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December 19, 2001

Thank you for your interest in the State of Wisconsin.

Each year we prepare a Continuing Disclosure Annual Report for the State's securities. *This is the Annual Report for the fiscal year ending June 30, 2001.* It provides information on different securities that the State issues and was prepared to fulfill the State's continuing disclosure undertakings. These undertakings of the State are intended to help dealers and brokers comply with Rule 15c2-12 under the Securities Exchange Act of 1934. As of this date, the State has filed the Annual Report with each nationally recognized municipal securities information repository.

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

Organization of this Annual Report

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

- **Part I** presents the **State's continuing disclosure undertakings**. A Master Agreement on Continuing Disclosure establishes a general framework. Separate addenda describe the information to be provided for specific types of securities.
- **Part II** presents **general information about the State**, including its operations and financial results. This part includes the audited general purpose financial statements for the fiscal year ending June 30, 2001 and the State Auditor's report. Page 26 in this part of the Annual Report also includes the following statement regarding the State's 2001-03 biennial budget:

In response to a national economy in recession, the State has implemented a hiring freeze and ordered State agencies to reduce operating budgets by an additional 3.5% for the current 2001-02 fiscal year. On December 18, 2001, the Department of Revenue reported that individual income and sales tax collections through October 31, 2001 were below the Legislative Fiscal Bureau projections used in the preparation of the 2001-03 biennial budget. See "**General Fund Information**" in this Part II of the Annual Report for general fund revenue and expenditure information for the period ended November 30, 2001.

It is expected that the Legislative Fiscal Bureau will release an updated general fund revenue forecast by late-January 2002. At that time, if the Secretary of Administration determines that budgeted expenditures will exceed revenues by more than one-half of one percent of general purpose revenues, the Secretary of Administration is required by law to notify the Governor, the Legislature, and its Joint Committee on Finance, and the Governor must submit a bill correcting the imbalance. If the Legislature is not in session, the Governor must call a special session to take up the matter.

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

- **Part III – General obligations**
- **Part IV – Master lease certificates of participation**

- **Part V – Transportation revenue bonds**
- **Part VI – Clean water revenue bonds**
- **Part VII – Petroleum inspection fee revenue obligations**

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

Ratings on the State's Securities

The following chart presents a summary of the long-term ratings currently assigned to different types of securities that the State issues. Your attention is called to rating changes highlighted below.

<u>Security</u>	<u>Fitch, Inc.</u>	<u>Moody's Investors Service, Inc.</u>	<u>Standard & Poor's Ratings Services</u>
General Obligations	AA ⁽¹⁾	Aa3 ⁽²⁾	AA ⁽³⁾
Master Lease Certificates of Participation	AA-	A1 ⁽⁴⁾	AA- ⁽⁵⁾
Transportation Revenue Bonds	AA	Aa3	AA-
Clean Water Revenue Bonds	AA+	Aa2	AA+
Petroleum Inspection Fee Revenue Bonds	AA-	Aa3	AA-

(1) Downgraded from AA+ on September 4, 2001.

(2) Downgraded from Aa2 on August 28, 2001.

(3) Placed on "Negative Outlook" on August 29, 2001.

(4) Downgraded from Aa3 on August 28, 2001.

(5) Upgraded from A+ since last year, and placed on "Negative Outlook" on August 29, 2001.

How to Get Additional Information

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

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

www.doa.state.wi.us/debf/scf/

Financial Disclosure and Debt Management, including—

- Annual Reports
- CAFR
- Official Statements
- Offering Memoranda
- Upcoming Sale Materials
- Secondary Market Continuing Disclosure Announcements
- Monthly General Fund Reports

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

Sincerely,

Frank R. Hoadley
Capital Finance Director

**SUMMARY OF OUTSTANDING STATE OF WISCONSIN OBLIGATIONS
AS OF DECEMBER 1, 2001**

	Principal Balance <u>12/1/2000</u>	Principal Issued 12/1/2000 - <u>12/1/01</u>	Principal Matured or Redeemed 12/1/2000 - <u>12/1/01</u>	Principal Balance <u>12/1/2001</u>
<u>GENERAL OBLIGATIONS^(a)</u>				
Total General Obligations	\$4,067,583,078	\$727,750,000	\$554,889,596	\$4,240,443,481
General Purpose Revenue (GPR)	2,896,583,413	562,388,853	426,674,902	3,032,297,364
Self-Amortizing: Veterans	785,320,000	55,000,000	60,405,000	779,915,000
Self-Amortizing: Other	385,679,665	110,361,147	67,809,694	428,231,117
<u>MASTER LEASE CERTIFICATES OF PARTICIPATION</u>				
Master Lease COPs	\$76,939,981	\$40,530,652	\$28,380,909	\$89,089,724
<u>TRANSPORTATION REVENUE OBLIGATIONS^{(a)(b)}</u>				
Transportation Revenue Obligations	\$1,000,878,000	\$140,000,000	\$41,620,000	\$1,099,258,000^(b)
<u>CLEAN WATER REVENUE BONDS</u>				
Clean Water Revenue Bonds	\$545,625,000	\$70,000,000	\$27,245,000	\$588,380,000
<u>PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS^{(a)(c)}</u>				
Petroleum Inspection Fee Revenue Obligations	\$248,500,000	\$30,000,000	—	\$278,500,000^(c)

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

(b) Reflects outstanding balance as of December 15, 2001

(c) Reflects outstanding balance as of December 18 2001

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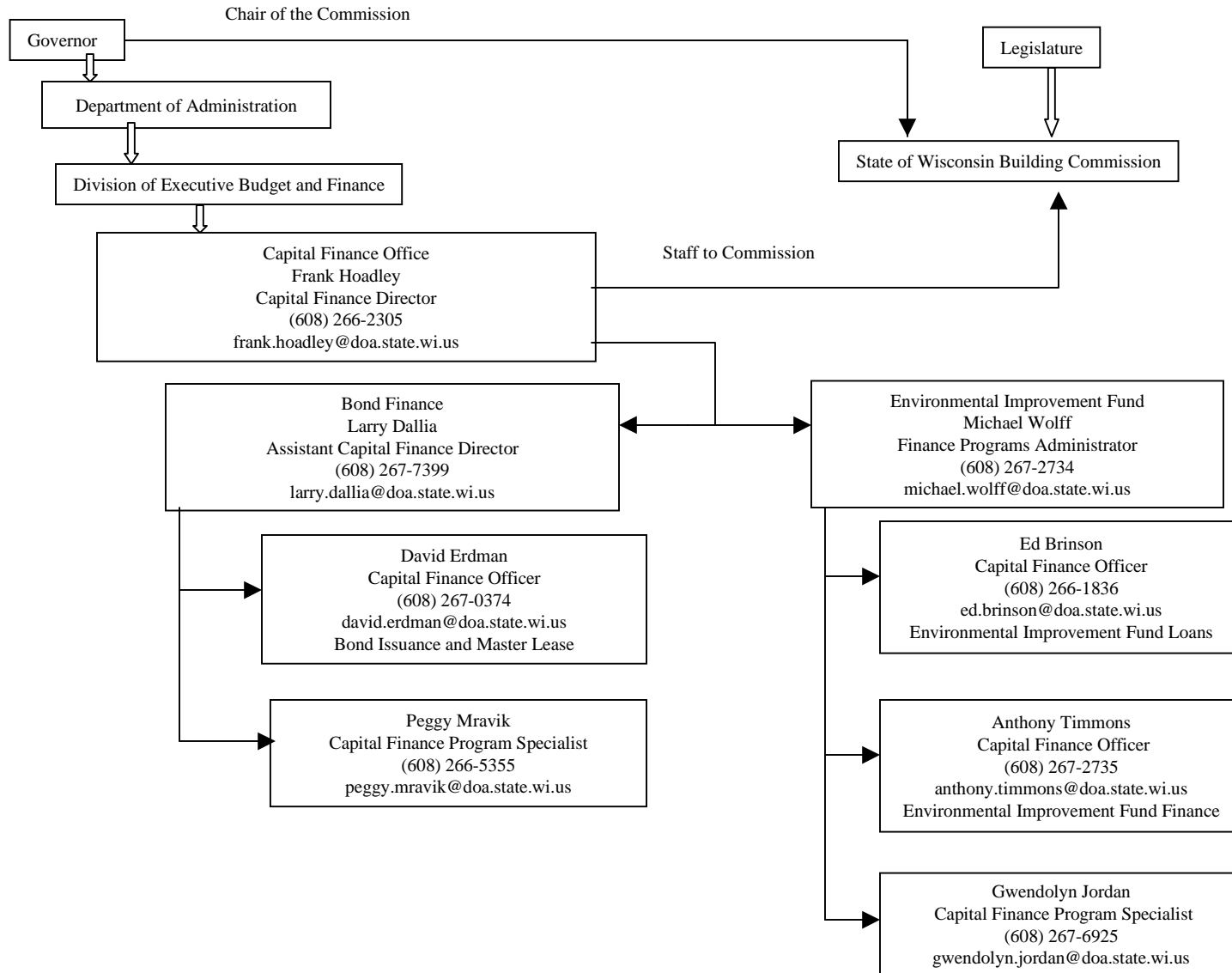
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Capital Finance Office Staff (As of December 1, 2001)



STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF BONDS AND NOTES

BUILDING COMMISSION MEMBERS

Voting Members	Term of Office Expires
Governor Scott McCallum, Chairperson	January 6, 2003
Senator Fred A. Risser, Vice-Chairperson	January 3, 2005
Senator Mark Meyer	January 3, 2005
Senator Carol Roessler	January 3, 2005
Representative Timothy Hoven	January 6, 2003
Representative Jeffrey Plale	January 6, 2003
Representative Daniel Vrakas	January 6, 2003
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 G. Cramer, Administrator Division of Facilities Development Department of Administration	At the pleasure of the Building Commission and Secretary of Administration

OTHER PARTICIPANTS

Mr. Jack C. Voight State Treasurer	January 6, 2003
Mr. James E. Doyle State Attorney General	January 6, 2003

DEBT MANAGEMENT AND DISCLOSURE

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(608) 267-0374
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PART III

GENERAL OBLIGATIONS

This part provides information about general obligations issued by the State of Wisconsin.

Total Outstanding Balance (12/1/2001)	\$4,240,443,483
Amount Outstanding—Fixed Rate Obligations	\$3,929,503,483
Amount Outstanding—Variable Rate Obligations	\$ 310,940,000
Percentage of Outstanding Obligations in form of Variable Rate Obligations	7.33%
Bond Ratings (Fitch/Moody's/Standard & Poors)	AA/Aa3/AA
Variable Rate Obligation Ratings	F-1+/P-1/A-1+

The Wisconsin Statutes provide that the State of Wisconsin Building Commission (**Commission**) has supervision over the issuance of the State's general obligations. Employees of the Division of Executive Budget and Finance serve as the Capital Finance Director and staff responsible for managing the State's borrowing programs.

The law firm of Foley & Lardner provides bond counsel services to the State for the issuance of general obligations. The State has issued general obligations in the form of bonds, notes, commercial paper notes, and extendible municipal commercial paper. The State has rarely employed a financial advisor for the issuance of general obligations, except for advance refunding issues. The State Treasurer is the registrar and paying agent for general obligations issued in book-entry-only form, and there are different registrars and paying agents for a small number of outstanding general obligations issued in fully-registered or bearer form:

<u>Name of Obligation</u>	<u>Name of Registrar/Paying Agent</u>
<i>All Book-Entry-Only Form</i>	State Treasurer
<i>Fully-Registered Form</i>	
G.O. Bonds of 1990, Series D (Higher Education Bonds)	U.S. Bank, National Association (previously known as Firststar Bank, National Association)
G.O. Bonds of 1991, Series B (Higher Education Bonds)	U.S. Bank, National Association (previously known as Firststar Bank, National Association)
G.O. Bonds of 1986, Series A	State Street Bank and Trust Company
<i>Bearer Form</i>	
G.O. Bonds of 1977, Series B	State Street Bank and Trust Company
G.O. Bonds of 1978, Series C	State Street Bank and Trust Company

Requests for additional information about general obligations of the State may be directed as follows:

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

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

SECURITY PROVISIONS FOR GENERAL OBLIGATIONS

Security

The State Constitution pledges the full faith, credit, and taxing power of the State to its general obligations and requires the Legislature to provide for their payment by appropriation.

The Statutes establish additional protections and provide for the repayment of all general obligations. The Statutes establish, as security for the payment of all debt service on general obligations, a first claim on all revenues of the State. Further, a sufficient amount of those revenues is irrevocably appropriated, so that no subsequent legislative action is required to release them, and those amounts are held in segregated funds or accounts.

The Statutes also provide that the validity of general obligations shall not be affected by any defect in their contracting, that all instruments evidencing general obligations are valid and incontestable, and that any legislative, judicial, or administrative determination that proceeds of general obligations may not be spent shall not affect their validity.

The State has never defaulted in the punctual payment of principal or interest on any general obligation and has never attempted to prevent or delay a required payment. The State has reserved no right to reduce or modify any terms affecting the security or source of payment of its general obligations.

In the event of default, the State Constitution guarantees recourse by allowing suit to be brought against the State to compel payment. Statutory provisions expedite the bringing of suit. Further, in the event of a final judgment against the State, payment will be made as specifically provided, together with interest at a rate of 10% per annum until the date of payment.

The Statutes also provide that, if payment has been made or duly provided for by the date that a general obligation becomes due for payment, interest ceases to accrue, and the general obligation is no longer outstanding. If any general obligation is not presented for payment, the money held for its payment shall be administered under the unclaimed property statutory provisions.

Flow of Funds to Pay Debt Service on General Obligations

The General Fund stands behind the payment of debt service on all general obligation bonds and the notes regardless of the internal fund flows established for budgetary control purposes. Should the General Fund have insufficient resources to pay debt service, there is a single irrevocable and unlimited appropriation from all revenues of the State for timely payment on all general obligations. It is this appropriation, which pledges all revenues of the State for payment of Debt Service due from any program using general obligation bond and note proceeds on a parity with any other such program, that enables the State to issue a general obligation that is undifferentiated by the purpose for which proceeds are used.

Different internal funds flows apply to general obligations, depending on whether they are bonds or notes, and in some cases depending on the purpose for which they were issued.

With respect to general obligation bonds, all funds necessary for timely payment of principal and interest are deposited in the Bond Security and Redemption Fund at least 15 days in advance of the due date. If an impoundment payment required in connection with operating notes is payable within 45 days before the due date, then the payments will be deposited in the Bond Security and Redemption Fund at least 45 days in advance of the due date.

With respect to general obligation notes, funds for the payment of principal and interest are deposited in a separate and distinct account created in the Capital Improvement Fund for the repayment of notes. Proceeds of general obligations may also be used to retire notes. The Statutes specifically provide that if, at any time, there is not on hand in the Capital Improvement Fund sufficient money for the payment of principal and interest on general obligation notes, the Department of Administration shall transfer to the Capital Improvement Fund from an irrevocable and unlimited appropriation as a first charge upon all revenues of the State, the amount necessary to make the payment of principal and interest on general obligation notes when due.

Interest on variable rate obligations is paid when due. It is collected in the same manner as other general obligation notes and is deposited in advance with the issuing and paying agent quarterly on the first business day of February, May, August, and November.

Purposes of General Obligations

The Wisconsin Constitution provides that the State may issue general obligations for three categories of borrowing. The first is to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, railways, buildings, equipment, or facilities for public purposes. The second is to make funds available for veterans housing loans. The third is to fund or refund any outstanding State general obligations. Subject to constitutional limitations about purposes and amounts, procedures governing the use of the borrowing authority are to be established by the Legislature. There is no constitutional requirement that the issuance of general obligations receive the direct approval of the electorate.

