

**NOTICE OF BOND INSURANCE**

**STATE OF WISCONSIN  
TRANSPORTATION REVENUE BONDS, 2000 SERIES A  
Maturing July 1, 2013-2017**

The undersigned has provided for the delivery of a municipal bond insurance policy to be issued simultaneously with the delivery of the above captioned bonds by:

**FINANCIAL GUARANTY INSURANCE COMPANY**

**Insuring the payment when due of the principal of and interest on \$56,600,000 aggregate principal amount of the State of Wisconsin Transportation Revenue Bonds, 2000 Series A, maturing on July 1, 2013 through 2017 (for purposes of this wrapper, the insured bonds are defined as Bonds). The State of Wisconsin Transportation Revenue Bonds, 2000 Series A, maturing July 1, 2012 and July 1, 2018-2021 are not insured by such policy.**

This notice includes certain information concerning Financial Guaranty Insurance Company (**Financial Guaranty**) and the terms of the Municipal Bond New Issue Insurance Policy (**Policy**) relating to the Bonds. Information with respect to Financial Guaranty and the Policy has been supplied by Financial Guaranty. No representation is made by the undersigned as to the accuracy or adequacy of such information. The Policy does not constitute a part of the contract between the State of Wisconsin (**State**) and the holders of Bonds evidenced by the Bonds and documentation providing for the insurance thereof. The undersigned has the responsibility for paying the premium on and complying with the conditions for the issuance of the Policy and the State has no responsibility with respect to such insurance in any way, including the maintenance, enforcement, or collection thereof.

This notice has been prepared by the undersigned to provide certain information pertaining to the Financial Guaranty Policy and has not been prepared or reviewed by the State, and the State makes no representations to the adequacy of the information contained herein. Each purchaser should consult the Official Statement, dated September 12, 2000 for information about the Bonds, and the undersigned assumes no responsibility with respect thereto.

The undersigned has applied for, and upon issuance of the Policy, the AAA rating from Fitch, Inc., the Aaa rating from Moody's Investors Service, Inc., and the AAA rating from Standard & Poor's Ratings Services will be assigned to the Bonds.

**MORGAN STANLEY & CO., INCORPORATED**

September 12, 2000

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## OFFICIAL STATEMENT

New Issue

This Official Statement has been prepared by the State of Wisconsin to provide information on the 2000 Series A Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision, a prospective investor should read the entire Official Statement. Unless otherwise indicated, capitalized terms have the meanings given in **APPENDIX C**.

# \$123,700,000

## STATE OF WISCONSIN TRANSPORTATION REVENUE BONDS, 2000 SERIES A

Dated: September 15, 2000

Due: July 1, as shown below

<b>Ratings</b>	AA Fitch Aa3 Moody's Investors Service, Inc. AA- Standard & Poor's Ratings Services
<b>Tax Exemption</b>	Interest on the 2000 Series A Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference but is subject to State of Wisconsin income and franchise taxes— <b>Pages 11-13</b> .
<b>Redemption</b>	The 2000 Series A Bonds are subject to redemption prior to their stated date of maturity— <b>Page 2</b> .
<b>Security/Priority</b>	The 2000 Series A Bonds have a first claim on vehicle Registration Fees, which are a substantial portion of pledged Program Income. The 2000 Series A Bonds are issued on a parity with previously issued Bonds. The 2000 Series A Bonds are not general obligations of the State— <b>Pages 6-8</b> .
<b>Purpose</b>	Proceeds are being used to finance Projects and to pay for costs of issuance— <b>Page 5</b> .
<b>Interest Payment Dates</b>	January 1 and July 1
<b>First Interest Payment Date</b>	July 1, 2001
<b>Closing/Settlement</b>	On or about September 27, 2000
<b>Denominations</b>	\$5,000
<b>Book-Entry-Only Form</b>	The Depository Trust Company— <b>Pages 3-5</b>
<b>Trustee/Registrar/Paying Agent</b>	Bank One Trust Company, National Association
<b>Bond Counsel</b>	Michael Best & Friedrich LLP
<b>Issuer Contact</b>	Wisconsin Capital Finance Office; (608) 266-2305; <a href="mailto:capfin@doa.state.wi.us">capfin@doa.state.wi.us</a>

The 2000 Series A Bonds were sold at competitive sale on September 12, 2000. The interest rates payable by the State, which are shown below, resulted from the award of the 2000 Series A Bonds.

CUSIP	Year (July 1)	Principal Amount	Interest Rate	First Optional Redemption Date	Call Price
977123 ML9	2012	\$ 9,700,000	5.50%	7/1/2010	100%
977123 MM7	2013	10,200,000	5.50	7/1/2010	100
977123 MN5	2014	10,700,000	5.50	7/1/2010	100
977123 MP0	2015	11,300,000	5.50	7/1/2010	100
977123 MQ8	2016	11,900,000	5.50	7/1/2010	100
977123 MR6	2017	12,500,000	5.50	7/1/2010	100
977123 MS4	2018	13,200,000	5.30	7/1/2010	100
977123 MT2	2019	14,000,000	5.40	7/1/2010	100
977123 MU9	2020	14,700,000	5.40	7/1/2010	100
977123 MV7	2021	15,500,000	5.40	7/1/2010	100

**Purchase Price: \$123,943,723.03**

September 12, 2000

Note: The State has been advised by the Underwriters that they have received a Commitment for Municipal Bond Insurance from Financial Guaranty Insurance Company (FGIC) for the 2000 Series A Bonds maturing July 1, 2013-2017. Further information on this Commitment and the Municipal Bond New Issue Insurance Policy can be obtained from the Underwriters and FGIC.

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

The issuer is the author of this Official Statement and is responsible for its accuracy and completeness. The Underwriters are not the authors of this Official Statement. In accordance with their responsibilities under federal securities laws, the Underwriters are required to review the information in this Official Statement and must have a reasonable basis for their belief in the accuracy and completeness of the Official Statement’s key representations.

## TABLE OF CONTENTS

	Page
<b>STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF THE 2000 SERIES A BONDS</b> .....	ii
<b>SUMMARY DESCRIPTION OF THE 2000 SERIES A BONDS</b> .....	iii
<b>INTRODUCTION</b> .....	1
<b>THE STATE</b> .....	1
<b>THE DEPARTMENT OF TRANSPORTATION</b> .....	2
<b>THE 2000 SERIES A BONDS</b> .....	2
General .....	2
Optional Redemption .....	2
Mandatory Sinking Fund Redemption .....	2
Selection of 2000 Series A Bonds .....	2
Notice of Redemption .....	3
Book-Entry Form .....	3
Transfer of Bonds.....	5
Sources and Applications of Funds .....	5
<b>RATINGS</b> .....	5
<b>SECURITY FOR THE 2000 SERIES A BONDS</b> .....	6
General .....	6
Prior Bonds .....	6
Security .....	7
Reserve Fund .....	7
Additional Bonds.....	8
<b>SUMMARY OF THE GENERAL RESOLUTION</b> .....	8
<b>BORROWING PROGRAM</b> .....	9
<b>UNDERWRITING</b> .....	9
<b>CUSIP NUMBERS, REOFFERING YIELDS AND PRICES</b> .....	9
<b>LEGALITY FOR INVESTMENT</b> .....	10
<b>PENDING LITIGATION</b> .....	10
<b>LEGALITY</b> .....	10
<b>TAX EXEMPTION</b> .....	11
Opinion of Bond Counsel .....	11
Certain Additional Federal Tax Consequences .....	11
State Taxes .....	13
<b>CONTINUING DISCLOSURE</b> .....	13
<b>MISCELLANEOUS</b> .....	14
<b>APPENDIX A -INFORMATION ABOUT THE STATE</b> .....	A-1
<b>APPENDIX B -INFORMATION ABOUT THE TRANSPORTATION REVENUE BOND PROGRAM</b> .....	B-1
<b>APPENDIX C -GLOSSARY</b> .....	C-1
<b>APPENDIX D -FORM OF LEGAL OPINION</b> .....	D-1

# STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF THE 2000 SERIES A BONDS

## BUILDING COMMISSION MEMBERS

### Voting Members

	Term of Office Expires
Governor Tommy G. Thompson, Chairperson	January 6, 2003
Senator Fred A. Risser, Vice-Chairperson	January 8, 2001
Senator Carol Roessler	January 8, 2001
Senator Robert Wirch	January 8, 2001
Representative Timothy Hoven	January 8, 2001
Representative Robert Turner	January 8, 2001
Representative Daniel Vrakas	January 8, 2001
Mr. Bryce Styza, Citizen Member	At the pleasure of the Governor

### Nonvoting, Advisory Members

Mr. George Lightbourn, Secretary Department of Administration	At the pleasure of the Governor
Mr. Adel Tabrizi, State Chief Engineer Department of Administration	_____
Mr. Wilbert King, State Chief Architect Department of Administration	_____

### Building Commission Secretary

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

Mr. Jack C. Voight State Treasurer	January 6, 2003
Mr. James E. Doyle State Attorney General	January 6, 2003
Mr. Terrence D. Mulcahy, P.E., Secretary Department of Transportation	At the pleasure of the Governor

## DEBT MANAGEMENT AND DISCLOSURE

Department of Administration  
Capital Finance Office  
P.O. Box 7864  
101 E. Wilson Street, 10th Floor  
Madison, WI 53707-7864  
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Mr. David R. Erdman  
Capital Finance Officer  
(608) 267-0374  
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## SUMMARY DESCRIPTION OF THE 2000 SERIES A BONDS

*Selected information is presented on this page for the convenience of the user. To make an informed decision regarding the 2000 Series A Bonds, a prospective investor should read the entire Official Statement.*

