TABLE OF CONTENTS

Page

PART V
TRANSPORTATION REVENUE OBLIGATIONS

TABLE OF TABLES

Table Page

PART V
TRANSPORTATION REVENUE BONDS

STATE OF WISCONSIN

CONTINUING DISCLOSURE
ANNUAL REPORT

FILED PURSUANT TO UNDERTAKINGS PROVIDED TO PERMIT COMPLIANCE WITH SECURITIES EXCHANGE COMMISSION RULE 15C2-12

General Obligations
(Base CUSIPs **977053**, **977055**, and **977056**)

Master Lease Certificates of Participation
(Base CUSIP **977087**)

Transportation Revenue Obligations
(Base CUSIP **977123**)

Clean Water Revenue Bonds
(Base CUSIP **977092**)

Petroleum Inspection Fee Revenue Obligations
(Base CUSIP **977109**)

December 22, 2000

WISCONSIN DEPARTMENT OF ADMINISTRATION

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GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
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December 22, 2000

Thank you for your interest in the State of Wisconsin.

Each year we prepare a Continuing Disclosure Annual Report for the State's securities. *This is the Annual Report for the fiscal year ending June 30, 2000.* It provides information on different securities that the State issues and was prepared to fulfill the State's continuing disclosure undertakings. These undertakings of the State are intended to help dealers and brokers comply with Rule 15c2-12 under the Securities Exchange Act of 1934. As of this date, the State has filed the Annual Report with each nationally recognized municipal securities information repository.

Official Statements for securities that the State issues during the next year may incorporate this Annual Report by reference.

Organization of this Annual Report
This Annual Report is divided into seven parts. The first two parts present general information.

- **Part I** presents the **State's continuing disclosure undertakings**. A Master Agreement on Continuing Disclosure establishes a general framework. Separate addenda describe the information to be provided for specific types of securities.

- **Part II** presents **general information about the State**, including its operations and financial results. This part includes the audited general purpose financial statements for the fiscal year ending June 30, 2000 and the State Auditor's report.

The remaining parts present information about different types of securities that the State issues.

- **Part III** — **General obligations**

- **Part IV** — **Master lease certificates of participation**

- **Part V** — **Transportation revenue obligations**

- **Part VI** — **Clean water revenue bonds**

- **Part VII** — **Petroleum inspection fee revenue obligations**

Please note that certain terms may have different meanings in different parts.

Ratings on the State's Securities
The following chart presents a summary of the long-term ratings currently assigned to different types of securities that the State issues.

Security	Fitch, Inc.	Moody's Investors Service, Inc.	Standard & Poor's Ratings Services
General Obligations	AA+	Aa2	AA
Master Lease Certificates of Participation	AA–	Aa3	A+
Transportation Revenue Bonds	AA	Aa3	AA–
Clean Water Revenue Bonds	AA+	Aa2	AA+
Petroleum Inspection Fee Revenue Bonds	AA–	Aa3	AA–

How to Get Additional Information
If you are interested in information about securities that the State issues, please contact the Capital Finance Office. *The Capital Finance Office is the only agency authorized to speak on the State's behalf about the State's securities.*

The Capital Finance Office maintains a web page that contains other information that may be of interest. Neither the web site nor the additional information it contains is part of this Annual Report.

www.doa.state.wi.us/debf/scf/	Financial Disclosure and Debt Management, including— • Annual Reports • CAFR • Official Statements • Offering Memoranda • Upcoming Sale Materials • Secondary Market Continuing Disclosure Announcements

We welcome your comments or suggestions about the format and content of this Annual Report. The general telephone number of the Capital Finance Office is (608) 266-2305. The e-mail address is capfin@doa.state.wi.us.

Sincerely,

Frank R. Hoadley
Capital Finance Director

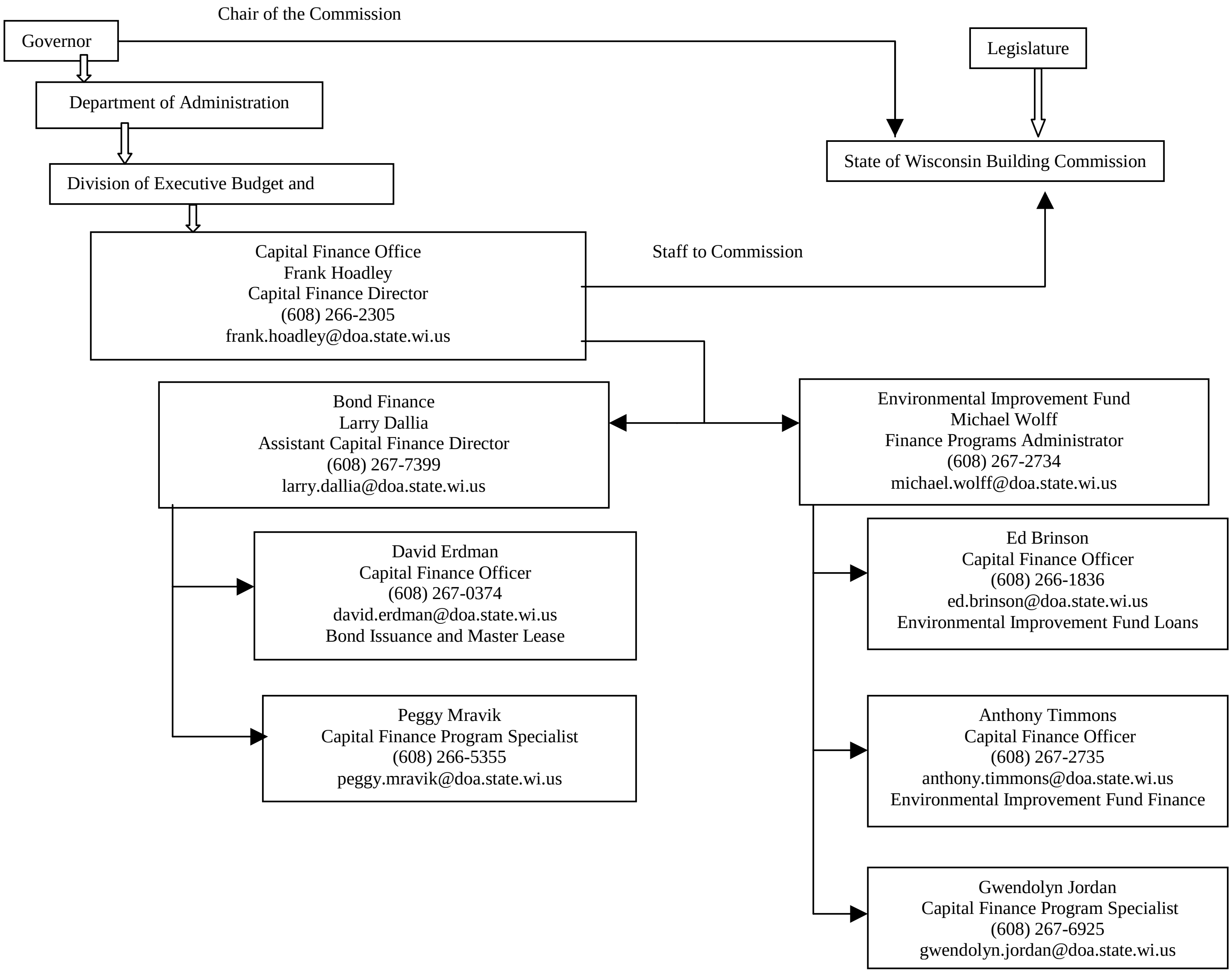
SUMMARY OF OUTSTANDING STATE OF WISCONSIN OBLIGATIONS AS OF DECEMBER 1, 2000

	Principal Balance 12/1/99	Principal Issued 12/1/99 – 12/1/2000	Principal Matured or Redeemed 12/1/99 – 12/1/2000	Principal Balance 12/1/2000
GENERAL OBLIGATIONS[(a)]				
Total General Obligations	**$3,743,065,380**	**$786,500,000**	**$461,982,303**	**$4,067,583,077**
General Purpose Revenue (GPR)	2,587,784,071	673,586,395	392,519,131	2,868,851,329
Self-Amortizing: Veterans	782,780,000	40,000,000	37,460,000	785,320,000
Self-Amortizing: Other	372,501,315	72,913,605	32,003,172	413,411,748
MASTER LEASE CERTIFICATES OF PARTICIPATION				
Master Lease COPs	**$61,604,293**	**$46,289,800**	**$30,654,112**	**$76,939,981**
TRANSPORTATION REVENUE OBLIGATIONS[(a)]				
Transportation Revenue Obligations	**$915,717,188**	**$123,700,000**	**$38,539,188**	**$1,000,878,000**
CLEAN WATER REVENUE BONDS				
Clean Water Revenue Bonds	**$569,155,000**	**—**	**$23,530,000**	**$545,625,000**
PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS[(a)]				
Petroleum Inspection Fee Revenue Obligations	**—**	**$250,250,000**	**$1,750,000**	**$248,500,000[(b)]**

(a) This table includes variable rate obligations that have been issued by the State. Please see the respective part of this Annual Report for more information on the variable rate obligations issued for each credit..

(b) Reflects outstanding balance as of December 15, 2000.

Capital Finance Office Staff (As of December 1, 2000)



PART V

TRANSPORTATION REVENUE OBLIGATIONS

This part of the Annual Report provides information about transportation revenue obligations issued by the State of Wisconsin.

Total Outstanding Balance (12/1/2000)	$1,000,878,000
Amount Outstanding—Fixed Rate Obligations	$ 859,145,000
Amount Outstanding—Variable Rate Obligations	$ 141,733,000
Percentage of Outstanding Obligations in form of Variable Rate Obligations	14.16%
Bond Ratings (Fitch/Moody's/Standard & Poors)	AA/Aa3/AA-
Variable Rate Obligation Ratings	F-1+/P-1/A-1+

APPENDIX A includes audited financial statements for the Transportation Revenue Bond Program and Transportation Commercial Paper Program for the year ended June 30, 2000. The Wisconsin Statutes provide that the State of Wisconsin Building Commission (**Commission**) has supervision over all matters relating to the State's issuance of revenue obligations. Employees of the Division of Executive Budget and Finance serve as the Capital Finance Director and staff responsible for managing the State's borrowing programs.

Transportation revenue obligations are issued pursuant to the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution, dated June 26, 1986, as amended (**General Resolution**). The State has issued transportation revenue obligations in the form of bonds and commercial paper notes. Bank One Trust Company, National Association serves as Trustee for the transportation revenue bond program (**Trustee**). The Trustee serves as registrar and paying agent for the bonds, and Bankers Trust Company serves as issuing and paying agent for the commercial paper notes. The law firms of Michael Best & Friedrich LLP and Quarles & Brady LLP provide bond counsel services to the State for issuance of transportation obligations. The State has rarely employed a financial advisor for the issuance of transportation revenue obligations, except for advance refunding issues.

The Department of Transportation **(Department)** is responsible for the planning and completion of major highway projects funded in part with the proceeds of obligations issued under the General Resolution.

Requests for additional information about the transportation revenue obligations may be directed as follows:

Contact: Capital Finance Office
Attn: Capital Finance Director
Phone: (608) 266-2305
Mail: 101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
E-mail: capfin@doa.state.wi.us

This Annual Report includes information and defined terms for different types of securities issued by the State. The context or meaning of terms used in this Part V of the Annual Report may differ from that of terms used in another part. See "GLOSSARY" for the definition of capitalized terms used in this Part V of the Annual Report. Material referred to in this Annual Report is not part of this Annual Report unless expressly included by reference.

OUTSTANDING OBLIGATIONS

The State has issued the transportation revenue bonds and commercial paper notes shown in Table V-1. The table also includes the outstanding principal balances as of December 1, 2000.

Table V-1
OUTSTANDING TRANSPORTATION REVENUE OBLIGATIONS BY ISSUE
(As of December 1, 2000)

Financing	Date of Financing	Maturity	Amount of Issuance	Amount Outstanding
Fixed Rate Transportation Revenue Bonds				
1984, Series A **(1984 Bonds)**	4/15/84	1985-2004	$ 65,000,000	0
1986, Series A **(1986 Bonds)**	6/15/86	1987-2007	139,055,000	0
1988, Series A **(1988 Bonds)**	4/15/88	1989-2008	51,475,000	0
1989, Series A **(1989 Bonds)**	4/15/89			
Serial Bonds		1990-2004	31,165,000	0
Term Bonds		2009	20,135,000	0
1991, Series A **(1991 Bonds)**	10/1/91	1992-2011	105,660,000	$ 4,735,000 [(a)]
1992, Series A **(1992 Series A Bonds)**	7/1/92			
Serial Bonds		1999-2006	96,945,000	77,745,000 [(a)]
Term Bonds		2009	22,260,000	21,525,000 [(a)]
Term Bonds		2012	3,520,000	0 [(a)]
Term Bonds		2022	16,880,000	15,570,000 [(a)]
1992, Series B **(1992 Series B Bonds)**	7/1/92			
Serial Bonds		1993-2006	55,155,000	18,300,000 [(a)]
Term Bonds		2009	18,395,000	0 [(a)]
Term Bonds		2012	21,770,000	0 [(a)]
Term Bonds		2022	104,390,000	96,280,000 [(a)]
1993, Series A **(1993 Bonds)**	9/1/93	1994-2012	116,450,000	89,355,000
1994, Series A **(1994 Bonds)**	7/1/94			
Serial Bonds		1995-2012	84,320,000	26,870,000 [(a)]
Term Bonds		2014	15,680,000	15,680,000
1995, Series A **(1995 Bonds)**	9/1/95	1996-2015	105,000,000	80,610,000 [(a)]
1996, Series A **(1996 Bonds)**	5/15/96	1997-2016	115,000,000	52,340,000 [(a)]
1998, Series A **(1998 Series A Bonds)**	8/15/98	1999-2016	130,590,000	129,220,000
1998, Series B **(1998 Series B Bonds)**	10/1/98			
Serial Bonds		2000-2017	93,905,000	91,120,000
Term Bonds		2019	16,095,000	16,905,000
2000, Series A **(2000 Bonds)**	9/15/2000	2012-2021	123,700,000	123,700,000
Total Fixed-Rate Transportation Revenue Bonds			$1,552,545,000	$ 859,145,000
Variable Rate Transportation Revenue Obligations				
1997, Commercial Paper Notes, Series A	5/7/97		$ 188,600,000	$ 141,733,000
Total Transportation Revenue Obligations			$1,741,145,000	$1,000,878,000

[(a)] Pursuant to a refunding escrow agreement the principal and interest on all or a portion of the bonds have been or will be paid as it comes due and those bonds will be called for redemption prior to maturity. The principal amount of bonds for which payment is provided is treated as not outstanding for purposes of this table.

The 1986 Bonds, 1988 Bonds, and 1989 Bonds have been redeemed in full and are not Outstanding Bonds within the meaning of the General Resolution. The 1991 Bonds, 1992 Series A Bonds, 1992 Series B Bonds, 1993 Bonds, 1994 Bonds, 1995 Bonds, 1996 Bonds, 1998 Series A Bonds, 1998 Series B Bonds, and 2000 Bonds (collectively, **Prior Bonds**), together with any additional Bonds issued by the State pursuant to the General Resolution, are referred to collectively as the **Bonds**. See "SECURITY; Sources of Payment".

The Commercial Paper Notes of 1997, Series A **(Notes)** are issued pursuant to the General Resolution and are subordinate to the pledge granted to the Bonds. See "VARIABLE RATE OBLIGATIONS". The Commission has adopted a Series Resolution that authorizes the issuance of Bonds to pay for the funding of the Notes. This Series Resolution is required pursuant to the terms of a credit agreement by which a syndicate of banks provide a letter of credit for liquidity and additional security on the Notes. These take-out Bonds, when and if issued, will be issued on a parity with the Prior Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution.

SECURITY

Sources of Payment

The Prior Bonds have been issued on parity with each other. The Prior Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution, are revenue obligations of the State payable solely from the Redemption Fund created by the General Resolution and are secured by a first lien pledge of Program Income, the Funds created by the General Resolution, and any other income of the Program pledged to the payment of interest, principal, and Redemption Price on the Bonds.

The Notes and any other obligation to be issued on parity with the Notes, are also revenue obligations of the State payable from Program Income deposited into the Subordinated Debt Service Fund created by the General Resolution. The pledge of such Program Income to payment of the Notes is subordinate to the pledge of Program Income to payment of Bonds presently outstanding or hereafter issued.

Program Income includes certain vehicle registration fees authorized under Section 341.25 of the Wisconsin Statutes **(Registration Fees)** or any other moneys the State is authorized to pledge. See "REGISTRATION FEES". All Program Income shall be collected by the Trustee, or the Department as agent of the Trustee, and deposited outside the State Treasury in an account with the Trustee defined as the **Redemption Fund**. Program Income is defined to include all the interest earned or gain realized from the investment of the Redemption Fund.