Limitations on Issuance of General Obligations

All general obligations issued by the State fall within a debt limit set forth in the Wisconsin Constitution and Statutes. Each calendar year, the State's issuance of general obligations is limited to the lesser of two amounts, each based on a percentage of the aggregate value of all taxable property in the State: (1) three-quarters of one percent, and (2) five percent less outstanding debt. For the current calendar year, the lesser is the first amount, which is \$2,343,627,800. A refunding bond issue does not count for purposes of the annual debt limit, and a refunded bond issue does not count for purposes of the cumulative debt limit. Accrued interest on any general obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations. See [Table III-4 in "DEBT INFORMATION"](#).

Authorization of General Obligations

Within prescribed limitations, the State Constitution assigns to the Legislature, acting by vote of a majority of the members elected to each of the two houses, all matters relating to the issuance of general obligations. The quorum in such votes is 60% of the membership. Among these assigned powers is the authority to establish the purposes (uses) and fix the amounts for which general obligations may be issued.

To date, the Legislature has authorized the issuance of general obligations for 80 distinct purposes and has limited the amount of general obligations that may be issued for each purpose. In practice, as a part of the budget, these amounts are adjusted to accommodate newly budgeted activity. The Legislature has delegated to the Commission responsibility to establish the form and terms of the issuance and sale of these general obligations. [Table III-1](#) is a summary of these borrowing purposes and amounts authorized and issued for each purpose.

TABLE III-1

State of Wisconsin General Obligation Issuance Status Report December 1, 2001

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings ^(a)</u>	<u>Total Authorized Unissued Debt</u>
University of Wisconsin; academic facilities.....	\$ 1,052,005,900	\$ 837,892,229	\$ 12,046,136	\$ 202,067,535
University of Wisconsin; self-amortizing facilities.....	732,009,800	396,832,621	1,643,609	333,533,570
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	572,000,000	60,350,000	13,392	511,636,608
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,342	141,818	139,840
Clean water fund program.....	637,743,200	362,334,053	1,762	275,407,385
Safe drinking water loan program.....	26,210,000	16,386,520		9,823,480
Natural resources; nonpoint source grants.....	75,763,600	41,320,658	132,570	34,310,372
Natural resources; nonpoint source compliance.....	2,000,000	2,000,000		
Natural resources; environmental repair.....	48,000,000	26,839,900	161,017	20,999,083
Natural resources; urban nonpoint source cost-sharing.....	17,700,000	4,110,000		13,590,000
Natural resources; municipal flood control and riparian restoration and dame restoration.....	9,000,000			9,000,000
Natural resources; environmental segregated fund supported administrative facilities.....	6,770,400	171,100		6,599,300
Natural resources; segregated revenue supported dam safety projects.....	6,600,000	4,188,000		2,412,000
Natural resources; pollution abatement and sewage collection facilities, ORAP funding.....	146,850,000	145,010,325	50,000	1,789,675
Natural resources; pollution abatement and sewage collection facilities.....	893,493,400	874,194,888	18,513,076	785,436
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow.....	200,600,000	194,309,242	6,287,401	3,357
Natural resources; recreation projects.....	56,055,000	56,053,994	1,006	
Natural resources; local parks land acquisition and development.....	2,490,000	2,444,349	42,259	3,392
Natural resources; recreation development.....	23,061,500	22,818,110	141,227	102,163

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
December 1, 2001

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>Total Authorized Unissued Debt</u>
Natural resources; land acquisition.....	45,608,600	45,115,269	491,671	1,660
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,442,545	17,174	40,281
Natural resources; segregated revenue supported facilities.....	30,576,400	16,609,722	45,287	13,921,391
Natural resources; general fund supported administrative facilities.....	10,882,400	7,451,075	21,432	3,409,893
Natural resources; ice age trail.....	750,000			750,000
Natural resources; dam safety projects.....	5,500,000	5,382,000	49,701	68,299
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,498,446		1,554
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	208,135,000	1,293,404	21,571,596
Transportation; administrative facilities.....	8,890,400	8,759,479	33,943	96,978
Transportation; accelerated bridge improvements.....	46,849,800	46,849,800		
Transportation; rail passenger route development...	50,000,000	1,400,000		48,600,000
Transportation; accelerated highway improvements.....	185,000,000	185,000,000		
Transportation; connecting highway improvements.....	15,000,000	15,000,000		
Transportation; federally aided highway facilities.....	10,000,000	10,000,000		
Transportation; highway projects.....	41,000,000	41,000,000		
Transportation; harbor improvements.....	25,000,000	19,150,000	232,605	5,617,395
Transportation; rail acquisitions and improvements.....	28,000,000	14,920,000	16	13,079,984
Transportation; local roads for job preservation, state funds.....	2,000,000			2,000,000
Corrections; correctional facilities.....	787,694,900	745,927,362	11,467,003	30,300,536
Corrections; self-amortizing facilities and equipment.....	7,337,000	1,386,000	99	5,950,901
Corrections; juvenile correctional facilities.....	27,726,500	25,338,556	102,026	2,285,918
Health and family services; mental health and secure treatment facilities.....	128,322,900	118,350,268	895,124	9,077,508

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
December 1, 2001

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings ^(a)</u>	<u>Total Authorized Unissued Debt</u>
Agriculture; soil and water.....	13,575,000	2,830,000	1,248	10,743,752
Agriculture; conservation reserve enhancement.....	40,000,000			40,000,000
Administration; Black Point Estate.....				
Building commission; previous lease rental authority.....	143,071,600	143,068,654		2,946
Building commission; refunding corporation self-amortizing debt.....	870,000			870,000
Building commission; refunding tax-supported general obligation debt.....	2,125,000,000	1,896,403,677 ^(b)		228,596,323
Building commission; refunding self-amortizing general obligation debt.....	275,000,000	231,440,786 ^(b)		43,559,214
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	75,000,000			75,000,000
Building commission; housing state departments and agencies.....	463,367,100	344,139,121	2,329,712	116,898,267
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,805,521	294,479	
Building commission; project contingencies.....	45,007,500	24,590,000	62,251	20,355,249
Building commission; capital equipment acquisition.....	115,839,400	83,929,191	729,518	31,180,691
Building commission; discount sale of debt.....	90,000,000	66,758,598		23,241,402
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(b)		11,167
Building commission; other public purposes.....	1,396,101,000	892,036,500	6,141,660	497,922,840
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities....	10,000,000	10,000,000		
HR Academy.....	1,500,000			1,500,000
Medical College of Wisconsin, Inc.; biomedical research and technology incubator.....	25,000,000			25,000,000
Marquette University; dental clinic and education facility.....	15,000,000	14,000,000		1,000,000
Swiss cultural center.....	1,000,000			1,000,000
Racine County; Discovery Place museum.....	1,000,000			1,000,000
Milwaukee Police Athletic League; youth activities center.....	1,000,000			1,000,000

GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED

December 1, 2001

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Interest Earnings^(a)</u>	<u>Total Authorized Unissued Debt</u>
Technology for educational achievement in Wisconsin board; school district educational technology infrastructure financial assistance.....	100,000,000	49,185,000	431,066	50,383,934
Technology for educational achievement in Wisconsin board; public library educational technology infrastructure financial assistance.....	3,000,000	190,000		2,810,000
Educational communications board; educational communications facilities.....	22,858,100	8,089,539	37,069	14,731,492
Historical society; self-amortizing facilities.....	3,173,600	1,029,156	3,896	2,140,548
Historical society; historic records.....	400,000			400,000
Historical society; historic sites.....	1,839,000	1,825,756		13,244
Historical society; museum facility.....	4,384,400	4,361,000		23,400
Historical society; Wisconsin history center.....	131,500,000			131,500,000
Public instruction; state school, state center and library facilities.....	7,367,700	7,330,612	32,508	4,580
Military affairs; armories and military facilities.....	22,421,900	18,082,527	192,632	4,146,742
Veterans affairs; veterans facilities.....	10,090,100	9,153,065	50,593	886,442
Veterans affairs; self-amortizing mortgage loans.....	2,120,840,000	1,928,652,395	2,133,000	190,054,605
Veterans affairs; refunding bonds.....	665,000,000	632,539,245		32,460,755
Veterans affairs; self-amortizing facilities.....	29,520,900	1,085,000	501	28,435,399
State fair park board; board facilities.....	13,587,100	2,370,000		11,217,100
State fair park board; housing facilities.....	11,000,000	10,969,000	13	30,987
State fair park board; self-amortizing facilities.....	84,787,100	31,473,800	69,629	53,243,671
Total.....	\$14,394,493,200	\$11,107,816,826	\$66,334,535	\$3,220,341,839

^(a) Interest earnings reduce issuance authority by the same amount.

^(b) Interest scheduled to accrue on any obligation that is not payable during the current fiscal year is treated as debt and taken into account for purposes of the statutory authority to issue debt.

Source: Wisconsin Department of Administration.

DEBT INFORMATION

The following tables provide data pertaining to the State's outstanding general obligation debt.

Table III-2
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 1, 2001)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
<i>Fixed Rate General Obligations</i>				
1970- Series A.....	3/1/70	1971-1990	\$ 50,510,000	\$ -0-
Series B.....	3/1/70	1971-2000	8,075,000	-0-
Series C.....	6/1/70	1971-1990	39,000,000	-0-
Series D.....	6/1/70	1971-2001	30,025,000	-0-
Series E.....	9/15/70	1971-1990	70,000,000	-0-
1971- Series A.....	1/15/71	1972-1991	35,000,000	-0-
Series B.....	3/15/71	1972-1991	19,500,000	-0-
Series C.....	6/15/71	1972-1991	32,800,000	-0-
Series D.....	9/15/71	1972-1991	30,000,000	-0-
Series E.....	9/15/71	1972-2001	5,020,000	-0-
1972- Series A.....	1/15/72	1973-1992	40,000,000	-0-
Series B.....	4/15/72	1973-1992	61,500,000	-0-
Series C.....	7/15/72	1973-1992	43,000,000	-0-
Series D.....	10/15/72	1973-1992	35,000,000	-0-
1973- Series A.....	1/15/73	1974-1993	37,500,000	-0-
Series B.....	4/15/73	1974-1993	30,000,000	-0-
Series C.....	4/15/73	1974-2003	6,505,000	-0-
1974- Series A.....	2/15/74	1975-1994	59,600,000	-0-
1975- Series A.....	3/1/75	1976-1995	75,000,000	-0-
Series B.....	8/15/75	1976-1995	18,200,000	-0-
Series D.....	8/15/75	1976-2000	50,000,000	-0-
Series E.....	12/1/75	1976-2000	96,400,000	-0-
Series F.....	12/1/75	1976-2005	5,500,000	-0-
1976- Series A.....	3/15/76	1977-2001	147,600,000	-0-
Series B.....	7/1/76	1977-2006	119,900,000	-0-
Series C.....	11/1/76	1978-2001	40,000,000	-0-
1977- Series A.....	2/15/77	1978-2007	74,000,000	-0-
Series B.....	5/15/77	1978-2002	128,000,000	1,100,000
Series C.....	10/1/77	1978-2002	39,000,000	-0-
1978- Series A.....	2/1/78	1979-2003	118,000,000	-0-
Series B.....	6/1/78	1979-2003	94,500,000	-0-
Series C.....	11/1/78	1979-2003	77,300,000	980,000
1979- Series A.....	2/1/79	1980-2004	84,800,000	-0-
Series B.....	5/15/79	1980-2004	86,800,000	-0-
Series C.....	10/15/79	1980-2004	90,000,000	-0-
1980- Series A.....	1/1/80	1981-2005	46,500,000	-0-
Series B.....	6/15/80	1981-2000	40,000,000	-0-
Note Issue IX.....	6/15/80	1981-2010	2,000,000	-0-
1981- Series A.....	6/15/81	1982-2001	75,000,000	-0-
Series B.....	12/1/81	1982-2001	65,000,000	-0-
1982- Series A.....	6/15/82	1983-2002	60,000,000	-0-
Series B.....	9/15/82	1987-2007	30,000,000	-0-
Series C.....	12/15/82	1983-2007	160,000,000	-0-
1983- Series A.....	5/1/83	1987-2008	20,000,000	-0-
Series B.....	5/1/83	1984-2003	90,000,000	-0-
Series C.....	12/1/83	1984-2008	100,300,000	-0-
1984- Series A.....	4/1/84	1989-2011	50,000,000	-0-

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 1, 2001)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
Series B.....	4/1/84	1985-2004	110,000,000	-0-
Daily Demand Note	9/27/84	1985-1989	75,600,000	-0-
1985- Series A.....	4/1/85	1986-2015	150,000,000	-0-
Series B.....	4/1/85			
Serial Bonds		1996-2001	60,010,000	-0-
Term Bonds.....		2003	40,815,000	-0-
Term Bonds.....		2009	140,130,000	-0-
Term Bonds.....		2016	50,000,000	-0-
1986- Series A.....	5/15/86			
Serial Bonds		1995-2002	13,145,000	-0-
Term Bonds.....		2006	13,025,000	-0-
Term Bonds.....		2015	12,015,000	-0-
Series B.....	4/1/86	1987-2006	247,800,000	-0-
1987- Notes Series A	11/5/87	1989	46,480,000	-0-
1988- Notes Series A	3/10/88	1989	26,895,000	-0-
Refunding.....	5/1/88			
Serial Bonds		1991-2005	389,505,000	-0-
Term Bonds.....		2015	2,405,000	-0-
Capital Appreciation Bonds		1994-2004	55,545,000	-0-
Bonds Series A	7/1/88			
Serial Bonds		1989-2003	2,825,000	-0-
Term Bonds.....		2008	1,200,000	-0-
Term Bonds.....		2018	7,925,000	-0-
Accelerated Term Bonds.....		2008	3,050,000	-0-
Notes Series B.....	8/16/88	1989	61,280,000	-0-
Bonds Series B.....	12/1/88	1990-2009	143,980,000	-0-
1989- Bonds Series A	1/1/89			
Serial Bonds		1990-2004	4,150,000	-0-
Term Bonds.....		2009	775,000	-0-
Term Bonds.....		2019	11,175,000	-0-
Accelerated Term Bonds.....		2009	3,900,000	-0-
Bonds Series B.....	3/1/89	1990-2009	43,755,000	-0-
Bonds Series C.....	5/1/89	1990-2009	71,415,000	-0-
Bonds Series D	8/1/89			
Serial Bonds		1990-2004	4,150,000	-0-
Term Bonds.....		2009	725,000	-0-
Term Bonds.....		2019	11,350,000	-0-
Accelerated Term Bonds.....		2009	3,775,000	-0-
Bonds Series E.....	10/1/89	1991-2010	63,365,000	-0-
1990- Bonds Series A	1/1/90	1991-2010	134,495,000	-0-
Bonds Series B.....	3/1/90			
Serial Bonds		1991-2004	3,575,000	1,425,000
Accelerated Term Bonds.....		2010	3,975,000	-0-
Term Bonds.....		2020	12,450,000	-0-
Bonds Series C.....	5/1/90	1991-2010	38,170,000	-0-
Bonds Series D	5/24/90	1996-2010	65,859,000	39,505,000
Bonds Series E.....	8/1/90	1991-2010	76,810,000	-0-

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 1, 2001)