Description:	State of Wisconsin Transportation Revenue Bonds, 2000 Series A.
Principal Amount:	\$123,700,000
Denominations:	\$5,000 or integral multiples.
Date of Issue:	September 15, 2000
Record Date:	December 15 or June 15.
Interest Payment:	January 1 and July 1, commencing July 1, 2001.
Maturities:	July 1, 2012-2021— <i>See front cover.</i>
Redemption:	<i>Optional</i> —2000 Series A Bonds are subject to optional redemption at par beginning July 1, 2010— <i>See page 2.</i>
Form:	Book-entry— <i>See pages 3-5.</i>
Paying Agent:	All payments of principal and interest on the 2000 Series A Bonds will be made by Bank One Trust Company, National Association. All payments will be made to The Depository Trust Company, which will distribute payments to Beneficial Owners as described herein.
Authority for Issuance:	2000 Series A Bonds are issued under Chapter 18 and Section 84.59 of the Wisconsin Statutes.
Purpose:	2000 Series A Bond proceeds will pay costs of major highway projects and certain transportation facilities and to pay costs of issuance.
Security:	2000 Series A Bonds are first claim revenue obligations payable solely from vehicle Registration Fees and any other pledged Program Income. 2000 Series A Bonds are issued on a parity with the Prior Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution. A Reserve Fund also exists and is funded in an amount equal to the maximum annual interest due on the Outstanding Bonds, which by definition includes the 2000 Series A Bonds— <i>See pages 6-8.</i>
Bond Insurance:	The State has been advised by the Underwriters that they have received a Commitment for Municipal Bond Insurance from Financial Guaranty Insurance Company (FGIC) for the 2000 Series A Bonds maturing July 1, 2013-2017. Further information on this Commitment and the Municipal Bond New Issue Insurance Policy can be obtained from the Underwriters and FGIC.
Prior Bonds and Notes:	As of August 15, 2000, there were \$735,445,000 outstanding Prior Bonds on parity with the 2000 Series A Bonds and \$141,733,000 outstanding Notes subordinate to 2000 Series A Bonds.
Additional Bonds:	The State may issue additional transportation revenue obligations. Additional Bonds may be issued on parity with the Prior Bonds and the 2000 Series A Bonds upon meeting certain conditions— <i>See Page 8.</i>
Legality of Investment:	State law provides that the 2000 Series A Bonds are legal investments for all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all executors, administrators, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Not included in gross income and not an item of tax preference for federal income tax purposes. Subject to State of Wisconsin income and franchise taxes— <i>See pages 11-13.</i>
Legal Opinion:	Validity and tax opinion to be provided by Michael Best & Friedrich LLP— <i>See page D-1.</i>

**OFFICIAL STATEMENT**  
**\$123,700,000**  
**STATE OF WISCONSIN**  
**TRANSPORTATION REVENUE BONDS, 2000 SERIES A**  
**INTRODUCTION**

This Official Statement sets forth information concerning the \$123,700,000 State of Wisconsin Transportation Revenue Bonds, 2000 Series A (**2000 Series A Bonds**), issued by the State of Wisconsin (**State**). This Official Statement includes by reference Parts I, II and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1999 (**1999 Annual Report**).

The 2000 Series A Bonds are issued pursuant to Subchapter II of Chapter 18 of the Wisconsin Statutes, as amended (**Revenue Obligations Act**), Section 84.59 of the Wisconsin Statutes (**Act**), and a General Resolution adopted by the State of Wisconsin Building Commission (**Commission**) on June 26, 1986, as supplemented on March 19, 1998 and August 9, 2000 (**General Resolution**), and a Series Resolution adopted by the Commission on June 28, 2000 (collectively, **Resolution**).

The Commission, an agency of the State, is empowered by law to authorize, issue and sell all debt obligations of the State. The Commission is assisted and staffed by the State of Wisconsin Department of Administration.

In connection with the issuance and sale of the 2000 Series A Bonds, the Commission has authorized the preparation of this Official Statement. This Official Statement describes the terms of and security for the 2000 Series A Bonds. All references to the Resolution, the Revenue Obligations Act and the Act are qualified by reference to such documents, copies of which are available from the Commission. All references to the 2000 Series A Bonds are qualified by reference to the forms thereof and the related information contained in the Resolution. All capitalized terms used in this Official Statement and not otherwise defined shall have the meanings provided for in **APPENDIX C** or the Resolution.

**THE STATE**

The State is located in the Midwest among the northernmost tier of states. The State ranks 18th among the states in population and 26th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State and its financial condition is included as **APPENDIX A**, which includes by reference Part II of the 1999 Annual Report.

Requests for additional information about the State may be directed to:

*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](mailto:capfin@doa.state.wi.us)

## THE DEPARTMENT OF TRANSPORTATION

The State of Wisconsin Department of Transportation (**Department** or **WisDOT**) is the State agency that is involved with all forms of transportation in the State, including the construction and reconstruction of State highways and related transportation facilities and the registration of all motor vehicles.

Information concerning the Department is included as **APPENDIX B** to this Official Statement, which includes by reference Part V of the 1999 Annual Report.

### THE 2000 SERIES A BONDS

#### General

The 2000 Series A Bonds are the thirteenth Series of Bonds to be issued under the General Resolution. The Legislature has authorized the issuance of \$1.447 billion of revenue bonds for this purpose, excluding revenue bonds issued to refund outstanding revenue bonds. To date and including the 2000 Series A Bonds, \$1.303 billion of such bonds have been issued.

The **cover of this Official Statement** sets forth the maturity dates, amounts, and interest rates for the 2000 Series A Bonds.

The 2000 Series A Bonds will be dated September 15, 2000 and will bear interest from that date payable on January 1 and July 1 of each year, beginning on July 1, 2001. Interest on the 2000 Series A Bonds will be computed on the basis of a 30-day month and a 360-day year.

The 2000 Series A Bonds are issued as fully registered bonds without coupons in the principal denominations of \$5,000 or any integral multiples thereof. Principal of and interest on the 2000 Series A Bonds will be payable to the person or entity who is, as of the fifteenth day of the month preceding each Interest Payment Date, the registered owner of record which initially will be The Depository Trust Company, New York, New York (**DTC**) or its nominee.

Bank One Trust Company, National Association is the trustee for the Bonds (**Trustee**). In addition, the Trustee is the registrar (**Registrar**) and paying agent (**Paying Agent**) for the 2000 Series A Bonds.

#### Optional Redemption

The 2000 Series A Bonds shall be subject to optional redemption prior to their stated date of maturity, at the option of the Commission, on July 1, 2010 or on any date thereafter, in whole or in part in integral multiples of \$5,000 at a redemption price equal to par (100%). In the event of partial redemption, the Commission shall direct the maturity or maturities of the 2000 Series A Bonds and the amounts thereof so to be redeemed.

#### Selection of 2000 Series A Bonds

The 2000 Series A Bonds shall be called for redemption in multiples of \$5,000 and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be selected for redemption in part. If the 2000 Series A Bonds are in book-entry form and less than all of a particular maturity are to be redeemed, selection of the ownership interests of Beneficial Owners of the 2000 Series A Bonds affected thereby shall be made solely by DTC, the Direct Participants, and the Indirect Participants in accordance with their then prevailing rules. If the 2000 Series A Bonds are in certificated form and less than all of a particular maturity are to be redeemed, selection shall be by lot.



### **Notice of Redemption**

So long as the 2000 Series A Bonds are in book-entry form, a notice of the redemption of any of said 2000 Series A Bonds shall be sent to the securities depository not less than thirty days or more than sixty days prior to the date of redemption.

In the event that the 2000 Series A Bonds are outstanding in certificated form, a notice of the redemption of any of said 2000 Series A Bonds shall be published at least once not less than thirty days prior to the date of redemption in an Authorized Newspaper and shall be mailed not less than thirty days prior to the date of redemption to the registered owners of any 2000 Series A Bonds to be redeemed, but such mailing shall not be a condition precedent to such redemption and failure to mail any such notice or a defect therein shall not affect the validity of any proceedings for the redemption of the 2000 Series A Bonds. Interest on any 2000 Series A Bond so called for prior redemption shall cease to accrue on the redemption date provided payment thereof has been duly made or provided for.

### **Book-Entry Form**

DTC will act as securities depository for the 2000 Series A Bonds. The 2000 Series A Bonds will be issued as fully registered securities, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond will be issued for each maturity of the 2000 Series A Bonds set forth on **the front cover**, each in the principal amount of such maturity, and deposited with DTC.

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

Purchases of the 2000 Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2000 Series A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2000 Series A Bond (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2000 Series A Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in

the 2000 Series A Bonds, except in the event that use of the book-entry system for the 2000 Series A Bonds is discontinued.

To facilitate subsequent transfers, all 2000 Series A Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the 2000 Series A Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2000 Series A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2000 Series A Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices, if any, shall be sent to Cede & Co. If less than all of the 2000 Series A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the 2000 Series A Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2000 Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2000 Series A Bonds will be made to DTC by the Trustee. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of the State, the Trustee or DTC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2000 Series A Bonds at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

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

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

No assurance can be given by the State or the Trustee that DTC, Direct Participants and Indirect Participants will promptly transfer payments or notices received with respect to the 2000 Series A Bonds. The State and the Trustee assume no liability for the failure of DTC, Direct Participants or Indirect Participants to transfer to the Beneficial Owner payments or notices received with respect to the 2000 Series A Bonds.

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

**Transfer of Bonds**

Any 2000 Series A Bond may be transferred by the person in whose name it is registered, in person or by his duly authorized legal representative, upon surrender of the 2000 Series A Bond to the Registrar for cancellation, together with a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any 2000 Series A Bond is surrendered for transfer, the Registrar shall deliver 2000 Series A Bonds, in like series, aggregate principal amount, interest rate, maturity and with the same letter designation, if any. The Registrar may require the Bondholder requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer and may charge a sum sufficient to pay the cost of preparing such 2000 Series A Bond. The Registrar shall not be obliged to make any transfer or exchange of 2000 Series A Bonds:

- (1) after the fifteenth day of the month preceding an Interest Payment Date on the 2000 Series A Bond,
- (2) fifteen calendar days preceding the date of the mailing of a notice of redemption of 2000 Series A Bonds selected for redemption, or
- (3) after such 2000 Series A Bond has been called for redemption.

**Sources and Applications of Funds**

It is expected that the proceeds of the 2000 Series A Bonds, other than accrued interest, together with certain other available moneys, shall be applied as follows. Investment earnings on unspent 2000 Series A Bond proceeds deposited into the Program Account are not included with the amounts below but will be applied to cost of the Projects.

