The following Official Statement is placed on the internet as a matter of convenience. The Official Statement has been reformatted to PDF format for use on the internet; physical appearance may differ from that of the printed Official Statement. In the event of discrepancies, individuals should refer to the printed Official Statement. Copies of the printed Official Statement can be obtained from:

Capital Finance Office
Department of Administration
Division of Executive Budget and Finance
101 East Wilson Street
Madison, Wisconsin 53702

Phone:(608) 266-5355
Fax: (608) 266-7645

OFFICIAL STATEMENT

New Issue

In the opinion of Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, interest on the Certificates is excluded from gross income for federal income tax purposes except as described under "OTHER INFORMATION; Tax Exemption" herein.

$38,260,000

MASTER LEASE CERTIFICATES OF PARTICIPATION OF 1996, SERIES B

Evidencing Proportionate Interests of the Owners Thereof in Certain Lease Payments to be Made by the

STATE OF WISCONSIN

Acting by and through the Department of Administration

DATED: Delivery Date **DUE: March 1 and September 1, as shown below**

The $38,260,000 Master Lease Certificates of Participation of 1996, Series B (the "Certificates") shall be issued under and secured by a Master Indenture, dated as of July 1, 1996, among the State of Wisconsin (the "State"), acting by and through the Department of Administration (the "Department"), Firstar Bank Milwaukee, N.A. (the "Lessor") and Firstar Trust Company, Milwaukee, Wisconsin (the "Trustee" and "Paying Agent"). The Certificates shall be issued as fully registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Certificates. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 and integral multiples thereof. Beneficial Owners will not receive certificates representing their interest in the Certificates purchased. Interest is payable on March 1, 1997 and semiannually thereafter on March 1 and September 1 of each year. Principal and interest will be paid when due by the Paying Agent directly to DTC, which will in turn remit such principal and interest to DTC's Participants for subsequent disbursement, directly or indirectly, to the Beneficial Owners of the Certificates as described herein. See "THE CERTIFICATES; Book-Entry-Only Form".

The Certificates evidence a proportionate interest of the owners thereof in certain lease payments to be made by the State, acting by and through the Department, for the rental of certain equipment and service items purchased pursuant to the Second Amended and Restated Master Lease #1992-1, dated as of July 1, 1996 (the "Master Lease"), entered into pursuant to Section 16.76 of the Wisconsin Statutes, as amended (the "Act"), between the Lessor and the State, acting by and through the Department. The State is required under the Master Lease to make lease payments from any source of legally available funds, subject to annual appropriation, and the scheduled lease payments are sufficient to pay, when due, the semiannual principal and interest on the Certificates. ***The obligation of the State to make lease payments does not constitute an obligation of the State for which the State is obligated to levy or pledge any form of taxation. The obligation of the State to make lease payments does not constitute debt of the State.***

The Certificates may not be redeemed prior to their stated date of maturity except as more fully described in this Official Statement. See "THE CERTIFICATES; Redemption Provisions".

Date	Principal Amount	Interest Rate	Date	Principal Amount	Interest Rate
March 1, 1997	$9,555,000	4.25%	March 1, 1999	$3,785,000	4.25%
September 1, 1997	8,050,000	4.25	September 1, 1999	2,555,000	4.25
March 1, 1998	6,215,000	4.50	March 1, 2000	1,550,000	4.50
September 1, 1998	4,585,000	4.50	September 1, 2000	840,000	4.50

$540,000 4.60% Term Obligations Due September 1, 2001

$365,000 4.70% Term Obligations Due September 1, 2002

$220,000 4.90% Term Obligations Due September 1, 2003

The rates shown above are the interest rates payable by the State resulting from the bid for the Certificates on October 29, 1996 by the successful bidder. Certain information concerning the terms of the reoffering of the Certificates has been provided by the successful bidder. See "OTHER INFORMATION; Reference Information About the Certificates".

Delivery of the Certificates is subject to the receipt of an unqualified approving opinion of Foley & Lardner, Bond Counsel, and other conditions specified in the Official Notice of Sale. The Certificates will be available for delivery on or about November 7 , 1996 in New York, New York.

October 29, 1996

No dealer, broker, sales representative or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State of Wisconsin or other matters contained herein since the date hereof.

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PARTICIPANTS IN THE ISSUANCE AND SALE OF CERTIFICATES

The Honorable Tommy G. Thompson
Governor
State of Wisconsin

Mr. James R. Klauser
Secretary
Department of Administration

Mr. Frank R. Hoadley
Capital Finance Director
Department of Administration
101 E. Wilson Street, 10th Floor
P.O. Box 7864
Madison, Wisconsin 53707-7864
(608) 266-2305

Mr. Lawrence K. Dallia
Assistant Capital Finance Director
Department of Administration
(608) 267-7399

Mr. David Erdman
Master Lease Program Manager
Department of Administration
(608) 267-0374

Bond Counsel
Foley & Lardner

Financial Advisor
Public Financial Management, Inc.
Boston, Massachusetts

Trustee
Firstar Trust Company
Milwaukee, Wisconsin

SUMMARY DESCRIPTION OF CERTIFICATES

Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.

Description:	Master Lease Certificates of Participation of 1996, Series B, evidencing proportionate interests in certain lease payments to be made by the State of Wisconsin, acting by and through the Department of Administration.
Principal Amount:	$38,260,000
Denominations:	$5,000 and integral multiples
Date of Issue:	Delivery Date
Record Date:	February 15 and August 15
Interest Payment:	March 1 and September 1, commencing March 1, 1997
Maturities:	March 1 and September 1, commencing March 1, 1997 and ending September 1, 2000, September 1, 2001, September 1, 2002 and September 1, 2003
Redemption:	*Mandatory Extraordinary*—The Certificates are subject to mandatory redemption upon termination of a Lease Schedule as a result of nonappropriation or upon an event of default under any Lease Schedule—*See page 10*
	Mandatory Sinking Fund—Certificates maturing on September 1, 2001, September 1, 2002 and September 1, 2003 are subject to sinking fund redemption at par—*See pages 9–10*
Form:	Book-entry-only—*See pages 7–9*
Paying Agent:	All payments of principal and interest on the Certificates will be paid by Firstar Trust Company, Milwaukee, Wisconsin. All payments will be made to The Depository Trust Company, which will distribute payments to Beneficial Owners as described herein.
Security:	The Certificates are secured by lease payments and the equipment and service items purchased under the Master Lease Program—*See pages 4-6*
Authority for Issuance:	The Master Lease has been entered into under Section 16.76 of the Wisconsin Statutes.
Purpose:	To provide fixed-rate funding for Leased Items previously financed by the Lessor through a variable-rate line of credit.
Additional Certificates:	Additional Master Lease Certificates of Participation may be issued.
Tax Exemption:	*Federal income tax*—Not included in gross income and not an item of tax preference
	Wisconsin state income and franchise tax—Not exempt—*See pages 24–26*
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner

OFFICIAL STATEMENT

$38,260,000

MASTER LEASE CERTIFICATES OF PARTICIPATION OF 1996, SERIES B

Evidencing Proportionate Interests of the Owners Thereof in Certain Lease Payments to be Made by the

STATE OF WISCONSIN

Acting by and through the Department of Administration

The $38,260,000 Master Lease Certificates of Participation of 1996, Series B (the "Certificates") each represent a proportionate interest in certain Lease Payments to be made by the State of Wisconsin (the "State") pursuant to the Second Amended and Restated Master Lease #1992-1, dated as of July 1, 1996 (the "Master Lease"), entered into pursuant to Section 16.76 of the Wisconsin Statutes, as amended (the "Act"), between Firstar Bank Milwaukee, N.A. (the "Lessor") and the State, acting by and through the Department of Administration (the "Department" and the "Lessee"). The State is located in the Midwest among the northernmost tier of states. The State ranks 18th 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.

The Certificates are being issued to provide fixed-rate funding for Lease Schedules previously financed by the Lessor through a variable-rate line of credit. SEE "SECURITY FOR CERTIFICATES; Two-Phase Financing Structure".

