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OFFICIAL STATEMENT

New Issue

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

\$300,000,000

STATE OF WISCONSIN OPERATING NOTES OF 1997

DATED: July 1, 1997

DUE: June 15, 1998

The \$300,000,000 State of Wisconsin Operating Notes of 1997 (the "Notes") will be issued as fully registered notes, 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 for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$25,000 and any integral multiple thereof. Beneficial Owners (as defined herein) will not receive certificates representing their ownership interest in the Notes purchased. Principal and interest on the Notes will be paid at maturity (June 15, 1998) in immediately available funds by Firststar Trust Company, Milwaukee, Wisconsin (the "Trustee"), directly to DTC, which will in turn remit such principal and interest to DTC's Participants for subsequent disbursement to the Beneficial Owners of the Notes, as described herein. See "DESCRIPTION OF NOTES; Book-Entry-Only Form".

The Notes will not be subject to redemption prior to maturity. The term of the Notes is 344 days, on a 30/360-day basis. The Notes will bear interest at the rate of 4.50%.

All information concerning the terms of the reoffering of the Notes, including yields and prices, should be obtained from the successful bidders and not from the State of Wisconsin. See "OTHER INFORMATION; Underwriting".

The Notes are being issued pursuant to Chapters 16 and 18 of the Wisconsin Statutes, as amended (the "Act") and resolutions adopted by the State of Wisconsin Building Commission (the "Commission") on May 21, 1997 and June 25, 1997 (the "Resolutions"), and in accordance with the Official Notice of Sale. The Notes are contractual obligations of the State of Wisconsin (the "State") payable from and secured solely by revenues pledged by the Commission pursuant to the Act and the Resolutions and deposited into the Operating Note Redemption Fund established with the Trustee (the "Pledged Revenues"). There has been appropriated from the General Fund of the State to the Operating Note Redemption Fund a sum sufficient for the payment of the principal of and interest on the Notes as the same are due and for the payment of monies required to be impounded in the Operating Note Redemption Fund. There has been irrevocably appropriated from the Operating Note Redemption Fund a sum sufficient to pay principal of and interest on the Notes as the same are due. *The Notes are not general obligations of the State*, and the Notes do not constitute "public debt" of the State, as such term is used in the Constitution and Statutes of the State. The Pledged Revenues are subject to the first and paramount rights of the owners of the State's general obligation bonds and notes.

Delivery of the Notes 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 Notes will be available for delivery on or about July 1, 1997 in New York, New York.

June 25, 1997

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 Notes 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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STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF NOTES

BUILDING COMMISSION MEMBERS

Voting Members

	Term of Office Expires
Governor Tommy G. Thompson, Chairperson	January 4, 1999
Senator Rodney C. Moen	January 4, 1999
Senator Fred A. Risser	January 8, 2001
Senator Tim Weeden	January 4, 1999
Representative Timothy Hoven	January 4, 1999
Representative Clifford Otte	January 4, 1999
Representative Robert Turner	January 4, 1999
Mr. Bryce Styza, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Members

Mr. Mark D. Bugher, Secretary Department of Administration	At the pleasure of the Governor
Mr. Adel Tabrizi, State Chief Engineer Department of Administration	—
Mr. Wilbert King, State Chief Architect Department of Administration	—

Building Commission Secretary

Mr. Robert Brandherm (also serves as Administrator, Division of Facilities Development of the Department of Administration)	At the pleasure of the Building Commission and Secretary of Administration
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OTHER PARTICIPANTS

Mr. Jack C. Voight State Treasurer	January 4, 1999
Mr. James E. Doyle State Attorney General	January 4, 1999

DEBT MANAGEMENT AND DISCLOSURE

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As of the date of this Official Statement, additional information about the State of Wisconsin can be found on the World Wide Web at:
<http://www.doa.state.wi.us/debf/scf.htm>

SUMMARY DESCRIPTION OF NOTES

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:	State of Wisconsin Operating Notes of 1997
Principal Amount:	\$300,000,000
Denominations:	\$25,000 and integral multiples thereof
Date of Issue:	July 1, 1997
Interest Payment:	June 15, 1998
Maturity:	June 15, 1998
Redemption:	Not subject to redemption prior to maturity
Form:	Book-entry-only ^{3/4} See pages 3-5
Paying Agent:	Principal of and interest on the Notes will be paid by the Trustee. Payment will be made to The Depository Trust Company, which will distribute payments to Beneficial Owners as described herein.
Security:	The Notes are contractual obligations payable from and secured solely by revenue pledged by the Commission and deposited with the Trustee, including impoundments required to be made on certain dates—See page 5
Authority for Issuance:	Notes are issued under Chapters 16 and 18 of the Wisconsin Statutes.
Purpose:	Fund local-assistance payments and to finance day-to-day operations of the State.
Additional Notes:	The State may issue additional operating notes.
Legality of Investment:	The Notes are legal investments for all banks, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies and other persons or entities carrying on a banking business in Wisconsin; for all executors, administrators, guardians, trustees and other fiduciaries in Wisconsin; for the State and all public officers, municipal corporations, political subdivisions and public bodies in Wisconsin.
Tax Exemption:	<i>Federal income tax</i> —Interest is not included in gross income and is not an item of tax preference <i>Wisconsin state income and franchise tax</i> —Not exempt—See page 13
Legal Opinion:	Foley & Lardner—See page B-1

OFFICIAL STATEMENT
\$300,000,000
STATE OF WISCONSIN
OPERATING NOTES OF 1997

INTRODUCTION

The issuer of the Notes described herein is the State of Wisconsin (the "State"). 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 State of Wisconsin Building Commission (the "Commission"), an agency of the State, is empowered by law to consider, act upon, authorize, issue and sell all borrowing obligations of the State, including the Notes described herein. This agency is assisted and staffed by the State of Wisconsin Department of Administration (the "Department").

Information concerning the State and the Commission is included as APPENDIX A, which includes by reference Part II of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 1996 (the "Annual Report").

This Official Statement, including the cover page and all Appendices hereto, is provided for the purpose of setting forth information regarding the sale by the State of \$300,000,000 principal amount of Operating Notes of 1997 (the "Notes"). The Notes will be issued on July 1, 1997 by the State, acting through the Commission, pursuant to Chapters 16 and 18 of the Wisconsin Statutes, as amended (the "Act") and resolutions adopted by the Commission on May 21, 1997 and June 25, 1997 (the "Resolutions").

The Notes will mature June 15, 1998, prior to the end of the State's 1997-98 fiscal year, which is June 30, 1998. The State anticipates that it will receive sufficient taxes and revenues to provide for payment of the Notes pursuant to the Resolutions and, when combined with other monies, to make all other State expenditures without either incurring a cash deficit for the 1997-98 fiscal year or refinancing any of the Notes in the succeeding fiscal year.

The proposed budget for the 1997-98 fiscal year described in this Official Statement is balanced on a cash basis as modified by the requirements of existing State law. The State is constitutionally required to adopt a balanced budget. Although many factors may affect the State's financial results for the 1997-98 fiscal year, the estimates of receipts and disbursements included in the proposed 1997-98 budget are believed to be reasonable.

In connection with the issuance and sale of the Notes, the Commission has authorized the Department to prepare this Official Statement, including the cover page and Appendices, describing the Notes and presenting other relevant information for consideration by prospective purchasers. 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, resolutions, 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.

PURPOSE OF ISSUE AND USE OF PROCEEDS

General

The State will deposit the proceeds from the sale of the Notes to the General Fund of the State and will use the proceeds within six months to fund local-assistance payments to its municipalities and school districts, and to finance its day-to-day operations in anticipation of revenues to be received later in the fiscal year. Until so used, the proceeds will be invested by the State on a short-term basis. This investment activity is the responsibility of the State of Wisconsin Investment Board. See “STATE OF WISCONSIN INVESTMENT BOARD” in Part II of the Annual Report.

Premium, if any, paid as part of the purchase price of the Notes will be credited to the Operating Note Redemption Fund and applied to pay interest on the Notes. The costs of issuance of the Notes will be paid by the State from monies separately appropriated from the General Fund for this purpose.