Financing	Date of Financing	Maturity	Amount of Issuance	Amount Outstanding
Bonds Series F	10/1/90			
Serial Bonds		1991-2005	3,775,000	1,550,000
Accelerated Term Bonds		2010	3,800,000	-0-
Term Bonds		2020	12,425,000	-0-
Bonds Series G	12/1/90	1992-2011	128,765,000	-0-
1991- Bonds Series A	4/1/91			
Serial Bonds		1992-2006	5,775,000	2,550,000
Accelerated Term Bonds		2011	5,825,000	-0-
Term Bonds		2021	18,400,000	-0-
Bonds CWF Series 1	Various	1993-2011	55,000,000	39,335,152
Bonds Series B	5/15/91	1996-2011	117,136,000	73,210,000
Bonds Series C	6/1/191	1992-2011	60,580,000	-0-
Bonds Series D	9/1/91	1993-2012	97,000,000	-0-
1992- Bonds Series A	3/1/92	1993-2012	219,040,000	11,920,000 ^(a)
Refunding Bonds	3/1/92	1994-2015	448,935,000	312,530,000
Bonds Series B	6/1/92			
Serial Bonds		1993-2008	7,780,000	1,590,000
Accelerated Term Bonds		2012	4,000,000	-0-
Term Bonds		2022	18,220,000	6,605,000
Loan Series B	10/2/92	1995	5,330,000	-0-
Refunding Bonds Series 2	10/15/92	1994-2015	5,975,000	4,580,000
Bonds Series C	11/1/92	1994-2013	173,285,000	18,245,000 ^(a)
1993- Refunding Bonds Series 1	1/1/93	1994-2009	280,060,000	172,820,000
Bonds CWF Series A	1/15/93	1993-2011	5,000,000	3,626,551
Refunding Bonds Series 2	5/1/93	1993-2011	137,530,000	127,980,000
Bonds Series A	2/1/93	1994-2013	124,325,000	12,205,000 ^(a)
Refunding Bonds Series 3	8/1/93	1995-2012	302,050,000	197,800,000
Refunding Bonds Series 6	10/15/93			
Serial Bonds		1994-2006	5,510,000	2,465,000
Term Bonds		2010	2,125,000	2,125,000
Term Bonds		2013	2,150,000	2,150,000
Term Bonds		2016	10,215,000	10,215,000
Refunding Bonds Series 4	12/1/93	1994-2006	77,575,000	24,800,000
Refunding Bonds Series 5	12/1/93			
Serial Bonds		1994-2006	113,550,000	92,850,000
Term Bonds		2010	14,770,000	14,770,000
Term Bonds		2013	1,190,000	1,190,000
Term Bonds		2016	1,405,000	1,405,000
Term Bonds		2023	4,340,000	4,340,000
1994- Bonds CWF Series 1	1/25/94	1994-2013	15,000,000	12,409,715
Bonds Series A	1/1/94	1995-2014	119,810,000	25,625,000 ^(a)
Refunding Bonds Series 1	3/1/94	1995-2002	106,610,000	415,000
Refunding Bonds Series 2	3/1/94			
Serial Bonds		1999-2009	52,050,000	23,735,000
Term Bonds		2014	1,700,000	1,700,000
Term Bonds		2014	4,775,000	4,775,000
Bonds Series B	6/1/94	1995-2014	110,000,000	17,515,000 ^(a)
Refunding Bonds Series 3	9/15/94	1995-2008	10,400,000	4,800,000

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

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 1, 2001)

Financing	Date of Financing	Maturity	Amount of Issuance	Amount Outstanding
Bonds Series C.....	9/15/94			
Serial Bonds		1998-2013	17,135,000	4,295,000
Term Bonds		2016	5,135,000	-0-
Term Bonds		2020	8,535,000	8,405,000
Term Bonds		2023	14,195,000	3,980,000
Bonds CWF Series 2.....	1/17/95	1994-2013	4,935,573	4,136,572
1995- Bonds Series A	1/15/95	1996-2015	231,315,000	47,480,000 ^(a)
Refunding Bonds, Series 1	2/15/95			
Serial Bonds		1999-2000	4,350,000	-0-
Serial Bonds		2004	860,000	860,000
Serial Bonds		2007-15	10,525,000	7,760,000
Bonds Series B.....	2/15/95			
Term Bonds		2016	4,215,000	4,215,000
Term Bonds		2020	7,920,000	7,920,000
Term Bonds		2025	17,130,000	17,130,000
Note, Series B	7/6/95	2005	361,623	175,633
Bonds CWF Series 1.....	8/23/95	1996-2015	5,000,000	3,799,523
Bonds Series C.....	9/15/95	1997-2016	97,480,000	30,860,000 ^(a)
Refunding Bonds Series 2.....	10/15/95			
Serial Bonds		1997-2000	5,780,000	-0-
Serial Bonds		2004-05	2,715,000	2,715,000
Serial Bonds		2007-15	34,355,000	34,355,000
1996- Bonds Series A	1/15/96	1997-2016	158,080,000	87,210,000 ^(a)
Refunding Bonds Series 1.....	2/15/96	1996-2015	104,765,000	100,815,000
Bonds Series B.....	5/15/96			
Serial Bonds		1998-99	4,215,000	-0-
Serial Bonds		2007-14	16,550,000	2,440,000
Term Bonds		2021	10,305,000	10,305,000
Term Bonds		2026	13,930,000	13,930,000
Bonds Series C.....	9/1/96	1998-2017	115,230,000	29,710,000 ^(a)
Bonds CWF Series A.....	8/29/96	2001-11	5,000,000	4,349,980
Bonds Series D	10/15/96			
Serial Bonds		2007-09	8,550,000	8,550,000
Term Bonds		2014	3,700,000	3,700,000
Term Bonds		2020	6,405,000	6,405,000
Term Bonds		2027	11,345,000	11,345,000
1997- Bonds CWF Series A.....			10,000,000	7,982,173
Bonds Series A	3/15/97			
Serial Bonds		2006-15	17,880,000	17,880,000
Serial Bonds		2017	5,760,000	5,760,000
Bonds Series 1	3/15/97			
Term Bonds		2021	8,065,000	8,065,000
Term Bonds		2028	13,295,000	13,295,000
Bonds Series B.....	7/15/97	1999-2018	101,010,000	72,200,000 ^(a)

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

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 1, 2001)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
Bonds Series C.....	9/15/97			
Serial Bonds		2000-01	520,000	-0-
Serial Bonds		2003-13	22,755,000	22,755,000
Term Bonds		2017	7,850,000	7,850,000
Term Bonds		2023	10,580,000	10,580,000
Term Bonds		2026	3,295,000	3,295,000
Bonds Series D (Taxable).....	9/15/97			
Serial Bonds		1999-2012	13,385,000	10,420,000
Term Bonds		2017	6,760,000	6,200,000
Term Bonds		2028	24,855,000	22,865,000
1998- Bonds Series A	3/1/98	1999-2018	156,185,000	133,780,000
Bonds CWF Series A.....	2/12/98	1998-2018	5,000,000	4,403,183
Bonds Series B.....	5/15/98			
Serial Bonds		2007-08	2,865,000	2,865,000
Term Bonds		2010	4,775,000	4,775,000
Term Bonds		2018	2,865,000	2,865,000
Term Bonds		2023	8,670,000	8,670,000
Term Bonds		2028	11,390,000	11,390,000
Bonds Series C (Taxable)	5/15/98			
Serial Bonds		1999-2008	6,245,000	4,350,000
Term Bonds		2028	27,760,000	25,815,000
Refunding Bonds Series 1.....	8/15/98			
Serial Bonds		1999	2,820,000	-0-
Serial Bonds		2004-16	154,760,000	154,760,000
Refunding Bonds Series 2.....	9/15/98			
Serial Bonds		1999-2001	17,095,000	-0-
Serial Bonds		2004-09	77,155,000	77,155,000
Bonds Series D	9/1/98	2000-19	74,840,000	68,450,000
Bonds Series E.....	10/15/98	2012-17	6,155,000	6,155,000
Bonds Series F (Taxable).....	10/15/98			
Serial Bonds		1999-2009	9,410,000	7,340,000
Term Bonds		2029	45,590,000	44,220,000
1999- Bonds Series A	2/1/99	2000-19	147,060,000	133,575,000
Refunding Bonds Series 1.....	5/1/99			
Serial Bonds		2008-12	4,905,000	4,905,000
Term Bonds		2015	3,880,000	3,880,000
Term Bonds		2020	7,005,000	7,005,000
Bonds Series B (Taxable).....	5/1/99			
Serial Bonds		2000-10	6,370,000	5,370,000
Term Bonds		2013	2,620,000	2,560,000
Term Bonds		2016	3,180,000	3,105,000
Term Bonds		2030	27,830,000	27,170,000
Bonds Series C.....	10/15/99	2001-20	100,000,000	81,065,000

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

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 1, 2001)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
Bonds Series D (Taxable).....	11/1/99			
Term Bonds		2010	9,465,000	8,290,000
Term Bonds		2030	55,535,000	53,220,000
Bonds CWF Series A.....	12/15/99	2000-20	5,000,000	4,330,000
2000- Bonds Series A	3/15/2000			
Serial Bonds		2001-18	128,875,000	86,875,000 ^(a)
Term Bonds		2020	21,125,000	21,125,000
Bonds Series B (Taxable)	7/1/2000			
Term Bonds		2010	4,625,000	3,210,000
Term Bonds		2030	30,375,000	23,160,000
Bonds Series C.....	7/15/2000	2012-21	87,715,000	87,715,000
Bonds Series D	11/1/2000	2012-21	199,965,000	135,865,000 ^(a)
Bonds Series E (Taxable)	11/7/2000			
Term Bonds		2016	5,000,000	5,000,000
Bonds CWF Series A.....	11/16/2000			
Serial Bonds		2001	250,000	-0-
Serial Bonds		2014-20	4,750,000	4,750,000
2001- Bonds Series A (Taxable)	2/21/01		0	
Term Bonds		2031	15,000,000	15,000,000
Bonds Series B.....	4/1/01	2012-21	91,620,000	91,260,000
Bonds Series C.....	6/1/01	2002-11	92,410,000	92,410,000
Bonds Series D (Taxable).....	6/15/01			
Serial Bonds		2002-08	2,060,000	2,060,000
Term Bonds		2011	1,110,000	1,110,000
Term Bonds		2016	2,390,000	2,390,000
Term Bonds		2021	3,305,000	3,305,000
Term Bonds		2031	11,135,000	11,135,000
Loan Series A.....	8/24/01		50,000,000	50,000,000
Bonds Series F	10/1/01	2003-22	186,615,000	186,615,000
Refunding Bonds Series 1.....	10/1/01			
Serial Bond.....		2005	4,230,000	4,230,000
Serial Bonds		2007-15	242,875,000	242,875,000
Bonds Series E (Taxable)	10/1/01			
Term Bonds		2017	6,210,000	6,210,000
Term Bonds		2021	2,730,000	2,730,000
Term Bonds		2031	<u>11,060,000</u>	<u>11,060,000</u>
<i>Total Fixed Rate General Obligations</i>			<u>\$11,185,407,196</u>	<u>\$3,929,503,483</u>
 <i>Variable Rate General Obligations</i>				
1997- Commercial Paper Series A	4/3/97		\$ 99,270,000	\$ 44,052,000
Commercial Paper Series B	7/15/97		31,335,000	10,885,000
1998- Commercial Paper Series A	12/1/98		35,925,000	15,819,000
Commercial Paper Series B	12/1/98		29,120,000	12,799,000
1999- Extendible Commercial Notes Series A .	9/9/99		50,000,000	-0-
Extendible Commercial Notes Series B .	10/6/99		75,000,000	-0-

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

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 1, 2001)

2000- Extend. Muni. Comm. Paper Series A ...	8/8/2000	125,000,000	53,565,000
Extend. Muni. Comm. Paper Series B ...	8/8/2000	93,430,000	93,430,000
Extend. Muni. Comm. Paper Series C ...	11/16/2000	<u>80,390,000</u>	<u>80,390,000</u>
<i>Total Variable Rate General Obligations</i>		<u>\$ 619,470,000</u>	<u>\$ 310,940,000</u>
 TOTAL GENERAL OBLIGATIONS		 <u>\$11,804,877,196</u>	 <u>\$4,240,443,483</u>

Table III-3
PER CAPITA STATE GENERAL OBLIGATION DEBT
1991 TO 2000

<u>Year Ending</u> <u>December 31</u>	<u>Outstanding</u> <u>Indebtedness^(a)</u> <u>(Amounts in Thousands)</u>	<u>Debt</u> <u>Per Capita</u>	<u>Debt Per Capita</u> <u>as % of Per</u> <u>Capita Income</u>
1991	\$3,126,391	\$631.34	3.46%
1992	3,065,122	612.41	3.17
1993	3,104,055	613.93	3.07
1994	3,244,079	636.59	3.03
1995	3,305,471	643.46	2.85
1996	3,468,447	670.36	2.85
1997	3,604,798	693.10	2.80
1998	3,751,542	718.41	2.74
1999	3,942,659	750.92	2.74
2000	4,270,718	796.18	2.83

^(a) Includes obligations of nonstock, nonprofit building corporations

Sources: Legislative Audit Bureau
Tables II-27 and II-30 in Part II of the Annual Report.

Table III-4
LIMITATION ON AGGREGATE PUBLIC DEBT
DERIVATION OF AMOUNT
FOR 2001

The aggregate debt contracted in 2001 shall not exceed the lesser of (a) or (b):

(a)	3/4 of 1% x \$312,483,706,600	\$2,343,627,800
(b)	5% x \$312,483,706,600	\$15,624,185,330
	Deduct: Net Indebtedness 1/1/2001	<u>(4,270,717,865)</u>
		\$11,353,467,465

The amount of \$312,483,706,600 shown above is the aggregate full market value of all taxable property in the State for the year 2001 as certified by the Department of Revenue.

The amount of \$4,270,717,865 shown above is the net indebtedness as of January 1, 2001 as certified by the Legislative Audit Bureau.

The lesser of (a) or (b) is \$2,343,627,800. Aggregate debt contracted in the calendar year shall not exceed this amount.

Source: Wisconsin Department of Administration.

**Table III-5
ANNUAL DEBT LIMIT COMPARED
TO ACTUAL BORROWING
1992 TO 2001**

<u>Calendar Year</u>	<u>Annual Debt Limitation</u>	<u>Actual Borrowing</u>	<u>Borrowing as Percentage of Limitation</u>
1992	1,196,902,524	427,655,000	35.7
1993	1,287,578,726	129,325,000	10.0
1994	1,387,461,496	289,810,000	20.9
1995	1,511,535,818	368,322,196	24.4
1996	1,627,078,182	353,295,000	21.7
1997	1,748,056,751	404,310,000	23.1
1998	1,867,461,864	475,485,000	25.5
1999	1,999,256,351	482,360,000	24.1
2000	2,147,411,186	538,795,000	25.1
2001	2,343,627,800	485,645,000	20.7

Source: Wisconsin Department of Administration.

**Table III-6
DEBT STATEMENT
December 1, 2001**

	<u>Tax-Supported Debt</u>		<u>Revenue-Supported Debt^(a)</u>		<u>Total</u>
	<u>General Fund</u>	<u>Segregated Funds^(b)</u>	<u>Veterans Housing</u>	<u>Other^(c)</u>	
General Obligations	<u>\$2,985,884,907</u>	<u>\$59,201,725</u>	<u>\$779,915,000</u>	<u>\$415,441,849</u>	<u>\$4,240,443,481</u>
Total Outstanding					
Indebtedness	<u>\$2,985,884,907</u>	<u>\$59,201,715</u>	<u>\$779,915,000</u>	<u>\$415,441,849</u>	<u>\$4,240,443,481</u>

^(a) Revenue Supported Debt represents general obligation debt of the State issued to fund particular programs and facilities with the initial expectation that revenues and other proceeds derived from the operation of the programs and facilities will amortize the allocable debt without recourse to the General Fund.

^(b) Includes the Transportation Fund and certain administrative facilities for the Department of Natural Resources.

^(c) Includes university dormitories, food service, intercollegiate athletic facilities, certain facilities on the State Fair grounds, and capital equipment acquisition.

Source: Wisconsin Department of Administration.