Program Income received or to be received by the Trustee in the Redemption Fund is to be used:

- To pay interest on all Outstanding Bonds
- To pay the principal or Redemption Price of all Outstanding Bonds
- To maintain the Debt Service Reserve Requirement in the Reserve Fund
- To pay Program Expenses
- To pay principal and interest on the Notes

The pledge is effective upon the issuance of the Bonds and remains effective until all Bonds and Notes issued under the General Resolution are fully paid in accordance with their terms. All Program Income, which is in excess of the amounts necessary to meet the requirements outlined above, is transferred to the State for deposit in the Transportation Fund and becomes free of the lien of the pledge. The Department uses moneys in the Transportation Fund for any authorized purpose. See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION".

The Bonds shall be revenue obligations of the State payable solely out of the Redemption Fund and each Bond shall contain on its face a statement to that effect. The State is not generally liable on the Bonds, and the Bonds shall not be a debt of the State for any purpose whatsoever.

The Notes shall be revenue obligations of the State payable solely out of the Subordinated Debt Service Fund. The State is not generally liable on the Notes, and the Notes shall not be a debt of the State for any purpose whatsoever.

The State pledges and agrees with the Bondholders and holders of Notes that the State will not limit or alter its powers to fulfill the terms of any agreements (made in the General Resolution, in the Bonds, or in the Notes) with the Bondholders and holders of Notes, or in any way impair the rights and remedies of the Bondholders and holders of Notes until the Bonds and Notes, together with interest, including interest on any unpaid installments of interest thereon, Redemption Price, and all costs and expenses in connection with any action or proceeding by or on behalf of the Bondholders and holders of Notes, are fully met and discharged.

Reserve Fund

The General Resolution creates a Reserve Fund and provides that it shall be used to make up any deficiency in the Redemption Fund for the payment of principal of and interest on the Outstanding Bonds. Each Series Resolution sets forth the Debt Service Reserve Requirement, if any, for that Series. The Debt Service Reserve Requirements for all of the Outstanding Bonds are combined to determine the aggregate Debt Service Reserve Requirement. If all of the Bonds of a Series cease to be Outstanding, then the aggregate Debt Service Reserve Requirement may be reduced by the Debt Service Reserve Requirement attributable to that Series.

Currently, the Reserve Fund has been funded in an amount at least equal to the maximum annual interest due on the Outstanding Bonds. No representation is made as to the Debt Service Reserve Requirement that may be established upon the issuance of additional Series of Bonds. If there is a deficiency in the Reserve Fund, the Trustee shall, after setting aside in the Principal and Interest Account the applicable amounts required to be deposited therein, deposit Program Income into the Reserve Fund in an amount sufficient to remedy such deficiency.

The General Resolution provides that in lieu of a deposit to the Reserve Fund of an amount equal to the Debt Service Reserve Requirement, the State may provide for a letter of credit, municipal bond insurance policy, surety bond, or other type of agreement or arrangement with an entity having, at the time of entering into such agreement or arrangement, a credit rating equal to or greater than the Bonds which provides for the availability, at the times required pursuant to the provisions of any Series Resolution, of an amount at least equal to such Debt Service Reserve Requirement and such method of funding shall be deemed to satisfy all provisions of the Series Resolution with respect to the Debt Service Reserve Requirement and the amount required to be on deposit in the Reserve Fund with respect to such Series of Bonds.

Surety Bond

On May 27, 1993 and in conjunction with the issuance of the 1993 Bonds, the State began funding the Debt Service Reserve Requirement with an irrevocable surety bond from Ambac Assurance Corporation (**Ambac Assurance**). Subsequently, each time that Bonds have been issued, the Debt Service Reserve Requirement for the then Outstanding Bonds has been recalculated and the previous Surety Bond exchanged for a new Surety Bond. Currently, the Surety Bond is in an amount of $44,010,000 (**Surety Bond Coverage**), which is greater than the maximum annual interest due on the Outstanding Bonds. The premium for the Surety Bond is paid in full. The Surety Bond is noncancelable until it expires on the earlier of July 1, 2022 or when all Outstanding Bonds issued, now or in the future, under the General Resolution are paid in full. Principal payments or defeasance of Outstanding Bonds does not reduce the Surety Bond Coverage.

The Surety Bond provides that Ambac Assurance will promptly deposit funds with the Trustee sufficient to enable the Trustee to make a payment due on the Bonds, but in no event exceeding the amount of Surety Bond, upon the later of:

- One day after receipt by Ambac Assurance of a demand for payment executed by the Trustee certifying that provision for the payment of principal of or interest on the Bonds when due has not been made, or
- The interest payment date specified in the Demand for Payment submitted to Ambac Assurance.

Pursuant to the terms of the Surety Bond, the Surety Bond Coverage is automatically reduced to the extent of each payment made by Ambac Assurance under the terms of the Surety Bond and the State is required to reimburse Ambac Assurance for any draws under the Surety Bond with interest at a market rate. Upon such reimbursement, the Surety Bond is reinstated to the extent of each principal reimbursement up to but not exceeding the Surety Bond Coverage. The reimbursement obligation of the State is subordinate to the State's obligations with respect to the Bonds.

In the event the amount on deposit, or credited to the Reserve Fund, exceeds the amount of the Surety Bond, any draw on the Surety Bond shall be made only after all the funds in the Reserve Fund have been expended. In the event that the amount on deposit in, or credited to, the Reserve Fund, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond, or other such additional funding instrument, draws on the Surety Bond and the additional funding instrument shall be made on a pro rata basis to fund the insufficiency.

The Surety Bond does not insure against nonpayment caused by the insolvency or negligence of the Trustee.

Ambac Assurance

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam and the Commonwealth of Puerto Rico, with admitted assets of approximately $4,259,000,000 (unaudited) and statutory capital of approximately $2,633,000,000 (unaudited) as of September 30, 2000. Statutory capital consists of Ambac Assurance policyholders' surplus and statutory contingency reserve. Moody's Investors Service, Standard & Poor's Ratings Services and Fitch, Inc. have each assigned a triple-A financial strength rating to Ambac Assurance.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 17th Floor, New York, New York, 10004 and (212) 668-0340.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac

Assurance under policy provisions substantially identical to those contained in its municipal bond insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the issuer.

Ambac Assurance makes no representation regarding the Bonds or the advisability of investing in the Bonds and makes no representation regarding, nor has it participated in the preparation of, the Annual Report other than the information supplied by Ambac Assurance and presented under the headings "*Surety Bond*" and "*Ambac Assurance*".

Program Income Covenant

In the General Resolution, the State has covenanted that it will charge and cause to be deposited with the Trustee sufficient Program Income:

- To pay all principal of and interest on the Bonds as the same become due
- To maintain the Reserve Fund at its requirement
- To pay Program Expenses
- To make required deposits into the Subordinated Debt Service Fund
- To maintain the applicable requirements of such other funds and accounts specified under the General Resolution

See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION".

Additional Bonds

The General Resolution authorizes the issuance of additional Bonds for the purpose of paying the costs of Projects and refunding Outstanding Bonds. Additional Bonds may be issued only if Program Income for any 12 consecutive calendar months of the preceding 18 calendar months was at least equal to 2.25 times the maximum aggregate Principal and Interest Requirement in any Bond Year for all Outstanding Bonds. The General Resolution defines Outstanding Bonds, as of any particular date, as all Bonds theretofore and thereupon being delivered except:

- Any Bond canceled by the Trustee, or proven to the satisfaction of the Trustee to have been canceled by the Registrar
- Any Bond deemed to have been defeased pursuant to the General Resolution
- Any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the requirements of the General Resolution or any Series Resolution

In addition, upon the issuance of such additional Bonds the amount on deposit in the Reserve Fund must at least equal the Debt Service Reserve Requirement. See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION; Additional Bonds".

Forecasted Debt Service Coverage

Table V-2 shows the forecasted coverage of annual debt service on the Outstanding Bonds, based on the Department's estimated Registration Fees for 2001-2010. See "REGISTRATION FEES; Estimated Future Registration Fees". There can be no assurance that the estimated Registration Fees will be realized in the amounts shown. The annual debt service amounts in Table V-2 include an assumed Bond issue for approximately $145 million that would fund the outstanding Notes. Table V-3 provides the expected amortization of the Notes.

Table V-2
Debt Service on Outstanding Transportation Revenue Bonds and
Estimated Revenue Coverage

Year Ending (July 1)	Total Current Debt Service [a]	Estimated Revenue[b] (Millions)	Estimated Coverage Ratio[c]
2001	$ 92,842,741.75	313.50	3.38
2002	93,959,296.75	329.80	3.51
2003	93,928,912.50	334.90	3.57
2004	97,943,035.00	352.30	3.60
2005	97,806,485.00	358.80	3.67
2006	97,850,950.00	378.40	3.87
2007	86,146,165.00	386.90	4.49
2008	87,041,495.00	407.90	4.69
2009	82,955,780.00	417.00	5.03
2010	69,979,350.00	438.60	6.27
2011	70,083,967.50		
2012	79,889,700.00		
2013	80,447,870.00		
2014	80,532,580.00		
2015	72,125,055.00		
2016	63,246,650.00		
2017	53,927,685.00		
2018	54,008,112.50		
2019	41,114,887.50		
2020	32,417,800.00		
2021	32,420,500.00		
2022	16,088,750.00		
	$ 1,576,757,769		

(a) Total Debt Service includes assumed issuance of approximately $145 million to fund the currently outstanding transportation revenue commercial paper notes.

(b) Excludes interest earnings.

(c) Assumes that no additional bonds will be issued and continuation of current registration fees. Estimates of revenue and coverage beyond 2010 are not shown.

Source: Wisconsin Department of Administration and Wisconsin Department of Transportation.

Table V-3
Amortization Schedule[a]
Amount Due Annually on Transportation Revenue Commercial Paper Notes
Issued to December 1, 2000

Year Ending July 1	Principal
2001	$ 5,060,000
2002	5,295,000
2003	5,550,000
2004	5,825,000
2005	6,110,000
2006	6,425,000
2007	6,760,000
2008	7,120,000
2009	7,500,000
2010	7,905,000
2011	8,345,000
2012	8,810,000
2013	9,310,000
2014	9,840,000
2015	10,410,000
2016	11,010,000
2017	11,655,000
2018	12,340,000
TOTAL..........................	$145,270,000

[a] The State intends to treat each issue of transportation revenue commercial paper as if it were a long-term bond issue by making annual payments on July 1. Each annual payment reflects a principal amortization. The State also intends to make regular payments to the issuing and paying agent; these payment will be applied to pay accrued interest on maturing commercial paper notes.

Source: Wisconsin Department of Administration.

REGISTRATION FEES

Current Fees and Registered Vehicles

Registration Fees as enumerated under Section 341.25, are highway user fees collected by the Department of Transportation from owners of most motor vehicles. Table V-4 summarizes the current types of major Registration Fees authorized under Section 341.25.

Table V-4
Current Section 341.25 Registration Fees

Vehicle	Annual Fee
Automobile	$45
Trucks	Weight-based fee ranging from $48.50 to $1,969.50.
Bus	Fee equal to the fee for a truck of the same weight.
Trailer 12,000 lbs. and under	Fee equal to one-half of the fee for a truck of the same weight.
Trailer over 12,000 lbs.	Fee equal to the fee for a truck of the same weight.
Motor Homes	Weight-based fee ranging from $48.50 to $119.50.
Mobile Homes and Camping Trailers	$15
Motorcycle/Moped	$23 biennial fee.

Source: Wisconsin Department of Transportation

Table V-5 summarizes the number of motor vehicle registrations in the State, subject to Section 341.25 Registration Fees, for the past ten years.

Table V-5
Motor Vehicle Registrations
1991 to 2000
(Millions of Vehicles)

Fiscal Year (June 30)	Automobiles	Trucks [(a)]	Other Vehicles [(a)]	Total	% Change
1991	2.47	1.12	.41	4.00	—
1992	2.48	1.18	.39	4.05	1.25%
1993	2.45	1.25	.43	4.13	1.98
1994	2.43	1.31	.41	4.15	0.48
1995	2.42	1.40	.46	4.28	3.13
1996	2.40	1.46	.40	4.26	(0.47)
1997	2.37	1.54	.43	4.34	1.88
1998	2.40	1.67	.44	4.51	3.92
1999	2.40	1.74	.47	4.61	2.22
2000	2.41	1.82	.47	4.70	1.95

[(a)] “Other Vehicles” include mobile homes, mopeds, buses and several other vehicle types.
“Trucks” include minivans and sport utility vehicles.

Source: Wisconsin Department of Transportation

Table V-6 summarizes the total amount of Section 341.25 registration fee revenues for the past ten years.

Table V-6
Section 341.25 Registration Fee Revenues
1991 to 2000
(Amounts in Millions)

Fiscal Year (June 30)	Non-IRP Fees	Pledged IRP Fees	Total	% Change
1991	$126.3	$31.4	$157.7	—
1992	173.6	34.1	207.7	31.7%
1993	192.7	36.0	228.7	10.1
1994	198.5	37.1	235.6	3.0
1995	203.7	42.3	246.0	4.4
1996	205.4	43.3	248.7	1.1
1997	207.4	46.8	254.2	2.2
1998	232.4	48.2	280.6	10.4
1999	244.6	50.2	294.8	5.1
2000	255.7	55.1	310.8	5.4

Source: Wisconsin Department of Transportation

In recent biennial budgets, the Legislature authorized a number of actions that have had an impact on the Registration Fees over the past ten years. These actions increased the level of Registration Fees.

First, the 1999-2001 biennial budget changed the registration fees for certain vehicles:

- Decrease registration fees for camping trailers 3,000 pounds or more to $15.
- Exempt manufactured homes, also called mobile homes, over 45 feet from vehicle registrations (effective October 29, 1999).
- $10 fee for late registration using the telephone automation program for heavy vehicle registration (effective January 1, 2000).

Second, the 1997–99 biennial budget increased the Registration Fees for most motor vehicles effective December 1, 1997. Registration Fee increases authorized in that budget include:

- $5 increase in the automobile fee to $45
- Increase in truck registration fees ranging from $3.50 to $119.50
- Increase in the motor home registration fees ranging from $3.50 to $8.50
- $3 increase in the biennial motorcycle/moped fee (effective May 1, 1998)
- $10 fee for late registrations (effective October 1, 1998)

Third, the 1991–93 biennial budget increased the Registration Fees for most motor vehicles effective September 1, 1991. Registration Fee increases authorized in that budget include:

- $15 increase in the automobile fee
- Increase in truck registration fees ranging from $15 to $150
- $15 increase in the motor home fee
- $6 increase in the biennial motorcycle/moped fee

Finally, the 1989–91 biennial budget increased Program Income by including interstate truck registration revenues collected through the International Registration Plan (**IRP**) under the statutory pledge of revenues. Starting in Fiscal Year 1990, IRP revenues have been a component of the Program Income and have served to increase the level of pledged Registration Fees. Wisconsin is one of 48 states and three Canadian provinces that participate in the IRP, which is a multi-state compact for the collecting and sharing of large truck registration fees. Under the IRP, the registration fees on trucks involved in multi-state commercial activity are split between the participating states on the basis of proportionate mileage.

When reviewing past Section 341.25 registration fee revenues, it is useful to divide total collections into two categories:

- Non-IRP revenues
- IRP revenues

Table V-6 reflects the steady rate of growth that has occurred in non-IRP Section 341.25 revenues over the past ten years. In Fiscal Years 1992, 1993, and 1998 the percentage changes reflect increases in Registration Fees required in those biennial budgets.

Estimated Future Registration Fees

Future Registration Fee revenues depend on the size of the vehicle fleet in subsequent years and the level of fees imposed on the various vehicle types. The methodology for registration fee revenue projections consists of two components:

- Projection of registration by vehicle type by an econometric model developed by the Department, which relates the size of the vehicle fleet to anticipated changes in certain key economic variables
- Adjustment of the econometric model projections based upon historical fleet information

The Department's model has two distinct components:

- Anticipated changes in the size of the State's automobile fleet
- Anticipated changes in the size of the State's truck fleet

The Department's econometric model relates the size of the automobile fleet to the disposable income in the State, the relative price of new autos, the level of unemployment, the size of the driving age population, historical rates of vehicle scrappage, and a measure of consumer confidence. The model relates the size of the truck fleet to the personal income in the State, industrial outlook, vehicle price, vehicle scrappage rates, and the level of unemployment. The long-range economic data used in the model are based on the projections published by Data Resources, Inc.

Table V-7 summarizes projected Section 341.25 Registration Fee revenues for the next ten years. The projections assume normal growth but no increase in the level of registration fees.