The State is issuing the Notes because of an imbalance between the timing of payments disbursed and receipts collected.

Prior to 1983, the State was not empowered to use seasonal borrowing. The payment-receipt imbalance was dealt with first, by using substantial year-end surpluses in the General Fund; second, by temporarily allocating cash reserves from various segregated funds to the General Fund; and third, by direct control and reordering of disbursements. Beginning in 1983, after the State was statutorily authorized to issue operating notes, the imbalance was addressed through seasonal borrowing. The amount of seasonal borrowing using operating notes has varied over the years.

The amount of the Notes does not provide for a possible \$215 million payment from the General Fund in November 1997. Such a payment is currently being considered by the Legislature as settlement of a lawsuit regarding the Wisconsin Retirement System. See “STATE BUDGET; Potential Effect of Litigation; *Special Performance Dividend*” on page A-4 of APPENDIX A. In the event a settlement payment becomes a part of the enacted budget, or tax refunds or other litigation judgments are required during the 1997–98 fiscal year, the State will review the General Fund cash flow and may issue additional operating notes. In addition, other unanticipated developments may require the State to issue additional operating notes during this period. See “DESCRIPTION OF NOTES; Additional Notes”.

Interfund Borrowings and Reallocations

The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State’s universities. Such designated funds may be used for purposes other than the proprietary programs but such use is, in effect, a borrowing and the State is obligated to replenish the designated funds.

To meet a cash-flow need, the Statutes authorize the Secretary of the Department (the “Secretary of Administration”) to temporarily reallocate up to \$400 million of available cash in certain segregated funds (and any cash in the budget stabilization fund) to the General Fund. An interfund interest charge is levied on such interfund reallocations.

The Secretary of Administration may set priorities for payments from the General Fund as well as prorate certain payments. See “STATE GOVERNMENT ORGANIZATION AND FINANCIAL PROCEDURES; Budgeting Process and Fiscal Controls” in Part II of the Annual Report.

DESCRIPTION OF NOTES

Authority for Issuance

The Notes are a series of operating notes authorized by the Act and are issued pursuant to the Resolutions. Article VIII, Section 5 of the Wisconsin Constitution requires the Legislature to provide annual taxes sufficient to meet the estimated expenses of the State each year. Whenever the expenses of any year exceed the income, the Legislature must levy taxes for the ensuing year sufficient with other sources of income to pay the deficiency as well as the estimated expenses of the ensuing year. The proposed 1997–98 budget contains sufficient estimated tax revenues and other revenues to pay the estimated expenses for the fiscal year pursuant to the Constitution.

The Commission is authorized to issue operating notes when, in the judgment of the Department, a deficiency will occur in the funds of the State which will not permit the State to meet its operating obligations in a timely manner. Operating notes may be issued in an amount not exceeding 10% of budgeted appropriations of general purpose and program revenues for the year in which operating notes are issued. The maximum issuance of operating notes during the 1997–98 fiscal year, based on the proposed 1997–98 budget, is \$1.559 billion. See APPENDIX C. The request of the Department to issue operating notes must be signed by the Secretary of Administration and the Governor and approved by the Joint Committee on Finance of the Legislature prior to its submission to the Commission. Pursuant to this authority the Governor and the Secretary of Administration have requested the issuance of operating notes for the purpose of providing funds to meet obligations for the fiscal year beginning July 1, 1997, and the Joint Committee on Finance has approved this request.

Terms

The Notes will be dated the date of their delivery to the successful bidders, will bear interest at the rate set forth on the front cover hereof from their dated date, computed on the basis of a 360-day year of twelve 30-day months, and will be payable as to both principal and interest to the registered owner thereof, which initially will be the nominee of The Depository Trust Company, New York, New York (“DTC”), in immediately available funds upon maturity on June 15, 1998. The Notes will not be subject to redemption prior to maturity.

The Notes are to be initially issued in book-entry-only form. Individual purchases in book-entry-only form can be made in the principal amount of \$25,000 and integral multiples thereof. Under certain conditions the Notes may be issued in certificated form. See “DESCRIPTION OF NOTES; Book-Entry-Only Form”.

Book-Entry-Only Form

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities in the name of Cede & Co. (DTC’s partnership nominee). A certificate or certificates will be issued in the aggregate principal amount of the Notes and will be 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of the Notes 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 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the Notes. 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payment on the Notes will be made to DTC by Firststar Trust Company, Milwaukee, Wisconsin (the “Trustee”). 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, the Trustee, 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 Trustee, 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 Notes at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, note 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, note 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 or notices received with respect to the Notes. The State and the Trustee assume 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 Notes.

Similarly, no assurance can be given by the State or the Trustee 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.

Source of Payment

The Notes are contractual obligations of the State payable from and secured solely by revenue pledged by the Commission pursuant to the Act and the Resolutions and deposited into the Operating Note Redemption Fund (the "Pledged Revenues"). The Operating Note Redemption Fund is a separate and distinct fund established with the Trustee. The Operating Note Redemption Fund is to be expended, and all monies from time to time on hand in that fund are irrevocably appropriated, in sums sufficient, only for the payment of the principal and interest on the Notes. There has been appropriated from the General Fund to the Operating Note Redemption Fund a sum sufficient for the payment of the principal of and interest on the Notes as the same are due and for the payment of monies required to be impounded in the Operating Note Redemption Fund. These appropriations are continuing appropriations both during and after the 1997-98 fiscal year, unless specifically amended by the Legislature. *The Notes are not general obligations of the State*, and the Notes do not constitute "public debt" of the State as that term is used in the Constitution and Statutes of the State. The Pledged Revenues are subject to the first and paramount rights of the owners of the State's general obligation bonds and notes ("General Obligations").

Impoundment

Operating Note Redemption Fund—The Secretary of Administration is required by the Resolutions to impound and transfer sums from the General Fund to the Operating Note Redemption Fund at such times and in such amounts as will cause the balance of the Operating Note Redemption Fund to be not less than the amount required on such date:

- (i) 25% of the principal and interest due June 15, 1998 is required to be impounded on February 27, 1998;
- (ii) 50% of the principal and interest due June 15, 1998 is required to be impounded on March 31, 1998;
- (iii) 75% of the principal and interest due June 15, 1998 is required to be impounded on April 30, 1998; and
- (iv) 100% of the principal and interest due June 15, 1998 is required to be impounded on May 29, 1998.

If on any of these impoundment dates the balance in the Operating Note Redemption Fund is less than the amount required, then all General Fund revenues (other than those required to be paid with respect to General Obligations) (“Unrestricted Revenues”) must be set aside and deposited in the Operating Note Redemption Fund until the balance in the Operating Note Redemption Fund is equal to the required amount for that date.

Cash Flow Projections—The Secretary of Administration is required to prepare and file with the Trustee monthly projected statements of revenues, expenses and fund balances of the State for each month remaining in the 1997–98 fiscal year in sufficient detail to permit the Secretary of Administration to make the following determinations required by the Resolutions:

- (i) *Interfund Transfers*—If at any time the Secretary of Administration determines that Unrestricted Revenues will be insufficient to permit the required transfers from the General Fund to the Operating Note Redemption Fund, the Secretary of Administration must, to the extent permitted by law, transfer to the General Fund other funds of the State in a sum sufficient to permit the required transfers to the Operating Note Redemption Fund.
- (ii) *Deferral of Expenditures*—If at any time the Secretary of Administration determines that the payment of any amount, other than payments with respect to General Obligations, will result in the funds available in the General Fund for transfer to the Operating Note Redemption Fund being less than the amount required, the Secretary of Administration must defer the payment of a sufficient amount of such expenses to permit the required transfer when due.
- (iii) *Acceleration of Impoundment*—If at any time the Secretary of Administration determines that the principal and interest due on the Notes at maturity less any amounts on deposit in the Operating Note Redemption Fund equals or exceeds 85% of the amount of Unrestricted Revenues estimated to be received thereafter and prior to June 15, 1998, all Unrestricted Revenues thereafter received must be immediately deposited in the Operating Note Redemption Fund until the amount in such fund is equal to 100% of the principal and interest due on the Notes at maturity.