**Table III-7
COMPARISON OF OUTSTANDING
INDEBTEDNESS TO EQUALIZED VALUATION
OF PROPERTY
1991 TO 2000**

<u>Calendar Year</u>	<u>Value of Taxable Property (Amounts in Thousands)</u>	<u>Outstanding Indebtedness^(a) (Amounts in Thousands)</u>	<u>Debt as Percentage of Equalized Value</u>
1991	\$150,927,756	\$3,126,391	2.07%
1992	159,587,003	3,065,122	1.92
1993	171,677,164	3,104,055	1.81
1994	184,994,866	3,244,079	1.75
1995	201,538,109	3,305,471	1.64
1996	216,943,758	3,468,447	1.60
1997	233,074,233	3,604,798	1.55
1998	248,994,915	3,751,542	1.51
1999	266,567,513	3,942,659	1.48
2000	286,321,492	4,270,718	1.49

(a) Including obligations of nonstock, nonprofit building corporations as of December 31.

Sources: Wisconsin Department of Revenue.
Wisconsin Legislative Audit Bureau.

**Table III-8
DEBT SERVICE PAYMENT HISTORY:
AMOUNT PAID ON GENERAL
OBLIGATIONS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
To June 30, 1986.....	\$1,149,785,000	\$1,104,960,605	\$2,254,745,605
1986-87	159,920,000	161,142,905	321,062,905
1987-88	170,105,000	157,666,783	327,771,783
1988-89	168,560,000	140,461,544	309,021,544
1989-90	169,615,000	147,115,426	316,730,426
1990-91	185,050,000	161,025,824	346,075,824
1991-92	157,985,000	100,545,026	258,530,026
1992-93	131,634,000	138,331,828	269,965,828
1993-94	151,416,138	153,491,249	304,907,387
1994-95	188,718,292	159,985,783	348,704,075
1995-96	199,622,231	159,090,781	358,713,012
1996-97	205,112,886	167,659,261	372,772,147
1997-98	217,184,565	171,783,741	388,968,306
1998-99	236,344,072	173,743,794	410,087,867
1999-2000	244,211,911	183,158,974	427,370,884
2000-01	285,088,311	209,230,800	494,319,110
7/1/2001-11/30/2001	64,153,661	104,107,199	168,260,860
Totals.....	<u>\$4,084,506,067</u>	<u>\$3,593,501,523</u>	<u>\$7,678,007,590</u>

Source: Wisconsin Department of Administration.

Table III-9
DEBT SERVICE MATURITY SCHEDULE:
AMOUNT DUE ANNUALLY ON GENERAL OBLIGATION BONDS
ISSUED TO DECEMBER 1, 2001 ^(a)

<u>Fiscal Year</u> <u>(Ending June 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2002 ^(b)	\$ 204,525,093	\$ 108,135,845	\$ 312,660,938
2003.....	253,872,654	198,212,397	452,085,051
2004.....	238,518,174	185,387,353	423,905,527
2005.....	232,956,494	172,490,573	405,447,068
2006.....	230,713,101	159,574,462	390,287,563
2007.....	225,331,611	147,676,452	373,008,063
2008.....	215,566,603	136,046,710	351,613,313
2009.....	216,555,539	125,102,654	341,658,193
2010.....	200,360,097	114,078,968	314,439,064
2011.....	187,546,796	103,829,497	291,376,292
2012.....	187,747,278	93,958,464	281,705,743
2013.....	179,350,479	84,583,848	263,934,327
2014.....	162,861,973	75,081,275	237,943,248
2015.....	154,824,374	66,450,799	221,275,173
2016.....	142,497,619	58,028,619	200,526,238
2017.....	147,828,773	50,187,549	198,016,322
2018.....	131,491,825	42,346,494	173,838,319
2019.....	115,887,500	34,975,751	150,863,251
2020.....	106,617,500	28,377,078	134,994,578
2021.....	75,985,000	22,169,035	98,154,035
2022.....	48,125,000	17,748,847	65,873,847
2023.....	30,750,000	14,818,017	45,568,017
2024.....	31,865,000	12,756,940	44,621,940
2025.....	27,450,000	10,617,468	38,067,468
2026.....	26,315,000	8,705,135	35,020,135
2027.....	29,735,000	6,863,911	36,598,911
2028.....	22,195,000	4,916,685	27,111,685
2029.....	18,460,000	3,281,998	21,741,998
2030.....	16,735,000	1,964,671	18,699,671
2031.....	13,880,000	792,163	14,672,163
2032.....	2,955,000	103,502	3,058,502
TOTALS.....	\$3,879,503,483	\$2,089,263,162	\$5,968,766,645

^(a) This maturity schedule does not include interest and principal payments on outstanding variable rate obligations such as commercial paper notes and extendible municipal commercial paper, nor does it include the \$50,000,000 short-term General Obligation Loan of 2001, Series A.

^(b) For the fiscal year ending June 30, 2002, the table includes debt service amounts for the period December 1, 2001 through June 30, 2002.

Source: Wisconsin Department of Administration.

Table III-10
AMORTIZATION SCHEDULE:
PRINCIPAL AMOUNT DUE ANNUALLY ON GENERAL OBLIGATION VARIABLE RATE OBLIGATIONS
ISSUED TO JUNE 30, 2001 ^(a)

Fiscal Year (Ending June 30)	Principal ^(b)
2002.....	\$ 28,915,000
2003.....	29,765,000
2004.....	31,175,000
2005.....	32,690,000
2006.....	32,020,000
2007.....	29,375,000
2008.....	28,640,000
2009.....	30,105,000
2010.....	27,635,000
2011.....	28,415,000
2012.....	1,490,000
2013.....	1,565,000
2014.....	1,650,000
2015.....	1,735,000
2016.....	1,830,000
2017.....	1,930,000
2018.....	2,035,000
2019.....	2,150,000
2020.....	2,270,000
2021.....	2,390,000
TOTAL.....	\$ 317,780,000

^(a) The State intends to treat each general obligation variable rate issue as if it were a long-term bond issue by making annual principal payments on May 1. The Program Resolutions do not permit the State to have any variable rate obligations outstanding for more than 10 years after a specific initial issue date.

Source: Wisconsin Department of Administration.

Table III-11
SOURCE OF DEBT SERVICE PAYMENTS
ON GENERAL OBLIGATIONS ISSUED AS OF
JUNE 30, 2001

	<u>2000-01</u>	<u>%</u>	<u>1999-2000</u>	<u>%</u>	<u>1998-99</u>	<u>%</u>
Tax-Supported Debt						
General Fund	\$349,297,047	70.7	\$327,346,978	73.2	\$299,162,976	73.0
Segregated Funds.....	<u>7,465,379</u>	<u>1.5</u>		<u>2.4</u>	<u>7,691,124</u>	<u>1.9</u>
Subtotal.....	356,762,426	72.2	337,853,875	75.6	306,854,100	74.8
Self-Amortizing Debt						
Veterans	94,798,118	19.2	70,973,999	15.9	66,117,038	16.1
University of Wisconsin.....	26,592,884	5.4	23,150,654	5.2	21,369,609	5.2
State Fair Park.....	2,005,595	0.4	1,597,793	0.3	1,488,720	0.4
Historical	93,500	0.0	95,712	0.0	96,064	0.0
Housing State Depts./Other	<u>14,066,586</u>	<u>2.9</u>	<u>13,373,050</u>	<u>3.0</u>	<u>14,162,335</u>	<u>3.5</u>
Subtotal.....	137,556,683	27.6	109,191,208	24.4	103,233,766	25.2
Total Debt Service	<u>\$494,319,110</u>	<u>100.0</u>	<u>\$447,045,083</u>	<u>100.0</u>	<u>\$410,087,866</u>	<u>100.0</u>

VARIABLE RATE OBLIGATIONS

The State has issued, and there currently remain outstanding, both general obligation commercial paper notes and extendible municipal commercial paper.

Commercial Paper Notes.

The State has appointed Goldman, Sachs & Co. and Merrill Lynch & Co. to serve as **Dealers** for its General Obligation Commercial Paper Notes (**CP Notes**). The State has appointed Bankers Trust Company to serve as **Issuing and Paying Agent** for the CP Notes.

The State has appointed The Depository Trust Company (**DTC**) to serve as **Depository** for the CP Notes. The State has obtained a **Liquidity Facility** in the form of a line of credit, which is provided for in a **Credit Agreement** among the State and the **Banks** — The Bank of Nova Scotia, New York Agency and Commerzbank AG, New York Branch.

The following summarizes the designation of each series of CP Note that the State has issued, the principal amount initially issued, the date each series was initially issued, and the principal amount outstanding as of December 1, 2001.

<u>Series of CP Notes</u>	<u>Amount Initially Issued^(a)</u>	<u>Date of Initial Issuance</u>	<u>Amount Outstanding</u>
1997 Series A	\$91,655,000	April 3, 1997	\$44,052,000
1997 Series B	25,000,000	July 15, 1997	10,885,000
1998 Series A	25,000,000	December 1, 1998	15,819,000
1998 Series B	25,000,000	December 1, 1998	12,799,000

^(a) Amount does not include amount of additional CP Notes that prior to November 1, 1999 may have been issued to pay for accrued interest due at maturity of a CP Note.

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

Description of CP Notes

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

The CP Notes are not callable prior to maturity.

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

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

Liquidity Facility

In order to provide liquidity for the payment of the principal of and interest on maturing CP Notes, the State has entered into a **Credit Agreement** with the Banks. Pursuant to the Credit Agreement, each of the Banks has agreed, subject to certain conditions, to severally make **Advances** from time to time on any business day during the term of the Credit Agreement, only for providing funds to pay the principal of and interest on CP Notes on the maturity date thereof to the extent that proceeds of other CP Notes or other moneys on deposit in the note fund for CP Notes are not available. The aggregate principal amount of all Advances made on any date may not exceed the outstanding

commitment amount under the Credit Agreement (which is currently \$110 million), as such amount may be reduced from time to time pursuant to the Credit Agreement. The obligation of each Bank to make Advances is limited at any time to one-half of the outstanding commitment amount under the Credit Agreement. The commitment amount cannot be less than the sum of the issued CP Notes plus the aggregate principal amount of all outstanding Advances provided by the Banks.

The Credit Agreement currently terminates on March 29, 2002. The Credit Agreement provides that the termination date may be extended, if both parties agree.

Description of the Banks

The Bank of Nova Scotia

The Bank of Nova Scotia (**Scotiabank**) was founded in 1832 in Halifax, and currently employs more than 47000 people in 2,005 branches and offices throughout the world. Scotiabank is a Canadian chartered bank with its principal office located in Toronto, Ontario.

Scotiabank's activities include providing a full range of retail, commercial and corporate banking services through its extensive network of branches located in all Canadian provinces and territories. Outside Canada, Scotiabank has branches and offices in over 50 countries, which provide a wide range of banking and related financial services, both directly or through subsidiary and/or associated banks, trust companies, and other financial firms.

For the fiscal year ended October 31, 2001, Scotiabank recorded total assets of CDN\$284.4 billion (US\$180.2 billion) and total deposits of CDN\$186.2 billion (US\$118.0 billion). Net income for the fiscal year ended October 31, 2001 equaled CDN\$2.169 billion (US\$1.374 billion), compared to CDN\$1.926 billion (US\$1.220 billion) for the prior fiscal year. Amounts above are shown in Canadian dollars and also reflect the United States dollar equivalent as of October 31, 2001 (1.0000 United States dollar equals 1.5785 Canadian dollars).

Scotiabank will provide to anyone, upon written request, a copy of its most recent annual report, as well as, a copy of its most recent quarterly financial report. Requests should be directed to: The Bank of Nova Scotia, 1675 Broadway, FLR 24, New York, New York 10019. Attention: Public Finance Department.

Commerzbank AG

Commerzbank Aktiengesellschaft (**Commerzbank**) is a German private-sector bank. It functions as both a commercial and investment bank, as well as being active in specialized fields – partially covered by subsidiaries within the Commerzbank group – such as mortgage banking and real-estate business, leasing and asset management. Services are centered on managing customer's accounts and handling payment transactions, loan, savings and investment services, and on securities transactions. Additional services are offered within the framework of Commerzbank's "bancassurance" strategy of cooperating with leading companies in finance-related sectors, including home loan savings plans and the insurance business. The Commerzbank's group structure was reorganized at year end-2000 in order to reflect its future strategic orientation. Commerzbank's operative activities have been bundled into two divisions: Retail Banking and Asset Management, on the one hand, and Corporate and Investment Banking, on the other. The existing structure of the Group Management and Services divisions was left unchanged, including their responsibility for cross-sectional functions.

As of September 30, 2001, Commerzbank had total assets of EURO \$496.5 billion. Commerzbank's capital stock is publicly held by more than 380,000 shareholders and is quoted on all eight German stock exchanges as well as on the stock exchanges of London, Tokyo, and Zurich. There is also a sponsored-ADR program in the USA.

In Germany, Commerzbank operates over 900 branches that provide banking services to 3.8 million private customers. Abroad, Commerzbank maintains a network of offices in 43

countries. Commerzbank is directly represented in all major financial and industrial centers with its own subsidiaries, branches or representative offices and employs approximately 8,100 staff abroad. It also has numerous holdings in leading local and regional financial institutions.

Commerzbank conducts extensive banking business in the United States, concentrating primarily in corporate lending, letter of credit and bankers acceptance facilities, syndicated loan transactions and treasury operations including foreign exchange transactions. Commerzbank has branches in New York, Chicago, and Los Angeles, and has an agency office in Atlanta.

For further information on the Commerzbank Group, a copy of Commerzbank's annual report can be obtained by contacting: Commerzbank, The Corporate Center at Rye, 555 Theodore Fremd Avenue—Suite B-200, Rye, NY 10580. Attention: Karin Rapaglia. The telephone number is (914) 925-2000.

Under the banking laws of the Federal Republic of Germany, all German banks are subject to supervision by the Federal Banking Supervisory Office (Bundesaufsichtsamt für das Kreditwesen), the Federal Securities Trading Supervisory Commission (Bundesaufsichtsamt für den Wertpapierhandel), and by the German Central Bank (Deutsche Bundesbank). The Federal Banking Supervisory Office has the power, inter alia, to issue and revoke licenses, to issue regulations on capital and liquidity requirements, to demand the removal of members of the management banks, to inspect books and records, to designate the contents required in reports on financial matters by banks and to take action where deposits are considered to be at risk. Bank lending activities in the Federal Republic of Germany are regulated closely under the German Banking Law (Kreditwesengesetz) (**Banking Law**), as amended most recently on October 24, 1994. The Banking Law and directives of the European Union, of which Germany is a member, contain provisions on solvency, long-term lending and investments. The Banking Law also contains limits on large loans to individual borrowers. Compliance with and enforcement of these regulations are supervised through extensive reporting requirements. In addition, Commerzbank is subject to extensive regulation by the countries in which it operates.

The New York branch of Commerzbank is licensed by the Superintendent of Banks of the State of New York, is subject to the banking laws of the State of New York and is examined by the New York State Banking Department. Commerzbank's branches in Chicago and Los Angeles are subject to similar regulation by the state in which they operate. In addition to being subject to state laws and regulations, Commerzbank is also subject to federal regulation under the International Banking Act and, through the International Banking Act, the Bank Holding Company Act. In this regard, the Commerzbank U.S. branches and the Atlanta agency are also examined annually by the Federal Reserve Banks in the state in which they are located.

Extendible Municipal Commercial Paper

General obligation extendible municipal commercial paper (**EMCP**) is similar to CP Notes, however investors, rather than a bank-provided liquidity facility, provide liquidity for the EMCP. The State has appointed Goldman, Sachs & Co. and Merrill Lynch & Co. to serve as **Dealers** for the EMCP. The State has appointed U.S. Bank Trust National Association to serve as **Issuing and Paying Agent** for the EMCP. The State has appointed The Depository Trust Company (**DTC**) to serve as **Depository** for the EMCP.

