

STATE OF WISCONSIN CONTINUING DISCLOSURE ANNUAL REPORT

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

GENERAL OBLIGATIONS

(Base CUSIPs 977053, 977055, and 977056)

MASTER LEASE CERTIFICATES OF PARTICIPATION

(Base CUSIP 977087)

TRANSPORTATION REVENUE OBLIGATIONS

(Base CUSIP 977123)

CLEAN WATER REVENUE BONDS

(Base CUSIP 977092)

PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS

(Base CUSIP 977109)

GENERAL FUND ANNUAL APPROPRIATION BONDS

(Base CUSIP 977100)

DECEMBER 23, 2003



JIM DOYLE
GOVERNOR

MARC J. MAROTTA
SECRETARY

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December 23, 2003

Thank you for your interest in the State of Wisconsin.

This is the Continuing Disclosure Annual Report for the fiscal year ending June 30, 2003 (**Annual Report**).

The Annual Report provides information on different securities that the State issues and fulfills 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 parts of this Annual Report by reference.

Organization of the Annual Report

The Annual Report is divided into eight 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 basic financial statements for the fiscal year ending June 30, 2003 and the State Auditor's report. This part also includes the results of the 2002-03 fiscal year and the current status of the budget for the 2003-04 fiscal year.

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

- **Part III – General obligations (including bonds, commercial paper, and extendible municipal commercial paper)**
- **Part IV – Master lease certificates of participation**
- **Part V – Transportation revenue obligations (including bonds and commercial paper)**
- **Part VI – Clean water revenue bonds**
- **Part VII – Petroleum inspection fee revenue obligations (including bonds and extendible municipal commercial paper)**
- **Part VIII – General fund annual appropriation bonds**

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

⁽¹⁾ Fitch Ratings has assigned a rating watch negative the State's general obligations and master lease certificates of participation.

⁽²⁾ Moody's has assigned a negative outlook on the State's long-term general obligation bonds.

⁽³⁾ Fitch Ratings assigned a rating watch negative corresponding to the rating watch negative on the general obligation bonds.

⁽⁴⁾ Moody's assigned a negative outlook corresponding to the negative outlook on the general obligation bonds.

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 site that provides access to both disclosure and non disclosure information.

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www.doa.wi.gov/capitalfinance

The Capital Finance Office posts to this web site monthly general fund cash flow reports. The Capital Finance Office also posts to this web site all information and material event filings that it makes with each nationally recognized municipal securities information repository.

We welcome your comments or suggestions about the format and content of the 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,

/s/ FRANK R. HOADLEY

Frank R. Hoadley
Capital Finance Director

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SUMMARY OF OUTSTANDING STATE OF WISCONSIN OBLIGATIONS AS OF DECEMBER 1, 2003

	<u>Principal Balance</u> <u>12/1/2002</u>	<u>Principal Issued</u> <u>12/1/2002 -</u> <u>12/1/03</u>	<u>Principal Matured,</u> <u>Redeemed, or</u> <u>Defeased</u> <u>12/1/2002 -</u> <u>12/1/03</u>	<u>Principal Balance</u> <u>12/1/2003</u>
<u>GENERAL OBLIGATIONS^(a)</u>				
Total	\$4,386,518,967	\$602,660,000	\$619,016,285	\$4,370,162,682
General Purpose Revenue (GPR)	3,296,100,208	213,171,000	207,291,135	3,301,980,073
Self-Amortizing: Veterans	657,730,000	133,630,000	378,085,000	413,275,000
Self-Amortizing: Other	432,688,759	255,859,000	33,640,150	654,907,609
<u>MASTER LEASE CERTIFICATES OF PARTICIPATION</u>				
Total	\$ 122,125,452	\$ 36,125,900	\$ 43,110,926	\$ 115,140,426
<u>TRANSPORTATION REVENUE OBLIGATIONS^(a)</u>				
Total	\$1,244,498,000	\$250,000,000	\$ 52,420,000	\$1,442,078,000
<u>CLEAN WATER REVENUE BONDS</u>				
Total	\$ 656,885,000	—	\$ 36,405,000	\$ 620,480,000
<u>PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS^(a)</u>				
Total	\$ 329,360,000	—	\$ 12,070,000	\$ 317,290,000
<u>TAXABLE GENERAL FUND ANNUAL APPROPRIATION BONDS^(b)</u>				
Total	—	\$1,794,850,000	—	\$1,794,850,000

(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 amount outstanding as of December 23, 2003.

