

NOTICE OF BOND INSURANCE

\$299,005,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2007, SERIES 1

The Underwriter, as defined in the Official Statement, dated January 10, 2007, has made arrangements for a Financial Guaranty Insurance Policy (**Policy**) to be issued, concurrently with the delivery of the State of Wisconsin General Obligation Refunding Bonds of 2007, Series 1 (**Bonds**), by Ambac Assurance Corporation (**Ambac Assurance**).

Ambac

This Notice includes certain information concerning Ambac Assurance and the terms of the Policy relating to the Bonds. Information with respect to Ambac Assurance and the Policy has been supplied by Ambac Assurance. No representation is made by the Underwriter as to the accuracy or adequacy of such information. The Policy does not constitute a part of the contract between the State of Wisconsin (**State**) and the owners of the Bonds. The Underwriter has the responsibility for paying the premium on, and complying with the conditions for the issuance of, the Policy, and the State has no responsibility with respect to such insurance in any way, including the maintenance and enforcement of the Policy or collection of a claim submitted under the Policy.

This Notice has been prepared by the Underwriter to provide certain information pertaining to Ambac Assurance and has not been prepared or reviewed by the State, and the State makes no representations as to the adequacy of the information contained herein. Each purchaser should consult the Official Statement, dated January 10, 2007, for information about the Bonds.

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

January 10, 2007

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (**Financial Guaranty Insurance Policy**) relating to the Bonds effective as of the date of issuance of the Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York, or any successor thereto (**Insurance Trustee**) that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and/or interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Paying Agent. The insurance will extend for the term of the Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Bonds, Ambac Assurance will remain obligated to pay the principal of and interest on outstanding Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration, except to the extent that Ambac Assurance elects, in its sole discretion, to pay all or a portion of the accelerated principal and interest accrued thereon to the date of acceleration (to the extent unpaid by the Obligor). Upon payment of all such accelerated principal and interest accrued to the acceleration date, Ambac Assurance's obligations under the Financial Guaranty Insurance Policy shall be fully discharged.

In the event the Paying Agent has notice that any payment of principal of or interest on a Bond that has become Due for Payment and that is made to a holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, non-appealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment (as set forth in the Financial Guaranty Insurance Policy). Specifically, the Financial Guaranty Insurance Policy does **not** cover:

- payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity;
- payment of any redemption, prepayment or acceleration premium; and
- nonpayment of principal or interest caused by the insolvency or negligence of the Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of the Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of holder entitlement to interest payments and an appropriate assignment of the holder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Bond, appurtenant coupon, if any, or right to payment of the principal of or interest on such Bond and will be fully subrogated to the surrendering holder's rights to payment.

OFFICIAL STATEMENT

New Issue

This Official Statement provides information about the Bonds. Some of the information appears on this cover page for ready reference. To make an informed investment decision, a prospective investor should read the entire Official Statement.

\$299,005,000 STATE OF WISCONSIN GENERAL OBLIGATION REFUNDING BONDS OF 2007, SERIES 1

Dated: Date of Delivery

Due: May 1, as shown below

Ratings	AA- Fitch Ratings Aa3 Moody's Investors Service, Inc. AA- Standard & Poor's Ratings Services.
Tax Exemption	Interest on the Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference. Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes— <i>See pages 7-8.</i>
No Redemption	The Bonds are not subject to redemption.
Security	General obligations of the State of Wisconsin— <i>See page 3.</i>
Purpose	Proceeds from the Bonds are primarily being used for the refunding of general obligation bonds previously issued for general governmental purposes — <i>See page 3.</i>
Interest Payment Dates	May 1 and November 1
First Interest Payment Date	November 1, 2007
Denominations	Multiples of \$5,000
Closing/Settlement	On or about February 1, 2007
Bond Counsel	Foley & Lardner LLP
Registrar/Paying Agent	Secretary of Administration
Issuer Contact	Wisconsin Capital Finance Office (608) 266-2305; DOACapitalFinanceOffice@wisconsin.gov
Book-Entry System	The Depository Trust Company— <i>See page 4.</i>
2006 Annual Report	This Official Statement incorporates by reference Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 22, 2006.