Table V-7
Projected Section 341.25 Registration Fee Revenues
2001 to 2010

Fiscal Year	Revenues[(a)] (Amounts in Millions)	% Change
2001	$313.5	—
2002	329.8	5.2%
2003	334.9	1.5
2004	352.3	5.2
2005	358.8	1.8
2006	378.4	5.5
2007	386.9	2.2
2008	407.9	5.4
2009	417.0	2.2
2010	438.6	5.2

[(a)] Includes both IRP and non-IRP Section 341.25 revenues.
Source: Wisconsin Department of Transportation

The Department will monitor Registration Fee revenue as it relates to scheduled debt service payments on the Bonds and payments on the Notes and recommend appropriate adjustments in Registration Fee schedules to the Governor and the Legislature. The State has covenanted in the General Resolution that as long as Bonds and Notes are Outstanding it will charge and cause to be deposited with the Trustee sufficient Program Income, including Registration Fees, to pay principal and interest on such Bonds, as the same become due, to maintain the Reserve Fund at the Debt Service Reserve Requirement, to pay Program Expenses, and to make payments into the Subordinated Debt Service Fund.

Registration Fee Collection Procedures

Registration Fees are collected throughout the fiscal year. In order to smooth out the Department's vehicle registration workload, the Department has staggered vehicle registrations throughout the year. As a result, in Fiscal Year 2000, the flow of quarterly collections of annual Registration Fee revenues ranged from a low of 22.3% to a high of 28.3%. The recent and any future adjustment of Registration Fees may change the monthly distribution of Registration Fees collected.

Pursuant to an agreement between the Department and the Trustee, the Department is the agent of the Trustee with respect to the collection of Registration Fees. The Registration Fees are collected in a number of ways:

- By mail to a lock-box system operated by Firstar Bank, National Association (**Bank**)
- Over the counter in field registration stations
- By mail to the Department's Central office in Madison (**Central Office**)
- Via telephone charge card renewal system
- At vehicle emission testing stations
- By State auto and light truck dealers

- Via internet charge card renewal system
- By financial institutions
- By private financial service centers
- By grocery stores

Regardless of the method of collection, all Registration Fees are initially deposited with the Trustee for deposit in the Redemption Fund.

The principal method of collecting non-IRP Registration Fees is registration renewals by mail, which are sent directly to the Bank operating the lock-box system as agent for the Trustee. Under this lock-box system the vehicle owner mails the renewals to the Bank. The renewal includes a check payable to "Registration Fee Trust" and an enclosure with relevant registration information on it. The Bank is to deposit its receipts of Registration Fees daily with the Trustee for deposit in the Redemption Fund.

Over-the-counter collections take place in 29 field registration stations throughout the State. These offices collect Registration Fees on behalf of the Trustee, as well as driver license fees, title fees, lien fees, salesman's license fees, permit fees, disabled identification card fees, and various other Department charges. The Department's financial system is a transaction-based computer system with the field stations linked to the Department's Central Office by terminal. All transactions are summarized daily and reported to the Central Office. The stations deposit their collections in an account in the Trustee's name for deposit in the Redemption Fund.

Collections at the Central Office differ from field-office collections in that it is primarily IRP payments and mail applications that are processed. IRP payments consist of checks submitted by individual truck operators, as well as checks generated by other states transmitting IRP payments to the State. Mail applications handled through the Central Office are primarily associated with the registration of vehicles that involve the transfer of ownership. All checks and cash collected through the Central Office are delivered to the Trustee for deposit in the Redemption Fund.

Telephone charge card renewal is a system available to motorists who prefer to charge their vehicle registration renewals. Under this system, motorists can renew their registrations through a touch-tone phone. The Department has contracted with a vendor to handle the voice response equipment and transmission of data. The vendor transfers all monies collected daily, from these transactions, through a wire transfer to the Trustee for deposit in the Redemption Fund. A service fee is charged to registrants to use this option.

The Department has a contract with a vehicle emission contractor to collect Registration Fees at emission testing stations. After a successful emission test, a registrant may chose to renew their registrations at a testing station. Under this method, the emission testing station is treated like a field registration station with direct connection to the Central Office's terminal. A service fee is charged to registrants to use this option. All twelve emission inspection locations provide registration renewal service.

The Department also has a series of contracts with car and light truck dealers to process vehicle title and registration and transmit such information electronically to the Department through an interface managed by a third-party vendor. The contracts provide an electronic interface between the Department and the dealer's data processing systems. The dealer collects registration and other fees that are electronically transferred daily from their bank accounts to the Department by the third-party vendor. A service fee is charged to registrants to use this option.

Internet charge card renewal is a system available to motorists who prefer to charge their vehicle registration renewals. Under this system, motorists can renew their registrations through the Internet. The Department has contracted with a vendor to handle the interfaces and transmission of data. The vendor transfers all monies collected from these transactions daily, through a wire transfer to the Trustee for deposit in the Redemption Fund. A service fee is charged to registrants to use this option.

The Department has contracts with financial institutions to process titles and registrations and transmit the information through an electronic interface provided by a separate vendor to the Department and financial institution. The financial institution collects registration and other fees that are electronically transferred daily from the financial institution to the Trustee for deposit into the Redemption Fund. A service fee is charged to registrants to use this option.

Registrants may renew vehicle registrations at private financial service centers. The Department has contracted with a separate vendor to handle the electronic interface and transmission of data. The financial service centers collect registration fees that are electronically transferred daily from the center to the Trustee for deposit into the Redemption Fund. A service fee is charged registrants to use this service.

Registrants may also renew vehicle registration at some grocery stores. The Department has contracted with a separate vendor to handle the electronic interface and transmission of data. The grocery stores collect registration fees that are electronically transferred daily from the center to the Trustee for deposit into the Redemption Fund. A service fee is charged registrants to use this option.

PROJECTS

Security on the Bonds or Notes is not dependent upon projects built with Bond or Note proceeds.

Bond and Note proceeds are used to finance a portion of major highway projects enumerated in the Statutes for construction. A major highway project is defined as a project which has a total cost of more than $5 million and which involves one or more of the following:

- Constructing a new highway 2.5 miles or more in length
- Relocating 2.5 miles or more of an existing highway
- Adding one or more lanes, 5 miles or more to an existing highway
- Improving 10 miles or more of existing multi-lane divided highway to freeway standards

All state highway improvement projects, including authorized major highway projects, are scheduled in the Department's six-year highway improvement program. The six-year program, updated on a biennial basis, serves as a basic tool for the Department's long-term improvement plans and construction programs.

The Department currently has statutory authority to issue a total of $1.447 billion of obligations to finance a portion of such major highway projects. Construction of major highway projects uses moneys from the following sources:

- Bond or Note proceeds
- Federal aid
- Moneys in the Transportation Fund which may be appropriated for such purposes

The major highway projects enumerated by statute for right-of-way acquisition and construction consists of 77 major highway projects and certain transportation administrative facilities. Of the 77 enumerated major highway projects, the Department has completed construction on 45 projects.

Requests for additional information about the major highway projects funded or to be funded with proceeds of transportation revenue obligations may be directed as follows:

Contact:	Wisconsin Department of Transportation Attn: Office of Policy and Budget
Phone:	(608) 261-8628
Mail:	4802 Sheboygan Avenue P.O. Box 7910 Madison, WI 53707-7910
E-mail:	jim.hoelzel@dot.state.wi.us

VARIABLE RATE OBLIGATIONS

The State has issued, and there currently remains outstanding, transportation revenue commercial paper notes **(Notes)**.

General

The State has appointed Lehman Brothers and Bear, Stearns & Co. Inc. to serve as **Dealers** for the Notes. The State has appointed Bankers Trust Company to serve as **Issuing and Paying Agent** for the Notes.

The State has appointed The Depository Trust Company (**DTC**) to serve as **Depository** for the Notes. The State has entered into a **Credit Agreement**, as amended, with the **Banks —** Westdeutsche Landesbank Girozentrale, acting through its New York Branch, and Bayerische Landesbank Girozentrale, acting through its New York Branch . This Credit Agreement provides a commitment **(Commitment)** that the Banks severally provided an irrevocable standby letter of credit for a stated amount of $160,000,000 for the payment of principal of and interest on the Notes **(Liquidity Facility)**.

The State issued one series of Notes in the initial issue amount of $154,750,000 and $141,733,000 remain Outstanding.

The Commission may adopt additional Supplemental Resolutions authorizing the issuance of additional Notes.

Description of the Notes

Each Note will be dated the date it is issued. It will be issued as an interest-bearing obligation in a denomination of $100,000 or increments of $1,000 above $100,000.

The Notes are not callable prior to maturity.

Each Note will mature from one to 270 days from its issue date. Also, no Note may be issued with a maturity date later than the expiration date of the Liquidity Facility.

Each Note will bear interest from its date of issuance, at the rate determined at the date of issuance, payable at maturity. Interest is computed on the basis of a year having 365 or 366 days and the actual number of days elapsed. Payment of each Note will be made to the Depository and then distributed by the Depository.

Liquidity Facility

The State and the Banks have entered into a Credit Agreement, dated as of May 7, 1997, as amended, which provides a commitment for the issuance of an irrevocable letter of credit in the stated amount up to $160,000,000. In order to assure timely payment of principal and interest on the Notes and the Notes coming due from time to time, the Banks have issued pursuant to the terms and conditions of the Credit Agreement to the Issuing and Paying Agent, as beneficiary, an irrevocable standby letter of credit in a stated amount of $160,000,000 (the "Letter of Credit"). The stated termination date of the Commitment is currently May 5, 2001, and of the Letter of Credit is currently May 6, 2002, subject to extension as provided for in the Credit Agreement. The obligations of the Banks to make payment under the Letter of Credit are several and not joint.

If any Bank shall make a payment under the Letter of Credit and the State does not reimburse such Bank on the same business day, then such payment shall constitute a Liquidity Advance under the Credit Agreement. If any Bank shall make a payment under the Letter of Credit and (i) the State does not reimburse such Bank on the same business day, and (ii) certain conditions contained in the Credit Agreement are not fulfilled, such payment shall constitute a Default Advance under the Credit Agreement (Liquidity Advances and Default Advances are collectively referred to as an **Advance**). The aggregate principal amount of all Advances made on any date may not exceed the outstanding Stated Amount of the Letter of Credit.

The State's obligation to repay such Advances will be evidenced by its delivery to each Bank of one or more promissory notes **(Promissory Note)** in an aggregate principal amount equal to the amount of all Advances authorized under the Credit Agreement. The Promissory Note is payable solely from Program Income deposited into the Subordinated Debt Service Fund, as set forth in the Supplemental Resolution, and the Promissory Note ranks equally with the Notes.

In addition, if any Event of Default as defined in the Credit Agreement occurs, the Banks may deliver to the State and Issuing and Paying Agent a notice upon receipt of which the State shall cease issuing Notes. Upon receipt of a No-Issuance Notice, the State shall cease issuing Notes unless and until such No-Issuance Notice is rescinded. A No-Issuance Notice shall not affect the obligation of the Banks to make Advances with respect to the payment of Notes issued prior to the receipt by the State of such No-Issuance Notice.

The State is permitted to replace the Credit Agreement with another comparable agreement or agreements with any other liquidity facility provider provided that such substitution meets all required qualifications, including, but not limited to, written evidence from each rating agency which, at the request of the State, is then rating the Notes and which is then also rating the provider (or its guarantor) of the proposed substitute liquidity facility to the effect that the substitution of the Liquidity Facility will not by itself result in a withdrawal, suspension or reduction of its ratings of the Notes from those which then prevail. Any such substituted Liquidity Facility Agreement may have covenants, conditions to borrowing and other provisions different from those referred to above. The State will notify the Dealers of any change in the Liquidity Facility. The State will also notify each nationally recognized municipal securities information repository **(NRMSIR)** of any change in the Liquidity Facility.

Description of the Banks

Westdeutsche Landesbank Girozentrale

Westdeutsche Landesbank Girozentrale **(WestLB)**, which traces its history to 1832, was created by the merger of two central banks, or Landesbanks (German State Banks), in the State of North Rhine-Westphalia, the Federal Republic of Germany **(Germany)** on January 1, 1969. As a German universal bank, WestLB provides commercial and investment banking services regionally, nationally and internationally to public, corporate and bank customers. WestLB is the largest of the Landesbanks and, on the basis of total assets at December 31, 1999, was the fourth largest bank in Germany. At December 31, 1999, WestLB had total assets of approximately Euro (**E** or **Euros**) 308 billion (US$ 309 billion).

WestLB also performs the functions of a state and municipal bank for the State of North Rhine-Westphalia and acts as the central bank of the Sparkassen (savings banks) in North Rhine-Westphalia (Germany's most populous state). It conducts a comprehensive range of wholesale banking business and has the power to issue mortgage bonds, municipal bonds and other bonds and is the largest continuous issuer of long term debt in Germany. In its capacity as central bank, WestLB acts as the clearing and depository bank for the savings banks in North Rhine-Westphalia. As a state bank, WestLB provides trustee services for State-supported lending programs for housing, regional economic assistance, middle market firms and environmental protection. Internationally, the WestLB Group operates through an extensive network of banking subsidiaries, branches and representative offices to provide a range of financial services to its clients.

Pursuant to a guaranty obligation (Gewährträgerhaftung) set forth in Section 37 of the North Rhine-Westphalia Savings Bank Act and Section 5 of the Ordinances of WestLB, North Rhine-Westphalia together with the other guarantors specified therein (including regional authorities and savings bank associations) are jointly and severally liable without restriction for all obligations of WestLB, including all obligations of WestLB New York. The guaranty obligation gives creditors a direct claim against North Rhine-Westphalia only if the claims of the creditors have not first been satisfied out of the assets of WestLB, including the assets of WestLB New York.

In addition to being liable under the guaranty obligation, North Rhine-Westphalia, having established WestLB, is responsible to WestLB for the performance of WestLB's obligations, including all obligations of WestLB New York. This maintenance obligation (Anstaltslast), while not a formal guaranty affording creditors of WestLB a direct claim against North Rhine-Westphalia, requires North Rhine-Westphalia to keep WestLB in a position to perform its functions and to enable it, in the event of financial difficulties, to perform its obligations, when due.

The New York Branch of WestLB **(WestLB New York)** is licensed and subject to supervision and regulation by the Superintendent of Banks of the State of New York. WestLB New York is examined by the New York State Banking Department and is subject to banking laws and regulations applicable to a foreign bank that operates a New York branch. In addition to being subject to New York banking laws and regulations, WestLB and WestLB New York are also subject to the International Banking Act of 1978 **(IBA)** and the Foreign Bank Supervision Enhancement Act of 1991, and WestLB is subject to federal regulation under the IBA and the Bank Holding Company Act of 1956.

In the fiscal year ended December 31, 1999, WestLB's total assets grew by 11% from E 277 billion to E 308 billion (US$ 309 billion). As of December 31, 1999, total deposits and borrowed funds totaled E 280 billion (US$ 281 billion), an increase of 11% from the previous year's amount of E 253 billion. WestLB's capital and declared reserves increased to E 13,963 million (US$ 14,027 million) as of December 31, 1999 (as compared to E 11,472 million as of December 31, 1998).

WestLB's operating profit before risk provisions/reserves of E 776 million (US$ 792 million) decreased by 2% over the previous year. Interest surplus increased by 15% (from E 1,750 million in 1998 to E 2,010 million in 1999. Commission surplus increased by 57% (from E 233 million in 1998 to E 366 million in 1998). Staff expenses went up by 29% to E 911 million (US$ 915 million), with other administrative expenses showing an increase of 22% to E 827 million (US$ 831 million) in 1999.

The financial information for the year ended December 31, 1999 is derived from the audited statements of WestLB, does not include the consolidated subsidiaries of the WestLB Group and has been prepared in accordance with accounting principles, practices, laws and regulations generally accepted in Germany. German accounting principles differ in certain respects from accounting principles generally accepted in the United States.

Unless indicated otherwise, currency amounts are stated in Euro (**E** or **Euros**) or United States dollars (**US$** or **U.S. dollars**). Merely for the convenience of the reader, this summary contains translations of certain Euro amounts into U.S. dollars at specified rates. These translations should not be construed as representations that the Euro amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollar amounts at the rate indicated. Unless otherwise indicated, the translations of Euro into U.S. dollars have been made at E 1.0046 = US$ 1.00, which was the official (Frankfurt fixing) exchange rate on December 30, 1999. In certain instances, figures reflect the effect of rounding.

Bayerische Landesbank Girozentrale

Bayerische Landesbank Girozentrale was incorporated as a public law financial institution (Rechtsfaehige Anstalt des Oeffentlichen Rechts) by the Law Establishing Bayerische Landesbank Girozentrale (Gesetz ueber die Errichtung der Bayerischen Landesbank Girozentrale) of June 27, 1972, as amended, as adopted by the Parliament of the Free State of Bavaria, and is subject to the German Federal Banking Act of July 10, 1961, as amended (Gesetz ueber das Kreditwesen) (the "Federal Banking Act"). Its statutes authorize Bayerische Landesbank Girozentrale to provide universal financial services including both commercial and investment banking as well as brokerage activities. The Free State of Bavaria owns 50% of Bayerische Landesbank Girozentrale's share capital, the other 50% being owned by the Bavarian Savings Bank and Clearing Association (Bayerischer Sparkassen-und Giroverband) (which is the central organization of the Bavarian Savings Banks).