The Certificates evidence proportionate interests in certain Lease Payments payable pursuant to the Master Lease. The State is obligated to make Lease Payments from any source of legally available funds, subject to annual appropriation, and the scheduled Lease Payments are sufficient to pay, when due, the semiannual principal and interest payments on the Certificates. ***The full faith and credit of the State are not pledged to the payment of the Certificates; the State is not obligated to levy or pledge any tax to pay the Lease Payments. The Certificates do not constitute debt of the State or any of its subdivisions.***

This Official Statement, including the cover page and Appendices hereto, is provided for the purpose of setting forth information concerning the sale of the Certificates. This Official Statement contains information which has been furnished by the State or obtained by the State from the sources indicated. The quotations, summaries and explanations of laws, documents, judicial decisions and administrative regulations in this Official Statement do not purport to be complete and are qualified by reference to the complete text of such documents. Capitalized terms used herein shall have the meaning provided herein or the appendices hereto.

THE MASTER LEASE PROGRAM

General

The State, acting by and through the Department, created the Master Lease Program (the "Program") in September 1992 for the purpose of acquiring equipment for state agencies through installment payments. Legislation signed into law in July 1994 expanded this purpose to acquire, in limited circumstances, prepaid service items. The Program is available for all State agencies, which includes 18 State departments and any office, department, agency, institution of higher education, association, society or other body of the State which is entitled to expend moneys appropriated by law, including the legislature and the courts. Through the period ending October 1, 1996, 15 of the 18 State departments have used the Program for acquiring nearly $98 million of equipment or service items.

Program Structure

The structure of the Program consists of the Master Lease and a Master Indenture, dated as of July 1, 1996, among the Lessor, Firstar Trust Company, Milwaukee, Wisconsin (the "Trustee" and "Paying Agent") and the State, acting by and through the Department.

The Master Lease contains general terms and conditions applicable to both the Program and Lease Schedules entered into at various times by the Lessor and the Lessee and added to the Master Lease. APPENDIX C presents a summary of the Master Lease.

The Master Indenture establishes a trust which consists of certain Lease Schedules, Lease Payments, Leased Items and other property and rights related to those Lease Schedules, including the security interest granted in the Master Lease (the "Trust"). The Trust serves as a common pool of collateral, ratably securing all present and future certificates of participation. APPENDIX D presents a summary of the Master Indenture and the resulting Trust. Supplemental Indentures are periodically authorized and executed pursuant to the terms of the Master Indenture for the purpose of creating one or more series of certificates of participation to evidence proportionate interests in certain Lease Payments to be made by the State, acting by and through the Department.

Program Operations

The Program has been structured to place within the Department centralized control of day-to-day operations. Functions related to Program administration, review of requests to use the Program and day-to-day Program operations occur in the Capital Finance Office; functions related to review of requests to use the Program and biennial budget preparation occur in the State Budget Office; and functions related to Lease Payments due under the Master Lease occur in the State Controller's Office. Each of these offices is within the Department's Division of Executive Budget and Finance.

State agencies submit a written request to the Capital Finance Office stating their intent to utilize the Program for acquiring an equipment or service item. This written request is reviewed and approved by the Capital Finance Office, State Budget Office and the Secretary of the Department. Requests which include information technology items are also reviewed and approved by the Department's Division of Technology Management. This review process includes a determination by the Capital Finance Office that lease financing is the best alternative for a particular circumstance, and a determination by the State Budget Office that current resources are available to make the Lease Payments due in the current fiscal year. Upon receiving approval to use the Program, the agency completes procurement of the equipment or service item on behalf of the Lessor and pursuant to State procurement requirements.

Upon installation and acceptance of the equipment or service item (certified to the Program by the agency's completion of the Master Lease Program Notice of Equipment Acceptance form), the agency forwards all related outstanding invoices to the Department for payment. Parallel to making payment to the equipment or service vendor, a Lease Schedule is prepared by the Department and executed by the Department (as Lessee), the Lessor and the State agency. This Lease Schedule is then added to the Master Lease. The Lease Schedule includes an agreement between the Department and the State agency that identifies the budgetary appropriation from which the related Lease Payments will be made.

The Program includes a two-phase financing structure. See "SECURITY FOR CERTIFICATES; Two-Phase Financing Structure". Payments to the equipment or service vendors are made with proceeds from the revolving credit facility, which provides acquisition financing for the Program. Requests for draws on this revolving credit facility are made as payments are required to be made to the equipment or service vendors.

Lease Payments due under the Master Lease are collected by the State Controller's Office. Scheduled Lease Payments are automatically withdrawn from the appropriations identified by the agency and approved during the review process and electronically wired to the Trustee.

State Appropriation Process

Lease Payments due under the Master Lease are not included in the State budget as a separate budget line item; rather, Lease Payments are included with other expenditures in one or more of an agency's existing budget lines. State law establishes procedures for the budget's enactment. The Secretary of the Department, under the direction of the Governor and with assistance from the State Budget Office, compiles all budget information and prepares an executive budget consisting of the planned operating expenditures and revenues of all State agencies. The State Budget Office review and approval of requests to use the Program helps assure that Lease Payments will not be mistakenly omitted from a biennial budget.

The executive budget is submitted to the Legislature on or about February 15 of each odd-numbered year. The Legislature's Joint Committee on Finance reviews the executive budget and reports its findings to the full Legislature, usually in the form of a substitute budget bill. Upon concurrence by both houses of the Legislature in the appropriations and revenue measures embodied in the budget bill, the entire bill is submitted to the Governor. The Governor is empowered to sign the bill into law or to veto all or part of the bill. If the Governor vetoes any portions, those items may be reconsidered in accordance with the rules of each house and, if approved by two-thirds of the members of each house, will become law notwithstanding the Governor's veto.

State law provides that in the event that a budget is not in effect at the start of a fiscal year, the prior year's budget serves as the budget until such time as a new one is enacted.

The Department maintains separate accounts for all appropriations, showing the amounts appropriated, the amounts allotted, the amounts encumbered, the amounts expended and certain other data necessary to the financial management and control of all State accounts. The Department also maintains the general ledgers of the General Fund and all other funds of the State.

Should estimated revenues prove to be less than anticipated in the budget or should expenditures for open-ended appropriations be greater than anticipated, the budget could move out of balance. The Wisconsin Statutes provide that if, following the enactment of the budget, the Secretary of the Department determines that budgeted expenditures will exceed revenues by more than one-half of one percent of general purpose revenues (consisting of general taxes, miscellaneous receipts and revenues collected by state agencies which lose their identity and are available for appropriation by the Legislature), no action can be taken regarding approval of expenditure estimates. Further, the Secretary of the Department must notify the Governor, the Legislature and its Joint Committee on Finance, and the Governor must submit a bill correcting the imbalance. If the Legislature is not in session, the Governor must call a special session to take up the matter.

SECURITY FOR CERTIFICATES

General

The Certificates represent a proportionate interest in certain Lease Payments made by the State under the Master Lease. The State is required under the Master Lease to make Lease Payments from any source of legally available funds, subject to annual appropriation, and the scheduled Lease Payments are sufficient to pay when due, the semiannual principal and interest payments on the Certificates. ***The obligation of the State to make Lease Payments does not constitute an obligation for which the State is obligated to levy or pledge any form of taxation or for which the State has levied or pledged any form of taxation. The obligation of the State to make Lease Payments does not constitute debt of the State or any of its political subdivisions.*** See "RISK FACTORS; Event of Nonappropriation".

Cross-Collateralization

Pursuant to the Master Indenture, the Lessor has and will continue to assign to the Trustee for the benefit of all certificate holders all of its right, title and interest in and to the funds and accounts outlined in the Master Indenture, the Lease Schedules specified from time to time in one or more Supplemental Indentures, and all Lease Payments, Leased Items and other property and rights related to those Lease Schedules, including the security interest granted in the Master Lease, all of which serve as collateral to the Certificates. The Trust will serve as a common pool of collateral, ratably securing all present and future Master Lease certificates of participation; all Leased Items are cross-collateralized regardless of their funding source or the time at which they are financed by the Program. An Event of Default or Nonappropriation under any certificate constitutes an Event of Default or Nonappropriation under all outstanding certificates of participation so that any remedial action affects all certificates of participation equally. Once a Lease Schedule is fully paid, the applicable Leased Item no longer serves as collateral. Other provisions of the Master Indenture are described in APPENDIX D hereto.

In the opinion of Bond Counsel, the transfer of Lease Schedules by the Lessor to the Trustee constitutes a true sale and not a secured transaction. The State's obligation to make Lease Payments does not depend upon any service provided by the Lessor, and thus the transfer of Lease Schedules would be unaffected by any insolvency of the Lessor.

Reserve Fund

The Master Indenture allows for the funding of a reserve fund for a specific series of Master Lease Certificates of Participation. No reserve funds apply to these Certificates. In the event that the Department establishes a reserve fund under the Master Indenture, the amounts in the reserve fund will only be available to the series of Master Lease certificates of participation for which the reserve fund was authorized.