The Bonds were sold at competitive sale on January 10, 2007. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP	Year (May 1)	Principal Amount	Interest Rate	First Optional Call Date (May 1)	Call Price
97705L MV6	2014	\$ 7,285,000	5.00%	Not Callable	-
97705L MW4	2015	45,150,000	5.00	Not Callable	-
97705L MX2	2016	32,435,000	5.00	Not Callable	-
97705L MY0	2017	32,990,000	5.00	Not Callable	-
97705L MZ7	2018	52,100,000	5.00	Not Callable	-
97705L NA1	2019	72,415,000	5.00	Not Callable	-
97705L NB9	2020	56,630,000	5.00	Not Callable	-

Purchase Price: \$327,099,696.42

January 10, 2007

Note: The State has been advised by the Underwriter that it has received from Ambac Assurance Corporation (**Ambac Assurance**) a Commitment for Financial Guaranty Insurance for the Bonds. Further information on the Commitment and the Financial Guaranty Insurance Policy may be obtained from the Underwriter and Ambac Assurance.

This document is the State’s *official* statement about the offering of the Bonds; that is, it is the only document the State has authorized for providing information about the Bonds. This document is not an offer or solicitation for the Bonds, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. This document is not a contract, and it provides no investment advice. Prospective investors should consult their advisors and legal counsel with questions about this document, the Bonds, and anything else related to the offering.

The purpose of this document is to provide prospective investors with information that may be important in making an investment decision. It may not be used for any other purpose without the State’s permission. The State is the author of this document and is responsible for its accuracy and completeness. The Underwriter is not the author of this document. In accordance with its responsibilities under federal securities laws, the Underwriter is required to review the information in this document and must have a reasonable basis for its belief in the accuracy and completeness of its key representations.

The estimates, forecasts, projections, and opinions in this document are not hard facts, and no one guarantees them. Some of the people who prepared, compiled, or reviewed this information had specific functions that covered some aspects of the offering but not others. For example, financial staff focused on quantitative financial information, and legal counsel focused on specific documents or legal issues assigned to them.

No dealer, broker, sales representative, or other person has been authorized to give any information or to make any representations about the Bonds other than what is in this document. The information and expressions of opinion in this document may change without notice. The delivery of this document or any sale of the Bonds does not imply that there has been no change in the matters contained in this document since the date of this document. Material referred to in this document is not part of this document unless expressly included.

TABLE OF CONTENTS

	Page		Page
STATE OFFICIALS PARTICIPATING IN THE		OTHER INFORMATION	4
ISSUANCE AND SALE OF BONDS	ii	Limitations on Issuance of General Obligations...	4
SUMMARY DESCRIPTION OF BONDS	iii	Borrowing Plans for 2007	4
INTRODUCTION	1	Underwriting	5
THE STATE	1	Reference Information About the Bonds	5
PLAN OF REFUNDING	1	Financial Advisor	6
General.....	1	Verification of Mathematical Computations	6
Refunding Escrow Agreement.....	2	Legal Investment	6
THE BONDS	2	Legal Opinions	6
General.....	2	Tax Exemption	7
Security	3	CONTINUING DISCLOSURE	9
No Redemption.....	3	APPENDIX A – INFORMATION ABOUT	
Registration and Payment of Bonds	3	THE STATE	A-1
Ratings	3	APPENDIX B – GENERAL OBLIGATION	
Sources and Uses of Funds	3	ISSUANCE STATUS REPORT	B-1
Book-Entry-Only Form.....	4	APPENDIX C – EXPECTED FORM OF BOND	
		COUNSEL OPINION	C-1
		APPENDIX D – STATE OF WISCONSIN	
		OUTSTANDING BONDS REFUNDED	D-1