The following summarizes the designation of each series of EMCP that the State has issued, the principal amount initially issued, the date each series was initially issued, and the principal amount outstanding as of December 1, 2001.

<u>Series of EMCP</u>	<u>Amount Initially Issued</u>	<u>Date of Initial Issuance</u>	<u>Amount Outstanding</u>
2000 Series A	\$125,000,000	August 8 – November 6, 2000	\$53,565,000
2000 Series B	93,430,000	August 8, 2000	93,430,000
2000 Series C	80,390,000	November 16, 2000	80,390,000

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

Description of EMCP

Each EMCP note is dated the date it is issued. It is issued as an interest-bearing obligation in a denomination of \$100,000 or increments of \$1,000 above \$100,000. Interest is computed on the basis of a year having 365 or 366 days and the actual number of days elapsed (actual/actual basis). Payment of principal of and interest on each EMCP note is made to the Depository and then distributed by the Depository.

Each EMCP note matures on its **Original Maturity Date**, which may range from 1 to 180 days from its original issue date, unless the State exercises its option to extend the maturity date. In that case the EMCP note will mature on the **Extended Maturity Date**, which will be the date that is 270 days after its original issue date.

Each EMCP note bears interest from its original issue date until the Original Maturity Date at the rate determined on the original issue date, payable on the Original Maturity Date, unless the maturity date is extended, in which case interest will be paid on the date described below. If the State exercises its option to extend the maturity date of an EMCP note, it will bear interest after the Original Maturity Date at the Reset Rate and be payable on the dates described below.

If the maturity date of an EMCP note is extended, accrued but unpaid interest to the Original Maturity Date will not be paid on the Original Maturity Date but will be payable on the following date (or any earlier redemption date):

- (1) if the Original Maturity Date is before the 15th day of the month, interest will next be payable on the first **Business Day** (which is a day on which banks located in Madison, Wisconsin and in each of the cities that the Principal Office of the Issuing and Paying Agent and Dealers are located are not required or authorized by law or executive order to close for business and a day the New York Stock Exchange is not closed) of the next month, or
- (2) if the Original Maturity Date is on or after the 15th day of the month, interest will next be payable on the first Business Day of the second succeeding month after the Original Maturity Date.

For example, if the Original Maturity Date is November 14, the first interest payment will be the first Business Day of December, and if the Original Maturity Date is November 15, the first interest payment will be the first Business Day of January.

Each EMCP note bears interest from the Original Maturity Date at the **Reset Rate** and is payable first on the date described above and thereafter, on the first Business Day of each month and on any redemption date or the Extended Maturity Date.

The Reset Rate will be a rate of interest per annum determined by the following formula:

$$(1.35 \times \text{BMA}) + E$$

As used in the formula, the *BMA* variable will be The Bond Market Association Municipal Swap Index, which is calculated weekly and released each Wednesday afternoon, effective Thursday. The *E* variable will be a fixed percentage rate expressed in basis points that is determined based on the ratings assigned to the EMCP (**Prevailing Ratings**), as follows:

<u>Prevailing Ratings</u>			
<u>Fitch</u>	<u>Moody's Investors Service, Inc.</u>	<u>Standard & Poor's Ratings Services</u>	<u>E Variable</u>
F-1+	P-1	A-1+	100 basis points
F-1	–	A-1	150
F-2	P-2	A-2	200
F-3	P-3	A-3	300
Lower than F-3 (or rating discontinued)	Lower than P-3 (or rating discontinued)	Lower than A-3 (or rating discontinued)	400

Pursuant to the Program Resolution, if at any time any rating agency announces that a lower rating is under consideration for the EMCP, then the Prevailing Rating from such rating agency will not be the rating then assigned to the EMCP; rather, it will be the next lower rating of such rating agency. If the Prevailing Ratings would indicate different *E* variables as a result of split ratings assigned to the EMCP, the *E* variable will be the arithmetic average of those indicated by the Prevailing Ratings.

The Reset Rate applicable to any EMCP note will be determined weekly by the Issuing and Paying Agent based on the *BMA* variable and the Prevailing Ratings as of 11:00 a.m. (New York time) on its Original Maturity Date and each Thursday thereafter and will apply through the following Wednesday.

REVENUE-SUPPORTED GENERAL OBLIGATION DEBT

General

Although all general obligations issued by the State are supported by its full faith, credit, and taxing power, a portion of these general obligations are issued with the expectation that Debt Service payments will not impose a direct burden on the State's taxpayers and its general revenue sources. Beneficiaries and users of revenue-supported programs and facilities pay fees and other amounts that are estimated to be at least sufficient to pay or reimburse the General Fund for the amount paid for Debt Service related to these revenue-supported programs and facilities.

Table III-6 identifies the amount of general obligations designated as revenue-supported. The programs and facilities funded with these general obligations support Debt Service payments on approximately \$1.204 billion of State general obligations outstanding on December 1, 2001. Revenue-supported Debt Service payments were approximately 27.6% of the total Debt Service cost for the fiscal year ending June 30, 2001. [See Table III-11.](#)

Veterans Housing Loan Program

The veterans housing loan program, operated by the State of Wisconsin Department of Veterans Affairs (DVA), is the largest revenue-supported program of the State. Lending activities under the program began in 1974. Except for four revenue bond issues (which have all been redeemed), the program has been funded by State general obligation bond issues that have been either **Tax-Exempt Veterans Mortgage Bonds** or **Taxable Veterans Mortgage Bonds**. These bonds are collectively referred to as **Veterans Mortgage Bonds**.

Approximately \$780 million in aggregate principal amount of Veterans Mortgage Bonds remain outstanding on December 1, 2001. As outlined later in this section, there are different special redemption provisions for the Tax-Exempt Veterans Mortgage Bonds and each series of Taxable Veterans Mortgage Bonds. Tables III-16 through III-22 in this part of the Annual Report include unaudited financial and statistical information and related notes that may be helpful in describing the operation of the Veterans Housing Loan Program.

Primary Mortgage Housing Loan Program Requirements

Veterans who wish to purchase, build, or purchase and rehabilitate homes that satisfy certain cost or value limitations in relation to the veteran's income may apply for a veterans primary mortgage home loan. The home loan may be for the purchase of an existing home, for a construction loan, for refinancing the balance due on a construction period loan, bridge loan, or other financing with a term of 24 months or less, or for a combined purchase and rehabilitation loan of up to 95% of the home's value for a term not exceeding 30 years. A loan application is reviewed first by a local lending institution and then by DVA. If the application is approved, the local lending institution originates the loan as agent for DVA and acts as loan servicer thereafter. There are numerous other standards required to be satisfied as part of underwriting, including a first, or primary mortgage, and a shelter-cost ratio of generally less than 25% of income. This ratio may go up to as much as 33% under certain favorable credit circumstances or must be reduced if certain credit risks are present. The originator of the home loan may charge the borrower an origination fee of one point (approximately two points in the case of construction loans and three points on the rehabilitation portion of purchase-rehabilitation loans).

Primary mortgage home loans have been funded with either Tax-Exempt Veterans Mortgage Bonds or Taxable Veterans Mortgage Bonds.

Home Improvement Loan Program (HILP)

In addition to primary mortgage home loans described above, DVA also makes HILP loans that are funded solely with proceeds of Taxable Veterans Mortgage Bonds. This program has a maximum loan amount of \$25,000 and is processed through county veterans service officers rather than lending institutions. HILP loans have a maximum term of 15 years. HILP loans in excess of \$3,000 are secured by either a first or second mortgage on the improved property and require a minimum equity position of 10% after considering the HILP loan. HILP loans under \$3,000 may be guaranteed by a guarantor or secured by a first or second mortgage. HILP loans use the same basic underwriting standards as the primary mortgage home loan program but do not include loan-servicing charges.

Mortgage Interest Rates

It has been the policy of DVA to set the interest rate charged to a borrower at a level sufficient to pay the debt service on the Veterans Mortgage Bonds funding the loan, the cost of program administration and, if deemed necessary, a loan loss reserve (which since 1985 has been charged to fund the Insurance Reserve Account described below).

In setting the interest rate, DVA has previously chosen to provide a subsidy for veterans primary mortgage loans and some HILP loans funded with Taxable Veterans Mortgage Bonds. The result is that the lending rate may be lower than the true interest cost rate on the Taxable Veterans Mortgage Bond issue funding the HILP loans.

DVA has not determined if any subsidy or similar arrangement will be available for veterans primary mortgage home loans or HILP loans funded with future issues of Taxable Veterans Mortgage Bonds.

Other

Tax-Exempt Veterans Mortgage Bonds issued prior to 1985 assumed a certain level of prepayments in estimating program cash flow. No prepayments have been assumed in scheduling principal payments for Veterans Mortgage Bonds issued since 1985. Based on September 1, 2001 balances and existing DVA assumptions, the cash flow of the mortgages is sufficient to meet future debt service payments even if no mortgages are prepaid. Program loans may be assumed only by other qualifying veteran borrowers.

After deducting a servicing charge (.375% per annum), the participating lender deposits the veteran's monthly loan repayments and any prepayments into the Veterans Mortgage Loan Repayment Fund, a segregated statutory fund. An irrevocable appropriation is provided by law as a first charge on assets of the Repayment Fund in a sum sufficient to provide for the repayment of principal of, premium, if any, and interest on State general obligation debt issued to fund the program.

Program loans financed with Veterans Mortgage Bonds are not required to be insured or guaranteed (casualty insurance coverage is, however, required). Instead, the default risk with respect to such loans is borne by the program. The ability of DVA to dispose of defaulted properties and realize the amount of the outstanding principal balances of the related loans has varied in recent years depending upon the location of such properties within the State and their physical condition upon foreclosure. Although DVA expects that it will continue to experience liquidation losses, it expects that such losses will not require recourse to the State's General Fund but rather will be covered by the Insurance Reserve Account within the Fund. As of October 31, 2001, of the 12,960 outstanding veterans primary mortgage home loans financed by the program, there were 77 loans in an aggregate principal amount of approximately \$4.6 million for which payments were 60 days or longer past due. The insurance reserve requirement (4% of outstanding loans) is currently satisfied in full. See [Table III-20](#) for more complete data concerning delinquencies.

Special Redemption—Tax-Exempt Veterans Mortgage Bonds

The State had outstanding, as of December 1, 2001, approximately \$473 million of Tax-Exempt Veterans Mortgage Bonds. Of this amount, approximately \$471 million are subject to special redemption prior to maturity, at the option of the Commission, on any date, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from:

- Prepayments of veterans housing loans funded from or attributed to any series of Tax-Exempt Veterans Mortgage Bonds.
- Payments on veterans housing loans, or interest or income on investments in certain accounts, including money available from the Insurance Reserve Account, in excess of amounts required to meet scheduled debt service on Tax-Exempt Veterans Mortgage Bonds and costs associated with the veterans primary mortgage housing loan program.

In the event of a partial redemption, the Commission shall direct the maturities of the Bonds and the amounts thereof so to be redeemed.

Prepayments of mortgages originated with or attributed to any series of Taxable Veterans Mortgage Bonds shall not be used for special redemption of Tax-Exempt Veterans Mortgage Bonds, and prepayments of mortgages originated with or attributed to any series of Tax-Exempt Veterans Mortgage Bonds shall not be used for special redemption of Taxable Veterans Mortgage Bonds.

Table III-12 presents a summary of the outstanding Tax-Exempt Veterans Mortgage Bonds that are subject to special redemption. Table III-23 presents further detailed information on these outstanding Tax-Exempt Veterans Mortgage Bonds subject to special redemption.

Table III-12
Summary of Outstanding Tax-Exempt Veterans Mortgage Bonds
Subject to Special Redemption
December 1, 2001

<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount Subject to Special Redemption</u>	<u>Outstanding Principal Amount Subject to Special Redemption</u>	<u>Range of Interest Rates on Outstanding Bonds</u>
1990 Series B	03/01/90	\$ 19,600,000	\$ 1,425,000	7.10–7.30%
1990 Series F	10/01/90	19,675,000	1,550,000	7.20–7.35
1991 Series A	04/01/91	29,575,000	2,550,000	6.75–7.10
1992 Series B	06/01/92	29,850,000	8,195,000	6.10–6.60
1993 Series 6	10/15/93	20,000,000	16,955,000	4.45–5.30
1993 Series 5	12/01/93	135,255,000	114,555,000	4.45–5.40
1994 Series 2	03/01/94	58,525,000	30,210,000	5.20–6.20
1994 Series 3	09/15/94	10,400,000	4,800,000	5.20–5.80
1994 Series C	09/15/94	45,000,000	16,680,000	5.60–6.65
1995 Series 1	02/15/95	15,735,000	8,620,000	5.55–6.10
1995 Series B	02/15/95	29,265,000	29,265,000	6.40–6.50
1995 Series 2	10/15/95	42,850,000	37,070,000	4.85–5.75
1996 Series B	05/15/96	45,000,000	26,675,000	5.70–6.20
1996 Series D	10/15/96	30,000,000	30,000,000	5.25–6.00
1997 Series A	03/15/97	21,360,000	21,360,000	6.00–6.00
1997 Series 1	03/15/97	23,640,000	23,640,000	5.20–5.75
1997 Series C	09/15/97	45,000,000	44,480,000	4.50–5.50
1998 Series B	05/15/98	30,565,000	30,565,000	4.75–5.35
1998 Series E	10/15/98	6,155,000	6,155,000	4.60–4.80
1999 Series 1	05/01/99	15,790,000	<u>15,790,000</u>	4.70–5.30
			<u>\$ 470,540,000</u>	

The State has historically received, and expects to continue to receive, prepayments of veterans primary mortgage housing loans funded with Tax-Exempt Veterans Mortgage Bonds. See Table III-24 for a summary of the prepayments made over the past three years. The State may use, and has from time to time used, veterans primary mortgage housing loan prepayments to make new veterans housing loans. If the State determines that it is not feasible to make new veterans primary mortgage housing loans, the State intends to use these prepayments to purchase or redeem Tax-Exempt Veterans Mortgage Bonds as determined by the Commission.

The Department of Administration, on behalf of the Building Commission, has established and modified from time to time a working policy on the selection of Tax-Exempt Veterans Mortgage Bonds for special redemption from prepayments of veterans primary mortgage housing loans. The working policy, as of the date of this Annual Report, is to call Tax-Exempt Veterans Mortgage Bonds for special redemption based on the highest estimated market price. Tax-Exempt Veterans Mortgage Bonds identified by this estimated market price determination must further be tested to maintain compliance with the Legislature’s mandate that the veterans primary mortgage housing loan program be self-amortizing. Although this is the current working policy, it is subject to change at any time.

The estimated market price is determined for each maturity of Tax-Exempt Veterans Mortgage Bonds using published market indices that the State adjusts to reflect the following:

- The historic price relationship of the indices to comparable Tax-Exempt Veterans Mortgage Bonds, and
- Any maturity difference between the indices and the maturity of Tax-Exempt Veterans Mortgage Bonds.

The Commission most recently exercised its option of special redemption of Tax-Exempt Veterans Mortgage Bonds on February 1, 2001. At that time, the Commission made the special redemption summarized in Table III-13.

Table III-13
February 1, 2001 Special Redemption
Tax-Exempt Veterans Mortgage Bonds

<u>Bond Issue</u>	<u>Maturity Date</u>	<u>Coupon</u>	<u>Redemption Amount</u>
1994 Series C	May 1, 2013	6.50%	\$ 1,485,000
	May 1, 2016	6.60	5,060,000
	May 1, 2025	6.65	10,000,000

Special Redemption–Taxable Veterans Mortgage Bonds

The State had outstanding, as of December 1, 2001, ten series of Taxable Veterans Mortgage Bonds in the aggregate outstanding amount of approximately \$307 million.