Essential Use

A certification is made for each Leased Item that it will be used to perform a governmental function, some of which functions may be deemed "essential" government functions. Examples of Leased Items currently existing in the Trust include the State's accounting system, expansion of the State's central mainframe computer, information technology items that provide automated services for the State, and equipment used by inmates in the State's prison system to manufacture, process and transport various products and goods.

Centralized Control and Review

The Program structure allows the Department's Division of Executive Budget and Finance to administer many Program activities. Program functions related to administration, review and day-to-day operations occur in the Capital Finance Office; Program functions related to review and biennial budget preparation occur in the State Budget Office; and Program functions related to Lease Payments occur in the State Controller's Office.

Two-Phase Financing Structure

The Program implements a two-phase financing structure. In the first phase, all Leased Items are initially financed with proceeds from the revolving credit facility. The revolving credit facility is a line of credit, and the State, acting on behalf of the Trustee, requests draws from the revolving credit facility only for amounts equal to invoices presented to the Program for payment. A certificate of participation has been issued to the current provider of this revolving credit facility, Bank of America Illinois, evidencing the State's repayment of balances under the facility. The State pays interest on funds provided by the facility based on a variable, taxable interest rate. Use of this line of credit approach eliminates any nonorigination risk since an obligation is created only after the Leased Item has been installed and accepted and an invoice has been presented to the Program for payment.

In the second phase, the State at various times, acting on behalf of the Trustee, intends to sell additional certificates of participation, such as the sale of these Certificates, to refinance the revolving credit facility with proceeds of a fixed-rate, and most often tax-exempt, financing. All sources of financing for the Program are completed under the Master Indenture. See "SECURITY FOR CERTIFICATES; Cross-Collateralization".

Appropriation Process

The central control of the Program provides the State Budget Office with knowledge of all past, current and pending scheduled Lease Payments due under the Master Lease. Lease Payments due under the Master Lease are not included in the State budget as a separate budget line item; rather, Lease Payments due under the Master Lease are included with other expenditures in one or more of an agency's existing budget lines. The Secretary of the Department, under the direction of the Governor and with assistance from the State Budget Office, compiles all budget information and prepares an executive budget consisting of the planned operating expenditures and revenues of all State agencies.

State law establishes procedures for establishing and enacting a State budget. State law also provides that in the event a budget is not in effect at the start of a fiscal year, the prior year's budget serves as the budget until such time a new budget is enacted.

The Secretary of the Department has statutory power to order reductions in the appropriations of state agencies (which represent less than one-third of the General Fund budget). See APPENDIX F for additional information on the State budget process.

Interfund Transfers

The Secretary of the Department may temporarily reallocate free balances of certain funds to other funds which have insufficient balances and, further, may prorate or defer certain payments in the event current or projected balances are insufficient to meet current obligations. In such an event, the Department may also request the issuance of operating notes by the State of Wisconsin Building Commission (the "Building Commission"), which is the agency responsible for the issuance of the State's general obligations and revenue obligations. The Secretary of the Department may also temporarily reallocate up to $400 million of available cash in other funds to the General Fund. See "STATE BUDGET; General Fund Cash Flow".

Priority of Claims

The Master Lease includes representations that, if an emergency arises that requires the Department to draw vouchers for payment which will be in excess of available moneys, the Secretary of the Department will establish a priority schedule for payments which shall give a high priority to Lease Payments due under the Master Lease, but not higher than the priority given to payments on outstanding general obligation bonds. See "STATE BUDGET; General Fund Cash Flow".

Event of Default

An Event of Default can occur under the Master Lease and Master Indenture (i) if the Department fails to pay any scheduled Lease Payment or other amount due under the Master Lease at the specified time and such failure continues for a period of five days, (ii) if the Department fails to observe or perform any covenant, condition or agreement with respect to any Leased Item or the Master Indenture for a period of 30 days after written notice of such failure, (iii) if the Lessor makes a reasonable determination that any representation or warranty made by the Department in the Master Lease was untrue in any material respect, or (iv) if any other event designated as an Event of Default under any Supplemental Indenture occurs. APPENDIX C and APPENDIX D hereto provide additional information on events of default and remedies available under the Master Lease and Master Indenture.

RISK FACTORS

Event of Nonappropriation

The State's obligation to make Lease Payments is subject to appropriation of the necessary funds by the Wisconsin Legislature. There is no assurance that sufficient funds will be appropriated or otherwise will be available to make the Lease Payments. A failure by the State to make a Lease Payment with respect to any Leased Item would cause a termination of the Master Lease with respect to all Leased Items. The State's obligation to make Lease Payments is not a general obligation of the State, and moreover, it does not involve the Building Commission. Rather, the Master Lease is a contract entered into by the Department pursuant to separate statutory authority.

The Master Lease does not include a nonsubstitution clause. In an Event of Nonappropriation, the State is allowed to acquire and use a similar equipment or service item for the same function as the equipment or service item for which no appropriation was made.

While it is possible that failure to make the Lease Payments would thereafter hinder the State's access to the capital markets, it should not be assumed that the Legislature would find that possible consequence a compelling reason to make the appropriations needed for Lease Payments. APPENDIX C and APPENDIX D hereto provide additional information on an Event of Nonappropriation and remedies available under the Master Lease and Master Indenture.

Essential Use of Leased Items

Although the State has made certain representations that the Leased Items each serve a governmental function, some of which functions may be deemed "essential government functions", it should be assumed that the State could function without any of the Leased Items.

Security Interest in Leased Items

Although the State has provided a security interest in the Leased Items to the Trustee (for the benefit of the owners of the Certificates), the Certificates are not offered on the basis of the collateral value of the Leased Items or value of any other pledged asset. The Lease Term is not permitted to exceed the useful life of the Leased Item; however, it should not be assumed that the value of the Leased Item at any time will exceed the portion of the remaining Lease Payments that will be applied to principal or that the existence of such an excess would motivate the State to continue making Lease Payments. Typically it is difficult to realize the full value of collateral through sale of the collateral, and some of the Leased Items, such as service items or intangible property, may be particularly difficult to sell. Records that evidence the security interest are kept by the Department, separate and apart from the records kept by the Secretary of State with respect to security interests in most other property.

Tax Exemption

After termination of the Master Lease, there is no assurance that subsequent payments made by the Trustee with respect to the Certificates and designated as interest will be excluded from gross income for federal income tax purposes.

Applicability of Securities Law

After termination of the Master Lease, the transfer of a Certificate may be subject to compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Certificates will not be impaired following termination of the Master Lease.

THE CERTIFICATES OF PARTICIPATION

General

The Certificates will bear interest at the rate or rates and will mature on the dates and in the amounts set forth on the front cover of this Official Statement.

The Certificates will be dated their date of delivery and will bear interest from such date payable on March 1, 1997 and semiannually thereafter on March 1 and September 1 of each year. Interest on the Certificates will be computed on the basis of a 30-day month and a 360-day year. Principal will be payable beginning on March 1, 1997 and semiannually thereafter on March 1 and September 1 of each year. Principal of and interest on each Certificate will be payable to the registered owner thereof, which initially will be a nominee of The Depository Trust Company, New York, New York ("DTC").

The Certificates are issuable as fully registered certificates without coupons in denominations of $5,000 principal amount or any integral multiple thereof.

The Certificates may not be redeemed prior to their stated date of maturity except as more fully described herein, see "THE CERTIFICATES; Redemption Provisions".

Book-Entry-Only Form

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully registered securities, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Certificate will be issued for each maturity set forth on the front cover, each in the principal amount of such maturity, and deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Certificates with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Certificates will be made to DTC by the State Treasurer. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of the State or DTC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the

State, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC; the State takes no responsibility for its accuracy.

No assurance can be given by the State that DTC, Direct Participants and Indirect Participants will promptly transfer payments to notices received with respect to the Certificates. The State assumes no liability for the failure of DTC, Direct Participants or Indirect Participants to transfer to the Beneficial Owner payments or notices received with respect to the Certificates.

Similarly, no assurance can be given by the State that DTC will abide by its procedures or that such procedures will not be changed from time to time. In the event that a successor securities depository is designated, it may establish different procedures.