Bayerische Landesbank Girozentrale is equipped to provide a full range of domestic and international banking services; with regard to local banking functions, Bayerische Landesbank Girozentrale also makes use of the Bavarian Savings Bank's network. In the domestic field, Bayerische Landesbank Girozentrale places emphasis on wholesale banking, lending to federal and local authorities and mortgage lending, together with industrial credit. Bayerische Landesbank Girozentrale holds the function of a banker of the Free State of Bavaria and its municipalities, and also finances public and private development projects, administers public funds and performs certain treasury functions for the Free State of Bavaria.

The Free State of Bavaria and the Bavarian Savings Bank and Clearing Association are jointly and severally liable for the obligations of Bayerische Landesbank Girozentrale if the liabilities cannot be satisfied from the Bayerische Landesbank Girozentrale's assets (Gewaehrtraeger). The owners of Bayerische Landesbank Girozentrale also have an obligation to maintain Bayerische Landesbank Girozentrale in a financial position that enables it to carry out its functions. This liability (Anstaltslast), which is peculiar to German law, obliges the owners to provide funds for Bayerische Landesbank Girozentrale that are necessary to enable it to fulfill its functions, to meet its liabilities and to keep its finances sound. As an additional safeguard, it is noted that as a public law institution Bayerische Landesbank Girozentrale can only be put into liquidation through a specific law to this effect.

Bayerische Landesbank Girozentrale established a Representative Office in New York in October 1979 and obtained a license from the office of the Comptroller of the Currency in October 1981 to operate through a branch located in the City of New York.

The New York Branch engages in a diversified banking business, and is a major wholesale lending participant throughout the United States, offering a full range of domestic and international financial services, including loans, foreign exchange and money market operations.

All banking institutions in the Federal Republic of Germany are subject to governmental supervision and regulation exercised by the Federal Banking Supervisory Authority (Bundesaufsichtsamt fuer das Kreditwesen), an independent federal authority with regulatory powers and by the Deutsche Bundesbank (the “German Federal Central Bank”) in accordance with the Federal Banking Act. The Federal Banking Act contains major rules for banking supervision and regulates the Bayerische Landesbank Girozentrale’s business activities, capital adequacy and liquidity. In addition to the above-mentioned general banking supervision, the group of Landesbanks is subject to special supervision by their respective federal states.

As reported in Bayerische Landesbank Girozentrale’s Annual Report for the Fiscal Year ended December 31, 1999, the bank had total assets of E 263.6 billion (E 281.2 billion on a consolidated basis). Business volume (balance sheet total, own drawings charged to borrowers, endorsement liabilities, and guarantees) expanded by 16.7% to E 279.3 billion from the previous year end. Bayerische Landesbank Girozentrale’s consolidated lending volume increased by E 29.0 billion to E 193.9 billion from year end 1998. Total equity of Bayerische Landesbank Girozentrale, including, among other items, nominal capital of E 0.8 billion, profits participation rights with a nominal value of E 2.2 billion, and capital contributions of silent partners in an amount of E 2.5 billion, totaled E 9.0 billion, or equal to 3.4% of the unconsolidated balance sheet. Net income after tax was E 457.3 million, an increased of 74.7% compared to year end 1998. E 400 million of such amount has been allocated to revenue reserves, raising the bank’s published reserve to E 3.49 billion. The accounting principles applied in the preparation of the Bayerische Landesbank Girozentrale’s financial statements comply with generally accepted accounting principles in the Federal Republic of Germany and may not conform to generally accepted accounting principles applied by United States banks.

The rate of exchange between the E and the dollar is determined by the forces of supply and demand in the foreign exchange markets, which, in turn, are affected by changes in the balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The foregoing information relating to Bayerische Landesbank Girozentrale is based upon facts and circumstances present on the dates referenced above. Such facts and circumstances may change from time to time. Bayerische Landesbank Girozentrale shall have no obligation to update the foregoing information to reflect any such change.

Copies of Bayerische Landesbank Girozentrale’s Annual Report for the most recent available fiscal year may be obtained at the New York Branch in person during normal business hours or by mail by writing to the New York Branch at: Bayerische Landesbank Girozentrale, 560 Lexington Avenue, New York, New York 10022, Attention: Corporate Finance.

Bayerische Landesbank Girozentrale has supplied the information relating to it in the previous paragraphs. Bayerische Landesbank Girozentrale does not accept responsibility for any information contained in this Annual Report other than the information contained in this Section relating to the Bayerische Landesbank Girozentrale.

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

The General Resolution contains various covenants and security provisions, certain of which are summarized below. In general, this Section does not summarize any provisions of the Series Resolutions. Reference should be made to the General Resolution for a full and complete statement of its provisions.

Resolution to Constitute Contract

The provisions of the General Resolution shall be a part of the contract of the State with the holders of Bonds and shall be deemed to be and shall constitute a contract among the State, the Trustee and the holders from time to time of the Bonds and shall be for the equal benefit, protection and security of the holders of any and all of such Bonds.

Provisions for Issuance of Bonds

The General Resolution authorizes Bonds of a Series to be issued from time to time in accordance with the terms of the General Resolution without limitation as to amount except as provided by law. Bonds shall be issued pursuant to authorization by a Series Resolution containing the provisions specified by the General Resolution. Following issuance of the initial Series of Bonds, the Commission must determine that the additional obligations test set forth in the General Resolution is met prior to adopting any Series Resolution for other than refunding purposes. The Bonds of a Series may be authenticated and delivered only upon receipt by the Trustee of, among other things:

(1) A Bond Counsel's opinion to the effect, among other things, that the Bonds of such Series have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State and in accordance with the General Resolution; and,

(2) The proceeds of the Bonds of such Series to be deposited with the Trustee pursuant to the General Resolution.

Additional Bonds

Following the initial issuance of Bonds, the State will not create or permit the creation of, or issue any obligations or create any indebtedness which shall be secured by a superior or equal charge and lien on the Program Income, except that additional Series of Bonds may be issued from time to time subsequent to the issuance of the initial Series of Bonds on a parity with the Bonds of such initial Series of Bonds and secured by an equal charge and lien on the Program Income. However, no additional Series of Bonds shall be issued subsequent to the initial Series of Bonds unless:

(1) The principal amount of the additional Bonds together with the principal amount of the Outstanding Bonds will not exceed in aggregate principal amount any limitation thereon imposed by law;

(2) Except in the case of refunding Bonds, there shall be filed with the Trustee a Certificate of an Authorized Officer of the Commission and the Department stating that Program Income, including interest earnings on amounts deposited in the Funds or Accounts held by the Trustee and available for debt service, for any twelve (12) consecutive calendar months of the preceding eighteen (18) calendar months, was equal to at least 2.25 times the maximum aggregate Principal Requirement and Interest Requirement for any Fiscal Year for all Outstanding Bonds (the General Resolution defines Outstanding Bonds to include the Bonds being issued upon the delivery of such Certificate);

(3) Upon the issuance and delivery of the additional Bonds, the amount credited to the Reserve Fund shall be at least equal to the Debt Service Reserve Requirement immediately after issuance; and

(4) All requirements with respect to adoption of Series Resolutions have been complied with.

Refunding Bonds

The State may issue refunding Bonds of one or more Series to refund any Outstanding Bonds of one or more Series whether by payment at maturity or by redemption. Refunding Bonds shall be issued pursuant to and in accordance with the provisions of a Series Resolution authorizing such refunding Bonds.

Application of Bond Proceeds

The proceeds of sale of a Series of Bonds shall be deposited as follows:

(1) To the Principal and Interest Account of the Redemption Fund, the amount of any accrued interest on the Series of Bonds to their date of delivery;

(2) To the Principal and Interest Account of the Redemption Fund, the amount of any premium determined by the applicable Series Resolution, or specified in a certificate of an authorized officer of the Commission;

(3) To the Principal and Interest Account of the Redemption Fund, the proceeds of any Series of refunding Bonds to the extent provided in the applicable Series Resolution;

(4) To the Reserve Fund, the amount specified in the Series Resolution as necessary to establish or increase the amount set aside therein to the Debt Service Reserve Requirement;

(5) To any other Fund or Account to the extent permitted by the Revenue Obligations Act provided for by Series Resolution; and

(6) To the Program Capital Fund, the balance of the proceeds of any Series of Bonds, which shall be allocated:

 (a) to the Capitalized Interest Account, the amount of capitalized interest, if any, determined by the applicable Series Resolution to be deposited; and

 (b) to the Program Account, the balance of the proceeds of any Series of Bonds.

Establishment of Funds

All Program Income and other moneys or securities held by the Trustee pursuant to the General Resolution are revenues of the Trustee and are revenues outside of the State Treasury which shall be held in trust and applied only in accordance with the provisions of the General Resolution. The General Resolution establishes and creates the following trust funds that are to be held by the Trustee:

(1) Program Capital Fund, which consists of a Capitalized Interest Account and a Program Account;

(2) Redemption Fund, which consists of a Principal and Interest Account and a Program Income Account;

(3) Reserve Fund; and

(4) Program Expense Fund.

The General Resolution authorizes the creation of other Funds and Accounts for a particular Series of Bonds by the applicable Series Resolution.

Capitalized Interest Account

Amounts in the Capitalized Interest Account, if any, shall be transferred to the Principal and Interest Account of the Redemption Fund to be used for payment of capitalized interest on the Bonds in accordance with the schedule set forth in a Series Resolution or in a Certificate of an Authorized Officer of the Building Commission delivered to the Trustee. Amounts in the Capitalized Interest Account shall also be transferred to the Principal and Interest Account of the Redemption Fund for redemption of

Bonds (1) upon receipt by the Trustee of a Certificate of an Authorized Officer of the Building Commission stating that such redemption is necessary for compliance with the covenants contained in the General Resolution concerning tax exemption of the interest on certain of the Bonds, and (2) in accordance with the provisions of the terms of a Series Resolution with respect to the Series of Bonds authorized by such Series Resolution.

Program Account

Amounts in the Program Account shall be used solely for the following purposes:

(1) Paying the Costs of Issuance;

(2) Financing Projects in accordance with the Act and the General Resolution; and

(3) Transfers to the Principal and Interest Account of the Redemption Fund to pay interest on the principal of or Redemption Price of Outstanding Bonds (a) upon receipt by the Trustee of a Certificate of an Authorized Officer of the Building Commission stating that such redemption is necessary for compliance with the covenants contained in the General Resolution concerning tax exemption of the interest on certain of the Bonds, (b) in accordance with the provisions of the terms of a Series Resolution, and (c) upon receipt by the Trustee of a Certificate of an Authorized Officer of the Building Commission stating that there are no further Projects to be funded from the Program Account.

Redemption Fund

There shall be deposited into the Principal and Interest Account of the Redemption Fund from the proceeds of the sale of the Bonds, immediately upon receipt thereof, an amount equal to the accrued interest and any premium paid upon the sale of the Bonds and the proceeds of any Series of refunding Bonds. All Program Income shall be deposited promptly with the Trustee (or with national banking associations, state banks or trust companies acting as agents of the Trustee for transfer daily to the Trustee) and such amounts shall be deposited in the Program Income Account of the Redemption Fund. There shall also be deposited in the Program Income Account of the Redemption Fund any other amounts required or permitted to be deposited therein pursuant to the General Resolution.

The amounts deposited in the Principal and Interest Account of the Redemption Fund from the proceeds of a Series of Bonds representing accrued interest and any premium shall be set aside and applied to the payment of interest on the next succeeding Interest Payment Date and any additional Interest Payment Dates specified in the Series Resolution or a Certificate of an Authorized Officer of the Building Commission.

The amounts deposited in the Principal and Interest Account of the Redemption Fund from the proceeds of a Series of refunding Bonds shall be applied to the payment or redemption of Bonds as provided in the Series Resolution.

Commencing on the date of issuance of the Bonds and continuing each succeeding business day until the amounts required in (1) through (5) of this paragraph are deposited and thereafter on each Redemption Fund Deposit Day (the first day of January, April, July, and October), and continuing each succeeding business day until the amounts required in (1) through (5) of this paragraph are deposited, the Trustee shall immediately transfer aside from the amounts deposited in the Program Income Account, in the following order of priority:

(1) To the Principal and Interest Account, after giving effect to:

 (a) amounts to be available from accrued interest and in the Capitalized Interest Account, and

(b) any balance in the Principal and Interest Account on each Redemption Fund Deposit Day, and

(c) amounts transferred from the Reserve Fund, and

(d) amounts transferred from the Program Expense Fund, an amount equal to the Interest Requirement with respect to Outstanding Bonds, and

(2) To the Principal and Interest Account, after giving effect to any balance in the Principal and Interest Account in excess of the Interest Requirement an amount equal to the Principal Requirement on the Outstanding Bonds, and

(3) To the Reserve Fund, an amount equal to any deficiency in the Reserve Fund, and

(4) To the Program Expense Fund created in the General Resolution, an amount equal to any unfunded portion of the Program Expenses payable over the next three months according to the General Resolution, and

(5) To the Subordinated Debt Service Fund created for the Notes, an amount equal to the Subordinated Debt Service Fund Requirement.

Immediately upon meeting the requirements set forth above, amounts in the Program Income Account of the Redemption Fund, including any interest earned thereon, in excess of the amounts required to be set aside above, shall be paid by the Trustee to the State Treasury for deposit into the Transportation Fund free and clear of the lien of the General Resolution in accordance with the Revenue Obligations Act and the Act.

To the extent not otherwise provided for in the Series Resolution applicable to any Series of Bonds, on the first day of each Fiscal Year and prior to any of the transfers by the Trustee that day specified above, all amounts in the Principal and Interest Account shall be paid by the Trustee to the State Treasury for deposit into the Transportation Fund free and clear of the lien of the General Resolution in accordance with the Revenue Obligations Act and the Act.

Payment of Bonds

The Trustee is required to pay to the Registrar and Paying Agent for the Bonds on or before each Interest Payment Date, (1) the amount equal to interest due on the Outstanding Bonds on such date, (2) the amount equal to the principal amount of Outstanding Bonds maturing on such date and (3) the amount equal to the Redemption Price of any Outstanding Bonds to be redeemed on such date, and in each such case, such amounts shall be applied by such Registrar and Paying Agent to such payments.

There shall be deposited in the Principal and Interest Account of the Redemption Fund any amounts which are required to be deposited therein pursuant to the General Resolution, a Series Resolution and any other amounts available therefor and determined by the State to be deposited therein for the purpose of redeeming Bonds. Subject to the provisions of the respective Series of Bonds and to the provisions of the respective resolutions authorizing the issuance thereof and authorizing the issuance of refunding Bonds, all amounts deposited in the Principal and Interest Account of the Redemption Fund in accordance with the provisions described in this paragraph shall be set aside and applied to the payment, purchase or redemption of Bonds.

Purchase of Bonds

Except as may be otherwise provided in connection with the issuance of refunding Bonds, at any time prior to the forty-fifth (45th) day upon which Bonds are to be paid or redeemed from the amounts described in the preceding paragraph, the Trustee may upon receipt of written instructions signed by an Authorized Officer of the Building Commission apply such amounts to the purchase of any of the Bonds which may be paid or redeemed by application of amounts on deposit in the Principal and Interest Account of the Redemption Fund. The Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner as the Building Commission shall direct. The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond purchased shall not exceed the principal amount of such Bond or the Redemption Price of such Bond on the next Redemption Date for such Bonds.

Program Expense Fund

On the first day of January, April, July, and October, the Trustee shall immediately transfer amounts on deposit in the Program Income Account to the Program Expense Fund for the purpose of paying Program Expenses for the succeeding three months as set forth in the annual budget prepared by the Department, but only upon a Certificate of an Authorized Officer of the Department stating that the amounts are required and have been or will be expended for purposes for and to which the Program Expense Fund may be used and applied.

Reserve Fund

If on any Interest Payment Date, Principal Installment Date, or Redemption Date for the Bonds, the amount in the Principal and Interest Account of the Redemption Fund shall be less than the amount required for the payment of interest, principal or Redemption Price on Outstanding Bonds on such date, the Trustee shall apply assets in the Reserve Fund to the extent necessary to make good the deficiency.

In the event there is a deficiency in the Reserve Fund, it shall be made up from the Redemption Fund after both the Interest Requirement and the Principal Requirement with respect to Outstanding Bonds have been met. Monies flow to the Redemption Fund commencing on the date of issuance of a Series of Bonds or on a Redemption Fund Deposit Day, whichever is earlier.

On the first day of each Fiscal Year, income and earnings from Investment Obligations in the Reserve Fund shall be transferred to the Principal and Interest Account to the extent such transfer will not reduce the amount in the Reserve Fund below an amount equal to the Debt Service Reserve Requirement.