**Sources**

Principal Amount of the 2000 Series A.....	\$123,700,000
Net Original Issue Premium.....	<u>781,179</u>
Total Sources .....	<u><u>\$124,481,179</u></u>

**Applications**

Deposit to the Program Account to pay	
Costs of the Projects .....	\$123,517,790
Costs of Issuance .....	182,210
Deposit to the Principal and Interest Account.....	243,723
Underwriters Discount .....	<u>537,456</u>
Total Applications.....	<u><u>\$124,481,179</u></u>

**RATINGS**

At the State’s request, several rating agencies have rated the 2000 Series A Bonds:

<i>Rating</i>	<i>Rating Agency</i>
AA	Fitch
Aa3	Moody’s Investors Service, Inc.
AA-	Standard and Poor’s Ratings Services

Any explanation of the significance of a rating may only be obtained from the rating service furnishing that rating. There is no assurance a rating given to the 2000 Series A Bonds will be

maintained for any period of time; a rating may be lowered or withdrawn entirely by the rating service if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may have an adverse effect on the market price of the 2000 Series A Bonds.

## SECURITY FOR THE 2000 SERIES A BONDS

### General

Information concerning the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations Program (**Program**), security for the Bonds, including sources of payment, registered vehicles, past and projected Registration Fees, Registration Fee collection procedures, Reserve Fund, Additional Bonds, the Transportation Projects Commission, and the Department is included as **APPENDIX B**, which includes by reference Part V of the 1999 Annual Report.

### Prior Bonds

The State has previously issued the following Transportation Revenue Bonds:

<u>Bond Issue</u>	<u>Dated Date</u>
Transportation Revenue Bonds, 1986 Series A ( <b>1986 Bonds</b> )	June 15, 1986
Transportation Revenue Bonds, 1988 Series A ( <b>1988 Bonds</b> )	April 15, 1988
Transportation Revenue Bonds, 1989 Series A ( <b>1989 Bonds</b> )	April 15, 1989
Transportation Revenue Bonds, 1991 Series A ( <b>1991 Bonds</b> )	October 1, 1991
Transportation Revenue Bonds, 1992 Series A ( <b>1992 Series A Bonds</b> )	July 1, 1992
Transportation Revenue Bonds, 1992 Series B ( <b>1992 Series C Bonds</b> )	July 1, 1992
Transportation Revenue Bonds, 1993 Series A ( <b>1993 Bonds</b> )	September 1, 1993
Transportation Revenue Bonds, 1994 Series A ( <b>1994 Bonds</b> )	July 1, 1994
Transportation Revenue Bonds, 1995 Series A ( <b>1995 Bonds</b> )	September 1, 1995
Transportation Revenue Bonds, 1996 Series A ( <b>1996 Bonds</b> )	May 15, 1996
Transportation Revenue Bonds, 1998 Series A ( <b>1998 Series A Bonds</b> )	August 15, 1998
Transportation Revenue Bonds, 1998 Series B ( <b>1998 Series B Bonds</b> )	October 1, 1998

The 1986 Bonds and 1988 Bonds were redeemed in full on July 1, 1997 and the 1989 Bonds were redeemed in full on July 1, 1998. As a result, the 1986 Bonds, 1988 Bonds and 1989 Bonds are not Outstanding Bonds within the meaning of the General Resolution. The 1991 Bonds, 1992 Series A Bonds, 1992 Series C Bonds, 1993 Bonds, 1994 Bonds, 1995 Bonds, 1996 Bonds, 1998 Series A Bonds, 1998 Series B Bonds (collectively, **Prior Bonds**) and the 2000 Series A Bonds together with any additional Bonds issued by the State pursuant to the General Resolution are referred to collectively as the **Bonds**.

***The 2000 Series A Bonds are issued on a parity with the Prior Bonds and any additional parity Bonds to be issued by the State pursuant to the General Resolution.***

The State has issued its \$188,600,000 Transportation Revenue Commercial Paper Notes of 1997, Series A (**Notes**). The Notes are issued pursuant to the General Resolution and are subordinate to the pledge granted to the Bonds. On February 16, 2000, the Commission adopted an additional Series Resolution that authorizes the issuance of additional Bonds to pay for the refunding of the Notes. This additional Series Resolution is required pursuant to the terms of a credit agreement by which a syndicate of banks provide a letter of credit for additional security on the Notes. These additional Bonds, when and if issued, will be issued on a parity with the Prior Bonds, the 2000 Series A Bonds, and any additional parity Bonds issued by the State pursuant to the General Resolution, subject to these additional Bonds meeting certain conditions.

## Security

The 2000 Series A Bonds are revenue obligations of the State payable solely from the Redemption Fund created by the General Resolution. The 2000 Series A Bonds, the Prior Bonds, and any additional parity Bonds issued by the State pursuant to the General Resolution, are secured by a first lien pledge of Program Income, the Funds created by the General Resolution and any other Program Income pledged to the payment of interest, principal, and Redemption Price on these 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 pursuant to 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 incurred.

Program Income includes certain vehicle registration fees authorized under Section 341.25 of the Wisconsin Statutes (**Registration Fees**) or any other moneys that the State is authorized to pledge. 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:

- (1) to pay interest on all Outstanding Bonds,
- (2) to pay the principal or Redemption Price of all Outstanding Bonds,
- (3) to maintain the Debt Service Reserve Requirement in the Reserve Fund,
- (4) to pay direct administrative expenses (**Program Expenses**) of the State's program of financing Projects, and
- (5) to pay principal and interest on the Notes.

Program Income in excess of the amount needed for such purposes is to be transferred to the Transportation Fund held by the Department free of the lien of the pledge of the General Resolution and will be used by the Department for any of its authorized purposes.

***The 2000 Series A Bonds shall be revenue obligations of the State payable solely out of the Redemption Fund and each 2000 Series A Bond shall contain on its face a statement to that effect. The State is not generally liable on the 2000 Series A Bonds, and the 2000 Series A Bonds shall not be a debt of the State for any purpose whatsoever.***

The State pledges and agrees with the Bondholders that the State will not limit or alter its powers to fulfill the terms of any agreements (made in the General Resolution or in the Bonds) with the Bondholders, or in any way impair the rights and remedies of the Bondholders until the Bonds, 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, 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 all of the then Outstanding Bonds. Each Series Resolution must set 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 for the Reserve Fund. 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 of Bonds. The Debt Service Reserve Requirement for the 2000 Series A Bonds shall be \$3,535,000.

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.

#### *Surety Bond*

On May 27, 1993 in conjunction with the issuance of the 1993 Series A Transportation Revenue Bonds, the State began funding the Debt Service Reserve Requirement with an irrevocable surety bond issued by Ambac Assurance Corporation (**Ambac Assurance**). In conjunction with the sale of the 1994 Bonds, the 1995 Bonds, and the 1996 Bonds, the surety bond was exchanged for a larger surety bond that funded the Debt Service Reserve Requirement for all the-then Outstanding Bonds.

In conjunction with the delivery of the 2000 Series A Bonds, the State will increase the amount of the surety bond referenced above to include the Debt Service Reserve Requirement for the 2000 Series A Bonds. Ambac Assurance will issue a new surety bond (**Surety Bond**) that reflects this larger amount. The Surety Bond will be in the amount of \$44,010,000, which is the maximum annual interest due on the Outstanding Bonds, which by definition includes the 2000 Series A Bonds. The premium for the Surety Bond is paid-in-full and 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, are paid-in-full. As of the date of this Official Statement, July 1, 2022 is the latest maturity date of the Outstanding Bonds. See **APPENDIX B** for information on Ambac Assurance. Ambac Assurance makes no representation regarding the 2000 Series A Bonds or the advisability of investing in the 2000 Series A Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented in **APPENDIX B**.

#### **Additional Bonds**

The General Resolution authorizes the issuance of additional Bonds for the purpose of paying the costs of Projects and to refund 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 (1) any Bond canceled by the Trustee, or proven to the satisfaction of the Trustee to have been canceled by the Registrar, (2) any Bond deemed to have been defeased pursuant to the General Resolution and (3) 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.

### **SUMMARY OF THE GENERAL RESOLUTION**

A summary of the General Resolution is included as **APPENDIX B**, which includes by reference Part V of the 1999 Annual Report.

## **BORROWING PROGRAM**

The sale of the 2000 Series A Bonds is the first issuance of transportation revenue bonds in calendar year 2000. The 2000 Series A Bonds are being issued pursuant to \$200 million of authority that the Commission approved on June 28, 2000. The remaining amount of authorization is expected to be issued in the fourth quarter of this calendar year. This remaining authorization may be issued as variable-rate obligations such as extendible municipal commercial paper, which may require additional authorization from the Commission.

The State has also authorized the issuance of additional Bonds in an amount not to exceed \$188 million for the refunding of outstanding Notes. This authorization is required pursuant to a credit agreement with banks providing a letter of credit for security on the Notes. These additional Bonds, when and if issued, will be issued on a parity with the Prior Bonds, the 2000 Series A Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution, subject to these additional Bonds meeting certain conditions.

## **UNDERWRITING**

The 2000 Series A Bonds were purchased at competitive bidding on September 12, 2000 by the following account (**Underwriters**): Morgan Stanley & Co., Incorporated (book running manager), J.P. Morgan Securities Inc., Lehman Brothers, Banc of America Securities LLC, Advest, Inc., A.G. Edwards & Sons, Inc., Ferris, Baker Watts Inc., Griffin, Kubik, Stephens & Thompson, Inc., Charles Schwab, and Wachovia Securities, Inc.

The Underwriters paid \$123,943,723.03, resulting in a true interest cost rate to the State of 5.416586%.

## **CUSIP NUMBERS, REOFFERING YIELDS AND PRICES**

The tables appearing **on the cover** and below include information about the 2000 Series A Bonds. The CUSIP number for each maturity has been obtained from sources believed to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The reoffering yields and prices have been provided by the Underwriters in order to allow the computation of yield for federal tax law compliance. The reoffering prices have been calculated to the lower of maturity or call.