Investment of Operating Note Redemption Fund

Monies deposited in the Operating Note Redemption Fund shall be invested by the Trustee at the direction of the State of Wisconsin Investment Board in (1) direct obligations of, or obligations unconditionally guaranteed by, the United States; (2) obligations issued or guaranteed by agencies or instrumentalities of United States; (3) obligations of the international bank for reconstruction and development; (4) a mutual fund that invests solely in direct obligations of the United States; and (5) repurchase agreements with banks other than the Trustee which are members of the Federal Deposit Insurance Corporation and government bond dealers (a) reporting to, trading with and recognized as primary dealers by the Federal Reserve Bank of New York, and (b) having capital of at least \$250,000,000, the underlying securities of which are obligations described in (1) and (2) above, provided that the underlying securities are required to be continuously maintained at a value consisting of the market value of such securities and the amount of interest accrued on such securities, not less than the amount so invested plus accrued interest and to be held by the Trustee or a third party. All investments in the Operating Note Redemption Fund shall mature on or before June 15, 1998. All investments shall be valued at the face amount thereof, including any interest to be paid thereon to maturity.

Additional Notes

The amount of the Notes does not provide for a possible \$215 million payment from the General Fund in November 1997. Such a payment is currently being considered by the Legislature as

settlement of a lawsuit regarding the Wisconsin Retirement System. See “STATE BUDGET; Potential Effect of Litigation; *Special Performance Dividend*” on page A-4 of APPENDIX A. In the event a settlement payment becomes a part of the enacted budget, or tax refunds, other litigation refunds, or unanticipated developments occur in the 1997–98 fiscal year, the State will review the General Fund cash flow and may issue additional operating notes. Any additional operating notes which may be issued must, pursuant to the Resolutions, mature on or after June 15, 1998 and will not be entitled to any priority with respect to payment or security over the Notes or any other series of additional operating notes. Any additional operating notes would be payable from the same source, be entitled to the same security as the Notes and be subject to the impoundment provisions described above.

Defaults and Remedies

The following constitute “Events of Default” under the Resolutions: (i) a default in the due and punctual payment of the principal of or interest on any of the Notes when the same shall become due and payable or (ii) a default by the State in the performance of any of its obligations with respect to payments into the Operating Note Redemption Fund or in the observance and performance of any other of the covenants, conditions and agreements of the State contained in the Resolutions. If an Event of Default shall have occurred and continues for a period of 30 days, the Trustee must publish notice of the Event of Default in *The Bond Buyer*.

If an Event of Default has occurred and is continuing, the Trustee may proceed to institute such actions and proceedings as are authorized by the Act or other law to collect all sums due in connection with the Notes and to protect and enforce its rights and the rights of the holders of the Notes. The Trustee, at the request of the holders of not less than 25% in aggregate principal amount of the Notes then outstanding and upon being furnished with reasonable security and indemnity, must take such steps and institute such suits, actions or proceedings for the protection and enforcement of the rights of the holders of the Notes to collect any amount due and owing from the State or by injunction, mandamus or other appropriate proceeding in law or in equity to obtain other appropriate relief.

No holder of any Notes may institute any suit, action or proceeding in equity or at law, except to enforce payment of the Notes held by such holder, for the enforcement of the Resolutions or for the execution of any trust thereof or any remedy thereunder, unless an Event of Default has occurred of which the Trustee has been notified and the holders of 25% in aggregate principal amount of the Notes then outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the Resolutions or to institute such action, suit or proceedings in its own name and the Trustee thereafter shall have failed or refused to exercise such powers or to institute such action, suit or proceeding.

The Act provides that if the State fails to pay any operating note in accordance with its terms an action to compel such payment may be commenced against the State in the Circuit Court for Dane County, Wisconsin. If there is a final judgment against the State in such an action, the Act requires that it be paid together with interest at the rate of 10% per year from the date the payment was judged to have been due until the date of payment of the judgment. Wisconsin law requires that any such final judgment obtained against the State be filed by the Clerk of Courts with the Department. The Department is required to audit the amount of damage and costs awarded, and the amount is then required to be paid out of the State Treasury. State law contains a continuing appropriation in sum sufficient to meet judgments against the State.

GENERAL FUND INFORMATION

Information regarding the State's General Fund is included as APPENDIX D. Revenues deposited into the General Fund are shown in Table D-1 of APPENDIX D, which reports the specific sources of revenue and the amounts raised from each source for each of the last five fiscal years. Expenditures made from the General Fund are shown in Table D-2 of APPENDIX D, which reports the amounts expended by function and type for each of the last five fiscal years. Year-to-date information regarding revenues deposited into and expenditures made from the State's General Fund is reported on pages A-8 and A-9 of APPENDIX A. There can be no assurance that historical data with respect to such revenues and expenditures are necessarily indicative of future receipts and payments.

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. See APPENDIX A for a description of balances available for reallocation. 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 bonds and notes 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.

The tables on the following pages present the actual cash flow of the General Fund from July 1995 through May 1997 and the projected cash flow from June 1997 through June 1998 by major categories of receipts and disbursements. The cash-flow tables should be read in conjunction with other information concerning the proposed 1997-98 budget set forth in APPENDIX A of this Official Statement.

No provision has been made in the following tables if legislation pertaining to taxation of telephone companies between now and 1998 is not implemented. See "STATE BUDGET; Potential Effect of Litigation; *Sales Tax on Access Services*" in Part II of the Annual Report.

Monthly projections of cash flow are based upon the proposed 1997-98 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 projected 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 1

ACTUAL GENERAL FUND CASH FLOW JULY

(In Thousands of Dollar

	July 1995	August 1995	September 1995	October 1995	November 1995	December 1995
OPENING BALANCE ^(a)	\$ 451,090	\$ 419,809	\$ 625,470	\$ 886,322	\$ 1,227,925	\$ 825,688
CLOSING BALANCE	419,809	625,470	886,322	1,227,925	825,688	489,014
LOW BALANCE ^(b)	280,829	331,466	396,605	824,216	673,198	145,441
RECEIPTS:						
Tax Receipts						
Individual Income	348,170	289,760	399,342	363,667	283,463	328,531
Sales & Use	250,655	244,274	244,280	247,227	238,805	225,368
Corporate Income	17,594	13,017	140,408	14,538	15,140	131,584
Public Utility	113	0	0	550	151,023	0
Excise	22,132	19,068	21,969	23,131	22,819	20,633
Insurance	492	951	23,803	120	245	22,324
Inheritance	2,219	4,049.00	2,092	2,873	3,053	3,016
Subtotal Tax Receipts	641,375	571,119	831,894	652,106	714,548	731,456
Nontax Receipts						
Federal	289,672	340,060	270,392	289,061	289,196	256,716
Other & Transfers	127,884	144,348	259,924	210,494	216,288	168,638
Note Proceeds ^(c)	247,500	0	0	0	0	0
Subtotal Nontax Receipts	665,056	484,408	530,316	499,555	505,484	425,354
TOTAL RECEIPTS	\$ 1,306,431	\$ 1,055,527	\$ 1,362,210	\$ 1,151,661	\$ 1,220,032	\$ 1,156,810
DISBURSEMENTS:						
Local Aids	\$ 613,592	\$ 108,701	\$ 384,159	\$ 95,339	\$ 930,744	\$ 722,464
Income Maintenance	241,373	264,066	213,672	237,455	236,993	257,601
Payroll & Related	227,789	227,860	207,921	254,974	218,087	241,545
Tax Refunds	40,661	27,678	25,586	22,717	39,393	48,698
Debt Service	12,584	0	84,690	40	0	390
Miscellaneous	201,713	221,561	185,330	199,533	197,052	222,786
Note Repayment	0	0	0	0	0	0
TOTAL DISBURSEMENTS	\$ 1,337,712	\$ 849,866	\$ 1,101,358	\$ 810,058	\$ 1,622,269	\$ 1,493,484

(a) The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements for other purposes are reflected in the cash flow. A use of designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds from the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds ranged from \$14 million to \$1 million. The Fund is the depository for several escrow accounts pursuant to court orders or federal rulings. The funds in these accounts are restricted in their use to the purposes for which they were established.