Investments and Deposits

Subject to instructions from time to time received from an Authorized Officer of the Building Commission and to the provisions of the General Resolution, moneys in any Fund or Account shall be continuously invested and reinvested or deposited and redeposited by the Trustee in the highest yield Investment Obligations that may be reasonably known to the Trustee to the extent the same are authorized by the applicable Series Resolution and at the time legal for investment of funds under the Act, the Revenue Obligations Act and other applicable law. Investments shall be made with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds.

Investment Obligations purchased as an investment of moneys in any Fund or Account held by the Trustee under the provisions of the General Resolution shall be deemed at all times to be part of such Fund or Account but the income or interest earned and gains realized from Investment Obligations held by the Reserve Fund and Program Expense Fund in excess of the requirements of said Funds shall be transferred to the Principal and Interest Account on the first day of each Fiscal Year.

The Trustee shall sell at the best price obtainable, or present for redemption or exchange, any Investment Obligations purchased by it pursuant to the General Resolution whenever it shall be necessary in order to provide moneys to meet any payments or transfers from the Fund or Account for which such investment was made.

In computing the amount in the Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at par if purchased at par value or at amortized value if purchased at other than par value. Valuation shall be made on the 20th day of each March, June, September and December and as otherwise required under the General Resolution and on any particular date shall not include the amount of interest then earned or accrued to such date on any deposit or investment.

The Trustee shall invest and reinvest the moneys in any Fund or Account in available Investment Obligations so that the maturity date or date of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which monies are needed to be so expended.

Investment Obligations means any of the investments described under "GLOSSARY".

Powers as to Bonds and Pledge

The State covenants that it is duly authorized pursuant to law to authorize and issue the Bonds and to adopt the General Resolution and to pledge the Program Income purported to be pledged by the General Resolution in the manner and to the extent provided in the General Resolution.

Payment Covenant

The State covenants that it will duly and punctually pay or cause to be paid, but solely from sources as provided in the General Resolution, the principal and Redemption Price of every Bond and the interest thereon, on the dates and at the places and in the manner stated in the Bonds according to the true intent and meaning thereof.

Tax Covenants

The State and the Trustee shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

The State and the Trustee shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the State to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code.

The State and the Trustee shall not permit at any time or times any proceeds of any Bonds or any other funds of the State to be used, directly or indirectly, in a manner which would result in the exclusion of any Bond from the treatment afforded by Section 103 of the Code, as from time to time amended, by reason of the classification of such Bond as a "private activity bond" within the meaning of Section 141 of the Code.

The State reserves the right to elect to issue Bonds, the interest on which is not exempt from federal income taxation, if such election is made prior to the issuance of such Bonds, and the covenants as to tax exemption shall not apply to such Bonds.

Funds and Reports

The Department covenants that it will keep, or cause to be kept and maintained proper books of account relating to the Program and within 120 days after the end of each Fiscal Year shall cause such books of account to be audited by an Accountant. A copy of each audit report, annual balance sheet and income and expense statement showing in reasonable detail the financial condition of the Program (including a schedule of monthly Program Income) as of the close of each Fiscal Year, and summarizing in reasonable detail the income and expenses for such year, including the transaction relating to the Funds, shall be filed promptly with the Trustee and shall be available for inspection by any Bondholder. See "AUDITED FINANCIAL STATEMENTS" in this Part V of the Annual Report.

Budgets

The Department must file an annual budget broken down on a quarterly basis covering the fiscal operations of the Program for the succeeding Fiscal Year not later than the first day of each Fiscal Year with the Trustee. Such budget need not be the budget prepared by the Department for the Department's budgeting purposes. The annual budget shall at least set forth for such Fiscal Year the estimated Program Income, the debt service due and payable or estimated to become due and payable during such Fiscal Year and estimated Program Expenses. The Department may at any time file with the Trustee an amended annual budget for the remainder of the then current Fiscal Year in the manner provided for the filing of the annual budget. Copies of the annual budget as then amended and in effect shall be made available by the Trustee during normal business hours in the Trustee's office for inspection by any Bondholder.

The Program

The State covenants from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the Revenue Obligations Act, the provisions of the General Resolution and sound banking practices and principles to:

(1) Use and apply the proceeds of the Bonds, to the extent not reasonably or otherwise required for other purposes of the Program, to finance Projects, pursuant to the Act, the Revenue Obligations Act and the General Resolution

(2) Do all such acts and things as shall be necessary to charge and cause to be deposited with the Trustee Program Income sufficient to pay interest and principal and redemption premium on all Outstanding Bonds, to maintain the Debt Service Reserve Requirement in the Reserve Fund, to maintain any Credit Support and Liquidity Fund Requirement provided for in a Series Resolution, to pay Program Expenses

(3) Maintain any Subordinated Debt Service Fund Requirement provided for in a Series Resolution.

Power of Amendment

The Building Commission may, from time to time and without the consent and concurrence of any holder of any Bond, adopt a Supplemental Resolution modifying or amending the General Resolution if the modification or amendment does not adversely affect the holders of the Outstanding Bonds.

Any modification of or amendment to the General Resolution which does affect the rights and obligations of the State and of the holders of the Bonds, in any particular, may be made by a Supplemental Resolution with the written consent given as provided in the General Resolution, (1) of the holders of at least two-thirds in principal amount of the Outstanding Bonds at the time such consent is given, (2) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (3) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the holders of at least two-thirds in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given. If any such modification or amendment will not take effect so long as any Bonds of any specified maturity remain Outstanding, however, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the General Resolution or

Series Resolution. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the holders of which is required to effect any such modification or amendment.

Events of Default

It is an Event of Default if:

(1) Payment of any installment of interest on the Outstanding Bonds shall not be made after the same shall become due

(2) Payment of the principal of, Redemption Price or any Sinking Fund Installment on any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same shall become due

(3) The State shall fail or refuse to comply with the provisions of the General Resolution including replenishment of the Reserve Fund, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained in the General Resolution or in any Supplemental or Series Resolution or the Bonds, and such failure, refusal or default shall continue for a period of thirty (30) days after written notice thereof by the Trustee or the holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds.

Remedies

Upon the happening and continuance of any Event of Default specified in clauses (1) and (2) under Events of Default above, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in clause (3) under Events of Default above, the Trustee may proceed and, upon the written request of the holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds, shall proceed, in its own name, subject to the General Resolution, to protect and enforce the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel shall deem most effectual to protect and enforce such rights: (a) by mandamus or other suit, action, or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the State to charge and cause to be deposited with the Trustee sufficient Program Income and to require the State to carry out the covenants and agreements with Bondholders and to perform its duties under the Act, the Revenue Obligations Act and the General Resolution; (b) by bringing suit upon the Bonds, by action or suit in equity, to require the State to account as if it were the trustee of an express trust for the holders of the Bonds; (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; (e) by declaring all Bonds due and payable, and if all defaults shall be cured, then, with written consent of the holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences; or (f) in the event that all Bonds are declared due and payable, by selling Investment Obligations.

Before declaring the principal of Bonds due and payable upon an Event of Default, the Trustee shall first give thirty (30) days' notice in writing to the Governor and Attorney General of the State.

Priority of Bonds After Default

In the event that upon the happening and continuance of an Event of Default, the Funds or Accounts held by the Trustee, Registrar and Paying Agent are insufficient for the payment of interest, principal or

Redemption Price then due on the Bonds, such Funds or Accounts (other than portions of Funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other monies received or collected by the Trustee acting pursuant to the Act, the Revenue Obligations Act and the General Resolution, after making provisions for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the holders of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or the Registrar and Paying Agent in the performance of their respective duties under the General Resolution, are to be applied as follows:

(1) If the principal of all of the Bonds has not become or been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order or maturity of such installments, and, if the amount available is not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference.

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(2) If the principal of all of the Bonds has become or been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Limitation on Rights of Bondholders

No individual Bondholder shall have any right to initiate legal proceedings to enforce rights under the General Resolution unless such holder shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such proceeding is to be taken, and unless the holders of not less than 25% in principal amount of the Outstanding Bonds have made written request of the Trustee after the right to exercise such right of action has occurred, and shall have afforded the Trustee a reasonable opportunity either to exercise the powers granted to it under the General Resolution or to institute such proceedings in its name and unless, also, there has been offered to the Trustee reasonable security and indemnity against costs, expenses and liabilities and the Trustee has refused or neglected to comply with such request within a reasonable time. No provision in the General Resolution on defaults and remedies affects or impairs the right of any Bondholder to enforce the payment of the principal of and interest on his Bonds, or the obligation of the State to pay the same from the source, at the time and place specified in said Bond.

Compensation of Fiduciaries

Each Fiduciary is entitled to such fees and reimbursement as shall be established in an agreement between the Commission and such Fiduciary by the Trustee from the Program Expense Fund (except that the agreement for Registrar shall be between the State Treasurer and the Registrar). Each Fiduciary shall have a lien for such fees and reimbursement on any and all Funds at any time held by it under the General Resolution.

Removal of Trustee

The Trustee is required to be removed if so requested by the holders of a majority in principal amount of the Outstanding Bonds excluding any Bonds held by or for the account of the State. The State may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as the State may determine in its sole discretion. In either such event, a successor is required to be appointed.

Defeasance

If the State shall pay or cause to be paid to the holders of the Bonds, the principal and interest and Redemption Price to become due thereon, at the times and in the manner stipulated therein and in the General Resolution, then the pledge of Program Income and other monies, securities and funds thereby pledged and all other rights granted thereby shall be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which monies have been set aside and shall be held in trust by Fiduciaries (through deposit by the State of funds for such payment or redemption or otherwise) shall, at the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. Any Bonds shall, prior to maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect so expressed if:

(1) In case any of the Bonds to be redeemed on any date prior to their maturity, the State has given to the Trustee in form satisfactory to it, irrevocable instructions to publish, as provided in the General Resolution, notice of redemption on said date of such Bonds

(2) There has been deposited with the Trustee either monies in an amount which are sufficient, or Investment Obligations which are direct obligations of or obligations guaranteed by the United States of America or other obligations, the payment of which is provided for by an irrevocable escrow deposit invested in direct obligations of the United States of America, the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal or Redemption Price and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be

(3) In the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the State has given the Trustee, in form satisfactory to it, irrevocable instructions to publish, as soon as practicable, at least once in an Authorized Newspaper a notice to the holders of such Bonds that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid and stating such maturity or Redemption Date upon which monies are to be available for the payment of the principal of and Redemption Price on said Bonds.

Neither the Investment Obligations nor the monies so deposited with the Trustee nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than (and shall be held in trust for) the payment of the principal of, Redemption Price and interest on said Bonds, but any cash received from such principal or interest payments on such Investment Obligations deposited with the Trustee, if not then needed for such purpose may, to the extent practicable and legally permitted, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal of, Redemption Price and interest to become due on said Bonds on and prior to such

Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestments may be paid over to the State, as received by the Trustee, free and clear of any trust, lien or pledge.

GLOSSARY

This Glossary includes definitions from the General Resolution and the Series Resolutions that apply to capitalized terms used in this Part V of the Annual Report.

Accountant means such reputable and experienced independent certified public accountant or firm of independent certified public accountants of nationally recognized standing as may be selected by the Department and be satisfactory to the Trustee which may be the accountant or firm of accountants who regularly audit the books and accounts of the Department.

Act means Section 84.59 of the Statutes.

Authorized Newspaper means either The Wall Street Journal or The Bond Buyer, or such other financial newspaper or financial journal of general circulation, printed in the English language and customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, in the Borough of Manhattan, City and State of New York.

Authorized Officer when used with reference to the Department means the Secretary or other person designated from time to time by the Secretary, and when used with reference to the Commission, means the Chairperson of the Commission or other person designated from time to time by the Chairperson of the Commission and, in the case of any act to be performed or duty to be discharged, any other member, staff, officer or employee of the foregoing Department or Commission then authorized to perform such act or discharge such duty.

Bond or **Bonds** means any bond or any other evidence of revenue obligation authorized under the General Resolution and issued pursuant to a Series Resolution.

Bond Counsel's Opinion means an opinion executed by the Attorney General of Wisconsin or an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the State.

Bondholder and the term **Holder** or **holder** means the registered owner of any Outstanding Bond or Bonds, if registered to a particular person or persons, or the holder of any Outstanding Bond or Bonds in bearer form or registered as to principal only, or his duly authorized attorney in fact, representative or assigns.

1984 Bonds means the State of Wisconsin Transportation Revenue Bonds, 1984 Series A, issued on May 15, 1984.

1986 Bonds means the State of Wisconsin Transportation Revenue Bonds, 1986 Series A, issued on July 17, 1986.

1988 Bonds means the State of Wisconsin Transportation Revenue Bonds, 1988 Series A issued on April 12, 1988.

1989 Bonds means the State of Wisconsin Transportation Revenue Bonds,1989, Series A, issued on April 19, 1989.

1991 Bonds means the State of Wisconsin Transportation Revenue Bonds,1991, Series A, issued on October 3, 1991.

1992 Series A Bonds means the State of Wisconsin Transportation Revenue Bonds, 1992 Series A, issued on August 20, 1992.

1992 Series B Bonds means the State of Wisconsin Transportation Revenue Bonds, 1992 Series B, issued on August 20, 1992.

1993 Bonds means the State of Wisconsin Transportation Revenue Bonds, 1993 Series A, issued on September 29, 1993.

1994 Bonds means the State of Wisconsin Transportation Revenue Bonds, 1994 Series A, issued on July 13, 1994.

1995 Bonds means the State of Wisconsin Transportation Revenue Bonds, 1995 Series A, issued on September 28, 1995.

1996 Bonds means the State of Wisconsin Transportation Revenue Bonds, 1996 Series A, issued on June 13, 1996.

1998 Series A Bonds means the State of Wisconsin Transportation Revenue Bonds, 1998 Series A, issued on September 17, 1998.

1998 Series B Bonds means the State of Wisconsin Transportation Revenue Bonds, 1998 Series B, issued on October 29, 1998.

2000 Bonds means the State of Wisconsin Transportation Revenue Bonds, 2000 Series A, dated September 15, 2000.

Capitalized Interest Account shall mean the account established by Section 402 of the General Resolution.

Certificate means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the General Resolution, or (ii) the report of an Accountant as to audit or other procedures called for by the General Resolution.

Commercial Paper Notes or Notes means the State of Wisconsin Transportation Revenue Commercial Paper Notes, 1997 Series A.

Commission means the State of Wisconsin Building Commission established and existing pursuant to Section 13.48 of the Statutes and any successor thereto to whom the powers and duties granted to or imposed by the General Resolution shall be given by law.

Costs of Issuance means all items of expense, directly or indirectly payable or reimbursable by or to the State which are related to the authorization, sale, credit support, liquidity or issuance of Bonds.

Credit Support and Liquidity Fund means an account established pursuant to Section 511 of the General Resolution.

Credit Support and Liquidity Fund Requirement means as of any date of calculation, an amount equal to the aggregate Credit Support and Liquidity Fund Requirements for each Series of Outstanding Bonds as specified with respect to each such Series in the applicable Series Resolution.

Debt Service Requirement means as of any particular date of calculation, the aggregate Interest Requirement and Principal Requirement for Outstanding Bonds as specified in each Series Resolution authorizing the issuance of a Series of Bonds.

Debt Service Reserve Requirement means, as of any particular date of computation, an amount equal to the aggregate of the amounts specified in each Series Resolution authorizing the issuance of a Series of Bonds (any of which are Outstanding on the date of computation) as the amount to be the Debt Service Reserve Requirement, provided that, with respect to any Series of Bonds, in lieu of a deposit to the Reserve Fund of an amount equal to the applicable Series Debt Service Reserve Requirement, the State may provide for a letter of credit, municipal bond insurance policy, surety bond or other type of agreement or arrangement with an entity having, at the time of entering into such agreement or arrangement, a credit rating equal to or greater than the Bonds which provides for the availability, at the times required pursuant to the provisions of any Series Resolution, of an amount at least equal to such Series Debt Service Reserve Requirement and such method of funding shall be deemed to satisfy all provisions of the Series Resolution with respect to the Debt Service Reserve Requirement and the amount required to be on deposit in the Reserve Fund with respect to such Series of Bonds.

Department means the State of Wisconsin Department of Transportation established and existing pursuant to Section 15.46 of the Statutes and any successor thereto to which the powers and duties granted to or imposed by the General Resolution shall be given by law.

Fiduciary means the Trustee, the Registrar and any Paying Agent, or any or all of them as may be appropriate.

Fiscal Year means the fiscal year of the State as established from time to time.

Fund means one or more, as the case may be, of the funds or accounts created and established pursuant to the General Resolution.

General Resolution means the General Resolution as the same may from time to time be amended, modified or supplemented by a Supplemental Resolution.

Interest Payment Dates means any date on which is due the payment of interest on any Series of Bonds as specified in each Series Resolution authorizing the issuance of the Series of Bonds.