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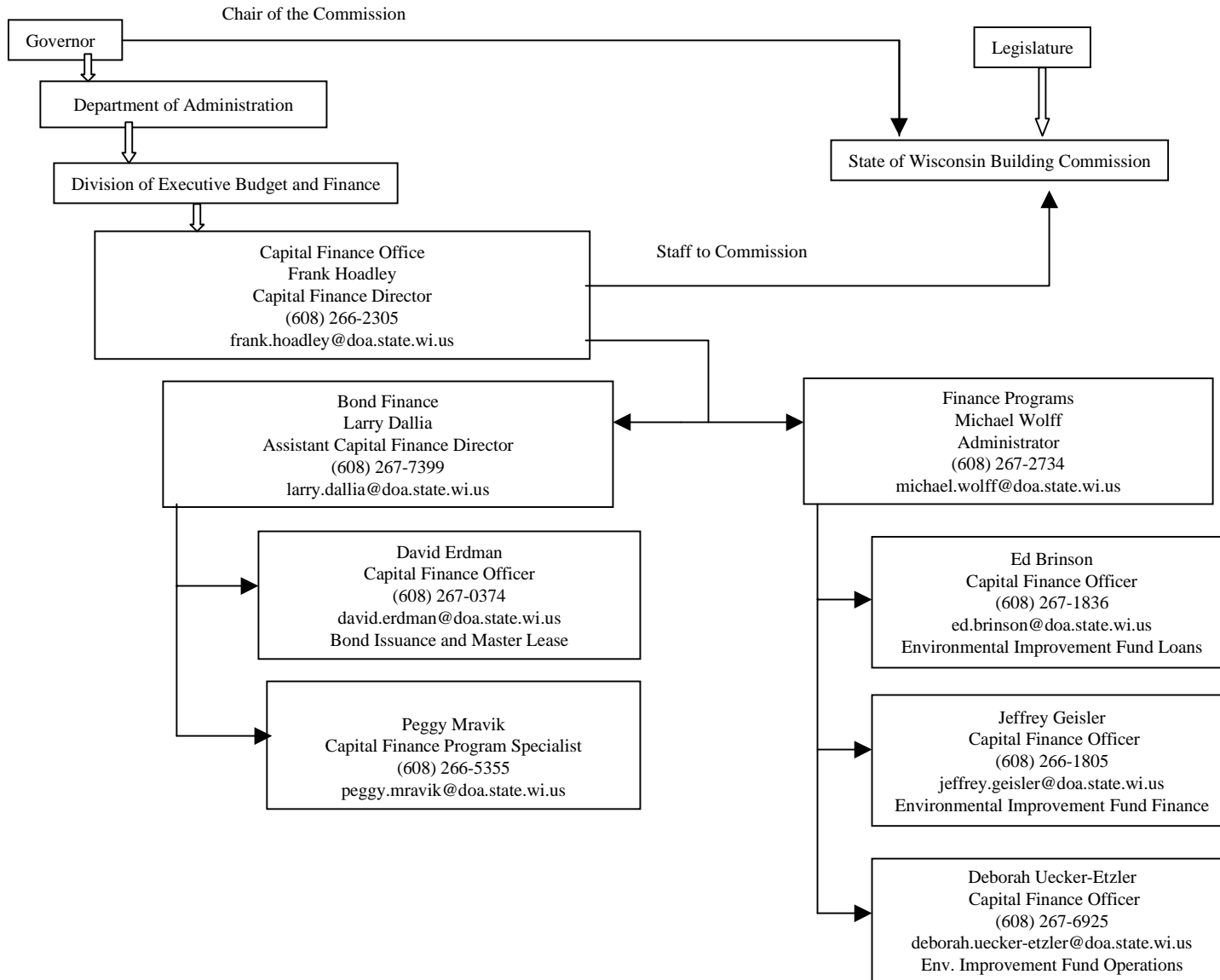
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GENERAL FUND ANNUAL
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Capital Finance Office Staff (As of December 1, 2003)