Table 2

GENERAL FUND CASH FLOW JULY 1, 1996 TO JUN

Actual July 1996 through May 1997; Projected June 1997

(In Thousands of Dollars)

	July 1996	August 1996	September 1996	October 1996	November 1996	December 1996	January 1997
OPENING BALANCE ^(a)	\$ 569,086	\$ 414,747	\$ 601,413	\$ 1,066,212	\$ 1,347,976	\$ 857,863	\$ 321,045
CLOSING BALANCE	414,747	601,413	1,066,212	1,347,976	857,863	321,045	1,011,176
LOW BALANCE ^(b)	263,302	321,835	426,931	1,027,724	704,010	(32,677)	321,045
RECEIPTS:							
Tax Receipts							
Individual Income	372,155	304,041	453,416	367,701	334,707	333,175	670,204
Sales & Use	261,676	264,609	259,988	257,730	254,478	166,275	339,152
Corporate Income	15,979	15,987	137,555	32,031	13,293	145,789	28,349
Public Utility	329	0	68	25	140,447	654	21
Excise	21,137	23,073	23,890	20,975	22,500	21,185	20,539
Insurance	703	1,365	22,607	777	677	21,105	2,340
Inheritance	2,014	3,356	3,411	5,615	2,155	3,418	3,987
Subtotal Tax Receipts	673,993	612,431	900,935	684,854	768,257	691,601	1,064,592
Nontax Receipts							
Federal	339,344	235,534	338,724	261,861	257,688	309,474	392,612
Other & Transfers	117,978	182,959	236,507	190,406	175,744	190,365	202,878
Note Proceeds ^(c)	148,500	0	0	0	0	0	0
Subtotal Nontax Receipts	605,822	418,493	575,231	452,267	433,432	499,839	595,490
TOTAL RECEIPTS	\$ 1,279,815	\$ 1,030,924	\$ 1,476,166	\$ 1,137,121	\$ 1,201,689	\$ 1,191,440	\$ 1,660,082
DISBURSEMENTS:							
Local Aids	\$ 637,996	\$ 128,110	\$ 397,244	\$ 87,371	\$ 944,733	\$ 1,019,955	\$ 140,980
Income Maintenance	256,303	202,276	243,131	231,683	243,430	242,664	249,825
Payroll & Related	237,782	297,405	149,441	247,345	290,790	191,217	351,154
Tax Refunds	36,632	25,807	21,460	35,154	28,919	70,195	41,405
Debt Service	12,682	0	0	96,259	0	0	0
Miscellaneous	252,759	190,660	200,091	157,545	183,930	204,227	186,587
Note Repayment	0	0	0	0	0	0	0
TOTAL DISBURSEMENTS	\$ 1,434,154	\$ 844,258	\$ 1,011,367	\$ 855,357	\$ 1,691,802	\$ 1,728,258	\$ 969,951

(a) The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements other purposes are reflected in the cash flow. A use of designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. The balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds are projected to range from the General Fund is the depository for several escrow accounts pursuant to court orders or federal rulings. The funds in these accounts are restricted in their use to the p

Table 3

PROJECTED GENERAL FUND CASH FLOW JULY 1, 1997 TO

(In Thousands of Dollars)

	July 1997	August 1997	September 1997	October 1997	November 1997	December 1997	January 1998
OPENING BALANCE ^(b)	\$ 582,000	\$ 496,920	\$ 828,492	\$ 1,002,249	\$ 1,261,675	\$ 998,562	\$ 445,563
CLOSING BALANCE	496,920	828,492	1,002,249	1,261,675	998,562	445,563	1,098,299
LOW BALANCE ^(c)	496,920	427,931	499,680	951,869	758,033	84,218	445,563
RECEIPTS:							
Tax Receipts							
Individual Income	386,646	340,672	452,410	396,398	338,992	363,330	676,328
Sales & Use	278,622	271,706	272,869	271,360	272,995	255,831	290,851
Corporate Income	17,017	14,869	130,989	15,351	15,422	132,598	21,137
Public Utility	140	8	120	545	143,797	79	30
Excise	24,040	23,561	23,367	23,674	23,591	21,585	22,694
Insurance	446	643	21,576	139	234	21,429	533
Inheritance	3,282	4,179	3,822	3,795	3,531	4,287	3,452
Subtotal Tax Receipts	710,193	655,638	905,153	711,262	798,562	799,139	1,015,025
Nontax Receipts							
Federal	350,053	342,873	285,019	306,945	291,136	338,993	323,323
Other & Transfers	168,095	162,728	268,890	207,854	213,605	168,643	274,449
Note Proceeds ^(d)	297,000	0	0	0	0	0	0
Subtotal Nontax Receipts	815,148	505,601	553,909	514,799	504,741	507,636	597,772
TOTAL RECEIPTS	\$ 1,525,341	\$ 1,161,239	\$ 1,459,062	\$ 1,226,061	\$ 1,303,303	\$ 1,306,775	\$ 1,612,797
DISBURSEMENTS:							
Local Aids	\$ 793,430	\$ 126,198	\$ 560,318	\$ 104,947	\$ 959,589	\$ 961,113	\$ 164,139
Income Maintenance	254,561	223,342	223,713	270,288	252,062	276,702	252,880
Payroll & Related	279,705	257,828	147,416	343,477	148,101	357,483	255,535
Tax Refunds	37,658	32,533	29,572	38,804	37,744	53,500	38,360
Debt Service	0	9,000	88,351	0	0	0	0
Miscellaneous	245,067	180,766	235,935	209,119	168,920	210,976	249,147
Note Repayment ^(e)	0	0	0	0	0	0	0
TOTAL DISBURSEMENTS	\$ 1,610,421	\$ 829,667	\$ 1,285,305	\$ 966,635	\$ 1,566,416	\$ 1,859,774	\$ 960,061

(a) Excludes Interfund Borrowing.

(b) The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements other purposes are reflected in the cash flow. A use of designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. There balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds are projected to range from the General Fund is the depository for several escrow accounts pursuant to court orders or federal rulings. The funds in these accounts are restricted in their use to the pu

OTHER INFORMATION

Ratings

The Notes have been rated F-1+ by Fitch Investors Service, L.P., MIG 1 by Moody's Investors Service, Inc. and SP-1+ by Standard and Poor's Ratings Group. Any explanation of the significance of a rating may only be obtained from the rating service furnishing it. There is no assurance that a rating given to these Notes will be maintained for any period of time or that the rating may not 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 Notes.

Borrowing Plans for 1997

The State has sold two publicly offered general obligation bond issues in the combined amount of \$45 million. The State has issued one series of general obligation commercial paper notes in the amount of \$92 million. The State anticipates the following financings to occur during this calendar year: (i) the competitive sale of another general obligation issue for the veterans housing loan program in the third or fourth quarter, (ii) one or more private sales of general obligations for the Clean Water Fund program, and (iii) the issuance of an additional \$185 million of general obligation bonds or commercial paper notes.

The State has sold one clean water revenue bond issue in the amount of \$80 million. No additional clean water revenue bonds are expected to be issued the remainder of this calendar year. The State has issued \$155 million of transportation revenue commercial paper notes. No transportation revenue bonds or additional transportation revenue commercial paper notes are expected to be issued this calendar year.

The State anticipates a competitive sale of master lease certificates of participation in the amount of approximately \$15 million will occur in the third quarter of this calendar year.

Underwriting

The Notes were purchased at competitive bidding on June 25, 1997. Information regarding the public reoffering of the Notes may be obtained only from the bidders. The award of the Notes was to the following bidders in the amounts shown. The bidders paid an aggregate amount of \$301,837,333, resulting in a weighted net interest cost rate to the State of 3.8590%.