**\$123,700,000**  
**State of Wisconsin**  
**Transportation Revenue Bonds, 2000 Series A**

**Dated Date: September 15, 2000**  
**First Interest Date: July 1, 2001**  
**Closing/Settlement Date: September 27, 2000**

<b>CUSIP</b>	<b>Year (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield at Issuance</b>	<b>Price at Issuance</b>	<b>First Optional Redemption Date</b>	<b>Call Price</b>
977123 ML9	2012	\$ 9,700,000	5.50%	5.01%	103.738% <sup>(b)</sup>	7/1/2010	100%
977123 MM7	2013 <sup>(a)</sup>	10,200,000	5.50	5.08	103.192 <sup>(b)</sup>	7/1/2010	100
977123 MN5	2014 <sup>(a)</sup>	10,700,000	5.50	5.18	102.418 <sup>(b)</sup>	7/1/2010	100
977123 MP0	2015 <sup>(a)</sup>	11,300,000	5.50	5.25	101.881 <sup>(b)</sup>	7/1/2010	100
977123 MQ8	2016 <sup>(a)</sup>	11,900,000	5.50	5.32	101.347 <sup>(b)</sup>	7/1/2010	100
977123 MR6	2017 <sup>(a)</sup>	12,500,000	5.50	5.36	101.044 <sup>(b)</sup>	7/1/2010	100
977123 MS4	2018	13,200,000	5.30	5.42	98.633	7/1/2010	100
977123 MT2	2019	14,000,000	5.40	5.46	99.292	7/1/2010	100
977123 MU9	2020	14,700,000	5.40	5.49	98.913	7/1/2010	100
977123 MV7	2021	15,500,000	5.40	5.52	98.518	7/1/2010	100

<sup>(a)</sup> Note: The State has been advised by the Underwriters that they have received a Commitment for Municipal Bond Insurance from Financial Guaranty Insurance Company (FGIC) for the 2000 Series A Bonds maturing July 1, 2013-2017. Further information on this Commitment and the Municipal Bond New Issue Insurance Policy can be obtained from the Underwriters and FGIC.

<sup>(b)</sup> These bonds are priced to the July 1, 2010 call date.

## LEGALITY FOR INVESTMENT

State law provides that the 2000 Series A Bonds are legal investments for the following:

- banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business.
- executors, administrators, guardians, trustees, and other fiduciaries.
- the State and all public officers, municipal corporations, political subdivisions, and public bodies.

## PENDING LITIGATION

The State, its officers and employees, are defendants in numerous lawsuits. It is the opinion of the State Attorney General that the pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgement against the State which would materially affect the payment of interest, principal or Redemption Price on the 2000 Series A Bonds. There is no litigation of any nature now pending or, to the knowledge of the State, threatened, restraining or enjoining the issuance, sale, execution or delivery of the 2000 Series A Bonds, or in any way contesting or affecting the validity of the 2000 Series A Bonds or any proceedings of the State taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the 2000 Series A Bonds, the existence of the Department or its power to charge and collect Registration Fees and pledge them for the payment of the 2000 Series A Bonds.



## LEGALITY

All legal matters incident to the authorization, issuance and delivery of the 2000 Series A Bonds are subject to the opinion of Michael Best & Friedrich LLP (**Bond Counsel**).

As required by law, the Attorney General of the State of Wisconsin will examine a certified copy of all proceedings preliminary to issuance of the 2000 Series A Bonds to determine the regularity and validity of such proceedings. In the event certificated 2000 Series A Bonds are issued, the certificate of the Attorney General will be printed on the reverse side of each 2000 Series A Bond.

## TAX EXEMPTION

### Opinion of Bond Counsel

Michael Best & Friedrich LLP will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the 2000 Series A Bonds under existing law, substantially in the form set forth in **APPENDIX D**.

The State has covenanted to comply with all such requirements referenced in the legal opinion to the extent it may lawfully do so. However, the proceedings authorizing the 2000 Series A Bonds do not provide for an increase in interest rates in the event of taxability or in the event of the inclusion of interest as an item of tax preference in computing the alternative minimum tax.

Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the 2000 Series A Bonds.

### Certain Additional Federal Tax Consequences

#### *General*

The following is a discussion of certain federal income tax matters under existing statutes. It is for general information only and does not purport to deal with all aspects of federal taxation that may be relevant to particular owners of the 2000 Series A Bonds. Prospective investors, particularly those who may be subject to special tax rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2000 Series A Bonds, as well as any tax consequences arising under the laws of any foreign state or other taxing jurisdiction.

#### *Alternative Minimum Tax*

The Internal Revenue Code of 1986 (**Code**) imposes an alternative minimum tax with respect to individuals and corporations on alternative minimum taxable income. Interest on the 2000 Series A Bonds is not treated as a preference item in calculating alternative minimum taxable income. The Code provides, however, that a portion of the adjusted current earnings of certain corporations not otherwise included in the alternative minimum tax base will be included for purposes of calculating alternative minimum taxable income. The adjusted current earnings of a corporation will include the amount of any income received that is otherwise exempt from taxes.

#### *Social Security and Railroad Retirement Payments*

The Code provides that interest on tax-exempt obligations is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement payments is to be included in taxable income of individuals.

### *Branch Profits Tax*

The Code provides that interest on tax-exempt obligations is included in effectively connected earnings and profits for purposes of computing the branch profits tax on certain foreign corporations doing business in the United States.

### *Borrowed Funds*

The Code provides that interest paid on borrowed funds to purchase or carry tax-exempt obligations during a tax year is not deductible. In addition, under rules used by the Internal Revenue Service for determining when borrowed funds are considered used for the purpose of purchasing or carrying particular assets, the purchase of obligations may be considered to have been made with borrowed funds even though the borrowed funds are not directly traceable to the purchase of such obligations.

### *Financial Institutions*

The Code provides that commercial banks, thrift institutions and other financial institutions may not deduct their cost of carrying certain obligations (other than certain “qualified” obligations). The 2000 Series A Bonds are not “qualified” obligations for this purpose.

### *Property and Casualty Companies*

The Code contains provisions relating to property and casualty companies whereunder the amount of certain cost deductions otherwise allowed is reduced (in certain cases below zero) by a specified percentage of, among other things, interest on tax-exempt obligations.

### *S Corporations*

The Code imposes a tax on excess net passive income of certain S corporations that have subchapter C earnings and profits. Passive investments include interest on tax-exempt obligations.

### *Original Issue Discount*

The 2000 Series A Bonds maturing on July 1, 2018-2021 (**Discount Bonds**) are being sold subject to original issue discount. The original issue discount is the excess of the stated redemption price at maturity of the Discount Bond over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the Discount Bonds were sold. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Discount Bond who acquires the Discount Bond in this offering during any accrual period generally equals (1) the issue price of the Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity of the Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (3) any interest payable on the Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner’s tax basis in the Discount Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of a Discount Bond would be treated as gain from the sale or exchange of the Discount Bond.

### *Original Issue Premium*

The 2000 Series A Bonds maturing on July 1, 2012-2017 are being sold at an amount in excess of the amount payable on maturity. Such excess constitutes bond premium under Section 171 of the

Code. Under Section 171 of the Code, amortizable bond premium on a 2000 Series A Bond is determined on a constant yield basis (except to the extent regulations may provide otherwise) over the term of the 2000 Series A Bond. No deduction from the income of an owner of a 2000 Series A Bond is allowed with respect to the amount of amortizable bond premium. The basis of each 2000 Series A Bond will be reduced by the amount of amortizable bond premium for a taxable year required to be taken into account by an owner.

### **State Taxes**

Interest on the 2000 Series A Bonds is not exempt from present Wisconsin income or franchise taxes. Investors should consult their own tax advisors with respect to the state and local tax consequences of owning a 2000 Series A Bond.

## **CONTINUING DISCLOSURE**

The State has made an undertaking, for the benefit of the beneficial owners of the 2000 Series A Bonds, to provide an annual report, providing certain financial information and operating data relating to the State, not later than 180 days following the close of the State's fiscal year (**Annual Reports**), to each nationally recognized municipal securities information repository (**NRMSIR**) and to the state information depository (**SID**), if any, and to provide notices of occurrence of certain events specified in the Rule to each NRMSIR or the Municipal Securities Rulemaking Board (**MSRB**) and the SID, if any. As of the date of this Official Statement, no SID has been established. Part I of the 1999 Annual Report, which contains information on the undertaking, is included by reference as part of this Official Statement.

Copies of the Annual Reports and notices may be obtained from:

State of Wisconsin Capital Finance Office  
Department of Administration  
101 East Wilson Street  
P.O. Box 7864  
Madison, WI 53707-7864  
[capfin@doa.state.wi.us](mailto:capfin@doa.state.wi.us)

The undertaking also describes the consequences of any failure to provide the required information. The undertaking requires that a failure to provide the required information must be reported to the NRMSIRs or the MSRB, and to any SID. In the last five years, there has been no failure to comply in any material respect with a similar undertaking by the State.

## MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Material referred to in this Official Statement is not part of this Official Statement unless expressly included by reference. This Official Statement is not to be construed as a contract or agreement between the State, the Department and the purchasers or holders of any of the 2000 Series A Bonds. Additional information, including copies of the Resolution and other documents, may be obtained from the Commission.

Dated: September 12, 2000

## STATE OF WISCONSIN

By: /s/ Tommy G. Thompson  
Governor Tommy G. Thompson, Chairperson  
State of Wisconsin Building Commission

By: /s/ Robert Brandherm  
Robert Brandherm, Secretary  
State of Wisconsin Building Commission

By: /s/ Terrence D. Mulcahy, P.E.  
Terrence D. Mulcahy, P.E., Secretary  
State of Wisconsin Department of Transportation

## **APPENDIX A**

### **INFORMATION ABOUT THE STATE**

This appendix includes information concerning the State of Wisconsin (**State**). Part II of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1999 (**1999 Annual Report**) is included by reference as part of this APPENDIX A.