Interest Requirement means as of any particular date of calculation, the amount equal to any unpaid interest then due, plus an amount to the interest accruing or payable during the period between the date of calculation and the next Redemption Fund Deposit Day with respect to each Series of Outstanding Bonds.

Investment Obligations means and includes any of the following obligations to the extent the same are at the time legal for investment of funds of the State under the Act, the Revenue Obligations Act, or under other applicable law:

1. Direct obligations of or obligations guaranteed by the United States of America;
2. Obligations the payment of principal and interest on which, by act of Congress or in the opinion of the Attorney General of the United States in office at the time such obligations were issued, are unconditionally guaranteed by the United States of America;
3. Bonds, debentures, notes, participation certificates or other similar evidences of indebtedness issued by any of the following: Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, the Federal Financing Bank, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Export Import Bank of the United States, Student Loan Marketing Association, Farmer's Home Administration, Government National Mortgage Association, Small Business Administration, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of Congress

of the United States as an agency or instrumentality thereof or sponsored thereby (including but not limited to the fully guaranteed portion of an obligation partially guaranteed by any of the foregoing, if the State's ownership of such portion is acknowledged in writing by an officer of the guaranteeing agency or instrumentality);

4. Public Housing Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;
5. Obligations of any state within the United States or of any political subdivision of any state, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency;
6. Bankers acceptances drawn on and accepted by banks (including the Trustee and Paying Agent) and certificates of deposit by banks (including the Trustee and Paying Agent), with a combined capital and surplus aggregating at least $100,000,000 and securities of which are currently rated within the two highest rating categories assigned by a nationally recognized rating agency, or the international branches or banking subsidiaries thereof;
7. Interest-bearing time deposits, or certificates of deposit of a bank (including the Trustee and Paying Agent) or trust company, continuously secured and collateralized by obligations of the type described in paragraphs (1), (2), (3) and (4) hereof, having a market value at least equal at all times to the amount of such deposit or certificate, to the extent such deposit or certificate is not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or any successors thereto;
8. Commercial paper given the highest rating by Standard & Poor's Corporation and Moody's Investors Service at the time of such investments;
9. Investment agreements with banks or bank holding companies the senior long-term debt securities of which are rated within the two highest categories by a nationally recognized rating agency and which have a capital and surplus of at least $100,000,000;
10. Repurchase agreements, with banks or other financial institutions (including the Trustee and Paying Agent) (**Repurchaser**) provided that each such repurchase agreement (a) is in a commercially reasonable form and is for a commercially reasonable period, and (b) result in transfer to the Trustee of legal and equitable title to, or the granting to the Trustee of a prior perfected security interest in, identified obligations referred to in paragraphs (1), (2), (3) and (4) above which are free and clear of any claims by third parties and are segregated in a custodial or trust account held either by the Trustee or by a third party (other than the Repurchaser) as the agency solely of, or in trust solely for the benefit of the Trustee, provided that obligations acquired pursuant to such repurchase agreements shall be valued at the lower of the then current market value of such obligations or the repurchase prices thereof set forth in the applicable repurchase agreement, such investments shall be made so as to mature on or prior to the date or dates that the Trustee anticipates that moneys therefrom be required;
11. Shares of beneficial interests in an investment fund or trust substantially all of whose assets consist of those identified obligations referred to in paragraphs (1) and (2) above; and
12. Any short term government fund whose assets consist of those identified obligations referred to in paragraphs (1), (2), (3), (4) and (10) above.

Notes or Commercial Paper Notes means the State of Wisconsin Transportation Revenue Commercial Paper Notes, 1997 Series A.

Outstanding, when used with reference to Bonds and as of any particular date, describes all Bonds that have been delivered and are expected to be delivered except (a) any Bond cancelled by the Trustee, or proven to the satisfaction of the Trustee to have been cancelled by the Registrar, at or before said date, (b) any Bond deemed to have been paid in accordance with the provisions of Section 1201 of the General Resolution, and (c) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the requirements of the General Resolution or any Series Resolution.

Paying Agent for the payment of the principal of, Redemption Price and interest on the Bonds of a particular Series means the Treasurer or any bank or trust company designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in the General Resolution.

Principal and Interest Account means the account established by Section 502 of the General Resolution.

Principal Installment means (a) the principal amount of Outstanding Bonds that mature on a single future date, and (b) the amount of any Sinking Fund Installment required to be paid on a single future date.

Principal Installment Dates means any dates designated in a Series Resolution as a day a Principal Installment is to be paid.

Principal Office, when used with respect to a Fiduciary, means the principal, or corporate trust, or head, or principal trust office of such Fiduciary situated in the city in which such Fiduciary is described as being located.

Principal Requirement means, as of any particular date of calculation, the amount of money equal to any unpaid Principal Installment then due with respect to each Series of Outstanding Bonds and the amount of the next succeeding Principal Installment divided by the number of Redemption Fund Deposit Days prior to the next Principal Installment Date with respect to each Series of Outstanding Bonds.

Program means the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations Program financed under the Act, the Revenue Obligations Act and the General Resolution in accordance with any other enactment of the State which may hereafter specify an extension, expansion, addition or improvement of and for said Program pursuant to the Act, the Revenue Obligations Act and the General Resolution but not financed under the provisions of any other bond resolution or indenture of trust.

Program Account means the account so designated by Section 402 of the General Resolution.

Program Capital Fund means the Fund that is established and created by Section 402 of the General Resolution and pursuant to Section 18.57 of the Revenue Obligations Act.

Program Expense Fund means the Fund that is established and created by Section 514 of the General Resolution.

Program Expenses means the reasonable and proper costs and expenses of the Department for the operation and maintenance of the Program, including, without limitation, the administrative expenses allocable to the Program and the fees and expenses of the Trustee and the Paying Agents and Registrars of the Bonds.

Program Income means moneys derived under Section 341.25 of the Statutes or any other moneys that the State is authorized to pledge, which is to be deposited by the Department under Section 18.562(3) and (5) of the Revenue Obligations Act in a separate and distinct fund outside of the State Treasury in an account maintained by the Trustee as the Redemption Fund and all interest earned or gain realized from the investment of amounts in said fund.

Program Income Account means the account established by Section 502 of the General Resolution.

Projects means the projects authorized under the Act and funded with proceeds of Bonds authorized by one or more Series Resolutions.

Record Date means with respect to any Series of Bonds, the Record Date established for such Series of Bonds under each Series Resolution pursuant to which such Series is issued (which, with respect to the Bonds, means the fifteenth day of the month preceding an Interest Payment Date on the Bonds).

Redemption Date means the date upon which Bonds are to be called for redemption.

Redemption Fund means the Fund that is established and created by Section 502 of the General Resolution pursuant to Section 18.562(3) of the Revenue Obligations Act.

Redemption Fund Deposit Day means January 1, April 1, July 1 and October 1 of each Fiscal Year.

Redemption Price when used with respect to a Bond or portion thereof, means the principal amount of such Bond or portion plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms pursuant to the General Resolution and to the Series Resolution.

Registrar means, with respect to Bonds of a particular Series, the Treasurer or any person with whom he has contracted with for the performance of any of his functions under Section 18.10(5) and (7) of the Statutes.

Reserve Fund means the Fund that is established and created by Section 508 of the General Resolution pursuant to Section 18.562 of the Revenue Obligations Act.

Revenue Obligations Act means Subchapter II of Chapter 18 of the Statutes, as amended.

Secretary means the Secretary of the Department or any other officer, board, body, commission or agency succeeding to the powers, duties and functions thereof.

Serial Bonds means the Bonds so designated in a Series Resolution.

Series, when used with respect to less than all of the Bonds, means and refers to all of the Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the General Resolution or a Series Resolution.

Series Resolution means any resolution adopted by the Commission pursuant to and in accordance with the terms of Article II of the General Resolution, providing for the issuance of a particular Series of Bonds.

Sinking Fund Installment means the amount of money unconditionally required by or pursuant to a Series Resolution to be paid toward the retirement of any particular Term Bonds prior to their respective stated maturities.

State means the State of Wisconsin, including the Commission, or Department, as the case may be, acting on behalf of the State pursuant to the Act or the Revenue Obligations Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of any of the foregoing.

Statutes means the Wisconsin Statutes.

Subordinated Debt Service Fund means an account established in Section 5.1 of 1997 State of Wisconsin Building Commission Resolution 7, adopted by the Commission on April 23, 1997, pursuant to Section 714(C) of the General Resolution, and pledged to the payment of the Commercial Paper Notes.

Subordinated Debt Service Fund Requirement means, as of any date of calculation, an amount equal to the aggregate Subordinated Debt Service Fund Requirements for each Subordinated Indebtedness Series of Outstanding Bonds (or Commercial Paper Notes) as specified with respect to each such Series in the applicable Series Resolution, and as of the date of this Official Statement, is the amount specified in 1997 State of Wisconsin Building Commission Resolution 8, adopted by the Commission on April 23, 1997.

Subordinated Indebtedness means a Series of Bonds issued pursuant to Section 714 of the General Resolution, and includes the Commercial Paper Notes.

Supplemental Resolution means any resolution adopted by the Commission pursuant to and in accordance with the terms of Article VIII of the General Resolution amending or supplementing the provisions of the General Resolution as originally adopted or as amended or supplemented prior to the amending or supplementing effected by the particular Supplemental Resolution.

Term Bonds means the Bonds so designated in a Series Resolution.

Transportation Fund means the fund established in Section 25.40 of the Statutes.

Treasurer means the State Treasurer or any other officer, board, body, commission or agency succeeding to any of the powers, duties and functions thereof.

Trustee means the trustee appointed by or pursuant to Section 1101 of the General Resolution, and its successor or successors and any other corporation or association that may at any time be substituted in its place pursuant to the General Resolution.

APPENDIX A

AUDITED FINANCIAL STATEMENTS

The following material for the year ended June 30, 2000 includes, (1) for the Transportation Revenue Bond Program, the Report of Independent Public Accountants, dated October 5, 2000, and supplemental information pertaining to Program Revenues, and (2) for the Transportation Commercial Paper Program, the Report of Independent Public Accountants, dated October 5, 2000.

{This page number is the last sequential page number of the Annual Report to be used in this Part V of the Annual Report. The following uses page numbers from the audited financial statements and Reports of Independent Public Accountants. The sequential page numbers for the Annual Report continue in Part VI.}

Wisconsin Department of Transportation
Revenue Bond Program
1989 Series A, 1991 Series A, 1992 Series A, 1992 Series B, 1993 Series A, 1994 Series A, 1995 Series A, 1996 Series A, 1998 Series A and 1998 Series B

Financial Statements
As of June 30, 2000 and 1999
Together with Report of Independent Public Accountants

Wisconsin Department of Transportation
Revenue Bond Program

Financial Statements
As of June 30, 2000

Report of Independent Public Accountants

To the Directors of the
Wisconsin Department of Transportation
Revenue Bond Program:

We have audited the statement of assets and liabilities of the 1989 Series A, 1991 Series A, 1992 Series A, 1992 Series B, 1993 Series A, 1994 Series A, 1995 Series A, 1996 Series A, 1998 Series A and 1998 Series B bonds of the Wisconsin Department of Transportation Revenue Bond Program (the "Program") as of June 30, 2000, and the related statements of revenue and expenses and cumulative excess of revenue over expenses for the year then ended. These financial statements and supplemental information are the responsibility of the Programs' directors. Our responsibility is to express an opinion on these financial statements and supplemental information based on our audits. The financial statements of the Wisconsin Department of Transportation Revenue Bond Program as of June 30, 1999 and for the year then ended, were audited by other auditors whose report dated September 7, 1999, expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors of the Program, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared in conformity with the accounting practices prescribed by the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligation General Resolution which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the 1989 Series A, 1991 Series A, 1992 Series A, 1992 Series B, 1993 Series A, 1994 Series A, 1995 Series A, 1996 Series A, 1998 Series A and 1998 Series B bonds of the Wisconsin Department of Transportation Revenue Bond Program as of June 30, 2000, and the revenue and expenses for the year then ended, on the basis of accounting described in Note 2.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required by the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution on page 13 through 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information on page 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information on page 25 has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
October 5, 2000

Wisconsin Department of Transportation
Revenue Bond Program

Statements of Assets and Liabilities
As of June 30, 2000 and 1999

Assets	2000	1999
Fund Assets:		
Bond Redemption Fund-		
Money Market Investments	$53,875,598	$51,885,609
Accrued Interest Receivable	20,136	6,359
	53,895,734	51,891,968
Debt Service Reserve Fund	-	-
Program Capital Fund-		
Guaranteed Investment Contract	-	63,684,360
Money Market Investments	9,573	154,126
Accrued Interest Receivable	45	1,240,811
	9,618	65,079,297
Program Income Fund-		
Money Market Investments	1,707	4,023
Accrued Interest Receivable	665	15
	2,372	4,038
Program Expense Fund-		
Money Market Investments	140,930	159,945
Accrued Interest Receivable	23	583
	140,953	160,528
Total Fund Assets	54,048,677	117,135,831
Prepaid Expenses	15,833	-
Due from Other Program	1,220,160	787,531
Deferred Debt Costs, Less Accumulated Amortization of $3,271,101 and $2,758,125, respectively	4,852,822	4,339,847
Net Project Costs Incurred	744,118,255	747,111,272
Total Assets	$804,255,747	$869,374,481

Liabilities	2000	1999
Accrued Interest Payable	$20,159,767	$20,902,819
Accounts Payable	96,813	18,829,695
Bonds Payable		
Due within One Year	33,705,000	30,860,000
Due after One Year	735,445,000	769,150,000
Total Liabilities	789,406,580	839,742,514
Cumulative Excess of Revenue over Expenses	14,849,167	29,631,967
Total Liabilities and Cumulative Excess of Revenue Over Expenses	$804,255,747	$869,374,481

The accompanying notes to financial statements are an integral part of these statements.

Wisconsin Department of Transportation
Revenue Bond Program

Statements of Revenue and Expenses and
Cumulative Excess of Revenue over Expenses
June 30, 2000 and 1999

	2000	1999
Revenue:		
Registration Fees	$72,497,788	$67,216,019
Investment Income	2,613,487	4,093,223
	75,111,275	71,309,242
Expenses:		
Interest	40,319,535	38,625,833
Administrative	65,613	49,152
Amortization of Deferred Debt Costs (Premiums)	(512,976)	(264,779)
State Payments	-	26,483
	39,872,172	38,436,689
Excess of Revenue over Expenses Before Extraordinary Item	35,239,103	32,872,553
Extraordinary Item:		
Loss on Extinguishment of Bonds Payable	-	7,936,747
Excess of Revenue over Expenses	35,239,103	24,935,806
Cumulative Excess of Revenue over Expenses at Beginning of Year	29,631,967	187,901,322
Adjustment to Close 1984, 1986, 1988 and Series A Funds	-	(183,205,161)
Adjustment to Close 1989 Series A Funds	(50,021,903)	-
Cumulative Excess of Revenue over Expenses at End of Year	$14,849,167	$29,631,967

The accompanying notes to financial statements are an integral part of these statements.

Wisconsin Department of Transportation
Revenue Bond Program

Notes to Financial Statements
June 30, 2000

(1) Nature of Program-

The Wisconsin Department of Transportation Revenue Bond Program (the "Program") originated in April 1984 pursuant to the adoption of the General Resolution by the State of Wisconsin Building Commission. The purpose of the program is to provide financing for the construction, maintenance and repair of certain major highway projects and administrative facilities. Revenues provided from registration fees are used to service the Program's debt.

(2) Summary of Significant Accounting Policies-

Basis of Accounting-

The Wisconsin Department of Transportation ("Department") has entered into trust agreements with Bank One Trust Company N.A., Milwaukee, Wisconsin, relating to the creation and administration of the State of Wisconsin Transportation Revenue Bonds, 1989 Series A, 1991 Series A, 1992 Series A, 1992 Series B, 1993 Series A, 1994 Series A, 1995 Series A, 1996 Series A, 1998 Series A and 1998 Series B. Among other provisions, the trust agreements, in conjunction with the General Resolution, specify those funds to be created and maintained, the timing and flow of monies through the funds, the formula for computing the Debt Service Reserve requirements and the procedure to be followed for the redemption of the bonds. The financial statements are prepared in conformity with the practices prescribed by the General Resolution. These practices, described in the remainder of this note, do not conform with generally accepted accounting principles ("GAAP").

The most significant differences between the accounting practices presented in these financial statements and GAAP is that net project costs incurred would not be reported as an asset under GAAP, and registration fee revenue would be recorded when earned rather than when impounded.

Use of Estimates-

The preparation of financial statements in conformity with the Program's significant accounting policies requires the Program's directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time that the estimates are made, actual results could differ from those estimates.

Guaranteed Investment Contract, Money Market Investments and Investment Income-

The guaranteed investment contract at June 30, 1999, for each separate fund is stated at cost which approximates market value. The money market investments at June 30, 2000 and 1999 for each separate fund is stated at cost which approximates market value. Investment income is recognized when earned and includes gains and losses on sales or maturities of securities.