<u>Bidder</u>	<u>Amount</u>
Morgan Stanley Dean Witter	\$250,000,000
Zions First National Bank	10,000,000
J.P. Morgan Securities Inc. with Samuel A. Ramirez & Co., Inc. and Siebert, Brandford, Shank & Co., LLC	40,000,000

Legal Investment

The Notes are legal investments for all banks, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies and associations, and other persons or entities carrying on a banking business in Wisconsin; for all executors, administrators, guardians, trustees and other fiduciaries in Wisconsin; for the State and all public officers, municipal corporations, political subdivisions and public bodies in Wisconsin.

Legal Opinion

Legal matters incident to the authorization, issuance and sale of the Notes 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 Notes. In the event certificated Notes are issued, the opinion will be printed on the reverse side of each Note.

As required by law, the Attorney General of the State of Wisconsin will examine a certified copy of all proceedings preliminary to issuance of the Notes to determine the regularity and validity of such proceedings. In the event certificated Notes are issued, the certificate of the Attorney General will be printed on the reverse side of each Note.

Tax Exemption

In the opinion of Bond Counsel, under existing law the interest on the Notes is excluded from gross income for federal income tax purposes and the interest on the Notes 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.

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 Notes 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 Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. The proceedings authorizing the Notes do not provide for an increase in the interest rate or a redemption of the Notes in the event of taxability.

The Code contains numerous provisions which could affect the economic value of the Notes to particular owners of the Notes. For example, (i) Section 265 of the Code denies a deduction for interest on any indebtedness incurred or continued to purchase or carry the Notes or, in the case of financial institutions, that portion of an owner's interest expense allocable to interest on the Notes, (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 Notes, and life insurance companies are subject to similar provisions under which taxable income is increased by reason of receipt or accrual tax-exempt interest, (iii) interest on the Notes 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, (iv) passive investment income, including interest on the Notes, 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 (v) 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 receipts or accruals of interest on the Notes. The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership of the Notes. There may be other provisions of the Code which could adversely affect the value of an investment in the Notes for particular owners. Investors should consult their own tax advisors with respect to the tax consequences of owning a Note.

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 the delivery of the Notes, will enter into a Supplemental Agreement pertaining to the Notes (collectively, the “Agreements”). The Agreements constitute an undertaking for the benefit of the beneficial owners of the Notes and require the State to provide notices of occurrence of certain events specified in the Rule to the each nationally recognized municipal securities information repositories (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 and notices may 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 or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price. In the previous five years, there has been no failure to comply in any material respects with a similar undertaking by the State.

Disclosure Certificate

The successful bidders of the Notes shall receive a certificate, signed by the Governor, the Secretary of Administration, and the Secretary of the Commission, certifying that this Official Statement, as of its date and as of the date of delivery of the Notes, 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 signers will state that they have 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 Departments of Administration and Revenue, the State Treasurer and Legislative Auditor.

Additional information may be obtained upon request from the Capital Finance Office, 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 Notes.

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

Dated: June 25, 1997

STATE OF WISCONSIN

/s/ Tommy G. Thompson

Governor Tommy G. Thompson, Chairperson
State of Wisconsin Building Commission

/s/ Mark D. Bugher

Mark D. Bugher, Secretary
State of Wisconsin Department of Administration

/s/ Robert Brandherm

Robert Brandherm, Secretary
State of Wisconsin Building Commission

Appendix A

INFORMATION ABOUT THE STATE

This appendix includes information concerning the State of Wisconsin (the "State") and the State of Wisconsin Building Commission (the "Commission"). Part II of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 1996, (the "Annual Report") is included by reference as part of this APPENDIX A.

Part II to the State Annual Report contains certain general information about the State, including information about the State's operations and financial procedures, the State's accounting and financial reporting, the organization and description of services provided by the State, certain financial information about the State, the results of the 1995-96 fiscal year, the State budget, State obligations, and the State Investment Board, together with statistical information about the State's population, income and employment. Included as APPENDIX A to Part II are the audited general purpose financial statements for the fiscal year ending June 30, 1996, prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Government Accounting Standards Board, and the State Auditor's report.

The Annual Report has been filed with each nationally recognized municipal securities information repository ("NRMSIR"). As of the date of this Official Statement, the Annual Report can be found on the internet at:

<http://www.doa.state.wi.us/debf/capfin/96condis.htm>

Subsequent to publication and filing of the Annual Report, certain changes or events have occurred that affect matters discussed in the Annual Report. Listed below, by reference to particular sections of the Annual Report, are changes or additions to the discussion contained in these particular sections. Many of the following changes have not been filed with the NRMSIRs.

STATE BUDGET (Pages Part II-14 through Part II-16). Add the following:

Budget for 1996-97

In January 1997, revenues and disbursements were reviewed and revised taking into account actual experience through December 1996 and projections through June 1997. On an all-funds basis total available funds for the fiscal year ending June 30, 1997 were estimated to be approximately \$40 million lower than projected in the Annual Report. Total disbursements and reserves for the fiscal year ending June 30, 1997 were estimated to be approximately \$79 million lower than projected in the Annual Report. Therefore, the all-funds balance at June 30, 1997 is estimated to be approximately \$139 million. The projected general-fund balance for June 30, 1997 is the same as the all-funds balance, \$139 million. The 1996-97 budget is summarized on page A-3 and does include these updated January 1997 revenues and disbursements.

In May 1997, revenues were reviewed and revised taking into account actual tax collections. Based on this review, total available funds for the fiscal year ending June 30, 1997 are estimated to be approximately \$95 million greater than those projected in January 1997. Most of this increase is from individual income tax, which is expected to exceed the January 1997 projections by \$80 million. In addition, estimates for corporate income and franchise tax collections have been increased by \$10 million and estimates for the estate tax has increased by \$5 million. The summary of the 1996-97 budget on page A-3 does not reflect these updated May 1997 revenue estimates.

Proposed Budget for 1997–98

On February 12, 1997 the Governor introduced the executive budget for the 1997–98 fiscal year. The projected general-fund balance for June 30, 1998 is \$130 million. Total available revenues are estimated to be \$15.712 billion consisting of (i) a beginning balance of \$139 million, (ii) tax revenues of \$9.118 billion and (iii) nontax revenues of \$6.455 billion. Total disbursements and reserves are estimated to be \$15.678 billion, consisting of net disbursements of \$15.548 billion and reserves of \$130 million. The proposed 1997–98 budget is summarized on page A-3.

In May 1997, revenues were reviewed and revised taking into account actual tax collections. Based on this review, total available funds for the 1997–98 fiscal year are now estimated to be approximately \$75 million greater than those used in the proposed 1997–98 executive budget. The summary of the proposed executive budget for 1997–98 on page A-3 does not reflect these updated May 1997 revenue estimates.

Table II-4; State Budget—General Fund (Page Part II-16). Replace the table with the following:

STATE BUDGET—GENERAL FUND ^(a)