Part II to the 1999 Annual Report contains general information about the State. More specifically, that part presents information on the following matters:

- State's operations and financial procedures
- State's accounting and financial reporting
- Organization and description of services provided by the State
- Results of fiscal year 1998-99
- State budget
- Obligations of the State
- State Investment Board
- Statistical information about the State's population, income and employment

Included as APPENDIX A to Part II are the audited general purpose financial statements for the fiscal year ending June 30, 1999, prepared in conformity with generally accepted accounting principles (**GAAP**) for governments as prescribed by the Government Accounting Standards Board, and the State Auditor's report.

The 1999 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**). Copies of the 1999 Annual Report may also be obtained from:

State of Wisconsin Capital Finance Office  
Department of Administration  
101 East Wilson Street  
P.O. Box 7864  
Madison, WI 53707-7864  
(608) 266-2305  
[capfin@doa.state.wi.us](mailto:capfin@doa.state.wi.us)

After publication and filing of the 1999 Annual Report, certain changes or events have occurred that affect items discussed in the 1999 Annual Report. Listed below, by reference to particular sections of the 1999 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes have not been filed with the NRMSIRs. However, the State has filed, and expects to continue to file, certain informational notices with the NRMSIRs. These informational notices do not constitute listed material events under the State's Master Agreement on Continuing Disclosure.

#### **State Budget; Budget for 1999-2001 (pages 34-36).**

The following are updates to Tables II-4 (page 34), II-5 (page 35), and II-6 (page 36) from the 1999 Annual Report. These tables have been updated to reflect all acts passed by the Legislature through May 30, 2000 and signed into law. The Legislature is not currently in session and the next scheduled session is January 3, 2001. The following updated tables reflect the revised

general-fund estimates provided on January 24, 2000 by the Legislative Fiscal Bureau. The Joint Committee on Finance approved schedules relating the following updates on July 12, 2000.

The 1999-2000 fiscal year ended June 30, 2000. The Annual Fiscal Report (Budgetary Basis) is required to be published no later than October 15. The State's centralized accounting records remain open until July 31 (August 15 for income, sales, and use tax receipts) to permit the State departments to record revenues and expenditures applicable to the 1999-2000 fiscal year ended June 30, 2000. The following updates to Tables II-4, II-5, and II-6 of the 1999 Annual Report are not intended to be a general-fund condition statement or an estimate of the June 30, 2000 general-fund balance.

**Table II-4; Summary of 1999-2001 Budget (Page 34):**

<b>Summary of 1999-2001 Budget</b>		
<b>All-Funds Basis</b>		
<b>(Amounts in Millions)</b>		
	<b><u>1999-2000</u></b>	<b><u>2000-2001</u></b>
Beginning Balance	\$ 701	\$ 659
Tax Revenues	10,793	10,281
Nontax Revenues	<u>17,582</u>	<u>17,498</u>
Total Amount Available	\$ 29,077	\$ 28,438
Total Disbursements/Reserves	\$ 28,532	\$ 28,389
Estimated Balance	\$ 545	\$ 49
Statutory Required Balance	<u>114</u>	<u>134</u>
Undesignated Balance	\$ 659	\$ 184
<b>General-Funds Basis</b>		
<b>(Amounts in Millions)</b>		
	<b><u>1999-2000</u></b>	<b><u>2000-2001</u></b>
Beginning Balance	\$ 701	\$ 659
Tax Revenues	10,793	10,281
Nontax Revenues	<u>7,604</u>	<u>7,172</u>
Total Amount Available	\$ 19,098	\$ 18,112
Total Disbursements/Reserves	\$ 18,553	\$ 18,063
Estimated Balance	\$ 545	\$ 49
Statutory Required Balance	<u>114</u>	<u>134</u>
Undesignated Balance	\$ 659	\$ 184

**Table II-5; State Budget–All Funds (Page 35):**

**State Budget–All Funds<sup>(a)</sup>**

	Actual <sup>(b)</sup> 1998-99	Budget 1998-99	Budget 1999-2000	Budget 2000-2001
<b>RECEIPTS</b>				
Fund Balance from Prior Year.....	\$ 552,311,000	\$ 352,243,400	\$ 701,293,000	\$ 658,784,800
Tax Revenue				
Individual Income.....	5,162,239,000	5,052,400,000	5,825,000,000	5,158,800,000 <sup>(c)</sup>
General Sales and Use.....	3,284,695,000	3,134,030,000	3,500,000,000	3,710,000,000
Corporate Franchise and Income.....	635,203,000	654,700,000	660,000,000	658,300,000 <sup>(d)</sup>
Public Utility.....	287,085,000	272,600,000	250,000,000	220,000,000 <sup>(e)</sup>
Excise				
Cigarette/Tobacco Products.....	266,817,000	268,900,000	258,000,000	255,200,000 <sup>(f)</sup>
Liquor and Wine.....	32,941,000	32,300,000	33,000,000	33,500,000
Malt Beverage.....	9,163,000	9,500,000	9,300,000	9,300,000
Inheritance, Estate & Gift.....	116,898,000	55,000,000	95,000,000	75,000,000 <sup>(g)</sup>
Insurance Company.....	97,045,000	95,000,000	105,000,000	100,000,000
Other.....	1,089,833,000 <sup>(h)</sup>	88,237,500 <sup>(h)</sup>	58,000,000 <sup>(h)</sup>	61,000,000 <sup>(h)</sup>
Subtotal.....	<u>10,981,919,000</u>	<u>9,662,667,500</u>	<u>10,793,300,000</u>	<u>10,281,100,000</u>
Nontax Revenue				
Departmental Revenue.....	\$ 158,390,000	\$ 151,226,600	\$ 260,087,900	\$ 190,946,100
Tobacco Settlement.....	NA	NA	167,886,100	124,763,700
Total Federal Aids.....	3,774,415,000	4,339,196,600	5,085,572,200	4,703,374,700
Total Program Revenue.....	2,358,405,000	2,353,325,400	2,658,535,300	2,734,917,200
Total Segregated Funds.....	3,542,902,000	2,229,010,500	2,275,967,300	2,292,791,500
Fund Transfers In.....	NA	NA	64,000,000	NA
Bond Authority.....	490,003,000	430,000,000	458,000,000	400,000,000
Employee Benefit Contributions <sup>(i)</sup> .....	6,794,183,000	4,840,878,164	6,612,282,700	7,051,394,300
Subtotal.....	<u>17,118,298,000</u>	<u>14,343,637,264</u>	<u>17,582,331,500</u>	<u>17,498,187,500</u>
Total Available.....	<u>\$ 28,652,528,000</u>	<u>\$ 24,358,548,164</u>	<u>\$ 29,076,924,500</u>	<u>\$ 28,438,072,300</u>
<b>DISBURSEMENTS AND RESERVES</b>				
Commerce.....	\$ 367,656,000	\$ 390,029,300	\$ 418,915,100	\$ 415,866,300
Education.....	7,537,266,000	7,332,883,400	7,860,268,900	8,223,303,400
Environmental Resources.....	2,494,198,000	2,183,076,800	2,493,567,700	2,437,927,900
Human Relations and Resources.....	6,579,235,000	6,120,171,500	6,850,265,900	6,733,347,000
General Executive.....	3,283,685,000	613,160,900	673,415,700	669,656,800
Judicial.....	95,431,000	90,209,800	104,156,900	104,709,200
Legislative.....	58,081,000	55,994,700	60,511,900	59,086,500
General Appropriations.....	2,547,602,000	2,012,329,700	2,891,183,500	2,163,488,700
General Obligation Bond Program.....	401,345,000	430,000,000	458,000,000	400,000,000
Employee Benefit Payments <sup>(i)</sup> .....	1,934,678,000	2,019,386,350	2,504,993,800	2,695,311,400
Reserve for Employee Benefit Payments <sup>(i)</sup> .....	4,859,505,000	2,821,491,814	4,107,288,900	4,356,082,900
Subtotal.....	<u>30,158,682,000</u>	<u>24,068,734,264</u>	<u>28,422,568,300</u>	<u>28,258,780,100</u>
Less: (Lapses).....	NA	(60,255,000)	(84,028,600)	(122,124,800)
Compensation Reserves.....	NA	66,338,400	56,100,000	117,750,000
Required Statutory Balance.....	NA	99,426,600	113,883,100	134,328,600
Fund Transfers Out.....	NA	166,108,600	23,500,000	NA
Other.....	NA	NA	NA	NA
Change in Continuing Balance.....	(2,218,980,000)	NA	NA	NA
Total Disbursements & Reserves.....	<u>\$ 27,939,702,000</u>	<u>\$ 24,340,352,864</u>	<u>\$ 28,532,022,800</u>	<u>\$ 28,388,733,900</u>
Fund Balance.....	\$ 712,826,000	\$ 18,195,300	\$ 544,901,700	\$ 49,338,400
Undesignated Balance.....	\$ 701,293,000	\$ 117,621,900	\$ 658,784,800	\$ 183,667,000

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

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

(c) The decrease results from budgeted tax reductions becoming effective.

(d) The decrease results from budgeted tax changes that produce one-time effects in the first fiscal year.

(e) The decrease results from the continued effect of prior years' tax changes.

(f) The decrease results from an anticipated decline in consumption.

(g) The decrease results from an expected one-time collection in the 1999-2000 fiscal year.

(h) The budgets do not include taxes collected for segregated funds. The largest such tax is the motor fuel tax. The State collected \$797 million of motor fuel taxes in the 1998-99 fiscal year. The 1998-99 fiscal year includes revenues collected from a tax amnesty program.

(i) State law separates the accounting of employee benefits from the budget. They are included for purposes of comparability to the figures presented in this table and Tables II-1 and II-2 in the 1999 Annual Report.

Source: Wisconsin Department of Administration.

