationwide: 800-336-3063



www.mosaicfunds.com

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