	Actual ^(b) 1995-96	Budget 1995-96	Budget 1996-97	Governor's Proposed Budget 1997-98
RECEIPTS				
Fund Balance from Prior Year.....	\$ 400,881,000	\$ 408,880,400	\$ 579,943,800	\$ 138,980,800
Tax Revenue				
State Taxes Deposited to General Fund				
Individual Income.....	4,183,604,000	4,160,100,000	4,465,000,000	4,740,000,000
General Sales and Use.....	2,704,226,000	2,710,000,000	2,860,000,000	3,017,500,000
Corporate Franchise and Income.....	636,010,000	650,000,000	640,000,000	637,000,000
Public Utility.....	285,288,000	284,600,000	295,600,000	273,700,000
Excise				
Cigarette/Tobacco Products.....	205,350,000	206,300,000	206,400,000	225,400,000
Liquor and Wine.....	30,813,000	30,500,000	30,800,000	30,500,000
Malt Beverage.....	9,187,000	9,000,000	9,000,000	9,000,000
Inheritance, Estate & Gift.....	45,602,000	41,000,000	44,000,000	45,000,000
Insurance Company.....	92,285,000	96,000,000	92,500,000	93,000,000
Other.....	28,874,000	43,900,000	45,200,000	47,200,000
Subtotal.....	8,221,239,000	8,231,400,000	8,688,500,000	9,118,300,000
Nontax Revenue				
Departmental Revenue.....	128,256,000	174,683,100	150,409,000	141,949,100
Program Revenue Federal.....	3,275,795,000	3,457,543,500	3,523,184,100	3,746,964,400
Program Revenue Other.....	2,179,107,000	2,185,416,200	1,975,161,400	2,304,377,500
Fund Transfers In.....	NA	NA	NA	261,605,900
Subtotal.....	5,583,158,000	5,817,642,800	5,648,754,500	6,454,896,900
Total Available.....	\$ 14,205,278,000	\$ 14,457,923,200	\$ 14,917,198,300	\$ 15,712,177,700
DISBURSEMENTS AND RESERVES				
Commerce.....	\$ 164,514,000	\$ 165,757,000	\$ 191,645,400	\$ 198,309,900
Education.....	5,837,139,000	5,964,122,000	6,600,333,700	7,006,784,000
Environmental Resources.....	242,361,000	236,724,600	239,038,900	235,328,800
Human Relations and Resources.....	5,255,874,000	5,329,183,900	5,355,935,200	5,712,226,900
General Executive.....	412,906,000	420,885,100	486,673,600	513,950,700
Judicial.....	82,154,000	81,921,900	87,080,300	87,284,000
Legislative.....	50,048,000	50,169,100	50,119,600	51,840,600
General Appropriations.....	1,603,605,000	1,635,804,400	1,641,130,200	1,781,424,900
Subtotal.....	13,648,601,000	13,884,568,000	14,651,956,900	15,587,149,800
Less: (Lapses).....	NA	(41,322,800)	(193,300,300)	(39,144,100)

STATE BUDGET; Potential Effect of Litigation; Special Performance Dividend (Page Part II-17). Add the following:

On January 17, 1997, the State Supreme Court ruled that the Special Investment Performance Dividend (the "SIPD"), which has been paid from January 1988 to the present, is unconstitutional. The case was remanded to the Circuit Court, with directions that the Circuit Court order defendants to pay from the State treasury to the fixed annuity reserve account of the Wisconsin Retirement System an amount equal to all disbursed SIPD payments (including a \$3.8 million reimbursement to the State for State funds advanced to finance the SIPD), plus interest at the "effective rate" for the fixed annuity division of the Wisconsin Retirement System on all SIPD payments from the date that the payments left the annuity reserve account. The Circuit Court must determine the exact amount due, as well as the mode and timing of the payment. At this time, it is

unknown how long the State will be given to pay the remedy directed by the Supreme Court. As of April 30, 1997, this remedy was estimated at \$216 million.

The Governor's proposed executive budget for the 1997-98 fiscal year does not provide for payment of this remedy.

STATE BUDGET; Potential Effect of Litigation; *Computer Software* (Page Part II-17). Add the following:

Upholding prior decisions by the Wisconsin Tax Appeals Commission and Circuit Court, the Court of Appeals has held that computer software is not tangible property and is thus not subject to sales and use taxes. The State Supreme Court has declined to hear the appeal. The cost of this refund to the State is estimated at \$20 million.

The Governor's proposed executive budget for the 1997-98 fiscal year does provide for payment of this refund.

Table II-7; General Fund Monthly Cash Position (Page Part II-26). Replace the table with the following:

GENERAL FUND MONTHLY CASH POSITION
July 1, 1995 through May 31, 1997 ^¾ Actual
June 1, 1997 through June 30, 1998 ^¾ Estimated^(a)
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts ^(b)	Disbursements ^(b)
1995	July.....	\$ 451,090	\$ 1,306,431	\$ 1,337,712
	August.....	419,809	1,055,527	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	1,030,924	844,258
	September.....	601,413	1,476,166	1,011,367
	October.....	1,066,212	1,137,121	855,357
	November.....	1,347,976	1,201,689	1,691,802
	December.....	857,863	1,191,440	1,728,258
1997	January.....	321,045	1,660,082	969,951
	February.....	1,011,176	1,143,553	1,018,864
	March.....	1,135,865	1,187,307	1,888,887
	April.....	434,285	1,507,412	964,595
	May.....	977,102	1,282,737	965,508
	June.....	1,294,331	1,390,893	2,030,776
	July.....	654,448	1,525,341	1,610,421
	August.....	569,368	1,161,239	829,667
	September.....	900,940	1,459,062	1,285,305
	October.....	1,074,697	1,226,061	966,635
	November.....	1,334,123	1,303,303	1,566,410
	December.....	1,071,016	1,306,775	1,859,774
1998	January.....	518,017	1,612,797	960,061
	February.....	1,170,753	1,177,841	1,112,335
	March.....	1,236,259	1,347,200	2,118,229
	April.....	465,230	1,487,565	1,081,636
	May.....	871,159	1,315,054	1,046,742
	June.....	1,139,471	1,488,964	2,251,356

^(a) The monthly receipt and disbursement projections for May 1, 1997 through June 30, 1998 are based on estimates provided by the Division of Executive Budget and Finance.

^(b) The receipt amounts shown in July 1995–1997 include the proceeds received at closing for the respective operating notes. See “OTHER OBLIGATIONS; Operating Notes” in the Annual Report. The disbursement amounts shown for February, March, April and May 1996–1998 include impoundment payments required in connection with the operating notes.

Source: Wisconsin Department of Administration.

Table II-8; Balances in Funds Available for Interfund Borrowing (Page Part II-27). Replace the table with the following:

BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING ^(a)
July 1, 1995 to May 1, 1997 — Actual
June 1, 1997 to June 1, 1998 — Estimated ^(b)
(Amounts in Millions)

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
January		\$2,991.90	\$3,210.23	\$2,147.05
February		3,428.21	3,553.70	2,110.15
March		3,852.78	3,793.12	2,141.52
April		3,808.74	3,832.30	2,165.09
May		3,402.69	3,423.07	2,117.84
June		3,145.00	2,055.69 ^(b)	2,055.69
July	\$2,838.71	3,252.38	2,013.13	
August	3,143.94	3,511.90	2,051.05	
September	2,975.23	3,250.54	2,095.73	
October	2,902.89	3,010.27	2,087.33	
November	2,630.23	2,687.47	2,015.35	
December	2,732.65	2,072.66	2,060.66	

^(a) Consists of the following funds:

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

^(b) Estimated balances for June 1, 1997 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 OBLIGATIONS (Pages Part II-30 through Part II-33). Add the following:

General Obligations

As of May 31, 1997, the State had approximately \$3.237 billion of outstanding general obligation bonds and notes.

Master Lease Program

As of May 31, 1997, the principal amount of the State's obligations under the master lease program was approximately \$45 million.

State Revenue Obligations

As of May 31, 1997, the Commission has issued six series of bonds for the student loan program for students enrolled in medical and dental school in Wisconsin, with approximately \$6 million outstanding.

As of May 31, 1997, the Commission has issued nine series of bonds and one series of commercial paper notes for the revenue program that finances State highways and related transportation facilities, with approximately \$905 million outstanding.

As of May 31, 1997, the Commission has issued five series of bonds for the Clean Water Fund program, with approximately \$451 million outstanding.