Revenue and Expenses-

Interest and administrative expenses are recorded on the accrual basis. Registration fee revenue is recorded at the time of impounding, when transfer of possession occurs from the Transportation Trust Fund. Interest income on investments is recorded on the accrual basis.

Net Project Costs Incurred-

Costs incurred for transportation projects are recorded as an asset, “Net Project Cost Incurred”. This amount continues to be carried as an asset until all bonds of the related bond series have been paid in full. At that time, the related net project costs incurred is eliminated and recorded as a reduction of the cumulative excess of revenues over expenses.

Due From Other Program-

All administrative costs associated with the Revenue Bond Program and the Commercial Paper Program are paid by the Revenue Bond Program. The costs paid on behalf of the Commercial Paper Program are recorded as a receivable from the Commercial Paper Program. These amounts accumulate year-to-year.

Deferred Debt Costs-

Bond issue costs are amortized on a straight-line basis over the remaining terms of the bonds. Any original issue discount or premium is amortized using the effective interest method.

Advanced Refundings-

Gains or losses on advance refundings of revenue bonds are accounted for as an extraordinary item as of the date of the refunding.

(3) Bonds Payable-

Bonds Payable consists of the following at June 30:

	2000	1999
Transportation Revenue Bonds, 1991 Series A, varying fixed interest rates from 6.0% to 6.1%, interest payable semiannually, annual principal payments of variable amounts, due 2001	$9,190,000	$13,390,000
Transportation Revenue Bonds, 1992 Series A and B, varying fixed interest rates from 5.0% to 5.8%, interest payable semiannually, annual principal payments of variable amounts, due 2022	238,590,000	247,325,000
Transportation Revenue Bonds, 1993 Series A, varying fixed interest rates from 4.1% to 5.0%, interest payable semiannually, annual principal payments of variable amounts, due 2012	95,160,000	100,735,000
Transportation Revenue Bonds, 1994 Series A, varying fixed interest rates from 4.9% to 7.5%, interest payable semiannually, annual principal payments of variable amounts, due 2014	46,285,000	49,845,000
Transportation Revenue Bonds, 1995 Series A, varying fixed interest rates from 4.45% to 6.25%, interest payable semiannually, annual principal payments of variable amounts, due 2015	84,380,000	87,985,000

	2000	1999
Transportation Revenue Bonds, 1996 Series A, varying fixed interest rates from 5.0% to 6.0%, interest payable semiannually, annual principal payments of variable amounts, due 2010	$56,325,000	$60,140,000
Transportation Revenue Bonds, 1998 Series A and B, varying fixed interest rates from 4.0% to 5.5%, interest payable semiannually, annual principal payments of variable amounts, due 2019	239,220,000	240,590,000
	769,150,000	800,010,000
Less- Current Maturities	33,705,000	30,860,000
	$735,445,000	$769,150,000

The bonds are issued pursuant to Subchapter II of Chapter 18 of the Wisconsin Statutes as amended, Section 84.59 of the Wisconsin Statutes and a general bond resolution and series resolutions adopted by the State of Wisconsin Building Commission. The bonds are revenue obligations of the State of Wisconsin ("State"), payable solely from the Bond Redemption Funds created by the General Resolution.

The bonds are collateralized by a first lien pledge of income derived from vehicle registration fees ("Program Income") under Section 341.25 of the Wisconsin Statutes, as collected by the Trustee. The State has covenanted in the General Resolution that it will charge registration fees sufficient to pay principal and interest on the bonds, as they become due, to pay program expenses and to maintain the Debt Service Reserve requirement.

The State is not generally liable on the bonds nor are the projects financed by the bonds pledged as collateral.

Vehicle registration fees in excess of the amount needed to service the Bond Redemption and Debt Service Reserve requirements is to be transferred to the Department free of the first lien pledge of the General Resolution.

From time to time, the Program issues revenue bonds to defease older revenue bonds in order to take advantage of market conditions. The proceeds from the issuance of revenue bonds, together with assets transferred from the refunded bond series, are deposited with a trustee bank in a separate Escrow Fund. These funds are invested by the Trustee in U.S. Treasury obligations and certain other government securities so that sufficient monies were available to pay the principal, interest and redemption price of the defeased bonds. The following is a summary of these defeased bonds outstanding, but not included on the Statement of Assets and Liabilities.

The revenue bonds defeased by the 1992 Series A Refunding were as follows:

Series	Maturity	Principal Amount
1991 Series A	July 1, 2010	$8,495,000
	July 1, 2011	9,085,000
		$17,580,000

The revenue bonds defeased by the 1993 Series A Refunding were as follows:

Series	Maturity	Principal Amount
1992 Series B	July 1, 2007	$5,790,000
	July 1, 2008	6,125,000
	July 1, 2009	6,480,000
	July 1, 2010	6,855,000
	July 1, 2011	7,250,000
	July 1, 2012	7,665,000
		$40,165,000

The revenue bonds defeased by the 1998 Series A Refunding issued in fiscal 1999 were as follows:

Series	Maturity	Principal Amount
1992 Series A	July 1, 2005	$4,295,000
	July 1, 2006	4,880,000
	July 1, 2009	735,000
	July 1, 2010	1,110,000
	July 1, 2011	1,170,000
	July 1, 2012	1,240,000
	July 1, 2013	1,310,000
		14,740,000
1992 Series B	July 1, 2005	5,195,000
	July 1, 2006	5,480,000
	July 1, 2013	8,110,000
		18,785,000
1994 Series A	July 1, 2007	5,375,000
	July 1, 2008	5,685,000
	July 1, 2009	6,020,000
	July 1, 2010	6,375,000
	July 1, 2011	6,760,000
	July 1, 2012	7,170,000
		37,385,000
1995 Series A	July 1, 2012	7,070,000
1996 Series A	July 1, 2011	6,885,000
	July 1, 2012	7,270,000
	July 1, 2013	7,685,000
	July 1, 2014	8,130,000
	July 1, 2015	8,600,000
	July 1, 2016	9,100,000
		47,670,000
Total		$125,650,000

This transaction resulted in an extraordinary loss on extinguishment on bonds payable of $7,936,747, cash flow savings of $5,993,000 and an economic gain of $4,168,000.

Additional series of bonds may be issued on a parity with the current bond series outstanding and collateralized by an equal charge and lien on the Program Income. However, no additional series may be issued unless, among other things, Program Income, including interest, for 12 consecutive months within the preceding 18-month period is at least 1.75 times the maximum aggregate principal and interest requirement in any bond year for all outstanding bonds.

Future maturities of bonds payable as of June 30, 2000 are as follows:

Year Ending June 30,	
2000	$33,705,000
2001	36,560,000
2002	38,115,000
2003	40,020,000
2004	46,150,000
Later Years	574,600,000
	$769,150,000

(4) Debt Service Reserve Fund Requirement-

The General Resolution creates a Debt Service Reserve Fund requirement which is provided from bond proceeds and other available monies, and is intended to be used to provide for any deficiency in the Bond Redemption Fund for the payment of principal and interest. Series resolutions authorizing the issuance of additional bonds will set forth the Debt Service Reserve requirements for each issue which will be aggregated to determine the Debt Service Reserve Fund requirement for all outstanding bonds. The General Resolution provides that monies in the Debt Service Reserve Fund are to be provided for any deficiency in the Principal and Interest Account in the Bond Redemption Fund. If there is any deficiency in the Debt Service Reserve Fund, the Trustee shall, after setting aside the principal and interest amount in the Bond Redemption Fund, the principal of and interest on outstanding bonds accruing in such year and an amount in the Program Expense Fund equal to the Department's budgeted program expenses for that year, deposit Program Income into the Debt Service Reserve Fund in an amount sufficient to remedy such deficiency.

The Debt Service Reserve Fund requirement for each of the bond series is an amount equal to the maximum interest due, except for the 1993 Series A, 1998 Series A and 1998 Series B bonds issues which have no Debt Service Reserve Fund requirements. The Debt Service Reserve Fund requirements and the Bond Redemption Fund balances, with securities stated at cost which approximates market value, are as follows at June 30, 2000:

	Debt Service Reserve Fund Requirement	Bond Redemption Fund Balance
1991 Series A	$3,643,000	$4,735,251
1992 Series A	3,799,800	8,405,919
1992 Series B	8,921,978	7,266,497
1993 Series A	-	8,027,087
1994 Series A	2,058,000	5,061,663
1995 Series A	3,425,000	6,033,863
1996 Series A	6,100,000	5,497,156
1998 Series A	-	3,474,065
1998 Series B	-	5,394,212
	$27,947,778	$53,895,733

During the period from May 1993 to June 1999, the Department has acquired a letter of credit, in the form of Surety Bonds, in amounts sufficient to meet the Debt Service Reserve requirements for each series of bonds outstanding.

(5) Commitments-

The Department and the State are currently authorized by State Statutes to use bond proceeds for right-of-way acquisition and construction of projects and certain transportation facilities. The Department has statutory authority (as amended) as of June 30, 2000, to issue a total of $1,070,000,000 of bonds (including those issued under the 1991 Series A, the 1992 Series B, the 1993 Series A, the 1994 Series A, the 1995 Series A, the 1996 Series A, the 1998 Series A and the 1998 Series B), in order to partially finance the costs of the authorized projects, in addition to proceeds from State general obligation debt, federal aid and other money in the Transportation Fund.

(6) Adjustment to Close 1994, 1986, 1988 and 1989 Series A Funds-

The final repayment of 1989 Series A bonds occurred in fiscal year 2000 and the final payments for 1984 Series A, 1986 Series A and 1988 Series A bonds occurred in fiscal year 1999. In conjunction with the closing of these bond series, assets and cumulative excess of revenue over expenses were reduced as follows:

	2000	1999
1989 Series A Net Project Costs	$50,021,903	$ -
1986 Series A Net Project Costs	-	86,137,489
1988 Series A Net Project Costs	-	49,462,017
Inter-Series Receivables	-	47,605,655
	$50,021,903	$183,205,161

(7) Concentration of Credit Risk-

The Program’s sole investment as of June 30, 2000, is in Bank One Group Treasury Only Money Market in the amount of $54,027,808.

(8) Subsequent Event-

On September 27, 2000, the State issued 2000 Series A Transportation Revenue Bonds in the amount of $123,700,000. Interest rates are fixed and range from 5.3% to 5.5% depending on the maturity, interest is payable semiannually. The bonds are due in various maturities beginning in 2001 with final maturity in 2021. The purpose of the bonds are to pay costs for major highway projects and certain transportation facilities.

Wisconsin Department of Transportation
Revenue Bond Program

Cumulative Net Project Costs--1998 Series B
As of June 30, 2000

Administrative Facilities:	
Waukesha DSP/DMV Remodel	$521,000
DTD 5 Waukesha/West Allis Sign Shop	12,000
DOT Printing Renovation	20,000
DMV, Rice Lake Addition	19,000
Truax Complex Renovation	1,330,497
Wisconsin Rapids Sign Shop Facility Construction	6,892
DSP District 7 Headquarters Remodel	803
DSP District 1 DeForest Headquarters Facility	853
DSP Footville Tower, Building and Land	21,000
DSP Wittenberg Tower, Building and Land	300,000
Deerfield Tower	35,000
DTD District 4 Headquarters Remodel	900,000
Statewide DMV Service Center Maintenance	225,000
Milwaukee SW DMV Air Quality	75,000
Sign Shop Renovations in Eau Claire	34,000
DMV Sheboygan Parking Lot	156,500
DSP Evoc	21,000
DMV Beaver Dam Minor	53,000
DTD 5 Yard Expansion	17,000
DTD 3 Green Bay Parking Lot	400,000
Hill Farms Telecommunications	32,005
Total Administrative Facilities	4,180,550
Major Highway Projects:	
U.S. Highway 151 (Columbus to Fond du Lac)	549,000
State Trunk Highway 54 (Dykesville)	1,085,000
State Trunk Highway 64 (Houlton - New Richmond Road)	3,596,000
I-90 to Holmen Project in LaCrosse County	25,273
U.S. Highway 10 (Appleton to Marshfield)	12,130,128
State Trunk Highway 50 between State Trunk Highway 83 and I-94 (Kenosha County)	3,168,000
State Trunk Highway 16 (Oconomowoc to County Highway PP)	177,000
State Trunk Highway 29 (Wausau to Marathon)	7,933,207
U.S. Highway 12 (Sauk City)	1,375,000
U.S. Highway 13 (U.S. Highway 10 to Lincoln Avenue Marshfield)	3,174,000
State Trunk Highway 441 (Tri-County Expressway)	2,005,968
U.S. Highway 12 (Whitewater Bypass in Jefferson and Walworth Counties)	177,000
U.S. Highway 41 (U.S. Highway 41/141 Interchange to State Trunk Highway 145)	1,086,525
U.S. Highway 18/151 (Verona Bypass)	63,245
State Trunk Highway 29 (Shawano Bypass)	9,320,685
State Trunk Highway 31 (Kenosha County)	3,056,000
U.S. Highway 45 (New London Bypass)	4,011
U.S. Highway 151 (Columbus Bypass)	209,627
Lake Arterial Project in Milwaukee County	18,299,468

**Wisconsin Department of Transportation
Revenue Bond Program**

Cumulative Net Project Costs--1998 Series B
As of June 30, 2000

(Continued)

Major Highway Projects (Continued):	
State Trunk Highway 26 (Fort Atkinson Bypass)	$72,532
U.S. Highway 41 (Abrams to Oconto Counties)	8,231,494
U.S. Highway 41 (State Trunk Highway 114 Breezewood Lane)	4,384,000
State Trunk Highway 29	10,517,979
U.S. Highway 53 (Trego to Solon Springs)	562,796
U.S. Highway 51 (Business 51 to County Trunk Highway S)	3,438,740
Bluemound Road Reconstruction	3,489
State Trunk Highway 36 (Burlington and State Trunk Highway 100)	6,347,575
State Trunk Highway 35 (River Falls Beltline)	1,843,000
U.S. Highway 41 (County Trunk Highway G and T)	249,000
State Trunk Highway 54 (Wisconsin Rapids to Plover)	2,852,036
State Trunk Highway 11 (Burlington Pass)	404,000
Janesville Bypass	168,000
U.S. Highway 45 (New London Bypass)	2,500,000
Total Major Highway Projects	109,009,778
Cumulative Net Project Costs – 1998 Series B	$113,190,328

Wisconsin Department of Transportation
Revenue Bond Program

Bonds Outstanding--1991 Series A
As of June 30, 2000

Maturity July 1,	Rate	Principal
2000	6.00%	$4,455,000
2001	6.10	4,735,000
		$9,190,000

Wisconsin Department of Transportation
Revenue Bond Program

Bonds Outstanding--1992 Series A
As of June 30, 2000

Maturity July 1,	Rate	Principal
2000	5.00%	$5,135,000
2001	5.10	10,790,000
2002	5.20	11,350,000
2003	5.30	11,945,000
2004	5.40	16,695,000
2005	5.50	13,290,000
2006	5.60	13,675,000
2009	5.80	21,525,000
2022	5.50	15,570,000
		$119,975,000

Wisconsin Department of Transportation
Revenue Bond Program

Bonds Outstanding--1992 Series B
As of June 30, 2000

Maturity July 1,	Rate	Principal
2000	5.00%	$4,035,000
2001	5.10	4,235,000
2002	5.20	4,450,000
2003	5.30	4,685,000
2004	5.40	4,930,000
2022	5.50	96,280,000
		$118,615,000

Wisconsin Department of Transportation
Revenue Bond Program

Bonds Outstanding--1993 Series A
As of June 30, 2000

Maturity July 1,	Rate	Principal
2000	4.10%	$5,805,000
2001	4.20	635,000
2002	4.30	665,000
2003	4.40	6,050,000
2004	4.50	6,340,000
2005	4.50	6,645,000
2006	4.60	6,955,000
2007	4.70	13,090,000
2008	4.75	13,725,000
2009	4.80	14,395,000
2010	4.90	6,620,000
2011	5.00	6,945,000
2012	4.75	7,290,000
		$95,160,000

**Wisconsin Department of Transportation
Revenue Bond Program**

Bonds Outstanding--1994 Series A
As of June 30, 2000

Maturity July 1,	Rate	Principal
2000	4.90%	$3,735,000
2001	5.00	3,920,000
2002	5.10	4,125,000
2003	7.50	4,340,000
2004	7.50	4,575,000
2005	5.30	4,820,000
2006	5.40	5,090,000
2014	5.50	15,680,000
		$46,285,000

Wisconsin Department of Transportation
Revenue Bond Program

Bonds Outstanding--1995 Series A
As of June 30, 2000

Maturity July 1,	Rate	Principal
2000	5.25%	$3,770,000
2001	4.45	3,945,000
2002	6.25	4,135,000
2003	6.25	4,345,000
2004	6.25	4,565,000
2005	4.80	4,800,000
2006	4.90	5,055,000
2007	5.00	5,330,000
2008	5.10	5,630,000
2009	5.20	5,950,000
2010	5.25	6,295,000
2011	5.25	6,670,000
2013	5.50	7,495,000
2014	5.50	7,955,000
2015	5.50	8,440,000
		$84,380,000