STATE OFFICIALS PARTICIPATING IN THE ISSUANCE AND SALE OF THE BONDS

BUILDING COMMISSION MEMBERS

Voting Members	Term of Office Expires
Governor Jim Doyle, Chairperson	January 2, 2011
Senator Fred A. Risser	January 4, 2009
Senator Ted Kanavas	January 4, 2009
Senator Jeffrey Plale	January 2, 2011
Representative Dean Kaufert	January 4, 2009
Representative Phil Montgomery	January 4, 2009
Representative Jennifer Shilling	January 4, 2009
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 State Facilities Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration

OTHER PARTICIPANTS

Mr. J.B. Van Hollen State Attorney General	January 2, 2011
Mr. Michael L. Morgan, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

Department of Administration
Capital Finance Office
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101 E. Wilson Street, 10th Floor
Madison, WI 53707-7864
Telefax (608) 266-7645
DOACapitalFinanceOffice@wisconsin.gov

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(608) 267-7399
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Mr. David R. Erdman
Capital Finance Officer
(608) 267-0374
david.erdman@wisconsin.gov

SUMMARY DESCRIPTION OF BONDS

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

Description:	State of Wisconsin General Obligation Refunding Bonds of 2007, Series 1
Principal Amount:	\$299,005,000
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about February 1, 2007)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2007
Maturities:	May 1, 2014-2020— <i>See front cover</i>
No Redemption:	The Bonds are not subject to redemption.
Form:	Book-entry-only— <i>See page 4</i>
Paying Agent:	All payments of principal and interest on the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of December 1, 2006, general obligations of the State were outstanding in the amount of \$5,697,308,689.
Bond Insurance:	The State has been advised by the Underwriter that it has received from Ambac Assurance a Commitment for Financial Guaranty Insurance for the Bonds. Further information on the Commitment and the Financial Guaranty Insurance Policy may be obtained from the Underwriter and Ambac Assurance.
Additional General Obligation Debt:	The State may issue additional general obligation debt.
Authority for Issuance:	The Bonds are issued under Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Proceeds of the Bonds are primarily being used for the refunding of general obligation bonds previously issued for general governmental purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is, for federal income tax purposes, excluded from gross income and not an item of tax preference— <i>See pages 7-8</i> Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes— <i>See page 8</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP— <i>See page C-1</i>

OFFICIAL STATEMENT
\$299,005,000
STATE OF WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS OF 2007, SERIES 1

INTRODUCTION

This Official Statement provides information about the \$299,005,000 General Obligation Refunding Bonds of 2007, Series 1 (**Bonds**), which are issued by the State of Wisconsin (**State**). This Official Statement includes by reference Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 22, 2006 (**2006 Annual Report**).

The Bonds are authorized under the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes (**Act**), as well as an authorizing resolution that the State of Wisconsin Building Commission (**Commission**) adopted on August 9, 2006 (**Resolution**).

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell all the State's general obligations. The Commission is assisted and staffed by the State of Wisconsin Department of Administration (**Department of Administration**).

The Commission has authorized the Department of Administration to prepare this Official Statement. This Official Statement contains information furnished by the State or obtained from the sources indicated.

THE STATE

The State is located in the Midwest among the northernmost tier of states. The State ranks 20th among the states in population and 26th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State, its financial condition, and its general obligation debt is included as **APPENDIX A**, which includes by reference Part II and Part III of the 2006 Annual Report.

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

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

PLAN OF REFUNDING

General

The Act empowers the Commission to issue refunding bonds. The Bonds are being issued within the available amounts authorized by the Act. See **APPENDIX B**.

The Bonds are primarily being issued for the refunding of certain maturities of general obligation bonds that the State previously issued for general governmental purposes. The refunded maturities are currently

outstanding in the total principal amount of \$308,125,000 (**Refunded Bonds**). **APPENDIX D** identifies, and provides information on, the Refunded Bonds.