**Table II-6; State Budget–General Fund (Page 36):**

**State Budget–General Fund<sup>(a)</sup>**

	Actual <sup>(b)</sup> 1998-99	Budget 1998-99	Budget 1999-2000	Budget 2000-2001
<b>RECEIPTS</b>				
Fund Balance from Prior Year.....	\$ 552,311,000	\$ 352,243,400	\$ 701,293,000	\$ 658,784,800
<b>Tax Revenue</b>				
<b>State Taxes Deposited to General Fund</b>				
Individual Income.....	5,162,239,000	5,052,400,000	5,825,000,000	5,158,800,000 <sup>(c)</sup>
General Sales and Use.....	3,284,695,000	3,134,030,000	3,500,000,000	3,710,000,000
Corporate Franchise and Income.....	635,203,000	654,700,000	660,000,000	658,300,000 <sup>(d)</sup>
Public Utility.....	287,085,000	272,600,000	250,000,000	220,000,000 <sup>(e)</sup>
<b>Excise</b>				
Cigarette/Tobacco Products.....	266,817,000	268,900,000	258,000,000	255,200,000 <sup>(f)</sup>
Liquor and Wine.....	32,941,000	32,300,000	33,000,000	33,500,000
Malt Beverage.....	9,163,000	9,500,000	9,300,000	9,300,000
Inheritance, Estate & Gift.....	116,898,000	55,000,000	95,000,000	75,000,000 <sup>(g)</sup>
Insurance Company.....	97,045,000	95,000,000	105,000,000	100,000,000
Other.....	69,243,000 <sup>(h)</sup>	88,237,500 <sup>(h)</sup>	58,000,000	61,000,000
Subtotal.....	9,961,329,000	9,662,667,500	10,793,300,000	10,281,100,000
<b>Nontax Revenue</b>				
Departmental Revenue.....	158,390,000	151,226,600	\$ 260,087,900	\$ 190,946,100
Tobacco Settlement.....	NA	NA	167,886,100	124,763,700
Program Revenue-Federal.....	3,774,415,000	3,929,984,000	4,453,148,300	4,121,351,700
Program Revenue-Other.....	2,358,405,000	2,353,325,400	2,658,535,300	2,734,917,200
Fund Transfers In.....	NA	NA	64,000,000	NA
Subtotal.....	6,291,210,000	6,434,536,000	7,603,657,600	7,171,978,700
Total Available.....	\$ 16,804,850,000	\$ 16,449,446,900	\$ 19,098,250,600	\$ 18,111,863,500
<b>DISBURSEMENTS AND RESERVES</b>				
Commerce.....	\$ 199,054,000	\$ 195,817,600	218,959,300	220,214,600
Education.....	7,228,129,000	7,185,455,400	7,798,220,600	8,163,838,300
Environmental Resources.....	244,061,000	239,024,700	261,344,100	259,939,200
Human Relations and Resources.....	5,829,545,000	6,013,539,700	6,684,959,800	6,541,581,500
General Executive.....	523,088,000	533,306,400	634,410,900	569,934,100
Judicial.....	95,074,000	89,565,900	103,499,100	104,051,400
Legislative.....	58,081,000	55,994,700	60,511,900	59,086,500
General Appropriations.....	1,921,555,000	1,846,928,600	2,681,988,700	2,013,925,700
Subtotal.....	16,098,587,000	16,159,633,000	18,443,894,400	17,932,571,300
Less: (Lapses).....	NA	(60,255,000)	(84,028,600)	(122,124,800)
Compensation Reserves.....	NA	66,338,400	56,100,000	117,750,000
Required Statutory Balance.....	NA	99,426,600	113,883,100	134,328,600
Fund Transfers Out.....	NA	166,108,600	23,500,000	NA
Other.....	NA	NA	0	NA
Changes in Continuing Balance.....	(6,563,000)	NA	NA	NA
Total Disbursements & Reserves.....	\$ 16,092,024,000	\$ 16,431,251,600	\$ 18,553,348,900	\$ 18,062,525,100
Fund Balance.....	\$ 712,826,000	\$ 18,195,300	\$ 544,901,700	\$ 49,338,400
Undesignated Balance.....	\$ 701,293,000	\$ 117,621,900	\$ 658,784,800	\$ 183,667,000

- (a) The amounts shown are based on statutorily required accounting and not on GAAP.
- (b) The amounts shown are unaudited and rounded to the nearest thousand.
- (c) The decrease results from budgeted tax reductions becoming effective.
- (d) The decrease results from budgeted tax changes that produce one-time effects in the first fiscal year.
- (e) The decrease results from the continued effect of prior years' tax changes.
- (f) The decrease results from an anticipated decline in consumption.
- (g) The decrease results from an expected one-time collection in the 1999-2000 fiscal year.
- (h) The 1998-99 fiscal year information include revenues collected from a tax amnesty program.

Source: Wisconsin Department of Administration.



**Potential Effect of Litigation; Assessment of Taxes for Railroads (page 37).** Amend with the following:

The Wisconsin Court of Appeals decided against the State in this case. The State currently expects that it will incur a liability of approximately \$22 million. This liability will be payable from the Transportation Fund, with interest calculated from November 1995, unless this case is reversed. The State appealed the case to the Wisconsin Supreme Court, and the case has been accepted for review.

**Table II-9; General Fund Monthly Position (Page 45).** Replace the table with the following:

<b>GENERAL FUND MONTHLY CASH POSITION</b>					
<b>July 1, 1998 through May 31, 2000 — Actual</b>					
<b>June 1, 2000 through June 30, 2001 — Estimated<sup>(a)</sup></b>					
<b>(Amounts in Thousands)</b>					
	<b>Starting Date</b>	<b>Starting Balance</b>	<b>Receipts<sup>(b)</sup></b>	<b>Disbursements<sup>(b)</sup></b>	
1998	July.....	442,704	1,641,655	1,750,960	
	August.....	333,399	1,200,704	803,188	
	September.....	730,915	1,607,957	1,283,254	
	October.....	1,055,618	1,267,513	1,035,960	
	November.....	1,287,171	1,408,782	1,619,285	
	December.....	1,076,668	1,333,433	1,878,358	
	1999	January.....	531,743	1,745,237	953,828
		February.....	1,323,152	1,267,106	1,107,154
		March.....	1,483,104	1,491,320	2,232,696
		April.....	741,728	1,648,520	1,185,032
		May.....	1,205,216	1,488,763	1,027,762
		June.....	1,666,217	1,541,035	2,470,983
July.....		736,269	1,441,009	1,836,987	
August.....		340,291	1,308,849	868,154	
September.....		780,986	1,547,229	1,292,942	
October.....		1,035,273	1,331,192	1,031,907	
November.....		1,334,558	1,433,801	1,794,197	
December.....		974,162	1,449,618	1,987,753	
2000	January.....	436,027	2,095,798	1,693,313	
	February.....	838,512	1,544,207	1,240,280	
	March.....	1,142,439	1,526,625	2,143,437	
	April.....	525,627	1,812,812	1,174,173	
	May.....	1,164,266	1,580,865	1,172,474	
	June.....	1,572,657	1,910,223	2,811,272	
	July.....	671,608	1,403,915	1,674,821	
	August.....	400,702	1,260,694	972,599	
	September.....	688,797	1,732,407	1,493,145	
	October.....	928,059	1,442,746	1,004,832	
	November.....	1,365,973	1,405,528	1,961,006	
	December.....	810,495	1,429,600	2,001,249	
2001	January.....	238,846	1,938,983	1,196,484	
	February.....	981,345	1,387,251	1,231,144	
	March.....	1,137,452	1,550,026	2,431,709	
	April.....	255,769	1,766,265	1,062,602	
	May.....	959,432	1,480,357	1,291,507	
	June.....	1,148,282	1,738,399	2,669,628	

<sup>(a)</sup> The monthly receipt and disbursement projections for June 1, 2000 through June 30, 2001 are based on estimates provided by the Division of Executive Budget and Finance.

<sup>(b)</sup> The receipt amounts shown in July 1998 include the proceeds received at closing for operating notes. See "OTHER OBLIGATIONS; Operating Notes" in Part II of the 1999 Annual Report. The disbursement amounts shown for February, March, April and May 1999 include impoundment payments required in connection with the operating notes. No operating notes were issued in the 1999-2000 fiscal year and, as of the date of this Official Statement, no operating notes have been issued in the 2000-2001 fiscal year.

**Source: Wisconsin Department of Administration.**

**Table II-11; Revenues Deposited to the General Fund (Page 47).** Replace the table with the following:

**REVENUES DEPOSITED TO THE GENERAL FUND<sup>(a)</sup>**  
**July 1, 1999 to May 31, 2000 compared with previous year**  
**(Unaudited)**

	<b>Actual Receipts</b>	<b>Projected</b>	<b>Actual Receipts</b>	<b>Actual Receipts</b>
	<b>1998-99 FY<sup>(b)</sup></b>	<b>Receipts</b>	<b>July 1, 1998 to</b>	<b>July 1, 1999 to</b>
		<b>1999-2000 FY</b>	<b>May 31, 1999</b>	<b>May 31, 2000</b>
Individual Income Tax .....	\$ 5,162,239,000	\$ 5,795,065,000	\$ 4,444,978,990	\$ 4,963,033,926
General Sales and Use Tax ....	3,284,695,000	3,443,143,500	2,655,993,704	2,844,412,621
Corporate Franchise and Income Tax .....	635,203,000	645,703,200	502,662,412	514,152,166
Public Utility Taxes .....	287,085,000	244,105,000	138,613,384	258,654,955
Excise Taxes .....	308,921,000	289,875,000	255,079,195	248,282,088
Inheritance Taxes .....	116,898,000	90,000,000	112,230,607	127,789,524
Miscellaneous Taxes .....	166,288,000	140,113,400	145,944,944	136,280,844
SUBTOTAL.....	<u>9,961,329,000</u>	<u>10,648,005,100</u>	<u>8,255,503,236</u>	<u>9,092,606,124</u>
Federal Receipts.....	3,774,415,000	4,454,261,000	3,438,982,903	3,673,478,390
Dedicated and Other Revenues <sup>(c)</sup> .....	<u>2,516,795,000</u>	<u>3,152,112,400</u>	<u>2,487,133,951</u> <sup>(d)</sup>	<u>2,815,545,266</u> <sup>(d)</sup>
TOTAL.....	<u>\$16,252,539,000</u>	<u>\$18,254,378,500</u>	<u>\$ 14,181,620,090</u>	<u>\$ 15,581,629,780</u>

- (a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "ACCOUNTING AND FINANCIAL REPORTING" in Part II of the 1999 Annual Report.
- (b) The amounts shown are the sum of all revenues for fiscal year 1998-99 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1999.
- (c) The statutory basis of accounting requires that certain transfers between General Fund appropriations be recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (d) The amounts shown do not reflect receipt of \$350 million principal amount in fiscal year 1998-99 from the sale of operating notes. No operating notes were issued in the 1999-2000 fiscal year.