Redemption Provisions

Mandatory Sinking Fund Redemption

The Certificates due on September 1, 2001 (the "2001 Term Certificates"), are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem the respective amount of the 2001 Term Certificates as specified below:

Redemption Date	Principal Amount
March 1, 2001	$355,000
September 1, 2001[(a)]	185,000

[(a)]Stated maturity

The Certificates due on September 1, 2002 (the "2002 Term Certificates"), are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem the respective amount of the 2002 Term Certificates as specified below:

Redemption Date	Principal Amount
March 1, 2002	$180,000
September 1, 2002[(a)]	185,000

[(a)]Stated maturity

The Certificates due on September 1, 2003 (the "2003 Term Certificates"), are subject to redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem the respective amount of the 2003 Term Certificates as specified below:

Redemption Date	**Principal Amount**
March 1, 2003	$175,000
September 1, 2003[a]	45,000

[a]Stated maturity

Upon any redemption of either the 2001 Term Certificates, the 2002 Term Certificates or the 2003 Term Certificates (collectively, the "Term Certificates") (other than redemption due to mandatory sinking fund redemption), or purchase in lieu thereof, the principal amount of such Term Certificates so redeemed or purchased shall be credited against the sinking fund installments established for such Term Certificates so redeemed or purchased in such manner as the Department shall direct.

Mandatory Extraordinary Redemption

The Certificates are subject to mandatory redemption, at a redemption price of 100% of the principal of the Certificates to be redeemed, plus accrued interest to the redemption date, upon an Event of Default or upon termination of a Lease Schedule as a result of Nonappropriation.

Selection of Certificates

If the Certificates are in book-entry-only form and less than all of a particular maturity are to be redeemed, selection of the ownership interests of Beneficial Owners of the Certificates affected thereby shall be made solely by the Direct Participants and the Indirect Participants in accordance with their then prevailing rules. If the Certificates are in certificated form and less than all of a particular maturity are to be redeemed, selection shall be by lot.

Notice of Redemption

So long as the Certificates are in book-entry-only form, a notice of the redemption of any of said Certificates shall be sent to the securities depository not less than 30 days or more than 45 days prior to the date of redemption. A notice of redemption may be revoked by sending notice to the securities depository not less than 15 days prior to the proposed date of redemption.

In the event that the Certificates are outstanding in certificated form, a notice of the redemption of any of said Certificates shall be mailed, postage prepaid, not less than 30 and not more than 45 days before the date of redemption to the registered owners of any Certificates to be redeemed, but such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Certificates. Interest on any Certificates so called for prior redemption shall cease to accrue on the redemption date provided payment thereof has been duly made or provided for. A notice of redemption may be revoked by mailing, postage prepaid, not less than 15 days prior to the proposed date of redemption to the registered owners of any Certificates to have been redeemed, but such mailing shall not be a condition precedent to such revocation and failure to mail any such notice shall not affect the validity of such revocation.

Registration and Payment of Certificates

So long as the Certificates are in book-entry-only form, the Certificates are payable as to principal by wire transfer to the securities depository or its nominee upon their presentation and surrender at the principal office of the Trustee, which shall be the Registrar and Paying Agent on the Certificates. Payment of each installment of interest shall be made by wire transfer to the securities depository or its nominee shown in the registration books at the close of business on the 15th day (whether or not a business day) of the month next preceding such interest payment date (the "Record Date") on the payment date.

When in certificated form the Certificates shall be payable as to principal by check or draft issued upon their presentation and surrender at the principal office of the Paying Agent. In such case, payment of each installment of interest shall be payable by check or draft mailed to the registered owner shown in the registration books on the Record Date.

SOURCES AND USES OF FUNDS

The Certificates are being issued to provide fixed-rate funding for Lease Schedules previously financed by the Lessor through a variable-rate line of credit. APPENDIX E includes a list of these Lease Schedules.

The proceeds to be received from the sale of the Certificates (other than accrued interest, if any, which will be deposited in the Certificate Payment Fund) are expected to be applied, as follows:

Sources:	
Principal Amount of Certificates	$38,260,000
Original Issue Premium	87,082
Total Sources of Funds	$38,347,082
Uses:	
Funding of Lease Schedules	$38,127,851
Cost of Issuance	179,058
Underwriter's Discount	40,173
Total Uses of Funds	$38,347,082

RESULTS OF 1995-96 FISCAL YEAR

Both actual and projected financial results are described in this Official Statement on an all-funds basis and a general-fund basis. See "STATE BUDGET".

The Annual Fiscal Report for the fiscal year ending June 30, 1996 was published October 14, 1996. It reports that the State ended the fiscal year on a statutory and unaudited basis with an unreserved, undesignated balance of $581 million. On an all-funds basis the total amount available was $24.244 billion consisting of (i) a beginning balance of $401 million, (ii) tax revenues of $9.023 billion and (iii) nontax revenues of $14.820 billion. Total disbursements and reserves were $23.603 billion, resulting in the balance stated previously. On a general-fund basis the total amount available was $14.205 billion consisting of (i) the same beginning balance, (ii) tax revenues of $8.221 billion and (iii) nontax revenues of $5.503 billion. Total disbursements and reserves were approximately $13.624 billion, resulting in the same balance as described on an all-funds basis.

Since 1984 the State has issued operating notes each year in anticipation of cash-flow imbalances, primarily experienced in November and December. These operating notes eliminated the need to prorate or defer large local assistance payments or to reallocate balances in other State funds. During the fiscal year ending June 30, 1996, the State issued $250 million of operating notes. The operating notes were issued on July 6, 1995 and matured on June 17, 1996. Operating notes are not general obligations of the State and are not on a parity with State general obligations.

STATE BUDGET

Budget for 1996–97

For the fiscal year ending June 30, 1997, the budget on an all-funds basis projects a balance of $100 million. Total available revenues are estimated to be $21.543 billion consisting of (i) a beginning balance of $566 million, (ii) tax revenues of $8.664 billion and (iii) nontax revenues of $12.313 billion. Total disbursements and reserves are estimated to be $21.535 billion, consisting of net disbursements of $21.124 billion and reserves of $411 million. This results in an estimated balance of $8 million which, when combined with the statutorily required balance of $92 million, results in a balance at June 30, 1997 of $100 million. The budget is summarized in Table 1.

The projected general-fund balance for June 30, 1997 is the same as the all-fund balance, $100 million. Total available revenues are estimated to be $14.957 billion consisting of (i) a beginning balance of $566 million, (ii) tax revenues of $8.664 billion and (iii) nontax revenues of $5.727 billion. Total disbursements and reserves are estimated to be $14.949 billion, consisting of net disbursements of $14.538 billion and reserves of $411 million. The balance is identical to the all-funds amount. The budget is summarized in Table 2.

Table 1
ALL FUNDS[a]

	Actual [b] 1995-96	Budget 1995-96	Budget 1996-97
RECEIPTS			
Fund Balance from Prior Year	$ 400,881,000	$ 408,880,400	$ 566,339,200
Tax Revenue			
Individual Income	4,183,604,000	4,160,100,000	4,416,200,000
General Sales and Use	2,704,226,000	2,710,000,000	2,869,500,000
Corporate Franchise and Income	636,010,000	650,000,000	650,000,000
Public Utility	285,288,000	284,600,000	295,950,000
Excise			
Cigarette/Tobacco Products	205,350,000	206,300,000	205,600,000
Liquor and Wine	30,813,000	30,500,000	30,500,000
Malt Beverage	9,187,000	9,000,000	9,100,000
Inheritance, Estate & Gift	45,602,000	41,000,000	44,000,000
Insurance Company	92,285,000	96,000,000	98,000,000
Other	830,664,000	43,900,000 [c]	45,000,000 [c]
Subtotal	9,023,029,000	8,231,400,000	8,663,850,000
Nontax Revenue			
Departmental Revenue	128,256,000	174,683,100	228,779,200
Total Federal Aids	3,275,795,000	3,850,830,600	3,891,800,700
Total Program Revenue	2,179,107,000	2,185,416,200	1,975,161,400
Total Segregated Funds	2,705,320,000	1,908,291,300	1,910,832,300
Bond Authority	330,950,000	305,000,000	330,000,000
Employe Benefit Contributions [d]	6,200,903,000	3,737,890,089	3,976,959,649
Subtotal	14,820,331,000	12,162,111,289	12,313,533,249
Total Available	$ 24,244,241,000	$ 20,802,391,689	$ 21,543,722,449
DISBURSEMENTS AND RESERVES			
Commerce	$ 575,240,000	$ 305,755,800	$ 361,145,100
Education	5,978,715,000	6,008,560,200	6,645,449,700
Environmental Resources	2,057,321,000	1,966,661,500	1,955,734,400
Human Relations and Resources	5,623,499,000	5,507,561,200	5,446,078,300
General Executive	2,146,487,000	437,336,900	568,192,600
Judicial	82,503,000	82,558,300	87,716,700
Legislative	50,048,000	50,169,100	50,119,600
General Appropriations	2,191,850,000	1,827,543,400	1,816,969,400
General Obligation Bond Program	309,320,000	305,000,000	330,000,000
Employe Benefit Payments [d]	1,317,768,000	1,695,305,629	1,843,607,584
Reserve for Employe Benefit Payments [d]	4,883,135,000	2,042,584,460	2,133,352,065
Subtotal	25,215,886,000	20,229,036,489	21,238,365,449
Less: (Lapses)	NA	(41,322,800)	(113,723,000)
Compensation Reserves	NA	18,235,000	46,382,400
Required Statutory Balance	NA	82,598,400	91,999,900
Fund Transfer	NA	3,503,800	259,990,600
Federal Retiree Reserve	NA	26,600,000	12,700,000
Change in Continuing Balance	(1,553,335,000)	NA	NA
Total Disbursements & Reserves	$ 23,662,551,000	$ 20,318,650,889	$ 21,535,715,349
Fund Balance	$ 581,690,000	$ 483,740,800	$ 8,007,100
Undesignated Surplus	$ 581,690,000	$ 566,339,200	$ 100,007,000