To provide for the refunding of the Refunded Bonds, Bond proceeds will be used to purchase direct general obligations of the United States or its agencies (**Escrow Obligations**). These Escrow Obligations, together with the interest to be earned and a beginning cash deposit, will be sufficient:

- to pay when due the interest on the Refunded Bonds to and including their respective redemption or maturity dates, and
- to redeem or pay the principal of the Refunded Bonds on their respective redemption or maturity dates at their respective redemption prices or amounts of maturing principal.

Refunding Escrow Agreement

The Escrow Obligations, the beginning cash balance, and the interest earnings will be held in an escrow fund (**Escrow Fund**) created by a Refunding Escrow Agreement (**Escrow Agreement**), between the State and Deutsche Bank National Trust Company (**Escrow Trustee**) solely for the benefit of the owners of the Refunded Bonds.

The Escrow Fund will be held by the Escrow Trustee in trust to make principal and interest payments on the Refunded Bonds. The Escrow Fund will be held by the Escrow Trustee separate and apart from all other funds or accounts held by the Escrow Trustee. The Escrow Trustee will have no lien whatsoever upon any moneys in the Escrow Fund for any of its fees and costs incurred in carrying out the provisions of the Escrow Agreement. Instead, the State will pay these fees and costs to the Escrow Trustee from other available funds.

The arithmetical accuracy of the computations of the sufficiency of the amounts deposited into the Escrow Fund will be independently verified by Samuel Klein & Company, Certified Public Accountants (**Verification Agent**).

In the opinion of Bond Counsel, all money in the Escrow Fund may be expended only for the payment of principal and interest on the Refunded Bonds; however, notwithstanding the amount in the Escrow Fund, the full faith, credit, and taxing power of the State will continue to be pledged for the payment of the Refunded Bonds. Each year, for the purpose of determining the constitutional limit on public debt, the amount in the Escrow Fund will be subtracted from the outstanding aggregate public debt of the State.

THE BONDS

General

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

The Bonds will be dated their date of delivery (expected to be on or about February 1, 2007) and will bear interest from that date payable on May 1 and November 1 of each year, beginning on November 1, 2007.

Interest on the Bonds will be computed on the basis of a 30-day month and a 360-day year. Payments of principal and interest for each Bond will be paid to the registered owner of the Bonds. The Bonds are being issued in book-entry-only form, so the registered owner will be a securities depository—initially, a nominee of The Depository Trust Company, New York, New York (**DTC**). See **“THE BONDS; Book-Entry-Only Form”**.

The Bonds are issued as fully registered bonds without coupons in principal denominations of \$5,000 or multiples of \$5,000.

Security

The Bonds are direct and general obligations of the State. The full faith, credit, and taxing power of the State are irrevocably pledged to make principal and interest payments on the Bonds. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient to make principal and interest payments on the Bonds as the payments become due. The Bonds are secured equally with all other outstanding general obligations issued by the State.

No Redemption

The Bonds are not subject to redemption.

Registration and Payment of Bonds

How the Bonds are paid depends on whether or not they are in book-entry-only form.

If the Bonds are in book-entry-only form, then payment of principal will be made by wire transfer to the securities depository or its nominee upon the presentation and surrender of the Bonds at the principal office of the **Paying Agent**—which is the Secretary of Administration. Payment of interest will be made by wire transfer to the securities depository or its nominee on the payment date.

If the Bonds are not in book-entry-only form, then payment of principal will be made by check or draft issued upon the presentation and surrender of the Bonds at the principal office of the Paying Agent, as designated by the Commission. Payment of interest due on the Bonds will be made by check or draft mailed to the registered owner shown in the registration book at the close of business on the **Record Date**—which is the 15th day (whether or not a business day) of the calendar month before the interest payment date.

Ratings

At the State's request, several rating agencies have assigned a rating to the Bonds:

<u>Rating</u>	<u>Rating Agency</u>
AA-	Fitch Ratings
Aa3	Moody's Investors Service, Inc.
AA-	Standard & Poor's Ratings Services

Any explanation of what a rating means may only be obtained from the rating agency giving the rating. No one can offer any assurance that a rating given to the Bonds will be maintained for any period of time; a rating agency may lower or withdraw the rating it gives if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may adversely affect the market price of the Bonds.