Certain series of Taxable Veterans Mortgage Bonds are subject to special redemption prior to maturity, at the option of the Commission, on certain dates and any date thereafter, in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from unexpended proceeds of only that series of Taxable Veterans Mortgage Bonds, as provided for in the respective authorizing resolution. In the event of a partial redemption, the Commission shall direct the maturities of the Taxable Veterans Mortgage Bonds and the amounts thereof so to be redeemed; however, the Commission has stated in the respective Official Statements that it intends to apply amounts from this source as a pro rata redemption on all applicable outstanding maturities of the Taxable Veterans Mortgage Bonds, subject to rounding, to reflect approximately the intended use of the unexpended proceeds for either HILP loans or primary mortgage home loans.

In addition, Taxable Veterans Mortgage Bonds are subject to special redemption prior to maturity, at the option of the Commission, on any date, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from prepayments of veterans primary mortgage home loans or HILP loans, or interest or income on investments in certain accounts, funded from or attributed to only that series of Taxable Veterans Mortgage Bonds, as provided for in the respective authorizing resolution. In the event of a partial redemption, the Commission shall direct the maturities of the Taxable Veterans Mortgage Bonds and the amounts thereof so to be redeemed; however, the Commission has stated in the respective Official Statements that it intends to apply amounts from this source as a pro rata redemption on all applicable outstanding maturities of the Taxable Veterans Mortgage Bonds, subject to rounding, to reflect approximately the prepayment from either HILP loans or primary mortgage home loans.

Prepayments of veterans primary mortgage housing loans or HILP loans originated with or attributed to a series of Taxable Veterans Mortgage Bonds shall not be used for special redemption of any other series of Taxable Veterans Mortgage Bonds. Prepayments of mortgage loans or loans originated with or attributed to any series of Tax-Exempt Veterans Mortgage Bonds shall not be used for special redemption of Taxable Veterans Mortgage Bonds.

The State has historically received, and expects to continue to receive, prepayments of veterans primary mortgage housing loans and HILP loans funded with Taxable Veterans Mortgage Bonds. See Table III-24 for a summary of these prepayments made over the past three years. The Commission has made several special redemptions of Taxable Veterans Mortgage Bonds from these prepayments. See Table III-14 for an aggregate summary of all special redemptions (from prepayments and unexpended proceeds) that have occurred on Taxable Veterans Mortgage Bonds.

The State previously provided notices for a special redemption that will occur on January 1, 2002. Table III-15 provides a summary of a special redemption expected to occur on January 1, 2002.

**Table III-14
Summary of All Special Redemptions
Taxable Veterans Mortgage Bonds**

Bond Issue	Dated Date	Maturity Date	Special	Special	Special	Special Redemption -	Special Redemption -	Special Redemption -		
			Redemption - August 1, 1999	Redemption - January 1, 2000	Redemption - July 1, 2000	November 1, 2000	August 1, 2001	November 1, 2001		
1997 Series D	09/15/1997	11/01/1999	\$ 15,000							
		11/01/2000	15,000	\$ 5,000	\$ 5,000					
		11/01/2001	15,000	10,000	10,000	\$ 10,000	\$ 5,000			
		11/01/2002	15,000	15,000	10,000	15,000	5,000			
		11/01/2003	20,000	15,000	15,000	15,000	10,000			
		11/01/2004	20,000	15,000	15,000	15,000	15,000			
		11/01/2005	20,000	15,000	10,000	20,000	5,000			
		11/01/2006	20,000	15,000	15,000	15,000	15,000			
		11/01/2007	25,000	15,000	15,000	25,000	10,000			
		11/01/2008	25,000	15,000	15,000	20,000	15,000			
		11/01/2009	25,000	20,000	15,000	20,000	15,000			
		11/01/2010	25,000	25,000	25,000	25,000	15,000			
		11/01/2011	30,000	20,000	15,000	30,000	15,000			
		11/01/2012	35,000	25,000	25,000	25,000	20,000			
		11/01/2017	125,000	105,000	95,000	145,000	90,000			
		11/01/2028	430,000	375,000	325,000	520,000	340,000			
	Subtotal		860,000	690,000	610,000	900,000	575,000	-		
1998 Series C	05/15/1998	05/01/1999								
		05/01/2000	5,000							
		05/01/2001	5,000	10,000		10,000				
		05/01/2002	5,000	10,000	10,000	15,000	5,000			
		05/01/2003	10,000	5,000	5,000	15,000	10,000			
		05/01/2004	5,000	5,000	10,000	15,000	10,000			
		05/01/2005	5,000	5,000	10,000	15,000	10,000			
		05/01/2006	15,000	15,000	10,000	20,000	10,000			
		05/01/2007	5,000	5,000	10,000	20,000	15,000			
		05/01/2008	15,000	20,000	10,000	20,000	10,000			
		05/01/2028	365,000	270,000	285,000	645,000	380,000			
			Subtotal		435,000	345,000	350,000	775,000	450,000	-
		1998 Series F	10/15/1998	11/01/1999						
11/01/2000					5,000					
11/01/2001					5,000	5,000	5,000			
11/01/2002					10,000	10,000	5,000			
11/01/2003					10,000	10,000	10,000			
11/01/2004					5,000	10,000	5,000			
11/01/2005					10,000	10,000	10,000			
11/01/2006					10,000	10,000	10,000			
11/01/2007					10,000	10,000	10,000			
11/01/2008					10,000	15,000	10,000			
11/01/2009					10,000	10,000	10,000			
11/01/2029					445,000	510,000	415,000			
	Subtotal				-	-	530,000	600,000	490,000	-
1999 Series B	05/01/1999	05/01/2000								
		05/01/2001				5,000				
		05/01/2002				5,000	10,000			
		05/01/2003				5,000	5,000			
		05/01/2004				5,000	5,000			
		05/01/2005				10,000	5,000			
		05/01/2006				5,000	5,000			
		05/01/2007				10,000	10,000			
		05/01/2008				10,000	5,000			
		05/01/2009				10,000	10,000			
		05/01/2010				10,000	5,000			
		05/01/2013				30,000	30,000			
		05/01/2016				40,000	35,000			
05/01/2030				355,000	305,000					
	Subtotal		-	-	-	500,000	430,000	-		
1999 Series D	11/01/1999	11/01/2010					550,000			
		11/01/2030					2,315,000			
		Subtotal					-	2,865,000	-	
2000 Series B	07/01/2000	11/01/2010						1,000,000		
		11/01/2030						7,215,000		
		Subtotal						-	8,215,000	
2000 Series E	11/07/2000	11/01/2016								
2001 Series A	02/21/2001	05/01/2031								
2001 Series D	06/15/2001	11/01/2002								
2001 Series D	06/15/2001	11/01/2003								
2001 Series D	06/15/2001	11/01/2004								

Table III-15
January 1, 2002 Expected Special Redemption
Tax-Exempt Veterans Mortgage Bonds

<u>Bond Issue</u>	<u>Maturity Date</u>	<u>Coupon</u>	<u>Redemption Amount</u>
1997 Series D (Taxable)	November 1, 2002	6.30%	\$ 35,000
	2003	6.40	45,000
	2004	6.50	40,000
	2005	6.55	50,000
	2006	6.60	50,000
	2007	6.65	55,000
	2008	6.70	60,000
	2009	6.80	65,000
	2010	6.85	65,000
	2011	6.90	70,000
	2012	6.90	75,000
	2017	7.15	400,000
	2028	7.25	1,490,000
	1998 Series C (Taxable)	May 1, 2004	6.10
2005		6.15	5,000
2006		6.20	5,000
2007		6.25	10,000
2028		6.95	170,000
1998 Series F (Taxable)	November 1, 2002	5.20	10,000
	2003	5.35	20,000
	2004	5.45	15,000
	2005	5.50	15,000
	2006	5.55	20,000
	2007	5.60	20,000
	2008	5.65	20,000
	2009	5.75	20,000
	2029	6.40	860,000
	1999 Series B (Taxable)	November 1, 2002	5.80
2003		6.00	15,000
2004		6.20	15,000
2005		6.25	20,000
2006		6.25	20,000
2007		6.30	20,000
2008		6.35	25,000
2009		6.40	25,000
2010		6.40	25,000
2013		6.50	85,000
2016		7.00	105,000
1999 Series D (Taxable)	November 1, 2010	7.70	910,000
	2030	7.70	6,025,000

Financial and Statistical Information

The following unaudited financial and statistical information and related notes may be helpful in describing the operation of the Veterans Primary Mortgage Housing Loan Program. Bonds issued to fund this program are general obligations of the State of Wisconsin; the bondholders have no special pledge or lien on revenues derived from this program.

Table III-16
VETERANS PRIMARY MORTGAGE HOUSING LOAN PROGRAM
BALANCE SHEET
AS OF JUNE 30
(Amounts in Thousands)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
ASSETS					
Cash and Cash Equivalents.....	\$ 157,305	\$ 145,824	\$ 216,640	\$ 195,575	\$ 135,404
Investments.....					
Veterans Loans.....	714,025	702,219	635,111	602,088	580,499
Other Receivables.....	5,731	4,271	4,569	3,314	3,628
Due From Other Funds.....	5	51	302	1,100	130
Prepaid Items.....	58	48	47	46	44
Deferred Charges.....	4,546	4,808	5,045	4,862	4,065
Fixed Assets (net of accumulated depreciation).....	127	72	67	69	94
Other Assets.....	201	164	251	44	85
Total Assets.....	<u>\$ 881,997</u>	<u>\$ 857,457</u>	<u>\$ 862,032</u>	<u>\$ 807,099</u>	<u>\$ 723,950</u>
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable and Other Accrued Liabilities.....	\$ 7,392	\$ 12,557	\$ 16,011	\$ 24,688	\$ 10,042
Due to Other Funds.....	1,664	1,344	896	1,035	128
Due to Other Governments.....	0				6
Tax and Other Deposits.....	2	3	1	1	1
Deferred Revenue.....	474	646	819	992	1,165
Interest Payable.....	7,654	6,852	6,731	5,391	4,526
Compensated Absences.....	268	249	205	187	178
General Obligation Bonds Payable.....	782,260	757,244	760,790	697,495	564,971
Total Liabilities.....	<u>\$ 799,713</u>	<u>\$ 778,896</u>	<u>\$ 785,454</u>	<u>\$ 729,789</u>	<u>\$ 581,017</u>
Fund Equity:					
Retained Earnings:					
Unreserved.....	\$ 82,284	\$ 78,561	\$ 76,578	\$ 77,310	\$ 143,370
Total Fund Equity.....	<u>\$ 82,284</u>	<u>\$ 78,561</u>	<u>\$ 76,578</u>	<u>\$ 77,310</u>	<u>\$ 143,370</u>
Total Liabilities and Fund Equity.....	<u>\$ 881,997</u>	<u>\$ 857,457</u>	<u>\$ 862,032</u>	<u>\$ 807,099</u>	<u>\$ 724,386</u>

Source: Wisconsin Department of Veterans Affairs.

Table III-17
VETERANS PRIMARY MORTGAGE HOUSING LOAN PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
AS OF JUNE 30
(Amounts in Thousands)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Operating Revenues:					
Investment and Interest Income.....	\$ 49,570	\$ 46,452	\$ 42,207	\$ 37,122	\$ 39,418
Total Operating Revenues.....	<u>\$ 49,570</u>	<u>\$ 46,452</u>	<u>\$ 42,207</u>	<u>\$ 37,122</u>	<u>\$ 39,418</u>
Operating Expenses:					
Personal Services.....	\$ 3,411	\$ 3,260	\$ 3,135	\$ 3,122	\$ 3,002
Supplies and Services.....	800	868	649	699	773
Depreciation.....	43	38	38	51	36
Interest Expense.....	47,388	44,676	41,257	35,881	30,458
Other Expenses.....	3,031	3,076	3,399	2,941	2,595
Total Operating Expenses.....	<u>\$ 54,672</u>	<u>\$ 51,918</u>	<u>\$ 48,478</u>	<u>\$ 42,695</u>	<u>\$ 36,864</u>
Operating Income (Loss).....	<u>(\$ 5,103)</u>	<u>(\$ 5,466)</u>	<u>(\$ 6,271)</u>	<u>(\$ 5,573)</u>	<u>\$ 2,554</u>
Nonoperating Revenues (Expenses):					
Investment and Interest Income.....	\$ 9,143	\$ 5,951	\$ 5,434	\$ 6,110	\$ 6,018
Other Expenses.....	(570)	(322)	(20)	(4)	(45)
Total Nonoperating Revenue (Expense).....	<u>8,573</u>	<u>5,629</u>	<u>5,414</u>	<u>6,110</u>	<u>5,973</u>
Income (Loss) Before Operating Transfers.....	<u>3,470</u>	<u>163</u>	<u>(857)</u>	<u>538</u>	<u>8,527</u>
Operating Transfers In.....		1,820	1,797	3,015	468
Operating Transfers Out.....	3		(3)	(4)	
Effect of a Change in Accounting Principals.....					
Net Income before Extraordinary Items and Cumulative	<u>3,473</u>	<u>1,983</u>	<u>937</u>	<u>3,548</u>	<u>8,995</u>
Extraordinary Items:					
Gain (Loss) from Extinguishment of Debt.....					(56)
Net Income	<u>\$ 3,473</u>	<u>\$ 1,983</u>	<u>\$ 937</u>	<u>\$ 3,548</u>	<u>\$ 8,939</u>
Retained Earnings, Beginning of Year.....	\$78,561	\$76,578	\$77,310	\$142,933	\$133,648
Prior Period Adjustments.....	250		(1,669)	(1,133)	
Residual Equity Transfers Out.....				(68,038)	
Retained Earnings, End of Year	<u>\$82,284</u>	<u>\$78,561</u>	<u>\$76,578</u>	<u>\$77,310</u>	<u>\$142,933</u>

Source: Wisconsin Department of Veterans Affairs.