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

BUILDING COMMISSION MEMBERS

Voting Members

	Term of Office Expires
Governor Jim Doyle, Chairperson	January 8, 2007
Senator Fred A. Risser, Vice-Chairperson	January 3, 2005
Senator Robert Cowles	January 3, 2005
Senator Carol Roessler	January 3, 2005
Representative Spencer Black	January 3, 2005
Representative Jeff Fitzgerald	January 3, 2005
Representative Daniel Vrakas	January 3, 2005
Mr. Terry McGuire, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Members

Mr. Adel Tabrizi, State Chief Engineer Department of Administration	—
Mr. Dave Haley, 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
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OTHER PARTICIPANTS

Ms. Peggy A. Lautenschlager State Attorney General	January 8, 2007
Mr. Marc J. Marotta, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
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101 E. Wilson Street, 10th Floor
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PART VIII

GENERAL FUND ANNUAL APPROPRIATION BONDS

This part provides information about taxable general fund annual appropriation bonds issued by the State of Wisconsin (**State**).

Total Outstanding Balance (12/18/2003)	\$1,794,850,000
Amount Outstanding—Taxable Fixed Rate Obligations	850,000,000
Amount Outstanding—Taxable Variable Rate Obligations	944,850,000 ⁽¹⁾
Percentage of Outstanding Obligations in form of Taxable Variable Rate Obligations	52.645% ⁽²⁾
Underlying Bond Ratings (Fitch/Moody's/Standard & Poor's)	AA ⁻ (²)/A1 ⁽²⁾ /A+
Corporate Equivalent Rating (Moody's)	Aa1

⁽¹⁾ In order to hedge a portion of its exposure from the taxable variable rate obligations, the State has entered into interest rate exchange agreements with multiple counterparties for an aggregate notional amount of \$595,150,000.

⁽²⁾ Both Fitch Ratings and Moody's Investors Service, Inc. have assigned a negative outlook for all the general fund annual appropriation bonds.

The Wisconsin Statutes provide that the Department of Administration (**Department**) may authorize the issuance of these obligations to fund the State's unfunded accrued prior service (pension) liability and unfunded accrued liability for sick leave conversion credits. The Capital Finance Office, which is part of the Department's Division of Executive Budget and Finance, are responsible for managing the State's borrowing programs.

General fund annual appropriation bonds were issued pursuant to an Authorizing Certification of the Secretary of Administration, dated December 10, 2003 and an Indenture, dated December 1, 2003 (**Indenture**), by and between the State, acting by and through the Department, and Deutsche Bank Trust Company Americas (**Trustee**). The State has issued taxable general fund annual appropriation bonds in the form of bonds and auction rate certificates. The Trustee serves as registrar and paying agent for the bonds, and Deutsche Bank Trust Company Americas also serves as Auction Agent for the auction rate certificates (**Auction Agent**). The law firm of Quarles & Brady LLP provides bond counsel services to the State for issuance of taxable general fund annual appropriation bonds.

Requests for additional information about the taxable general fund annual appropriation bonds 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
Web site: www.doa.wi.gov/capitalfinance

The only taxable general fund annual appropriation bonds were delivered on December 18, 2003, which is only five days prior to the date of this Annual Report. This Part VIII incorporates by reference the [Official Statement, dated December 10, 2003](#) for the General Fund Annual Appropriation Bonds of 2003, Series A (Taxable Fixed Rate) and Series B (Taxable Auction Rate Certificates), which includes the most current disclosure information.