Sources and Uses of Funds

The proceeds from the sale of the Bonds are expected to be used as follows:

Sources

Principal Amount of the Bonds.....	\$299,005,000.00
Original Issue Premium.....	29,051,503.85
TOTAL SOURCES.....	<u>\$328,056,503.85</u>

Uses

Deposit to Escrow Fund.....	\$327,096,012.71
Underwriters' Discount	956,807.43
Applied to Costs of Issuance	3,683.71
TOTAL USES	<u>\$328,056,503.85</u>

Book-Entry-Only Form

The Bonds will initially be issued in book-entry-only form. Purchasers of the Bonds will not receive bond certificates but instead will have their ownership in the Bonds recorded in the book-entry system.

Bond certificates are to be issued and registered in the name of a nominee of DTC, which acts as securities depository for the Bonds. Ownership of the Bonds by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system (**DTC Participants**). All transfers of ownership in the Bonds must be made, directly or indirectly, through DTC Participants.

Payment

The State will make all payments of principal of, interest on, and any redemption premium on the Bonds to DTC. Owners of the Bonds will receive payments through the DTC Participants.

Notices and Voting Rights

The State will provide notices and other communications about the Bonds to DTC. Owners of the Bonds will receive any notices or communications through the DTC Participants. In any situation involving voting rights, DTC will not vote but will rather give a proxy through the DTC Participants.

Redemption

If less than all of the Bonds of a given maturity are being redeemed, DTC's practice is to determine by lottery the amount of the Bonds to be redeemed from each DTC Participant.

Discontinued Service

In the event that participation in DTC's book-entry system were to be discontinued and a successor securities depository were not obtained, Bond certificates would be executed and delivered to DTC Participants.

Further Information

Further information concerning DTC and DTC's book-entry system is available at www.dtcc.com. The State is not responsible for any information available on DTC's web site. That information may be subject to change without notice.

The State is not responsible for a failure by DTC or any DTC Participant to transfer payments or notices to the owners of the Bonds or to follow the procedures established by DTC for its book-entry system.

OTHER INFORMATION

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. There is an annual limit of three-quarters of one percent, and a cumulative limit of five percent, of the aggregate value of all taxable property in the State. The annual limit is currently \$3,517,373,999, and the aggregate limit is currently \$23,449,159,990. A funding or refunding obligation does not count for purposes of the annual debt limit or the cumulative debt limit. Accrued interest on any 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. As of December 1, 2006, general obligations of the State were outstanding in the amount of \$5,697,308,689.

Borrowing Plans for 2007

General Obligations

This is the second series of general obligations to be issued in this calendar year.

The Commission has also authorized the following general obligations that may be issued in calendar year 2007:

- About \$158 million of general obligation bonds for general governmental purposes; these general obligation bonds were sold on January 9, 2007 with delivery expected by February 1, 2007.
- Up to \$141 million of general obligation bonds to refund general obligation bonds previously issued for general governmental purposes. The amount and timing of any issuance of general obligation refunding bonds depend on market conditions.
- Up to \$8 million of taxable general obligation bonds for veterans housing loans. The amount and timing of any issuance of general obligations depend on the expected originations of veterans housing loans.
- About \$20 million of general obligation subsidy bonds to be purchased by the Environmental Improvement Fund for the Clean Water Fund Program; these general obligation subsidy bonds are expected to be issued by February 1, 2007.

Other Obligations

The Commission has authorized up to \$149 million of transportation revenue obligations to fund projects in the transportation revenue obligation program. These transportation revenue obligations are expected to be issued in the first or second quarter of this calendar year in the form of bonds. The Commission has also authorized up to \$250 million of transportation revenue refunding bonds to refund previously issued transportation revenue bonds. The amount and timing of any issuance of transportation revenue refunding bonds depend on market conditions.

The Commission has authorized up to \$125 million of clean water revenue refunding bonds to refund previously issued clean water revenue bonds. The amount and timing of any issuance of clean water revenue refunding bonds depend on market conditions.