Table III-18
VETERANS PRIMARY MORTGAGE HOUSING LOAN PROGRAM
STATEMENT OF CASH FLOWS
AS OF JUNE 30
(Amounts in Thousands)

	2001	2000	1999	1998	1997
Cash Flows from Operating Activities:					
Cash Payments to Suppliers for Goods and Services.....	(\$ 2,215)	(\$ 910)	(\$ 55)	(\$ 1,106)	(\$ 374)
Cash Payments to Employes for Services.....	(3,075)	(2,840)	(3,242)	(2,196)	(2,978)
Cash Payments for Loans Originated.....	(87,095)	(127,767)	(134,390)	(134,421)	(97,067)
Investment and Interest Income.....	48,067	46,797	44,085	37,396	39,338
Collection of Loans.....	69,857	57,169	89,389	64,337	56,170
Other Operating Revenues (Expenses).....	(3,029)	(3,063)	(4,190)	(3,271)	(2,529)
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 22,510</u>	<u>(\$ 30,613)</u>	<u>(\$ 8,404)</u>	<u>(\$ 39,261)</u>	<u>(\$ 7,441)</u>
Cash Flows from Noncapital Financing Activities:					
Proceeds from Issuance of Long-Term Debt.....	\$ 74,796	\$ 64,716	\$ 74,868	\$ 142,302	\$ 50,520
Grants to Individuals or Governments.....	(570)				
Retirement of Long-Term Debt.....	(48,012)	(68,024)	(10,958)	(10,242)	(10,247)
Interest Payments.....	(46,586)	(44,256)	(39,944)	(35,159)	(29,395)
Interfund Loans to Other Funds				17,516	(17,516)
Operating Transfers In.....		1,820	1,797	3,015	468
Operating Transfers Out.....	3		(3)	(4)	
Residual Equity Transfers Out.....				(5,627)	
Net Cash Provided (Used) by Noncapital Financing Activities.....	<u>(\$20,370)</u>	<u>(\$46,056)</u>	<u>\$ 25,761</u>	<u>\$ 111,800</u>	<u>(\$6,170)</u>
Cash Flows from Capital and Related Financing Activities:					
Payments for Purchase of Fixed Assets.....	(\$ 46)	(\$ 42)	(\$ 37)	(\$ 26)	(\$ 29)
Net Cash Provided (Used) by Capital and Related Financing Activities.....	<u>(\$ 46)</u>	<u>(\$ 42)</u>	<u>(\$ 37)</u>	<u>(\$ 26)</u>	<u>(\$ 29)</u>
Cash Flows from Investing Activities:					
Proceeds from Sale and Maturities of Investment Securities.....					
Interest and Dividends Receipts.....	9,188	5,896	5,414	6,110	5,973
Net Cash Provided (Used) by Investing Activities.....	<u>\$ 9,188</u>	<u>\$ 5,896</u>	<u>\$ 5,414</u>	<u>\$ 6,110</u>	<u>\$ 5,973</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	<u>\$ 11,282</u>	<u>(\$ 70,815)</u>	<u>\$ 22,734</u>	<u>\$ 78,623</u>	<u>(\$ 7,667)</u>
Cash and Cash Equivalents, Beginning of Year.....	146,022	216,640	193,906	116,950	125,556
Cash and Cash Equivalents, End of Year.....	<u>\$157,304</u>	<u>\$145,825</u>	<u>\$216,640</u>	<u>\$195,573</u>	<u>\$117,889</u>
Operating Income (Loss).....	<u>(\$ 5,103)</u>	<u>(\$ 5,466)</u>	<u>(\$ 6,271)</u>	<u>(\$ 5,573)</u>	<u>\$ 2,554</u>
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation.....	\$ 43	\$ 38	\$ 38	\$ 51	\$ 36
Provision for Uncollectible Accounts.....	2	13	7	4	8
Operating Expense (Interest Expense) Classified as Noncapital Financing Act.	47,388	44,676	41,257	35,881	30,458
Changes In Assets and Liabilities:					
Decrease (Increase) in Receivables.....	(13,268)	(66,824)	(31,325)	(83,885)	(39,728)
Decrease (Increase) in Due From Other Funds.....	1	(3)	827	(828)	
Decrease (Increase) in Prepaid Items.....	(10)	(1)	(1)	(2)	(1)
Decrease (Increase) in Deferred Charges.....			(798)	(334)	58
Decrease (Increase) in Other Assets.....	(37)	87	(207)	41	45
Decrease (Increase) in Accounts Payable and Other Accrued Liabilities.....	(6,672)	(3,454)	(11,636)	14,646	(699)
Decrease (Increase) in Compensated Absences.....	19	44	18	10	1
Decrease (Increase) in Due to Other Funds.....	320	448	(139)	908	(22)
Decrease (Increase) in Due to Other Governments.....				(6)	3
Decrease (Increase) in Tax and Other Deposits.....	(1)				
Decrease (Increase) in Deferred Revenues.....	(173)	(173)	(173)	(173)	(173)
Total Adjustments.....	<u>\$ 27,613</u>	<u>(\$ 25,147)</u>	<u>(\$ 2,132)</u>	<u>(\$ 33,688)</u>	<u>(\$ 9,995)</u>
Net Cash Provided by Operating Activities.....	<u>\$ 22,510</u>	<u>(\$ 30,613)</u>	<u>(\$ 8,403)</u>	<u>(\$ 39,261)</u>	<u>(\$ 7,441)</u>
Noncash Investing, Capital and Financing Activities					
Other (Residual Equity Transfer)				<u>(\$ 62,411)</u>	
Total Noncash Investing, Capital and Financing Activities				<u>(\$ 62,411)</u>	

Source: Wisconsin Department of Veterans Affairs.

Table III-19
VETERANS PRIMARY MORTGAGE HOUSING LOAN PROGRAM
BONDS ISSUED AND RELATED RATES OF INTEREST ON
PRIMARY MORTGAGE HOUSING LOANS ^(a)
(On Bonds Issued to December 1, 2001)

<u>Bonds Dated</u>	<u>Amount of Issue</u>	<u>Interest Rate Paid by the State</u>	<u>Interest Rate Charged to Veterans^(b)</u>
4/01/85	\$290,955,000	9.49%	10.60%
5/22/86	38,185,500	7.78	8.55
7/01/88	15,000,000	7.87	8.55
1/01/89	20,000,000	7.98	8.55
8/01/89	20,000,000	7.22	7.85
3/01/90	20,000,000	7.60	8.25
10/01/90	20,000,000	7.62	8.25
4/01/91	30,000,000	7.36	8.10
6/01/92	30,000,000	6.56	7.40
10/15/93	20,000,000	5.40	5.25 ^(c)
9/15/94	45,000,000	6.62	7.25
2/15/95	29,625,000	6.46	7.45
10/15/95	42,850,000	5.58	6.55
5/15/96	45,000,000	6.07	7.00
10/15/96	30,000,000	5.93	6.90
3/15/1997	45,000,000	5.97	6.90
9/15/1997	45,000,000	5.41	6.40
9/15/1997	45,000,000	7.30	6.40 ^(d)
5/15/1998	30,565,000	5.41	6.65
5/15/1998	34,005,000	6.93	6.65 ^(d)
10/15/1998	6,155,000	4.87	6.50
10/15/1998	55,000,000	6.37	6.50 ^(d)
5/01/1999	40,000,000	7.14	6.85 ^(d)
11/01/1999	65,000,000	7.75	7.80 ^(d)
7/01/2000	35,000,000	8.02	7.90 ^(d)
2/21/2001	15,000,000	7.00	6.80 ^(d)
6/15/2001	20,000,000	6.96	7.00 ^(d)
10/1/2001	20,000,000	6.80	6.80 ^(d)

^(a) Does not include bonds issued solely to fund HILP loans..

^(b) Includes an add-on to cover lender's fees, DVA administrative costs, and reserve for self-insurance.

^(c) A subsidy resulting from refunding savings is being used to cover the difference between the debt service on the bonds and cash flow from the mortgages. In addition, the subsidy covers the lender's fees, DVA administrative costs and a reserve for self-insurance.

^(d) In setting the interest rate charged to the borrower for a loan made with the proceeds of a Taxable Veterans Mortgage Bonds, DVA has chosen to apply a subsidy from the primary mortgage home loan program. The result is that the lending rate may be lower than the true interest cost rate on the Taxable Veterans Mortgage Bond issue.

Source: Wisconsin Department of Administration.

Table III-20
VETERANS PRIMARY MORTGAGE HOUSING LOAN PROGRAM
60+ DAY LOAN DELINQUENCIES

	<u>Month</u> <u>Ending</u>	<u>Principal</u> <u>Amount</u> <u>Outstanding</u>	<u>Number of</u> <u>Loans</u> <u>Outstanding</u>	<u>60+ Day</u> <u>Delinquent</u> <u>Loans</u>	<u>Percent</u> <u>of</u> <u>Total</u>
1998	July	624,155,413	15,669	143	0.91%
	August	636,434,524	15,669	151	0.96
	September	643,113,821	15,611	154	0.99
	October	641,875,504	15,465	144	0.93
	November	638,984,499	15,301	134	0.88
	December	634,011,424	15,103	124	0.82
1999	January	635,685,745	15,021	126	0.84
	February	635,990,493	14,935	121	0.81
	March	634,012,422	14,777	107	0.72
	April	635,933,357	14,667	112	0.76
	May	638,192,817	14,602	127	0.87
	June	649,582,616	14,602	104	0.71
	July	658,054,592	14,593	112	0.77
	August	666,034,855	14,581	101	0.69
	September	679,130,329	14,632	104	0.71
	October	689,731,930	14,666	92	0.63
	November	694,736,968	14,639	100	0.68
	December	699,825,412	14,614	81	0.55
2000	January	699,794,393	14,572	82	0.56
	February	700,638,385	14,540	88	0.61
	March	701,055,867	14,470	71	0.49
	April	705,151,864	14,434	81	0.56
	May	708,724,282	14,405	74	0.51
	June	713,069,613	14,383	71	0.49
	July	719,912,880	14,381	85	0.59
	August	730,356,802	14,389	86	0.60
	September	737,184,479	14,400	91	0.63
	October	739,611,687	14,355	87	0.61
	November	741,543,544	14,300	82	0.57
	December	740,775,690	14,223	91	0.64
2001	January	740,199,473	14,144	77	0.54
	February	736,219,561	14,041	78	0.56
	March	730,828,352	13,890	61	0.44
	April	728,190,928	13,728	81	0.59
	May	725,508,813	13,585	84	0.62
	June	724,507,048	13,481	79	0.59
	July	726,532,149	13,385	76	0.57
	August	724,889,143	13,255	83	0.63
	September	721,498,249	13,160	93	0.71
	October	710,283,219	12,960	77	0.59

Source: Wisconsin Department of Veterans Affairs.

Table III-21

**DEBT SERVICE SCHEDULE ON STATE
TAXABLE AND TAX-EXEMPT GENERAL OBLIGATIONS
ISSUED TO FUND VETERANS PRIMARY MORTGAGE HOUSING AND HILP LOANS
(December 1, 2001)**

<u>Fiscal Year</u> <u>(Ending June 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2002 ^(a)	\$ 16,985,000	\$ 25,140,923	\$ 42,125,923
2003.....	32,515,000	46,888,117	79,403,117
2004.....	30,660,000	45,232,048	75,892,048
2005.....	32,415,000	43,588,712	76,003,712
2006.....	32,440,000	41,908,780	74,348,780
2007.....	31,640,000	40,222,010	71,862,010
2008.....	21,915,000	38,705,175	60,620,175
2009.....	23,850,000	37,436,399	61,286,399
2010.....	23,260,000	36,018,421	59,278,421
2011.....	24,740,000	34,688,695	59,428,695
2012.....	24,135,000	33,251,937	57,386,937
2013.....	23,700,000	31,772,855	55,472,855
2014.....	24,020,000	30,316,590	54,336,590
2015.....	24,255,000	28,834,541	53,089,541
2016.....	23,015,000	27,313,423	50,328,423
2017.....	33,775,000	25,801,647	59,576,647
2018.....	27,080,000	23,886,704	50,966,704
2019.....	27,330,000	22,119,559	49,449,559
2020.....	27,540,000	20,327,338	47,867,338
2021.....	25,390,000	18,508,060	43,898,060
2022.....	28,915,000	16,769,137	45,684,137
2023.....	30,750,000	14,818,017	45,568,017
2024.....	31,865,000	12,756,940	44,621,940
2025.....	27,450,000	10,617,468	38,067,468
2026.....	26,315,000	8,705,135	35,020,135
2027.....	29,735,000	6,863,911	36,598,911
2028.....	22,195,000	4,916,685	27,111,685
2029.....	18,460,000	3,281,998	21,741,998
2030.....	16,735,000	1,964,671	18,699,671
2031.....	13,880,000	792,163	14,672,163
2032.....	2,955,000	103,502	3,058,502
TOTALS.....	<u>\$779,915,000</u>	<u>\$733,551,562</u>	<u>\$1,513,466,562</u>

^(a) For the fiscal year ending June 30, 2002, the table includes debt service amounts for the period December 1, 2001 through June 30, 2002.

Source: Wisconsin Department of Administration.

Table III-22
TOTAL LOANS BY COUNTY
GENERAL OBLIGATION BOND FUNDS
THROUGH OCTOBER 2001

<u>County</u>	<u>Number of Loans</u>	<u>% of Total Loans</u>	<u>County</u>	<u>Number of Loans</u>	<u>% of Total Loans</u>
Adams.....	144	0.27%	Marinette	306	0.58%
Ashland.....	102	0.19	Marquette	72	0.14
Barron.....	430	0.81	Menominee.....	15	0.03
Bayfield	99	0.19	Milwaukee.....	9,337	17.60
Brown.....	2,953	5.57	Monroe	449	0.85
Buffalo.....	97	0.18	Oconto	312	0.59
Burnett.....	78	0.15	Oneida	363	0.68
Calumet	351	0.66	Outagamie	2,068	3.90
Chippewa.....	496	0.94	Ozaukee.....	545	1.03
Clark.....	199	0.38	Pepin.....	50	0.09
Columbia	482	0.91	Pierce.....	359	0.68
Crawford.....	119	0.22	Polk	233	0.44
Dane	4,156	7.83	Portage	741	1.40
Dodge	799	1.51	Price	140	0.26
Door	243	0.46	Racine.....	2,117	3.99
Douglas.....	541	1.02	Richland	116	0.22
Dunn	310	0.58	Rock	2,147	4.05
Eau Claire.....	1,195	2.25	Rusk.....	172	0.32
Florence.....	8	0.02	St. Croix	591	1.11
Fond du Lac.....	1,207	2.28	Sauk.....	506	0.95
Forest.....	31	0.06	Sawyer.....	66	0.12
Grant.....	379	0.71	Shawano	308	0.58
Green.....	320	0.60	Sheboygan	1,304	2.46
Green Lake	143	0.27	Taylor	106	0.20
Iowa.....	206	0.39	Trempeleau.....	211	0.40
Iron	37	0.07	Vernon.....	157	0.30
Jackson	208	0.39	Vilas	119	0.22
Jefferson	716	1.35	Walworth.....	632	1.19
Juneau.....	178	0.34	Washburn	135	0.25
Kenosha.....	1,394	2.63	Washington.....	1022	1.93
Kewaunee	143	0.27	Waukesha	2,662	5.02
LaCrosse.....	1,272	2.40	Waupaca.....	451	0.85
Lafayette	128	0.24	Waushara.....	157	0.30
Langlade	123	0.23	Winnebago	2,041	3.85
Lincoln	216	0.41	Wood.....	<u>1,090</u>	<u>2.05</u>
Manitowoc.....	1,135	2.14	Total	53,045	100.00
Marathon	1,307	2.46			

Source: Wisconsin Department of Veterans Affairs.