**Source: Wisconsin Department of Administration.**

**Table II-12; General Fund Expenditures by Function (Page 48).** Replace the table with the following:

**GENERAL FUND EXPENDITURES BY FUNCTION<sup>(a)</sup>  
July 1, 1999 to May 31, 2000 compared with previous year  
(Unaudited)**

	Actual Expenditures <u>1998-99 FY<sup>(b)</sup></u>	Appropriations <u>1999-2000 FY</u>	Actual Expenditures July 1, 1998 to <u>May 31, 1999</u>	Actual Expenditures July 1, 1999 to <u>May 31, 2000</u>
Commerce.....	\$ 199,054,000	\$ 216,422,000	\$ 167,958,797	\$ 175,558,933
Education.....	7,228,129,000	7,795,022,700	5,644,594,824	6,062,377,516
Environmental Resources.....	244,061,000	258,472,200	229,178,449	251,106,629
Human Relations & Resources.....	5,829,545,000	6,676,189,200	5,190,495,013	5,540,448,818
General Executive.....	523,088,000	633,904,200	466,226,121	576,695,727
Judicial.....	95,074,000	100,584,600	86,622,679	92,705,490
Legislative.....	58,081,000	60,239,300	48,939,276	51,525,414
General Appropriations.....	<u>1,921,555,000</u>	<u>2,673,104,200</u>	<u>1,724,864,974</u>	<u>2,497,615,610</u>
TOTAL.....	<u>\$ 16,098,587,000</u>	<u>\$ 18,413,938,400</u>	<u>\$ 13,558,880,133</u>	<u>\$ 15,248,034,137</u>

(a) The amounts shown are based on the statutory accounting basis and not on GAAP. See "ACCOUNTING AND FINANCIAL REPORTING" in Part II of the 1999 Annual Report.

(b) The amounts shown are the sum of all expenditures for fiscal year 1998-99 based on the data used in the preparation of the Annual Fiscal Report, Budgetary Basis, for the year ending June 30, 1999.

**Source: Wisconsin Department of Administration.**

## APPENDIX B

### INFORMATION ABOUT THE TRANSPORTATION REVENUE BOND PROGRAM

This Appendix includes information concerning the State of Wisconsin Transportation Revenue Bond Program. Part V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 23, 1999 (**1999 Annual Report**) is included by reference as part of this APPENDIX B.

Part V to the 1999 Annual Report contains information concerning the Transportation Revenue Bond Program, security for the Bonds, including sources of payment, Registration Fees, Registration Fee collection procedures, Reserve Fund and additional Bonds, the Transportation Projects Commission, the Wisconsin Department of Transportation, and a summary of the General Resolution.

Included as APPENDIX A to Part V are the audited financial statements for the Transportation Revenue Bond Program for the fiscal year ending June 30, 1999.

The 1999 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**). Copies of the 1999 Annual Report may also be obtained from:

State of Wisconsin Capital Finance Office  
Department of Administration  
101 East Wilson Street  
P.O. Box 7864  
Madison, WI 53707-7864  
(608) 266-2305  
[capfin@doa.state.wi.us](mailto:capfin@doa.state.wi.us)

After publication and filing of the 1999 Annual Report, certain changes or events have occurred that affect items discussed in the 1999 Annual Report. Listed below, by reference to particular sections of the 1999 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes have not been filed with the NRMSIRS. However, the State has filed, and expects to continue to file, certain informational notices with the NRMSIRS. These informational notices do not constitute listed material events under the State's Master Agreement on Continuing Disclosure.

**Security; Additional Bonds (Page 143).** Update with the following:

On August 9, 2000, the State of Wisconsin Building Commission adopted 2000 State of Wisconsin Building Commission Resolution 14, which supplements the General Resolution. Resolution 14 amends provisions of the Additional Bonds Test so that Program Income is, for any twelve (12) consecutive calendar months of the preceding eighteen (18) calendar months, equal at least **2.25 times** the maximum aggregate debt service for any fiscal year for all the Outstanding Bonds before the issuance of the additional Series of Bonds. The amendment is effective for the 2000 Series A Bonds and all Bonds to be issued after August 9, 2000. The previous Additional Bonds Test included a debt service coverage requirement of 1.75 times.

**Table V-2; Motor Vehicle Registrations (Page 133).** Update the table with the following:

**Motor Vehicle Registrations  
1991 to 2000  
(Millions of Vehicles)**

Fiscal Year (June 30)	Automobiles	Trucks <sup>(a)</sup>	Other Vehicles <sup>(b)</sup>	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

<sup>(a)</sup> Does not include registered vehicles that provide pledged IRP fees.

<sup>(b)</sup> Other vehicles include mobile homes, mopeds, buses and several other vehicle types.

**Source: Wisconsin Department of Transportation**

**Table V-3; Section 341.25 Registration Fee Revenues (Page 134).** Update the table with the following:

**Section 341.25 Registration Fee Revenues  
1991 to 2000  
(Amounts in Millions)**

Fiscal Year (June 30)	Non-IRP Fees	Pledged IRP Fees <sup>(a)</sup>	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

<sup>(a)</sup> IRP Registration Fee collections have been included in the pledge of Section 341.25 revenues only since Fiscal Year 1990.

**Source: Wisconsin Department of Transportation**

**Table V-5; Debt Service of Outstanding Transportation Revenue Bonds and Estimated Revenue Coverage (Page 137).** Replace the table with the following:

The following table shows the forecasted coverage of annual debt service on the Outstanding Bonds following the issuance of the 2000 Series A Bonds, based on the Department's estimated Registration Fees for 2001-2009. There can be no assurance that the estimated Registration Fees will be realized in the amounts shown.

**Debt Service on the 2000 Series A Bonds  
and Estimated Revenue Coverage for Outstanding Bonds**

Wisconsin Transportation Revenue Bonds, 2000 Series A Debt Service

Year Ending (July 1)	Principal	Coupon	Interest	Period Total	Prior Debt Service	Total Debt Service <sup>(a)</sup>	Estimated <sup>(b)</sup> Revenue (Millions)	Estimated <sup>(c)</sup> Coverage Ratio
2001			\$ 5,348,915.00	5,348,915.00	75,217,177.50	92,842,741.75	314.60	3.39
2002			6,732,900.00	6,732,900.00	74,934,857.50	93,959,296.75	328.20	3.49
2003			6,732,900.00	6,732,900.00	74,880,600.00	93,928,912.50	330.30	3.52
2004			6,732,900.00	6,732,900.00	78,863,922.50	97,943,035.00	344.00	3.51
2005			6,732,900.00	6,732,900.00	78,701,585.00	97,806,485.00	346.40	3.54
2006			6,732,900.00	6,732,900.00	78,706,000.00	97,850,950.00	360.40	3.68
2007			6,732,900.00	6,732,900.00	66,958,552.50	86,146,165.00	363.40	4.22
2008			6,732,900.00	6,732,900.00	67,808,222.50	87,041,495.00	378.30	4.35
2009			6,732,900.00	6,732,900.00	63,677,147.50	82,955,780.00	380.30	4.58
2010			6,732,900.00	6,732,900.00	50,651,967.50	69,979,350.00		
2011			6,732,900.00	6,732,900.00	50,696,025.00	70,083,967.50		
2012	9,700,000	5.50%	6,732,900.00	16,432,900.00	50,745,662.50	79,889,700.00		
2013	10,200,000	5.50%	6,199,400.00	16,399,400.00	51,282,237.50	80,447,870.00		
2014	10,700,000	5.50%	5,638,400.00	16,338,400.00	51,377,412.50	80,532,580.00		
2015	11,300,000	5.50%	5,049,900.00	16,349,900.00	42,904,987.50	72,125,055.00		
2016	11,900,000	5.50%	4,428,400.00	16,328,400.00	33,999,812.50	63,246,650.00		
2017	12,500,000	5.50%	3,773,900.00	16,273,900.00	24,684,887.50	53,927,685.00		
2018	13,200,000	5.30%	3,086,400.00	16,286,400.00	24,703,012.50	54,008,112.50		
2019	14,000,000	5.40%	2,386,800.00	16,386,800.00	24,728,087.50	41,114,887.50		
2020	14,700,000	5.40%	1,630,800.00	16,330,800.00	16,087,000.00	32,417,800.00		
2021	15,500,000	5.40%	837,000.00	16,337,000.00	16,083,500.00	32,420,500.00		
2022					16,088,750.00	16,088,750.00		
	<u>\$ 123,700,000</u>		<u>\$ 112,441,815</u>	<u>\$ 236,141,815</u>	<u>\$ 1,113,781,408</u>	<u>\$ 1,576,757,769</u>		

(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 2009 are not shown.

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

**Security; Reserve Fund; Ambac Assurance (Page 141).** Update with the following:

Ambac Assurance Corporation (**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 \$4,141,000,000 (unaudited) and statutory capital of approximately \$2,556,000,000 (unaudited) as of June 30, 2000. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Moody's Investors Service, and Fitch IBCA, Inc. have each assigned a triple-A financial strength rating to Ambac Assurance.

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 of the Bonds.

## APPENDIX C

### GLOSSARY

This Glossary includes definitions from the General Resolution and the Series Resolutions.

**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.

**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 which 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 which 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 which 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 18.56(5) and (9)(j) 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 which is established and created by Section 502 of the General Resolution pursuant to Section 18.56(5) 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 which is established and created by Section 508 of the General Resolution pursuant to Section 18.56(4) of the Revenue Obligations Act.

**Revenue Obligations Act** means Subchapter II of Chapter 18 of the Statutes.

**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 which may at any time be substituted in its place pursuant to the General Resolution.