(a) The amounts shown are based on statutorily required accounting and not on GAAP.

(b) The amounts shown are unaudited and rounded to the nearest thousand.

(c) The budgets do not include taxes collected for segregated funds. The largest such tax is the motor vehicle fuel tax, of which $676 million were collected in the 1995-96 fiscal year.

(d) State law separates the accounting of employe benefits from the budget. They are included for purposes of comparability to the figures presented in this table and Tables F-1and F-2. Benefits are provided for on a fully funded basis. Therefore, when contributions actually received exceed the benefits actually paid out, the difference is added to the trust funds. In the event that the actual benefit payments exceed the contribution received, investment earnings will be used to cover the difference before they are deposited in the Employe Benefit Fund.

Source: Wisconsin Department of Administration.

Table 2
GENERAL FUND[a]

	Actual [b] 1995-96	Budget 1995-96	Budget 1996-97
RECEIPTS			
Fund Balance from Prior Year	$ 400,881,000	$ 408,880,400	$ 566,339,200
Tax Revenue			
State Taxes Deposited to General Fund			
Individual Income	4,183,604,000	4,160,100,000	4,416,200,000
General Sales and Use	2,704,226,000	2,710,000,000	2,869,500,000
Corporate Franchise and Income	636,010,000	650,000,000	650,000,000
Public Utility	285,288,000	284,600,000	295,950,000
Excise			
Cigarette/Tobacco Products	205,350,000	206,300,000	205,600,000
Liquor and Wine	30,813,000	30,500,000	30,500,000
Malt Beverage	9,187,000	9,000,000	9,100,000
Inheritance, Estate & Gift	45,602,000	41,000,000	44,000,000
Insurance Company	92,285,000	96,000,000	98,000,000
Other	28,874,000	43,900,000	45,000,000
Subtotal	8,221,239,000	8,231,400,000	8,663,850,000
Nontax Revenue			
Departmental Revenue	128,256,000	174,683,100	228,779,200
Program Revenue Federal	3,275,795,000	3,457,543,500	3,523,184,100
Program Revenue Other	2,179,107,000	2,185,416,200	1,975,161,400
Subtotal	5,583,158,000	5,817,642,800	5,727,124,700
Total Available	$ 14,205,278,000	$ 14,457,923,200	$ 14,957,313,900
DISBURSEMENTS AND RESERVES			
Commerce	$ 164,514,000	$ 165,757,000	$ 191,645,400
Education	5,837,139,000	5,964,122,000	6,600,333,700
Environmental Resources	242,361,000	236,724,600	239,038,900
Human Relations and Resources	5,255,874,000	5,329,183,900	5,355,935,200
General Executive	412,906,000	420,885,100	486,673,600
Judicial	82,154,000	81,921,900	87,080,300
Legislative	50,048,000	50,169,100	50,119,600
General Appropriations	1,603,605,000	1,635,804,400	1,641,130,200
Subtotal	13,648,601,000	13,884,568,000	14,651,956,900
Less: (Lapses)	NA	(41,322,800)	(113,723,000)
Compensation Reserves	NA	18,235,000	46,382,400
Required Statutory Balance	NA	82,598,400	91,999,900
Fund Transfers	NA	3,503,800	259,990,600
Federal Retiree Reserve	NA	26,600,000	12,700,000
Other Adjustments	(2,000)	NA	NA
Changes in Continuing Balance	(25,011,000)	NA	NA
Total Disbursements & Reserves	$ 13,623,588,000	$ 13,974,182,400	$ 14,949,306,800
Fund Balance	$ 581,690,000	$ 483,740,800	$ 8,007,100
Undesignated Surplus	$ 581,690,000	$ 566,339,200	$ 100,007,000

(a) The amounts shown are based on statutorily required accounting and not on GAAP.
(b) The amounts shown are unaudited and rounded to the nearest thousand.
Source: Wisconsin Department of Administration.

Potential Effect of Litigation

The General Purpose Financial Statements of the State's Comprehensive Annual Financial Report ("CAFR") is presented in APPENDIX A. The notes to the General Purpose Financial Statements, which can be found on pages A-70 through A-72 of this Official Statement, include a description of various legal proceedings and claims which may have a potential budgetary effect. Events subsequent to publication of the General Purpose Financial Statements are outlined below.

Special Performance Dividend–See page A-70

The court has issued a decision specifying a remedy that includes reimbursement by the General Fund of the Employe Trust Fund for a portion of the distribution already made, as well as for earnings based upon "the average rate of earnings of the trust fund assets" from the commencement of the dividend distribution until the reimbursement to the Employe Trust Fund. The remedy may be in the range of $100 million, but it has not been calculated with specificity. Calculation of the remedy is also likely to require clarification by further court order. Such clarification could significantly change the estimate of the cost of the remedy. The Wisconsin Supreme Court has agreed to hear an appeal of the case, and payment of the remedy is stayed pending the Supreme Court's determination. It is possible that the amount of the remedy may be increased or decreased, perhaps substantially, or eliminated. The 1995–96 and 1996–97 budgets do not specifically provide for this payment. See "OTHER INFORMATION; Pending Litigation—*Public Employe Trust Fund*".

Taxation of Research and Teaching Assistants–See page A-72

The University of Wisconsin-Madison, an agency of the State, and the Internal Revenue Service reached a settlement regarding the university's employment taxes for tax years 1987 through 1992. The Internal Revenue Service has dropped its $81.5 million assessment. Beginning September 1, 1996, the university will withhold and report income taxes on graduate research assistant stipends.

Potential Effects of Tax Refunds

Sales Tax on Access Services

On May 15, 1990 the Wisconsin Supreme Court declared unconstitutional a sales tax imposed by the State on access services in connection with telephone service provided between local access and transfer areas. Based on the decision, a payer of the invalidated tax may file a claim for refund. The State has one year from the date of filing to review the claim. It is estimated that refunds could be made in an aggregate amount up to $90 million. Legislation reducing taxation on telephone companies has been enacted. It is expected that the claims will be withdrawn upon the full and complete implementation of the legislation in 1997. The 1995–96 and 1996–97 budgets do not provide for the payment of these claims.

The notes to the General Purpose Financial Statements, which can be found on pages A-70 through A-72 of this Official Statement, include a description of various legal proceedings and claims which may have a potential budgetary effect from tax refunds. Events subsequent to publication of the General Purpose Financial Statements are outlined below.

Federal Pension Income–See pages A-70 and A-71

The State has reached a settlement in one administrative refund case, involving approximately 3,200 retired military officers. The settlement calls for the State to refund approximately $19 million in seven installments over four fiscal years (1993–94, 1994–95, 1995–96 and 1996–97).

In April 1994 the State reached a partial settlement in the other case, a class action involving other federal retirees. The partial settlement calls for the State to refund approximately $56 million in seven installments over four fiscal years (1993–94, 1994–95, 1995–96 and 1996–97). The State is current on making the refunds.