**Table III-23
OUTSTANDING TAX-EXEMPT VETERANS MORTGAGE BONDS
SUBJECT TO SPECIAL REDEMPTION**

<u>Series</u>	<u>Dated Date</u>	<u>Maturities</u>	<u>Original Par Amount</u>		<u>Par Amount Outstanding^(a)</u>		<u>Coupon</u>
			<u>January</u>	<u>July</u>	<u>January</u>	<u>July</u>	
1990 Series B	03/01/90	1994	\$ 75,000	\$ 75,000			6.40
		1995	75,000	75,000			6.50
		1996	75,000	100,000			6.60
		1997	100,000	100,000			6.70
		1998	100,000	100,000			6.80
		1999	125,000	125,000			6.90
		2000	125,000	150,000			7.00
		2001	175,000	175,000			7.10
		2002	175,000	175,000	\$ 175,000	\$ 175,000	7.10
		2003	200,000	200,000	200,000	200,000	7.20
		2004	225,000	225,000	225,000	225,000	7.25
		2005	225,000		225,000		7.30
		2010	3,975,000 ^(b)				7.25
		2020	12,450,000				7.60
1990 Series F	10/01/90	1994	75,000	75,000			6.45
		1995	100,000	100,000			6.55
		1996	100,000	100,000			6.65
		1997	100,000	125,000			6.75
		1998	125,000	125,000			6.85
		1999	125,000	125,000			6.95
		2000	150,000	150,000			7.05
		2001	150,000	175,000			7.15
		2002	175,000	150,000	175,000	150,000	7.20
		2003	200,000	200,000	200,000	200,000	7.25
		2004	200,000	225,000	200,000	225,000	7.30
		2005	225,000	175,000	225,000	175,000	7.35
		2010		3,800,000 ^(b)			7.30
		2020		12,425,000			7.60
1991 Series A	04/01/91	1994	150,000	150,000			5.70
		1995	150,000	150,000			5.90
		1996	150,000	150,000			6.10
		1997	150,000	175,000			6.20
		1998	175,000	175,000			6.30
		1999	175,000	175,000			6.40
		2000	200,000	200,000			6.50
		2001	225,000	250,000			6.60
		2002	250,000	250,000	250,000	250,000	6.75
		2003	250,000	300,000	250,000	300,000	6.90
		2004	275,000	300,000	275,000	300,000	7.00
		2005	325,000	325,000	325,000	325,000	7.10
		2006	275,000		275,000		7.10
		2011	5,825,000 ^(b)				6.75
2021	18,400,000				7.50		
1992 Series B	06/01/92	1994	175,000	175,000			5.60
		1995	175,000	180,000			5.60
		1996	180,000	185,000			5.60
		1997	190,000	200,000			5.60
		1998	200,000	200,000			5.60
		1999	210,000	215,000			5.75
		2000	230,000	230,000			5.90
		2001	250,000	255,000			6.00
		2002	270,000	280,000	100,000	100,000	6.10
		2003	290,000	295,000	105,000	110,000	6.20
		2004	315,000	330,000	110,000	120,000	6.30
		2005	340,000	355,000	125,000	130,000	6.40
		2006	365,000	370,000	130,000	135,000	6.40
		2007	370,000	400,000	135,000	145,000	6.50
		2008	400,000		145,000		6.50
		2012	4,000,000 ^(b)				6.00
2022	18,220,000		6,605,000		6.60		

Table III-23 — Continued
OUTSTANDING TAX-EXEMPT VETERANS MORTGAGE BONDS
SUBJECT TO SPECIAL REDEMPTION

			<u>Original Par Amount</u>		<u>Par Amount Outstanding^(a)</u>		
			<u>May</u>	<u>November</u>	<u>May</u>	<u>November</u>	
			1993 Series 6	10/15/93	1994	210,000	
		1995	170,000	170,000			3.30
		1996	175,000	175,000			3.65
		1997	180,000	185,000			3.85
		1998	185,000	195,000			4.00
		1999	195,000	195,000			4.10
		2000	205,000	210,000			4.20
		2001	210,000	220,000			4.30
		2002	220,000	230,000	220,000	230,000	4.45
		2003	230,000	240,000	230,000	240,000	4.55
		2004	240,000	250,000	240,000	250,000	4.65
		2005	255,000	260,000	255,000	260,000	4.75
		2006	270,000	270,000	270,000	270,000	4.85
		2010	2,125,000		2,125,000		5.15
		2013	2,150,000		2,150,000		5.25
		2016	10,215,000		10,215,000		5.30
1993 Series 5	12/01/93	1994		95,000			2.50
		1995	90,000	85,000			3.20
		1996	90,000	95,000			3.60
		1997	95,000	95,000			3.80
		1998	95,000	100,000			4.00
		1999	105,000	105,000			4.10
		2000	105,000	6,805,000			4.20
		2001	3,605,000	9,135,000			4.35
		2002	5,650,000	10,885,000	5,650,000	10,885,000	4.45
		2003	8,425,000	9,555,000	8,425,000	9,555,000	4.55
		2004	7,160,000	11,000,000	7,160,000	11,000,000	4.65
		2005	8,875,000	10,275,000	8,875,000	10,275,000	4.75
		2006	9,000,000	12,025,000	9,000,000	12,025,000	4.85
		2010		14,770,000		14,770,000	5.20
		2013		1,190,000		1,190,000	5.30
		2016		1,405,000		1,405,000	5.35
		2023		4,340,000		4,340,000	5.40
1994 Series 2	03/01/94	1999	10,565,000				4.85
		2000	9,070,000				5.00
		2001	8,680,000				5.10
		2002	6,390,000		6,390,000		5.20
		2003	4,810,000		4,810,000		5.30
		2004	3,715,000		3,715,000		5.40
		2005	2,540,000		2,540,000		5.50
		2006	2,050,000		2,050,000		5.60
		2007	1,760,000		1,760,000		5.70
		2008	1,580,000		1,580,000		5.80
		2009	890,000		890,000		5.85
		2014	1,700,000		1,700,000		6.10
		2024	4,775,000		4,775,000		6.20
1994 Series 3	09/15/94	1995	800,000				3.90
		1996	800,000				4.30
		1997	800,000				4.55
		1998	800,000				4.75
		1999	800,000				4.90
		2000	800,000				5.00
		2001	800,000				5.10
		2002	800,000		800,000		5.20
		2003	800,000		800,000		5.30
		2004	800,000		800,000		5.40
		2005	800,000		800,000		5.50
		2006	600,000		600,000		5.60
		2007	600,000		600,000		5.70
		2008	400,000		400,000		5.80

Table III-23 — Continued
OUTSTANDING TAX-EXEMPT VETERANS MORTGAGE BONDS
SUBJECT TO SPECIAL REDEMPTION

			<u>Original Par Amount</u>		<u>Par Amount Outstanding^(a)</u>		
			<u>May</u>	<u>November</u>	<u>May</u>	<u>November</u>	
1994 Series C	09/15/94	1996	575,000				5.50
		1997	610,000				5.50
		1998	635,000				5.50
		1999	670,000				5.50
		2000	700,000				5.50
		2001	740,000				5.50
		2002	780,000		770,000		5.60
		2003	825,000		815,000		5.70
		2004	870,000				5.80
		2005	915,000				5.90
		2006	980,000				6.00
		2007	1,040,000				6.10
		2008	1,105,000				6.20
		2009	1,175,000				6.30
		2010	1,255,000				6.30
		2011	1,335,000		1,315,000		6.40
		2012	1,415,000		1,395,000		6.40
		2013	1,510,000				6.50
		2016	5,135,000				6.60
		2020	8,535,000		8,405,000		6.60
2025	14,195,000		3,980,000		6.65		
1995 Series 1	02/15/95	1999	1,110,000				5.25
		2000	3,240,000				5.30
		2004	860,000		860,000		5.55
		2008	1,300,000				5.80
		2009	1,380,000		1,380,000		5.80
		2010	1,465,000				6.00
		2011	1,560,000		1,560,000		6.00
		2012	1,660,000		1,660,000		6.00
		2013	1,765,000		1,765,000		6.00
		2014	1,395,000		1,395,000		6.10
1995 Series B	02/15/95	2016	4,215,000		4,215,000		6.40
		2020	7,920,000		7,920,000		6.50
		2025	17,130,000		17,130,000		6.50
1995 Series 2	10/15/95	1997		1,100,000			4.00
		1998		1,685,000			4.15
		1999		1,395,000			4.25
		2000		1,600,000			4.35
		2004		730,000		730,000	4.85
		2005		1,985,000		1,985,000	4.95
		2007		1,975,000		1,975,000	5.20
		2008		3,245,000		3,245,000	5.25
		2009		3,450,000		3,450,000	5.40
		2010		3,660,000		3,660,000	5.40
		2011		3,895,000		3,895,000	5.50
		2012		4,130,000		4,130,000	5.60
		2013		4,390,000		4,390,000	5.70
		2014		4,660,000		4,660,000	5.75
		2015		4,950,000		4,950,000	5.75
1996 Series B	05/15/96	1998		2,060,000			4.40
		1999		2,155,000			4.70
		2007		6,730,000			5.50
		2008		5,430,000			5.60
		2009		3,255,000		1,305,000	5.70
		2010		200,000		200,000	5.80
		2011		210,000		210,000	5.90
		2012		230,000		230,000	6.00
		2013		240,000		240,000	6.00
		2014		255,000		255,000	6.00
		2021		10,305,000		10,305,000	6.10
		2026		13,930,000		13,930,000	6.20

Table III-23 — Continued
OUTSTANDING TAX-EXEMPT VETERANS MORTGAGE BONDS
SUBJECT TO SPECIAL REDEMPTION

			Original Par Amount		Par Amount Outstanding ^(a)		
			May	November	May	November	
1996 Series D	10/15/96	2007	4,500,000		4,500,000		5.25
		2008	2,250,000		2,250,000		5.30
		2009	1,800,000		1,800,000		5.40
		2014	3,700,000		3,700,000		5.75
		2020	6,405,000		6,405,000		5.80
		2027	11,345,000		11,345,000		6.00
1997 Series A	03/15/97	2021	8,065,000		8,065,000		6.00
		2028	13,295,000		13,295,000		6.00
1997 Series I	03/15/97	2006	1,000,000		1,000,000		5.20
		2007	2,385,000		2,385,000		5.25
		2008	1,015,000		1,015,000		5.25
		2009	725,000		725,000		5.35
		2010	1,290,000		1,290,000		5.50
		2011	3,165,000		3,165,000		5.50
		2012	2,330,000		2,330,000		5.50
		2013	1,910,000		1,910,000		5.55
		2014	1,990,000		1,990,000		5.60
		2015	2,070,000		2,070,000		5.65
		2017	5,760,000		5,760,000		5.75
		1997 Series C	09/15/97	2000		250,000	
2001				270,000			4.30
2003				1,445,000	1,445,000		4.50
2004				1,645,000	1,645,000		4.50
2005				1,390,000	1,390,000		4.50
2006				1,480,000	1,480,000		4.60
2007				1,935,000	1,935,000		4.75
2008				2,035,000	2,035,000		4.80
2009				2,445,000	2,445,000		5.00
2010				2,765,000	2,765,000		5.00
2011				2,655,000	2,655,000		5.00
2012				2,600,000	2,600,000		5.10
2013				2,360,000	2,360,000		5.20
2017				7,850,000	7,850,000		5.40
2023				10,580,000	10,580,000		5.50
2026		3,295,000	3,295,000		5.50		
1998 Series B	05/15/98	2007	955,000		955,000		4.75
		2008	1,910,000		1,910,000		4.80
		2010	4,775,000		4,775,000		5.00
		2018	2,865,000		2,865,000		5.30
		2023	8,670,000		8,670,000		5.30
		2028	11,390,000		11,390,000		5.35
1998 Series E	10/15/98	2012	905,000		905,000		4.60
		2013	950,000		950,000		4.70
		2014	995,000		995,000		4.80
		2015	1,050,000		1,050,000		4.75
		2016	1,100,000		1,100,000		4.75
		2017	1,155,000		1,155,000		4.80
1999 Series I	05/01/99	2008	860,000		860,000		5.00
		2009	935,000		935,000		4.70
		2010	980,000		980,000		4.80
		2011	1,030,000		1,030,000		5.00
		2012	1,100,000		1,100,000		5.00
		2015	3,880,000		3,880,000		5.10
2020	7,005,000		7,005,000		5.30		

^(a) As of December 1, 2001

^(b) Accelerated Redemption Term Bond.

Source: Wisconsin Department of Administration

Table III-24
SUMMARY OF PREPAYMENTS ON VETERANS HOUSING AND HILP LOANS
FUNDED WITH TAX-EXEMPT VETERANS MORTGAGE BONDS AND
TAXABLE VETERANS MORTGAGE BONDS

Prepayments November 1998-September 2001							
Mortgage Pool	Interest Rate Charged to Veterans	November 1998 - April 1999	May 1999 - October 1999	November 1999 - April 2000	May 2000 - October 2000	November 2000 - April 2001	May 2001 - September 2001
Tax-Exempt Veterans Mortgage Bonds							
1975 Series D	7.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975 Series E	6.75	-	-	-	-	-	-
1976 Series A	7.00	-	-	-	-	-	-
1976 Series B	7.00	-	-	-	-	-	-
1976 Series C	6.35	315,250	206,861	124,706	118,091	115,374	83,065
1977 Series A	6.23	-	-	-	-	-	-
1977 Series B	6.11	868,533	656,778	582,371	373,700	422,876	545,623
1977 Series C	6.03	-	-	-	-	-	-
1978 Series A	6.44	-	-	-	-	-	-
1978 Series B	6.58	-	-	-	(12,842)	-	-
1978 Series C	6.25	496,846	295,018	340,607	169,344	193,167	242,990
1979 Series A	6.88	-	-	-	-	-	-
1979 Series B	6.70	-	-	-	-	-	-
1979 Series C	6.91	-	-	-	-	-	-
1980 Series A	7.31	-	-	-	-	-	-
1982 Series B	10.20	-	-	-	-	-	-
1983 Series A	9.20	(24,094)	-	-	-	-	-
1983 Series C	9.90	24,094	-	-	-	-	-
1984 Series A	10.30	-	-	-	-	-	-
1985 Series B	10.60	-	-	-	-	-	-
1986 Series A	8.55	2,314,626	715,942	317,563	-	-	-
1988 Series A	8.55	802,032	284,982	-	-	-	-
1989 Series A	8.55	1,336,659	253,054	-	-	-	-
1989 Series D	7.85	1,195,214	641,153	-	-	-	-
1990 Series B	8.25	1,315,179	304,182	165,385	203,087	146,883	258,544
1990 Series F	8.25	1,437,045	321,918	259,558	281,798	362,300	291,388
1991 Series A	8.10	2,745,465	982,115	373,837	220,444	423,782	851,545
1992 Series B	7.40	928,854	509,563	148,725	286,036	250,889	210,914
1993 Series 6	5.25	292,584	410,763	308,889	400,964	560,876	238,699
1993 Series 5	5.25	4,978,142	4,024,350	2,440,480	2,676,450	2,398,803	3,778,797
1994 Series C	7.25	3,757,232	1,300,700	506,753	857,737	677,399	1,169,862
1994 Series 1	6.00	3,145,779	2,850,395	1,653,944	2,152,426	2,000,050	2,907,017
1995 Series B	7.45	3,276,838	1,257,937	572,806	683,828	208,648	1,256,153
1995 Series 1	7.45	969,129	1,034,587	484,805	663,739	151,450	581,492
1995 Series 2	6.55	1,171,171	1,365,087	332,738	946,457	799,666	1,110,528
1996 Series B	7.00	1,734,518	1,293,430	1,068,619	1,308,894	963,089	1,803,791
1996 Series D	6.90	346,864	1,251,405	369,049	1,027,507	650,063	958,365
1997 Series A	6.90	223,383	815,192	614,510	797,299	409,750	669,087
1997 Series 1	6.90	530,641	754,961	729,761	366,287	557,604	1,142,303
1997 Series C	6.40	418,320	849,407	835,908	1,185,287	198,589	926,924
1998 Series B	6.65	414,207	423,646	177,414	599,944	81,067	906,112
1998 Series E	6.50	-	2,261	77,769	45,665	80,489	193,313
1999 Series 1	N/A	N/A	636,603	403,326	725,349	556,426	691,837
Equity Pool	N/A	1,670,737	1,283,647	722,761	896,174	978,893	1,280,066
Subtotal:		\$ 36,685,248	\$ 24,725,937	\$ 13,612,281	\$ 16,973,664	\$ 13,188,134	\$ 22,098,415
Taxable Veterans Mortgage Bonds							
1997 Series D	6.40%	700,192	882,543	638,759	978,342	820,135	1,472,773
1998 Series C	6.65	397,729	399,245	571,082	772,525	404,634	1,382,130
1998 Series F	6.50	3,448	131,578	417,813	873,073	763,083	2,329,999
1999 Series B	6.85	N/A	14,297	48,625	630,943	841,766	1,226,552
1999 Series D	7.80	N/A	-	6,565	200,305	1,281,077	5,231,907
2000 Series B	7.90	N/A	N/A	-	765	131,335	1,075,885
2000 Series E	6.80	N/A	N/A	N/A	-	-	30,044
2001 Series A	7.00	N/A	N/A	N/A	N/A	-	39,476
2001 Series D	6.80	N/A	N/A	N/A	N/A	N/A	158,051
Subtotal:		\$ 1,101,369	\$ 1,427,664	\$ 1,682,844	\$ 3,455,188	\$ 4,110,696	\$ 11,643,360
Total:		\$ 37,786,617	\$ 26,153,601	\$ 15,295,125	\$ 20,428,853	\$ 17,298,830	\$ 33,741,774