## APPENDIX D

### FORM OF BOND COUNSEL OPINION

*Upon delivery of the 2000 Series A Bonds, Michael Best & Friedrich LLP expects to deliver to the State a legal opinion in substantially the following form:*

**(Letterhead of Michael Best & Friedrich LLP)**  
**\$123,700,000**  
**State of Wisconsin**  
**Transportation Revenue Bonds, 2000 Series**

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (the "State") of \$123,700,000 aggregate principal amount of Transportation Revenue Bonds, 2000 Series A (the "2000 Series A Bonds"). We have examined: (i) the constitution and laws of the State, including particularly subchapter II of Chapter 18 and Section 84.59 of the Wisconsin Statutes; (ii) a certified copy of the proceedings of record of the State preliminary to and in connection with the issuance of the 2000 Series A Bonds, including particularly the resolution of the Commission adopted June 26, 1986, entitled "1986 State of Wisconsin Building Commission Resolution 9, State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution," as amended and supplemented by the resolution of the Commission adopted March 19, 1998 entitled "1998 State of Wisconsin Building Commission Resolution 9, Supplementing the General Resolution adopted on June 26, 1986 and Amending the Series Resolution adopted on January 22, 1998," and as further amended and supplemented by the resolution of the Commission adopted August 9, 2000 entitled "2000 State of Wisconsin Building Commission Resolution 14, Supplementing the General Resolution Adopted on June 26, 1986" (collectively, the "General Resolution"); and the resolution of the Commission adopted June 28, 2000 entitled "2000 State of Wisconsin Building Commission Resolution 10 Authorizing the Issuance and Sale of Not to Exceed \$200,000,000 State of Wisconsin Transportation Revenue Bonds, 2000 Series A" (the "Series Resolution," and collectively with the General Resolution, the "Resolutions"); (iii) the Internal Revenue Code of 1986, as amended (the "Code"), including particularly Sections 103, 141 and 148 thereof; and (iv) such other documents and records as we have deemed necessary to render this opinion. We have also examined one of the 2000 Series A Bonds and have found it to be in proper form.

As to questions of fact material to our opinion, we have relied upon the transcript of certified proceedings and other certificates of officers of the State and other public officials furnished to us, without undertaking to verify the same by independent investigation. We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the 2000 Series A Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement). The rights of the owners of the 2000 Series A Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion in accordance with general principles of equity.

The 2000 Series A Bonds are dated September 15, 2000; are payable as to interest on January 1 and July 1 in each year until maturity, commencing July 1, 2001; are issuable in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof; are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the

2000 Series A Bonds and in the Resolutions; and mature on the dates and in the principal amounts and will bear interest at the rates set forth below:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$ 9,700,000	5.50%
2013	10,200,000	5.50
2014	10,700,000	5.50
2015	11,300,000	5.50
2016	11,900,000	5.50
2017	12,500,000	5.50
2018	13,200,000	5.30
2019	14,000,000	5.40
2020	14,700,000	5.40
2021	15,500,000	5.40

The 2000 Series A Bonds are issued to pay the costs of financing transportation facilities and major highway projects. The 2000 Series A Bonds are issued on a parity with the Transportation Revenue Bonds, 1991 Series A (the “1991 Bonds”); the Transportation Revenue Bonds, 1992 Series A and B (collectively, the “1992 Bonds”); the Transportation Revenue Bonds, 1993 Series A (the “1993 Bonds”); the Transportation Revenue Bonds, 1994 Series A (the “1994 Bonds”); the Transportation Revenue Bonds, 1995 Series A (the “1995 Bonds”); the Transportation Revenue Bonds, 1996 Series A (the “1996 Bonds”); the Transportation Revenue Bonds, 1998 Series A (the “1998 Series A Bonds”); and the Transportation Revenue Bonds, 1998 Series B (the “1998 Series B Bonds”) (collectively, the 1991 Bonds, 1992 Bonds, 1993 Bonds, 1994 Bonds, 1995 Bonds, 1996 Bonds, 1998 Series A Bonds and 1998 Series B Bonds shall be referred to as the “Outstanding Bonds”), and are issued on a basis senior to the Transportation Revenue Commercial Paper Notes of 1997, Series A.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The State has valid right and lawful authority to finance State transportation facilities and major highway projects by the adoption of the Resolutions, to perform its obligations under the terms and conditions of the Resolutions, and to issue the 2000 Series A Bonds.
2. The Resolutions have been duly and lawfully adopted by the Building Commission, are in full force and effect, and constitute valid and binding obligations of the State enforceable in accordance with their terms.
3. The 2000 Series A Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State, including subchapter II of Chapter 18 and Section 84.59 of the Wisconsin Statutes, as amended to the date of this opinion, and in accordance with the Resolutions.
4. The 2000 Series A Bonds are valid and binding revenue bonds of the State secured by a pledge in the manner and to the extent set forth in the General Resolution and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Resolution on a parity with the Outstanding Bonds. The General Resolution creates the valid pledge which it purports to create of the Program Income (as defined in the General Resolution) and of moneys and securities on deposit in any of the Funds (as defined in the General Resolution)

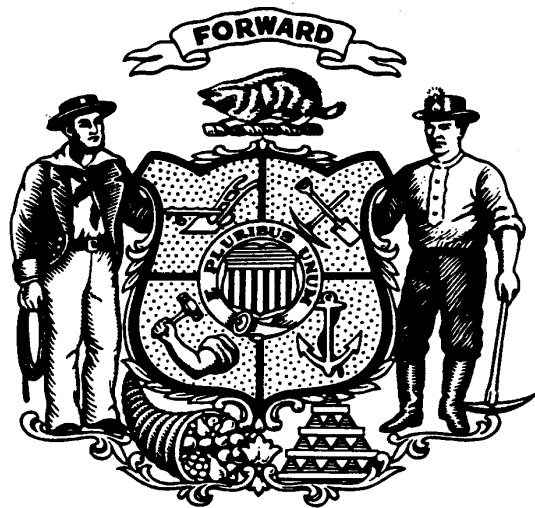
established under the General Resolution, including the investments, if any thereof, subject to the application thereof to the purposes and on the conditions permitted by the General Resolution.

5. The 2000 Series A Bonds are not general obligations of the State, its agencies, instrumentalities or political subdivisions, and the 2000 Series A Bonds do not constitute “public debt” of the State as that term is used in the constitution and laws of the State. The State is not obligated to pay the principal or redemption price of or interest on the 2000 Series A Bonds from any funds of the State other than those pledged pursuant to the Resolutions, and neither the faith nor credit nor taxing power of the State or any agency, instrumentality or political subdivision thereof is pledged to the payment of the principal or redemption price of or interest on the 2000 Series A Bonds.

6. Interest on the 2000 Series A Bonds is excluded for federal income tax purposes from the gross income of the owners of the 2000 Series A Bonds under existing law. Interest on the 2000 Series A Bonds will not be included as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations, although it should be noted that interest on the 2000 Series A Bonds is included in a corporation’s “modified alternative minimum taxable income” for the purpose of the tax imposed pursuant to Section 59A of the Code. Interest on the 2000 Series A Bonds is included in a corporation’s “adjusted current earnings” for the purpose of adjustments to the “alternative minimum taxable income” of a corporation (other than an S corporation, a regulated investment company, a real estate investment trust or a REMIC) under Section 55 of the Code. Moreover, ownership of 2000 Series A Bonds may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry 2000 Series A Bonds. In addition, certain foreign corporations doing business in the United States may be subject to a “branch profits tax” on their effectively connected earnings and profits, including interest on the 2000 Series A Bonds. The Code contains requirements that must be satisfied subsequent to the issuance of the 2000 Series A Bonds in order for interest on the 2000 Series A Bonds to be or continue to be excluded from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the 2000 Series A Bonds to be included in gross income retroactively to the date of issuance of the 2000 Series A Bonds. The State has agreed to comply with all of those requirements, to the extent it may legally do so. The opinion set forth in the first sentence of this paragraph is subject to the condition that the State comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the 2000 Series A Bonds.

Very truly yours,





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## **Bond Insurance**

Concurrently with the issuance of the 2000 Series A Bonds maturing July 1, 2013-2017 (for purposes of this wrapper, the "Bonds"), Financial Guaranty Insurance Company ("Financial Guaranty") will issue its Municipal Bond New Issue Insurance Policy for the Bonds (the "Policy"). The Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the issuer of the Bonds (the "Issuer"). Financial Guaranty will make such payments to State Street Bank and Trust Company, N.A., or its successor as its agent (the "Fiscal Agent"), on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from an owner of Bonds or the Paying Agent of the nonpayment of such amount by the Issuer. The Fiscal Agent will disburse such amount due on any Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner's right to receive payment of the principal and interest due for payment and evidence, including any appropriate instruments of assignment, that all of such owner's rights to payment of such principal and interest shall be vested in Financial Guaranty. The term "nonpayment" in respect of a Bond includes any payment of principal or interest made to an owner of a Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

The Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Bonds. The Policy covers failure to pay principal of the Bonds on their respective stated maturity dates or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the Bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Generally, in connection with its insurance of an issue of municipal securities, Financial Guaranty requires, among other things, (i) that it be granted the power to exercise any rights granted to the holders of such securities upon the occurrence of an event of default, without the consent of such holders, and that such holders may not exercise such rights without Financial Guaranty's consent, in each case so long as Financial Guaranty has not failed to comply with its payment obligations under its insurance policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its insurance of the Bonds are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the Issuer is required to provide additional or substitute credit enhancement, and related matters.

The Official Statement and this notice of bond insurance both contain a section regarding the ratings assigned to the Bonds and reference should be made to such sections for a discussion of such ratings and the basis for their assignment to the Bonds. Reference should be made to the Official Statement for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "Corporation"), a Delaware holding company. The Corporation is a subsidiary of General Electric Capital Corporation ("GE Capital"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of June 30, 2000, the total capital and surplus of Financial Guaranty was approximately \$1.293 billion. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 115 Broadway, New York, New York 10006, Attention: Communications Department (telephone number: 212-312-3000) or to the New York State Insurance Department at 25 Beaver Street, New York, New York 10004-2319, Attention: Financial Condition Property/Casualty Bureau (telephone number: 212-480-5187).