Table II-9; Revenues Deposited to the General Fund (Page Part II-28). Replace the table with the following:

REVENUES DEPOSITED TO THE GENERAL FUND ^(a)
July 1, 1996 to April 30, 1997 compared with previous year.
Unaudited

	<u>Actual Receipts</u> <u>1995-96 FY ^(b)</u>	<u>Projected</u> <u>Receipts</u> <u>1996-97 FY</u>	<u>Actual Receipts</u> <u>July 1, 1995 to</u> <u>April 30, 1996</u>	<u>Actual Receipts</u> <u>July 1, 1996 to</u> <u>April 30, 1997</u>
Individual Income Tax	\$ 4,183,604,344	\$ 4,430,000,000	\$ 3,240,084,574	\$ 3,563,792,855
General Sales and Use Tax ..	2,704,226,017	2,845,000,000	1,987,954,304	2,103,570,450
Corporate Franchise and Income Tax	636,009,525	635,000,000	496,535,751	511,115,351
Public Utility Taxes	285,287,485	292,100,000	152,498,821	157,412,534
Excise Taxes	245,350,413	244,600,000	183,071,078	188,619,611
Inheritance Taxes	45,602,214	46,000,000	32,470,155	35,866,894
Miscellaneous Taxes	121,159,011	137,900,000	92,812,019	95,666,840
SUBTOTAL.....	<u>8,221,239,009</u>	<u>8,630,600,000</u>	<u>6,185,426,702</u>	<u>6,656,044,535</u>
Federal Receipts.....	3,275,795,203	3,523,184,100	2,752,773,128	2,838,652,733
Dedicated and Other Revenues ^(c)	<u>2,307,363,090</u>	<u>2,203,940,600</u>	<u>1,965,302,185 ^(d)</u>	<u>2,130,195,514 ^(d)</u>
TOTAL.....	<u><u>\$13,804,397,302</u></u>	<u><u>\$14,357,724,700</u></u>	<u><u>\$10,903,502,015</u></u>	<u><u>\$11,624,892,782</u></u>

(a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "STATE GOVERNMENT ORGANIZATION AND FINANCIAL PROCEDURES; Accounting and Financial Reporting" in the Annual Report.

(b) The amounts shown are the sum of all revenues for fiscal year 1995-96 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1996.

(c) The statutory basis of accounting requires that certain transfers between General Fund appropriations be recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.

(d) The amounts shown do not reflect receipt of \$250 million principal amount in fiscal year 1995-96 and \$150 million principal amount in fiscal year 1996-97 from the sale of operating notes.

Source: Wisconsin Department of Administration.

Table II-10; General Fund Expenditures by Function (Page Part II-29). Replace the table with the following:

GENERAL FUND EXPENDITURES BY FUNCTION ^(a)
July 1, 1996 to April 30, 1997 compared with previous year.
Unaudited

	Actual Expenditures <u>1995-96 FY ^(b)</u>	Appropriations <u>1996-97 FY</u>	Actual Expenditures July 1, 1995 to <u>April 30, 1996</u>	Actual Expenditures July 1, 1996 to <u>April 30, 1997</u>
Commerce.....	\$ 164,514,710	\$ 191,645,400	\$ 134,582,420	\$ 153,791,995
Education.....	5,837,139,605	6,600,333,700	4,277,286,718	4,822,062,812
Environmental Resources.....	242,360,896	239,038,900	224,225,199	213,725,539
Human Relations & Resources..	5,255,874,239	5,355,935,200	4,301,396,656	4,391,110,281
General Executive.....	412,906,488	486,673,600	347,754,643	418,301,740
Judicial.....	82,154,128	87,080,300	69,545,283	74,298,834
Legislative.....	50,047,274	50,119,600	38,670,620	40,384,663
General Appropriations.....	1,603,605,241	1,641,130,200	1,539,336,326	1,527,344,555
TOTAL.....	<u>\$ 13,648,602,581</u>	<u>\$ 14,651,956,900</u>	<u>\$ 10,932,797,865</u>	<u>\$ 11,641,020,419</u>

(a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "STATE GOVERNMENT ORGANIZATION AND FINANCIAL PROCEDURES; Accounting and Financial Reporting" in the Annual Report.

(b) The amounts shown are the sum of all expenditures for fiscal year 1995-96 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1996.

Source: Wisconsin Department of Administration.

Table II-21; State Investment Fund (Page Part II-44). Replace the table with the following:

**STATE INVESTMENT FUND
AS OF FEBRUARY 28, 1997 (UNAUDITED)
Market Versus Amortized Cost Valuation Report**

	Estimated Book Value	Estimated Market Value	Percentage of Portfolio at Market
Commercial Paper	\$1,431,907,951	\$1,431,791,525	20.80%
Certificates of Deposit	27,700,000	27,700,000	0.40
Yankees	50,000,000	50,000,000	0.73
Time Deposits	2,056,222	2,056,222	0.03
Repurchase Agreements	2,899,212,200	2,899,221,500	42.13
Government Agencies	1,574,970,490	1,574,531,504	22.88
Government Agencies	198,689,475	198,841,019	2.89
Government Bonds	193,370,293	198,159,500	2.88
Federal National Mortgage Assoc.	2,100,904	2,073,655	0.03
Collateralized Mortgage Obligations	54,325,767	53,593,687	0.78
Mortgage Pass-Through Certificates	183,512,717	184,034,956	2.67
Credit Card Receivables	175,631,546	177,485,138	2.58
Miscellaneous Asset Backed	105,870,931	99,549,393	1.45
Other Financial Corporate Bonds	18,706,230	18,706,013	0.27
Private Placements	2,303,839	2,307,478	0.03
Swaps	0	(71,292,313)	(1.04)
Adjustment Due To Discount Notes	22,437,157	22,437,157	0.33
Accrued Income	6,065,434	6,065,434	0.09
	<u>\$6,952,976,217</u>	<u>\$6,882,267,460</u>	<u>100.00%</u>

Average Maturity for the Last Six Months

Reporting Date	Average Maturity (Days)	Reporting Date	Average Maturity (Days)
2/28/1997	16	11/30/1996	45
1/31/1997	30	10/31/1996	44
12/31/1996	47	9/30/1996	45

Summary of Investment Fund Participants

	Par Amount (Amounts in Thousands)	Percent of Portfolio
Mandatory Participants		
State of Wisconsin:		
General Fund	\$ 1,135,865	17.1%
Transportation Fund	161,505	2.4
Natural Resources Fund	29,251	0.4
Bond Security and Redemption Fund	2,982	0.1
Lottory Fund	112,925	1.7
Patients Compensation	9,982	0.2
Veterans Mortgage Loan Repayment	108,407	1.6
Capital Improvement Fund	37,327	0.6
Others	378,206	5.7
State of Wisconsin Retirement System:		
Fixed Retirement Investment Trust	425,763	6.4
Variable Retirement Investment Trust	22,530	0.3
Combined Stock Fund	1,168,655	17.6
Elective Participants		
Local Government Investment Pool	3,036,322	45.8
	<u>\$ 6,629,720</u>	<u>100.0%</u>

Source: State of Wisconsin Investment Board

Appendix B

EXPECTED FORM OF LEGAL OPINION

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

[Letterhead of Foley & Lardner]

\$300,000,000

STATE OF WISCONSIN

OPERATING NOTES OF 1997

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (the "State") of its Operating Notes of 1997 to the amount of \$300,000,000, dated July 1, 1997 (the "Notes"). We investigated the law and examined such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we relied upon the certified proceedings and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation.

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

The Notes are being issued pursuant to Chapters 16 and 18, Wisconsin Statutes (the "Act") and an authorizing resolution adopted by the State of Wisconsin Building Commission (the "Commission") on June 25, 1997 (the "Resolution").

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Notes, both interest and principal, are payable only from and secured solely by revenues pledged by the Commission pursuant to the Act and the Resolution and deposited into the Operating Note Redemption Fund established with Firststar Trust Company, Milwaukee, Wisconsin, as Trustee. The Notes and the interest thereon are not a general obligation of the State and do not constitute "public debt" of the State as that term is used in the Constitution and the statutes of the State.
2. The Resolution has been duly adopted by the Commission and constitutes a valid and binding obligation of the State enforceable upon the State as provided in the Resolution.
3. Pursuant to the Act, the Resolution creates a valid lien on the revenues pledged by the Resolution for the security of the Notes on a parity with other notes (if any) to be issued under circumstances and subject to conditions stated in the Resolution, subject only to the first and paramount rights of the owners of the State's general obligation bonds and notes.