The partial settlement has not resolved the decision of the Wisconsin Tax Appeals Commission (the "Tax Commission") to include in the class action those retirees who did not file timely individual refund claims, a matter the State continues to contest. On December 21, 1995, the court of appeals held that the Tax Commission lacks statutory authority to employ a class action procedure and that timely individual claims must be filed in order to receive refund payments. The Wisconsin Supreme Court denied review of this case. The United States Supreme Court has also denied review of this case.

Corporate Tax Apportionment Methodology–See page A-70

The Appeals Court has certified this case to the Wisconsin Supreme Court, which has taken the case. Based on existing refund claims, the amount of the refunds is estimated at $93.6 million. The 1995–96 and 1996–97 budgets do not provide for payment of these claims.

Pending Litigation

The State, its officers and employees are defendants in numerous lawsuits. Potential liability for such pending litigation does not constitute a significant impairment of the State's financial position or the payment of lease payments. There is no litigation of any nature now pending or, to the knowledge of the State, threatened, restraining or enjoining the issuance, sale or execution of the Certificates, or in any way contesting or affecting the validity of the Certificates or the Master Lease or any proceedings of the State taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Certificates.

State Budget Assumptions

Tax revenue projections for the 1995–96 and 1996–97 budgets are based on November 1994 Department of Revenue estimates adjusted for changes that have occurred subsequent to their publication. They are based on the State tax structure and on assumptions relating to basic economic factors and their historical relationships to State tax receipts. Revenue sources other than taxes are estimated in the preparation of the budget. The all-funds budget establishes estimates of these nontax revenues and presumes that an equal amount of expenditures will be made. Any variation from that expected level of revenue will result in a corresponding increase or decrease in expenditures.

The projections of total State disbursements for the budgets are based on assumptions relating to economic and demographic factors, desired levels of services, and the success of expenditure control mechanisms applied by the Secretary of Administration pursuant to statutory authority in controlling disbursements for State operations. Factors that may affect the level of disbursements in the budgets and make the projected levels difficult to maintain include uncertainties relating to the economy of the nation and the State.

Economic Assumptions

The economic forecast underlying the 1995–96 and 1996–97 budgets is based primarily on certain projections of Data Resources, Inc. as presented in its report of November 1994 and results of economic models which incorporate the projections. See APPENDIX G. The results are shown in both the all-funds and general-fund budgets shown in Tables 1 and 2.

Economic forecasts frequently fail to predict accurately the timing and magnitude of changes in the State economy. The State believes, however, that the projections of major economic indicators and that the receipts and disbursements projected in the budgets are reasonable.

Budget Format

The State prepares an all-funds budget, a general purpose revenue ("GPR") budget and subbudgets for each fund. The all-funds or total budget includes all money appropriated for the fiscal year revenues from general state tax collections, federal funds that are estimated to be received, revenues which are paid into a specific fund (such as the Transportation or Conservation Fund) for a specified program or purpose or which are credited to an appropriation to finance a specific program or agency, and finally revenues resulting from the contracting of public debt. Because it includes only estimates of federal funds to be received and expended, it is a budget which may vary during the course of the fiscal year.

The GPR budget includes the money appropriated from all state-collected general taxes (such as income taxes, sales taxes, excise taxes, etc.), from revenues collected by State agencies which are deposited into the General Fund and lose their identity (departmental revenues) and from various miscellaneous receipts. A portion of these revenues is then returned to local governments in the form of shared tax payments and to school districts in the form of general equalization aid payments, which are used to meet the cost of local operations. Additionally, some of the revenues are used for aids to individuals. The remaining portion is the operating budget for State agencies conducting State-administered programs.

The financial material reported in this document is a representation of the all-funds budget. The subbudget for the General Fund is also provided. The General Fund is the principal operating fund of the State. It receives all State income that is not required by law to be deposited in other funds (including more than 90% of total State tax receipts) and many other revenues.

Impact of Federal Programs

Future Federal budgets which include reductions in Federal aid would have a more immediate effect on individuals, local governments and other service providers than on the State directly. Such proposals, if enacted, would increase the likelihood that the State will be asked to increase its support of the affected parties. Implementing choices posed by the Federal budget would involve State legislative action.

Supplemental Appropriations

The State may increase appropriations from or reduce taxes below the levels established in its budget. In recent past years, including the current fiscal year, the State has adopted appropriation measures subsequent to passage of the budget act. However, it has been the State's policy that supplemental appropriations adopted by the Legislature will be within revenue projections for that fiscal period or balanced by reductions in other appropriations. Thus, spending from additional appropriations has been matched by reduced disbursements, increased revenues or a combination of both.

No legislation directly or indirectly affecting general purpose revenue (tax revenue and departmental revenue) of the General Fund may be enacted if the bill would cause the estimated General Fund balance on June 30 of the fiscal year to be less than the required statutory reserve.

General Fund History

Table 3 presents the General Fund condition for the previous five years.

Table 3
COMPARATIVE CONDITION OF THE GENERAL FUND
AS OF JUNE 30 [(a)]
(Amounts in Thousands)

	1996	1995	1994	1993	1992
ASSETS					
Cash & Investment Pool Shares	$ 574,513	$ 489,935	$ 186,705	$ 292,548	$ 187,434
Imprest Funds	4,108	4,107	4,107	3,880	4,082
Investments	445	445	445	190	431
Receivables					
Accounts Receivable	684,739	763,515	714,859	400,166	746,274
Due from Other Funds	16,716	9,244	135,924	7,450	9,824
Student Loans Receivable					4,066
Inventory			379		
Prepayments	34,361	39,878	33,406		
TOTAL ASSETS	$ 1,314,882	$ 1,307,124	$ 1,075,825	$ 704,234	$ 952,111
LIABILITIES					
Accounts Payable	$ 295,189	$ 333,644	$ 251,849	$ 104,219	$ 467,190
Due to Other Funds	32,251	36,564	57,093	100	9,326
Tax and Other Deposits	40,400	59,666	44,490	22,597	16,700
Advances from Other Funds	6,000	8,000	14,226	14,226	
Deferred Revenue	22,417	21,995	26,235		
TOTAL LIABILITIES	$ 396,257	$ 459,869	$ 393,893	$ 141,142	$ 493,216
FUND BALANCE					
Reserves					
Encumbrances & GPR Balances	$ 160,963	$ 120,329	$ 159,128	$ 92,486	$ 86,861
Program Revenue Balances	171,864	321,938	284,242	313,607	290,621
Contingent Fund Advances	4,108	4,107	3,685	3,459	3,666
Student Loans					4,066
Total Reserves	$ 336,935	$ 446,374	$ 447,055	$ 409,552	$ 385,214
Unreserved Balance-Undesignated	581,690	400,881	234,877	153,540	73,681
TOTAL FUND BALANCE	$ 918,625	$ 847,255	$ 681,932	$ 563,092	$ 458,895
TOTAL LIABILITIES AND FUND BALANCE	$ 1,314,882	$ 1,307,124	$ 1,075,825	$ 704,234	$ 952,111

(a) The amounts shown are based on statutorily required accounting and not GAAP. The amounts are unaudited.

Source: Wisconsin Department of Administration.

General Fund Cash Flow

The State has experienced and expects to continue to experience certain periods when the General Fund is in a negative cash position. The Statutes provide certain administrative remedies to deal with these periods. The Secretary of Administration may temporarily reallocate up to $400 million of available cash in other funds to the General Fund. The Secretary of Administration may set priorities for payments from the General Fund as well as prorate certain payments. The Statutes provide that all payments shall be in accordance with the following order of preference: (1) all direct and indirect payments of principal and interest on State general obligation debt have first priority and may not be prorated or reduced; (2) all direct and indirect payments of principal and interest on operating notes have second priority and may not be prorated or reduced; (3) all State employe payrolls have third priority and may be prorated or reduced; and (4) all other payments shall be paid in a priority determined by the Secretary of Administration and may be prorated or reduced.

Table 4 presents the actual cash flow of the General Fund from July 1994 through July 1996 and the projected cash flow for August 1996 through June 1997. The amounts reported include the proceeds of the sale of operating notes in July, 1994, 1995, and 1996 and the payment of impoundments for February, March, April and May of 1995, 1996, and 1997. The table should be read in conjunction with other information concerning the State budget set forth elsewhere in this Official Statement, including APPENDIX F and "STATE BUDGET".

Monthly projections of cash flow are based upon the 1996–97 budget and upon historical experience as adjusted to reflect economic conditions, statutory and administrative changes and anticipated payment dates for debt service, payrolls and State aid.