Wisconsin Department of Transportation
Revenue Bond Program

Bonds Outstanding--1996 Series A
As of June 30, 2000

Maturity July 1,	Rate	Principal
2000	5.00%	$3,985,000
2001	5.00	4,165,000
2002	5.00	4,360,000
2003	5.00	4,570,000
2004	5.00	4,795,000
2005	6.00	5,035,000
2006	6.00	5,290,000
2007	5.25	5,565,000
2008	5.40	5,860,000
2009	5.50	6,180,000
2010	5.50	6,520,000
		$56,325,000

Wisconsin Department of Transportation
Revenue Bond Program

Bonds Outstanding--1998 Series A
As of June 30, 2000

Maturity July 1,	Rate	Principal
2002	5.00%	$5,130,000
2003	4.00	35,000
2004	4.12	40,000
2005	5.00	9,530,000
2006	5.00	10,355,000
2007	5.00	5,310,000
2008	5.00	5,590,000
2009	5.50	6,625,000
2010	5.50	7,345,000
2011	5.50	14,665,000
2012	5.50	22,580,000
2013	5.50	16,915,000
2014	5.50	7,915,000
2015	5.50	8,360,000
2016	5.50	8,825,000
		$129,220,000

Wisconsin Department of Transportation
Revenue Bond Program

Bonds Outstanding--1998 Series B
As of June 30, 2000

Maturity July 1,	Rate	Principal
2000	4.25%	$2,785,000
2001	4.25	4,135,000
2002	4.25	3,900,000
2003	4.25	4,050,000
2004	4.50	4,210,000
2005	4.25	4,380,000
2006	4.25	4,565,000
2007	4.25	4,755,000
2008	4.25	4,955,000
2009	5.25	5,170,000
2010	5.25	5,400,000
2011	5.25	5,645,000
2012	5.00	5,905,000
2013	5.00	6,180,000
2014	5.00	6,475,000
2015	5.00	6,790,000
2016	5.00	7,125,000
2017	4.75	7,480,000
2019	4.75	16,095,000
		$110,000,000

Wisconsin Department of Transportation
Revenue Bond Program

Schedule of Registration Trust Program Revenue
For the Years Ended June 30, 2000 and 1999

(Unaudited)

	Section 341.25 Registration Fees		Revenue Bond Program On Section 341.25 Registration Fees	Total Program Revenues
	Non-IRP	IRP		
July 1998	$20,028,320	$2,182,501		
August 1998	17,700,935	1,769,596		
September 1998	19,928,115	1,052,090		
October 1998	19,115,078	2,258,871		
November 1998	15,166,631	2,939,018		
December 1998	28,891,912	4,752,718		
January 1999	20,844,590	5,110,673		
February 1999	15,999,718	4,879,555		
March 1999	24,211,881	3,583,733		
April 1999	21,489,768	4,246,452		
May 1999	18,410,837	9,372,193		
June 1999	22,790,862	7,734,123		
Total for the Year Ended June 30, 1999	$244,578,647	$49,881,523	$1,477,522	$295,937,692
July 1999	$19,759,993	$2,997,904		
August 1999	18,079,361	2,504,788		
September 1999	21,489,764	4,469,723		
October 1999	17,919,995	4,511,794		
November 1999	19,167,959	3,264,993		
December 1999	32,230,614	2,649,030		
January 2000	19,013,120	3,013,462		
February 2000	16,507,436	3,097,203		
March 2000	26,258,175	5,845,137		
April 2000	21,169,376	10,035,375		
May 2000	21,174,613	6,834,762		
June 2000	22,939,808	5,916,584		
Total for the Year Ended June 30, 2000	$255,710,214	$55,140,755	$1,834,371	$312,685,340

Wisconsin Department of Transportation
Revenue Bond Program

Schedule of Monthly Program Income
For the Year Ended June 30, 2000

Month	Program Income Fund	1991 Series A	1992 Series A	1992 Series B	1993 Series A	1994 Series A	1995 Series A	1996 Series A	1998 Series A	1998 Series B
July 1999	$59,384	$1,225,870	$2,823,027	$2,616,898	$2,568,273	$1,596,699	$2,076,886	$2,509,107	$1,746,194	$2,024,721
October 1999	165,000	1,212,596	3,230,505	2,568,252	2,494,392	1,554,232	2,027,874	983,720	1,716,086	1,965,237
January 2000	118,545	1,189,306	2,800,269	2,476,435	2,421,316	1,509,886	1,959,403	1,619,736	1,615,854	1,874,585
April 2000	72,665	1,207,234	2,497,923	2,558,629	2,485,761	1,549,746	2,017,691	1,698,132	1,708,734	1,950,985
	$415,594	$4,835,006	$11,351,724	$10,220,214	$9,969,742	$6,210,563	$8,081,854	$6,810,695	$6,786,868	$7,815,528

Wisconsin Department of Transportation
Commercial Paper Program

Transportation Revenue Commercial Paper Notes of 1997, Series A
Financial Statements as of June 30, 2000 and 1999
Together with Report of Independent Public Accountants

Wisconsin Department of Transportation
Commercial Paper Program

Transportation Revenue Commercial Paper Notes of 1997, Series A
June 30, 2000 and 1999

Table of Contents

Report of Independent Public Accountants

To the Directors of the Wisconsin Department of Transportation
Commercial Paper Program:

We have audited the statement of assets and liabilities of the 1997 Series A Commercial Paper Notes of the Wisconsin Department of Transportation Commercial Paper Program (the "Program") as of June 30, 2000 and the related statements of revenue and expenses and cumulative excess of revenue over expenses for the years then ended. These financial statements and supplemental information are the responsibility of the Program's directors. Our responsibility is to express an opinion on these financial statements and supplemental information based on our audit. The financial statements of the Wisconsin Department of Transportation Commercial Paper Program as of June 30, 1999 were audited by other auditors whose report dated September 7, 1999 and the year then ended expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Program's directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared in conformity with the accounting practices prescribed by the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required by the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the 1997 Series A Commercial Paper Notes of the Wisconsin Department of Transportation Commercial Paper Program as of June 30, 2000 and its revenue and expenses for the year then ended, on the basis of accounting described in Note 2.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
October 5, 2000

Wisconsin Department of Transportation
Commercial Paper Program

Transportation Revenue Commercial Paper Notes of 1997, Series A
Statements of Assets and Liabilities
June 30, 2000 and 1999

Assets	2000	1999
Subordinated Debt Service Fund-		
Money Market Investments	$7,098,000	$ -
U.S. Government Securities	-	9,530,595
Accrued Interest Receivable	4,488	1,167
Total Subordinated Debt Service Fund	7,102,488	9,531,762
Net Project Costs Incurred	160,415,287	160,415,287
Total Assets	$167,517,775	$169,947,049
Liabilities		
Liabilities:		
Accrued Interest Payable	$1,970,521	$5,559,897
Due to Other Program	1,220,160	787,531
Notes Payable	147,316,000	155,389,000
Total Liabilities	150,506,681	161,736,428
Cumulative Excess of Revenue Over Expenses	17,011,094	8,210,621
	$167,517,775	$169,947,049

The accompanying notes to financial statements are an integral part of these statements

Wisconsin Department of Transportation
Commercial Paper Program

Transportation Revenue Commercial Paper Notes of 1997, Series A
Statements of Revenue and Expenses and
Cumulative Excess of Revenue Over Expenses
For the Years Ended June 30, 2000 and 1999

	2000	1999
Revenues:		
Registration Fees	$11,691,287	$14,092,028
Investment Income	236,622	579,184
Total Revenues	11,927,909	14,671,212
Expenses:		
Interest	2,694,807	9,915,879
Administrative	432,629	364,552
Total Expenses	3,127,436	10,280,431
Excess of Revenue Over Expenses	8,800,473	4,390,781
Cumulative Excess of Revenue Over Expenses at Beginning of Year	8,210,621	3,819,840
Cumulative Excess of Revenue Over Expenses at End of Year	$17,011,094	$8,210,621

The accompanying notes to financial statements are an integral part of these statements.

Wisconsin Department of Transportation
Commercial Paper Program

Transportation Revenue Commercial Paper Notes of 1997, Series A
Notes to Financial Statements
June 30, 2000 and 1999

(1) Nature of Program-

The Transportation Revenue Commercial Paper Program (the "Program") originated on April 23, 1997, pursuant to the adoption of the Program Resolution by the State of Wisconsin Building Commission. The purpose of the Program is to provide financing for the construction, maintenance and repair of certain major highway projects and transportation facilities and to pay interest due on maturing notes. Revenues provided from registration fees are used to service the Program's debt.

(2) Summary of Significant Accounting Policies-

Basis of Accounting-

The Wisconsin Department of Transportation ("Department") has entered into trust agreements with Bank One Trust Company N.A., Milwaukee, Wisconsin, relating to the creation and administration of the Transportation Revenue Commercial Paper Notes of 1997, Series A. Among other provisions, the trust agreements, in conjunction with the General Resolution, specify those funds to be created and maintained, the timing and flow of monies through the funds, the formula for computing the Debt Service Reserve requirements and the procedure to be followed for the redemption of and paying interest on the notes. The financial statements are prepared in conformity with the practices prescribed by the General Resolution. These practices, described in the remainder of this note, do not conform with generally accepted accounting principles ("GAAP").

The most significant differences between the accounting practices presented in these financial statements and GAAP is that net project costs incurred would not be reported as an asset under GAAP, and registration fee revenue would be recorded when earned rather than when impounded.

Use of Estimates-

The preparation of financial statements in conformity with the Program's significant accounting policies requires the Program's directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time that the estimates are made, actual results could differ from those estimates.

U.S. Government Securities, Money Market Investments and Investment Income-

U.S. Government securities are stated at aggregate cost. Money market investments are stated at cost which approximates market value. Investment income is recognized when earned and includes gains and losses on sales or maturities of securities.

Revenue and Expenses-

Interest and administrative expenses are recorded on the accrual basis. Registration fee revenue is recorded at the time of impounding, when transfer of possession occurs. Interest income on investments is recorded on the accrual basis.

Net Project Costs Incurred-

Costs incurred for transportation projects are recorded as an asset, “Net Project Costs Incurred”. This amount continues to be carried as an asset until all bonds of the related bond series have been paid in full. At that time, the related net project costs incurred is eliminated and recorded as a reduction of the cumulative excess of revenues over expenses.

Due to Other Program-

All administrative costs associated with the Commercial Paper Program and Revenue Bond Program are paid by the Revenue Bond Program. The costs paid on behalf of the Commercial Paper Program are recorded as a payable to the Revenue Bond Program. These amounts accumulate year-to-year.

Costs of Notes-

Issue costs and administrative expenses related to the notes are being expensed as incurred.

(3) Notes Payable-

Transportation Revenue Commercial Paper Notes of 1997, Series A (1997 notes) consist of interest-bearing obligations which are issued in initial denominations of $100,000 and additional increments of $1,000 above $100,000. There are notes payable of $147,316,000 and $155,389,000 at June 30, 2000 and 1999, respectively.

The notes are issued pursuant to Subchapter II of Chapter 18 of the Wisconsin Statutes as amended, Section 84.59 of the Wisconsin Statutes and a program resolution and series resolutions adopted by the State of Wisconsin Building Commission. The notes are revenue obligations of the State of Wisconsin (“State”), payable solely from the Subordinated Debt Service Fund.

The notes are collateralized by a pledge of income derived from vehicle registration fees (Program Income) under Section 341.25 of the Wisconsin Statutes, as collected by the Trustee. The notes are subordinate to the pledge of Program Income to payment of the State Transportation Revenue Bonds outstanding.

The State expects to pay the principal of and interest on the notes with the proceeds of additional notes until the State provides permanent financing through the issuance of long-term transportation revenue bonds for the projects which are being initially financed by the notes. The permanent financing is not expected to be put in place until long-term interest rates on revenue bonds are advantageous to the State.

In order to assure the timely payment of principal and interest on the notes, the State obtained a credit agreement (the liquidity facility agreement) on May 7, 1997, which provides a commitment for the issuance of an irrevocable letter of credit in the stated amount up to $188,600,000. On April 19, 2000, the State reduced this commitment and the stated amount of the irrevocable letter of credit to a stated amount of up to $155,000,000. The stated termination date of the commitment is currently May 5, 2001 and stated date of the letter of credit is currently May 6, 2002, each subject to an extension as provided in the credit agreement.

The notes will mature no later than 270 days from the date of issuance provided that a liquidity facility agreement is in effect. No notes may be issued with a maturity date after the stated expiration of the liquidity facility agreement or after the stated date of a substitute liquidity facility agreement. The principal of and interest on the notes will be paid at maturity and are not callable prior to maturity. Each note bears interest from its date of issuance, at the rate determined on the date of issuance (which may not exceed 12% per annum). At June 30, 2000, the weighted average interest rate on the notes outstanding was 4.21%.

The State is not generally liable on the notes nor are the projects financed by the notes pledged as collateral.

(4) Subordinated Debt Service Fund-

The General Resolution creates a Subordinated Debt Service Reserve Fund which is intended to be used to provide for the payment of principal and interest of the notes from Program Income deposited into this fund. The pledge of such Program Income to payment of the notes is subordinate to the pledge of Program Income to payment of outstanding State Transportation Revenue Bonds.

(5) Commitments-

The Department and the State are currently authorized by State Statutes to use note proceeds for right-of-way acquisition and construction of projects comprising major highway projects and certain transportation facilities. The Department has statutory authority (as amended) to issue notes totaling $200,000,000 (including those issued under the 1997, Series A), in order to partially finance the costs of the authorized projects, in addition to proceeds from State general obligation debt, federal aid and other money in the Transportation Fund.

(6) Concentration of Credit Risk-

The Program's sole investment as of June 30, 2000 is in Bank One Group Treasury Only Money Market in the amount of $7,098,000.

Wisconsin Department of Transportation
Commercial Paper Program

Transportation Revenue Commercial Paper Notes of 1997, Series A
Cumulative Net Project Costs
June 30, 2000

Administrative Facilities:	
DMV Rice Lake Addition	$1,000,000
Hazmat Tank Removal	11,000
DBM Phase 2, Materials Lab, Truax	1,769
Truax Complex Renovation	312,000
DSP District 7 Headquarters Remodel	4,000
DSP District 1 DeForest Headquarters Facility	195,000
DSP Footville Tower, Building and Land	333,000
DSP Wittenberg Tower, Building and Land	18,000
Deerfield Tower	133,985
Total Administrative Facilities	2,008,754
Major Highway Projects:	
State Trunk Highway 54 (Dykesville)	790,000
State Trunk Highway 64 (Houlton--New Richmond Road)	3,554,000
I-90 to Holmen Project LaCrosse County	56,334
U.S. Highway 10 (Appleton and Marshfield)	9,123,919
State Trunk Highway 50 Between State Trunk Highway 83 and I-94 (Kenosha County)	875,811
State Trunk Highway 16 (Oconomowoc to County Highway PP)	14,075
State Trunk Highway 29 (Wausau to Ringle)	188,194
I-94 to Green Bay	24,235,064
U.S. Highway 13 (U.S. Highway 10 to Lincoln Avenue Marshfield)	2,700,000
State Trunk Highway 441 (Tri-County Expressway)	890,062
U.S. Highway 12 (Whitewater Bypass in Jefferson and Walworth Counties)	850,000
River Falls Beltline	29,993
U.S. Highway 41 (U.S. Highway 41/141 Interchange to State Trunk Highway 145)	1,961,797
U.S. Highway 8 (Rhinelander Beltline)	9,008,531
U.S. Highway 18/151 (Verona Bypass)	392,639
State Trunk Highway 29 (Shawano Bypass)	36,806,747
U.S. Highway 45 (New London Bypass)	912,711
U.S. Highway 151 (Columbus Bypass)	4,943,791
Lake Arterial Project in Milwaukee County	31,858,429
State Trunk Highway 26 (Fort Atkinson Bypass)	26,844
Dubuque--U.S. Highway 61/151 (Dickeyville Road)	330,289
U.S. Highway 41 (Abrams to Oconto Counties)	2,800,186
U.S. Highway 41 (State Trunk Highway 114 Breezewood Lane)	700,000
State Trunk Highway 29 (Green Bay to I-94)	13,948,556
U.S. Highway 53 (Trego to Solon Springs)	9,292,099
U.S. Highway 51 (Business 51 to County Trunk Highway S)	607,923
Bluemound Road Reconstruction	87,566
State Trunk Highway 36 (Burlington and State Trunk Highway 100)	1,396,934
U.S. Highway 12 (U.S. Highway 53 Utility Road)	24,039
Total Major Highway Projects	158,406,533
Cumulative Net Project Costs	$160,415,287