4. There has been appropriated from the General Fund of the State to the Operating Note Redemption Fund a sum sufficient for the payment of the principal of and interest on the Notes as the same are due and for the payment of certain funds required to be impounded, from time to time, in the Operating Note Redemption Fund. There has been irrevocably appropriated from the Operating Note Redemption Fund a sum sufficient to pay the principal and interest on the Notes as the same are due.
5. The Notes have been duly authorized, executed and delivered by the State and are valid and binding contractual obligations of the State, payable solely from the sources provided therefor in the Resolution.
6. The interest on the Notes is excluded from gross income for federal income tax purposes and the interest on the Notes 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 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. The opinions set forth in the preceding sentence are subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes 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 all such requirements to the extent it may lawfully do so. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. We express no opinion regarding other federal tax consequences arising with respect to the Notes.
7. The Notes are exempt from registration under the Securities Act of 1933, and the Resolution is exempt from qualification under the Trust Indenture Act of 1939. We have not passed upon matters pertaining to compliance with the Blue Sky laws of any State in connection with the offering and sale of the Notes.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Very truly yours,

FOLEY & LARDNER

Appendix C

LIMITATION ON ISSUANCE OF OPERATING NOTES

DERIVATION OF AMOUNT FOR 1997-98 FISCAL YEAR

The aggregate amount of operating notes issued in any fiscal year may not exceed 10% of General Purpose Revenue Appropriations plus 10% of Program Revenue Appropriations for a given fiscal year. The limit for the 1997 –98 fiscal year is \$1.559 billion, calculated as follows:

Fiscal Year 1997-98 Proposed Budget

General Purpose Revenue Appropriations	\$9,535,807,900	10% = \$ 953,580,790
Program Revenue Appropriations	\$6,051,341,900	10% = \$ 605,134,190
Maximum Issuance of Operating Notes in 1997-98 Fiscal Year		<u>\$1,558,714,980</u>

Source: Wisconsin Department of Administration.

Appendix D

GENERAL FUND FINANCIAL INFORMATION

This appendix includes certain data on the State's general fund. Additional information regarding the General Fund, including year-to-date revenues deposited into and expenditures made from the General Fund can be found in APPENDIX A hereto.

Table D-1
GENERAL FUND REVENUES ^(a)
1995-96 TO 1991-92

	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>
State Collected Taxes					
Individual Income.....	\$4,157,444,344	\$3,932,948,357	\$3,638,710,246	\$3,445,828,768	\$3,142,212,355
General Sales and Use.....	2,704,226,017	2,571,212,098	2,427,900,047	2,260,562,784	2,127,315,030
Corporate Franchise and Income.....	636,009,525	631,750,239	541,284,287	492,014,523	437,689,226
Public Utility.....	285,287,485	271,979,923	268,236,755	278,325,863	261,596,570
Excise.....	245,350,413	223,419,538	219,567,523	212,972,813	193,227,911
Inheritance and Gift ^(b)	45,602,214	40,783,701	53,201,971	53,742,241	57,646,429
Insurance Companies.....	92,284,836	94,416,471	95,990,959	86,904,742	82,800,824
Miscellaneous.....	<u>55,036,175</u>	<u>49,605,631</u>	<u>52,595,079</u>	<u>52,647,651</u>	<u>48,512,411</u>
Subtotal.....	8,221,241,009	7,816,115,958	7,297,486,867	6,882,999,385	6,351,000,756
Federal Aid					
Medical Assistance.....	1,461,929,742	1,457,070,300	1,361,264,722	1,297,791,258	1,194,407,867
AFDC.....	188,491,658	212,576,642	236,096,288	338,804,634	335,789,339
Education.....	739,728,615	705,186,682	652,480,271	620,772,533	581,224,439
Other.....	<u>885,645,188</u>	<u>846,320,521</u>	<u>823,732,841</u>	<u>603,133,622</u>	<u>590,121,515</u>
Subtotal.....	3,275,795,203	3,221,154,145	3,073,574,122	2,860,502,047	2,701,543,160
Fees					
University of Wisconsin System.....	460,539,331	459,980,731	454,232,963	432,655,703	414,689,429
Other.....	<u>511,007,408</u>	<u>477,721,454</u>	<u>474,074,151</u>	<u>132,721,975</u>	<u>109,588,014</u>
Subtotal.....	971,546,739	937,702,185	928,307,114	565,377,678	524,277,443
Licenses and Permits					
	166,979,544	149,826,889	146,355,407	23,631,158	25,230,119
Miscellaneous					
Service Charges.....	385,858,814	375,791,078	347,624,348	752,932,878	685,452,211
Sales of Products.....	191,860,611	187,265,321	181,796,932	152,804,549	153,525,325
Investment Income.....	88,950,496	68,931,023	36,121,520	59,301,230	65,032,060
Gifts and Grants.....	182,752,227	167,289,411	147,607,811	165,704,722	131,449,414
Contributions.....			2,156	45,519,118	41,696,569
Other.....	<u>307,946,282</u>	<u>323,941,484</u>	<u>216,127,998</u>	<u>228,224,462</u>	<u>214,699,709</u>
Subtotal.....	1,157,368,430	1,123,218,317	929,280,765	1,404,486,959	1,291,855,288

Table D-2
GENERAL FUND EXPENDITURES BY FUNCTION AND TYPE ^(a)
1995-96 TO 1991-92

	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>
Commerce					
State Operations.....	\$ 106,511,724	\$ 114,770,800	\$ 105,934,972	\$ 104,375,799	\$ 97,906,847
Aids to Individuals and Organizations.....	17,081,968	12,530,650	11,046,137	12,251,955	12,696,252
Local Assistance.....	<u>41,350,018</u>	<u>28,122,242</u>	<u>22,303,128</u>	<u>22,938,644</u>	<u>26,141,094</u>
Subtotal.....	164,943,710	155,423,692	139,284,237	139,566,398	136,744,193
Education					
State Operations.....	2,503,897,783	2,455,516,643	2,327,769,452	2,241,274,239	2,136,298,404
Aids to Individuals and Organizations.....	241,504,078	189,484,289	182,593,262	186,469,323	179,458,603
Local Assistance.....	<u>3,091,295,744</u>	<u>2,844,072,207</u>	<u>2,548,565,879</u>	<u>2,332,206,610</u>	<u>2,229,318,601</u>
Subtotal.....	5,836,697,605	5,489,073,139	5,058,928,593	4,759,950,172	4,545,075,608
Environmental Resources					
State Operations.....	113,706,509	112,241,908	102,325,376	93,255,930	82,404,093
Aids to Individuals and Organizations.....	352,790	498,501	291,148	559,300	261,256
Local Assistance.....	<u>128,301,597</u>	<u>125,070,640</u>	<u>118,898,285</u>	<u>111,399,717</u>	<u>108,621,803</u>
Subtotal.....	242,360,896	237,811,049	221,514,809	205,214,947	191,287,152
Human Relations and					
State Operations.....	1,226,191,347	1,147,293,396	1,026,563,092	949,251,629	860,559,171
Aids to Individuals and Organizations.....	3,288,405,306	3,251,033,071	3,182,525,668	3,029,110,647	2,873,272,244
Local Assistance.....	<u>717,406,586</u>	<u>690,578,489</u>	<u>661,084,965</u>	<u>628,344,285</u>	<u>578,987,356</u>
Subtotal.....	5,232,003,239	5,088,904,956	4,870,173,725	4,606,706,561	4,312,818,771
General Executive					
State Operations.....	358,806,663	347,224,299	339,696,674	310,708,539	263,436,023
Aids to Individuals and Organizations.....	27,109,796	30,712,631	28,034,230	24,720,668	3,657,004
Local Assistance.....	<u>24,501,029</u>	<u>19,423,488</u>	<u>15,468,004</u>	<u>11,988,715</u>	<u>5,606,224</u>
Subtotal.....	410,417,488	397,360,418	383,198,908	347,417,922	272,699,251
Judicial					
State Operations.....	63,891,021	63,755,431	62,310,931	55,607,689	53,308,074
Local Assistance.....	<u>18,263,107</u>	<u>7,691,854</u>	<u>11,066,928</u>	<u>72,000</u>	<u>447,800</u>
Subtotal.....	82,154,128	71,447,285	73,377,859	55,679,689	53,755,874
Legislative					
State Operations.....	<u>50,047,274</u>	<u>50,840,285</u>	<u>46,952,652</u>	<u>44,911,438</u>	<u>44,409,735</u>