Unforeseen events or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month and thus may adversely affect the projection of cash flow for the time shown. Additionally, the timing of transactions from month to month may vary from the forecast. The State updates its projection of the remaining fiscal year cash flow each month as a result of actual revenues and expenditures received, from unforeseen events, or from revised forecasts of month-to-month timing of transactions. Table 5 presents the actual cash balances available for interfund borrowings from July 1, 1993 through August 1, 1996 and the projected balances for September 1, 1996 through June 1, 1997.

Table 4

GENERAL FUND MONTHLY CASH POSITION
July 1, 1994 through July 31, 1996 ¾ Actual
August 1, 1996 through June 30, 1997 ¾ Estimated[a]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts[b]	Disbursements[b]
1994	July	$ 186,704	$1,470,855	$1,398,247
	August	259,312	1,052,011	734,930
	September	576,393	1,276,805	1,077,444
	October	775,754	1,064,641	751,206
	November	1,089,189	1,192,576	1,575,886
	December	705,879	1,154,400	1,448,653
1995	January	411,626	1,390,708	744,552
	February	1,057,782	1,044,973	1,037,499
	March	1,065,256	1,148,635	1,826,357
	April	387,534	1,222,615	931,170
	May	678,979	1,228,463	981,567
	June	925,875	1,240,931	1,715,816
	July	451,090	1,306,431	1,337,712
	August	419,809	1,005,527	849,866
	September	625,470	1,362,210	1,101,358
	October	886,322	1,151,661	810,058
	November	1,227,925	1,220,032	1,622,269
	December	825,688	1,156,810	1,493,484
1996	January	489,014	1,461,087	878,316
	February	1,071,785	1,132,269	1,044,288
	March	1,159,766	1,240,173	1,888,319
	April	511,620	1,402,600	936,278
	May	977,942	1,180,704	1,029,277
	June	1,129,369	1,362,420	1,922,703
	July	569,086	1,279,815	1,434,154
	August	414,747	1,136,968	806,498
	September	745,217	1,379,466	1,169,298
	October	955,385	1,147,821	825,587
	November	1,277,619	1,247,366	1,741,298
	December	783,687	1,244,075	1,654,506
1997	January	373,256	1,550,322	1,016,271
	February	907,307	1,115,695	1,046,909
	March	976,093	1,247,692	2,023,643
	April	200,142	1,379,004	970,239
	May	608,907	1,261,583	984,657
	June	885,833	1,390,893	2,030,776

[a] The monthly receipt and disbursement projections for August 1, 1996 through June 30, 1997 are based on estimates provided by the Division of Executive Budget and Finance.

[b] The receipt amounts shown in July 1994 –1996 include the proceeds received at closing for the respective operating notes. See “OTHER OBLIGATIONS; Operating Notes”. The disbursement amounts shown for February, March, April and May 1995 –1997 include impoundment payments required in connection with the operating notes.

Source: Wisconsin Department of Administration.

Table 5

BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING [(a)]
July 1, 1993 through August 1, 1996 — Actual
September 1, 1996 through June 1, 1997 — Estimated[(b)]
(Amounts in Millions)

	1993	1994	1995	1996	1997
January		$4,190.57	$3,604.96	$2,991.94	$2,150.86
February		4,892.01	4,204.34	3,428.21	2,126.47
March		5,240.89	4,450.34	3,852.78	2,162.05
April		5,084.49	3,886.69	3,808.74	2,053.43
May		4,691.53	3,022.74	3,402.69	2,007.01
June		4,228.15	2,703.44	3,145.00	2,055.69
July	$4,231.10	4,153.73	2,838.71	3,252.38	
August	4,556.28	4,502.50	3,143.94	3,511.90	
September	4,349.70	4,193.96	2,975.23	2,013.21[(b)]	
October	4,213.55	3,728.02	2,902.89	2,111.81	
November	3,602.36	3,214.22	2,630.23	2,036.85	
December	3,699.03	3,185.67	2,732.65	2,075.73	

(a) Consists of the following funds:

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

(b) Estimated balances for September 1, 1996 and succeeding months include $480 million (a portion of the estimated balance) for the local government pool of the available funds. The local government pool has varied from a low of $63 million on July 1, 1983 to a high of $4.426 billion on March 1, 1994. The pool is composed of funds deposited by local units of government which may be withdrawn without notice. The amounts shown are the estimated balances of funds available for interfund borrowing. Under Section 20.002(11) of the Statutes, interfund borrowing is limited to $400 million.

Source: Wisconsin Department of Administration.

OTHER INFORMATION

Employe Relations

Of the State's approximately 36,000 civil service employes, 34,000 are employes whose wage rates, fringe benefits, hours and conditions of employment are determined by collective bargaining agreements. These employes are assigned on the basis of occupational groupings to one of nineteen statewide bargaining units. Eighteen of the bargaining units representing more than 33,000 employes are under contract. The contracts expire June 30, 1997. The other employes are currently not under contract. Negotiations with the remaining unit continue and the unit is working under extension of their previous contract, which expired on June 30, 1995.

Each contract contains a no-strike-or-lockout provision, and State law specifies that it is illegal for a State employe "to engage in, induce, or encourage any employe to engage in a strike or a concerted refusal to work or perform their usual duties as employes". Also, the State has established plans to staff and operate the various State agencies for any eventuality that may occur which could disrupt the delivery of critical State services and necessary agency functions. These plans covering various situations including strikes and work stoppages are updated annually.

The budgets provide for salary and fringe benefits in an amount which is expected to be sufficient to meet all contract obligations. By statute the contracts between the State and the individual bargaining units are two-year contracts. A contract agreement requires ratification by the members of the labor organization as well as approval of both houses of the Legislature and the Governor.

Borrowing Plans for 1996

This is the first publicly offered master lease certificates of participation issue for the Program. Certificates of participation have been privately sold which evidence an obligation to repay a revolving credit facility for the Program.

The State has publicly sold three general obligation bond issues in 1996. In addition, the State negotiated the sale of an advance refunding general obligation issue. The State anticipates the issuance on November 7, 1996 of another issue of general obligation bonds for the veterans housing loan program in the amount of $30 million. The State also anticipates one or more private sales of general obligations for the Clean Water Fund program.

The State has sold one publicly offered transportation revenue bond issue in 1996. No other transportation revenue bonds are expected to be issued this calendar year. The Building Commission has authorized the sale of clean water revenue bonds, in an amount not to exceed $220 million, which is expected to occur in the fourth quarter of this calendar year.

The State has also publicly sold one operating note issue in 1996. No other operating notes are expected to be issued this calendar year.

Ratings

The Certificates have been rated AA- by Fitch Investors Service, L.P., A1 by Moody's Investors Service, Inc. and A+ by Standard and Poor's Ratings Group. Any explanation of the significance of a rating may only be obtained from the rating service furnishing such rating. There is no assurance a rating given to the Certificates will be maintained for any period of time; a rating may be lowered or withdrawn entirely by the rating service if in its judgment circumstances so warrant. Any such downgrade or withdrawal of such rating may have an adverse effect on the market price of the Certificates.

Underwriting

The Certificates were purchased at competitive bidding on October 29, 1996 by J.P. Morgan Securities, Inc. The underwriter paid $38,306,908.65, resulting in a true interest cost rate to the State of 4.320635%.

Reference Information About the Certificates

The following information about the Certificates is provided for reference. The CUSIP number for each maturity has been obtained from sources believed to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The reoffering yields and prices have been provided by the successful bidder in order to allow the computation of yield for federal tax law compliance. The price has been calculated to the lower of yield to maturity or yield to call.

Table 6

$38,260,000

Master Lease Certificates of Participation of 1996, Series B

Evidencing Proportionate Interests of the Owners Thereof in Certain Lease Payments to be Made by the

State of Wisconsin

Acting by and through the Department of Administration

Dated and Delivery Date: November 7, 1996

First Interest Date: March 1, 1997

CUSIP	Date	Principal Amount	Interest Rate	First Call Date	Call Price	Yield at Issuance	Price at Issuance
977087 AC9	March 1, 1997	$9,555,000	4.25%	-	NA	3.70%	100.163%
977087 AD7	September 1, 1997	8,050,000	4.25	-	NA	3.90	100.273
977087 AE5	March 1, 1998	6,215,000	4.50	-	NA	4.05	100.566
977087 AF2	September 1, 1998	4,585,000	4.50	-	NA	4.15	100.601
977087 AG0	March 1, 1999	3,785,000	4.25	-	NA	4.25	100.000
977087 AH8	September 1, 1999	2,555,000	4.25	-	NA	4.35	99.732
977087 AJ4	March 1, 2000	1,550,000	4.50	-	NA	4.50	100.000
977087 AK1	September 1, 2000	840,000	4.50	-	NA	4.55	99.820
977087 AM7	September 1, 2001 [a]	540,000	4.60	-	NA	4.70	99.567
977087 AP0	September 1, 2002 [a]	365,000	4.70	-	NA	4.80	99.491
977087 AR6	September 1, 2003 [a]	220,000	4.90	-	NA	4.90	99.706

(a) This maturity is a term obligation. For a schedule of the installment payments, see "THE CERTIFICATES OF PARTICIPATION; Redemption Provisions- *Mandatory Sinking Fund Redemption*" herein.

Financial Advisor

Public Financial Management, Inc., Boston, Massachusetts, has served as a financial advisor to the State with respect to the issuance and sale of the Certificates. The financial advisor assisted the State in the preparation of this Official Statement and provided other advice on the structuring of the Certificates and the Program. Public Financial Management, Inc. is an independent financial advisory and consulting organization and is not engaged in the underwriting, marketing or trading of municipal securities or other negotiable instruments.

Legal Opinion

Legal matters incident to the authorization, issuance and sale of the Certificates are subject to the approval of Foley & Lardner, Bond Counsel, whose approving opinion, substantially in the form shown in APPENDIX B, will be delivered on the date of issue of the Certificates. In the event certificated Certificates are issued, the opinion will be printed on the reverse side of each Certificate.

Tax Exemption

In the opinion of Bond Counsel, under existing law the interest on the Certificates is excluded from gross income for federal income tax purposes and the interest on the Certificates is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; it should be noted, however, that with respect to certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond Counsel expresses no opinion regarding the federal income tax consequences resulting from ownership of the Certificates or the receipts by the owners thereof of payments on the Certificates following the termination of the Master Lease resulting from an Event of Nonappropriation or an Event of Default thereunder.

The opinions set forth in the preceding paragraph are subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and other federal tax legislation that must be satisfied subsequent to the issuance of the Certificates in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The State has covenanted to comply with each such requirement to the extent it may lawfully do so. Failure to comply with certain of such requirements may cause interest on the Certificates to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Certificates.

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of the Certificates maturing September 1, 1999, September 1, 2000, September 1, 2001, September 1, 2002 and September 1, 2003 (the "Discount Certificates"), to the extent properly allocable to each owner of a Discount Certificate, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Certificates is or would be excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of a Discount Certificate over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Certificates were sold (the "Issue Price").

Under Section 1288 of the Code, original issue discount on tax-exempt certificates accrues on a compound interest basis. The amount of original issue discount that accrues to an owner of a Discount Certificate during any accrual period generally equals (i) the Issue Price of such Discount Certificate plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (iii) any interest payable on such Discount Certificate during such accrual period.

The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period and will increase the owner's tax basis in such Discount Certificate. The adjusted basis in a Discount Certificate will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Discount Certificate.

Owners of Discount Certificates who did not purchase such Discount Certificates in the initial offering at the Issue Price should consult their own tax advisors with respect to the tax consequences of owning such Discount Certificate.

Owners of Discount Certificates should consult their own tax advisors with respect to the state and local tax consequences of holding such Discount Certificates. It is possible that under the applicable provisions governing the determination of state and local taxes, accrued original issue discount on the Discount Certificates may be deemed to be received in the year of accrual, even though there will not be a corresponding cash payment until a later year.

The Certificates maturing March 1, 1997, September 1, 1997, March 1, 1998 and September 1, 1998 (the "Premium Certificates") have an issue price that is greater than the amount payable at maturity of such Certificates. Any Premium Certificate purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. An owner of a Premium Certificate that has amortizable bond premium is not allowed any deduction for the amortizable certificate premium. During each taxable year, such an owner must reduce his or her tax basis in such Premium Certificate by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Certificate. The adjusted tax basis in a Premium Certificate will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or repayment and maturity) of such Premium Certificate.

Owners of Premium Certificates who did not purchase such Premium Certificates in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Certificates.

Owners of Premium Certificates should consult their own tax advisors with respect to the state and local tax consequences of the Premium Certificates.

The Code contains numerous provisions which could affect the economic value of the Certificates to particular Certificate Holders. For example, (i) Section 265 of the Code denies a deduction for interest on any indebtedness incurred or continued to purchase or carry the Certificates or, in the case of financial institutions, that portion of an owner's interest expense allocable to interest on the Certificates, (ii) property and casualty insurance companies will be required in each taxable year to reduce the amount of their deductible losses by 15% of the amount of tax-exempt interest received or accrued during such taxable year, including interest on the Certificates, and life insurance companies are subject to similar provisions under which taxable income is increased by reason of receipt or accrual of tax-exempt interest, (iii) interest on the Certificates earned by certain types of corporations could be subject to the environmental tax imposed by Section 59A of the Code, (iv) interest on the Certificates earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (v) passive investment income, including interest on the Certificates, may be subject to federal income taxation under Section 1375 of the Code for S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of the S corporation is passive investment income, and (vi) Section 86 of the Code requires certain recipients of social security and railroad retirement benefits to include a portion of such benefits in gross income by reason of receipt or accrual of interest on the Certificates. The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership of the Certificates. There may be other provisions of the Code which could adversely affect the value of an investment in the

Certificates for particular Certificate Holders. Investors should consult their own tax advisors with respect to the tax consequences of owning a Certificate.

REGARDING FULL DISCLOSURE

Continuing Disclosure

In order to assist the underwriters in complying with Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the State has entered into a Master Agreement on Continuing Disclosure and, before delivery of the Certificates, will enter into an Addendum Regarding Master Lease Certificates of Participation and a Supplemental Agreement pertaining to the Certificates (collectively, the "Agreements"). The Agreements constitute an undertaking for the benefit of the beneficial owners of the Certificates and require the State to prepare and provide an Annual Report (providing certain financial information and operating data relating to the State) not later than 180 days following the close of the State's fiscal year (beginning with the fiscal year ending June 30, 1996), to each of the nationally recognized municipal securities information repositories ("NRMSIRs"), and to provide notices of occurrence of certain events specified in the Rule to the NRMSIRs or the Municipal Securities Rulemaking Board (the "MSRB"), and to the state information depository ("SID"), if any. As of the date of this Official Statement no SID has been established. Copies of the Agreements, Annual Report, and notices can be obtained from: Capital Finance Office; Department of Administration; Division of Executive Budget and Finance; 101 East Wilson Street; P.O. Box 7864; Madison, WI 53707-7864.

The Agreements also describe the consequences of any failure to provide the required information. The Agreements require that a failure to provide the required information must be reported to the NRMSIRs or the MSRB, and to any SID, and the Rule requires consideration of any such failure by any brokers, dealer or municipal securities dealer before recommending the purchase of sale of the Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Certificates and their market price. In the previous five years, there has been no failure to comply in any material respect with a similar undertaking by the State.

Disclosure Certificate

The purchasers of the Certificates will receive a certificate, signed by the Secretary of the Department of Administration, certifying that this Official Statement, as of its date and as of the date of delivery of the Certificates, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. In providing such certificate, the signer will state that he has not undertaken to independently verify information obtained or derived from various United States Government publications referenced in this Official Statement.

Additional Information

Periodic public reports relating to the financial condition of the State, its operations and the balances, receipts and disbursements of the various funds of the State are prepared by the Department of Administration and Revenue, the State Treasurer and Legislative Auditor.

Additional information may be obtained upon request from the Department, Attn.: Mr. Frank R. Hoadley, Capital Finance Director, (608) 266-2305.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the State and the purchasers or owners of any of the Certificates.

This Official Statement is submitted only in connection with the sale of the Certificates by the State and may not be reproduced or used in whole or in part for any other purpose, except with express permission.

Dated: October 29, 1996

STATE OF WISCONSIN,
Acting by and Through the
DEPARTMENT OF ADMINISTRATION

/s/ James R. Klauser
James R. Klauser, Secretary
State of Wisconsin Department of Administration

The Appendices to this Official Statement are contained in a separate file named OS96B-B.pdf. This file is available at the following location:
http://www.doa.state.wi.us/debf/capfin/wioscops.htm

Inquiries should be directed to:

Capital Finance Office
Department of Administration
Division of Executive Budget and Finance
101 East Wilson Street
Madison, Wisconsin 53702

Phone:(608) 266-0374
Fax: (608) 266-7645