The Commission has authorized up to \$27 million of petroleum inspection fee revenue refunding bonds. The amount and timing of any issuance of petroleum inspection fee revenue refunding bonds depend on market conditions.

The State does not currently expect to issue operating notes for the 2006-07 fiscal year.

Underwriting

The Bonds were purchased through competitive bidding on January 10, 2007 by Citigroup Global Markets Inc. (**Underwriter**). The Underwriter paid \$327,099,696.42, and its bid resulted in a true interest cost rate to the State of 3.932087%.

Reference Information About the Bonds

Both the following table and the **table on the front cover** include information about the Bonds and are provided for reference. The CUSIP number for each maturity has been obtained from sources the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriter has provided the reoffering yields and prices to allow the computation of yield for federal tax law compliance.

\$299,005,000
State of Wisconsin
General Obligation Refunding Bonds of 2007, Series 1

Dated Date: Date of Delivery
First Interest Date: November 1, 2007
Delivery/Settlement Date: On or about February 1, 2007

CUSIP	Year (May 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional	
						Call Date (May 1)	Call Price
97705L MV6	2014	\$ 7,285,000	5.00%	3.72%	108.062%	Not Callable	-
97705L MW4	2015	45,150,000	5.00	3.80	108.424	Not Callable	-
97705L MX2	2016	32,435,000	5.00	3.84	108.953	Not Callable	-
97705L MY0	2017	32,990,000	5.00	3.88	109.391	Not Callable	-
97705L MZ7	2018	52,100,000	5.00	3.88	110.125	Not Callable	-
97705L NA1	2019	72,415,000	5.00	3.92	110.420	Not Callable	-
97705L NB9	2020	56,630,000	5.00	3.99	110.309	Not Callable	-

Note: The State has been advised by the Underwriter that it has received from Ambac Assurance a Commitment for Financial Guaranty Insurance for the Bonds. Further information on the Commitment and the Financial Guaranty Insurance Policy may be obtained from the Underwriter and Ambac Assurance.

Financial Advisor

First Albany Capital Inc. has been employed by the State to perform professional services in the capacity of financial advisor (**Financial Advisor**). The financial advisor has provided advice on the plan of refunding, selection of the Refunded Bonds, and structure of the Bonds, and has also reviewed certain legal and disclosure documents, including this Official Statement, for financial matters.

Verification of Mathematical Computations

The arithmetical accuracy of certain computations was independently verified by the Verification Agent. These computations, which were provided by the Financial Advisor, indicate (1) the sufficiency of the receipts from the Escrow Obligations, together with an initial cash deposit, to pay to and at maturity or early redemption the principal of and interest on the Refunded Bonds and (2) the yield of the Escrow Fund is less than the yield on the Bonds. The Verification Agent relied upon assumptions and information supplied by the Financial Advisor on behalf of the State and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Refunded Bonds will be paid as described in its report.

Legal Investment

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

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

Legal Opinions

Bond Opinion

Legal matters relating to the authorization, issuance, and sale of the Bonds are subject to the approval of **Bond Counsel**, which is Foley & Lardner LLP. Bond Counsel will deliver an approving opinion when the Bonds are delivered, in substantially the form shown in **APPENDIX C**. If certificated Bonds were to be issued, then the opinion would be printed on the reverse side of each Bond.

Attorney General

As required by law, the office of the Attorney General will examine a certified copy of all proceedings leading to issuance of the Bonds. The Attorney General will deliver an opinion on the regularity and validity of the proceedings. The Attorney General's opinion will also state that there is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, restraining or enjoining the issuance, sale, execution, or delivery of the Bonds, and there also is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, in any way contesting or affecting (1) the titles to their respective offices of any of the State officers involved in the issuance of the Bonds, (2) the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof, or (3) the pledge or application of any moneys or security provided for the payment of the Bonds.

If certificated Bonds are issued, then a certificate of the Attorney General will be printed on the reverse side of each Bond.

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes. Such interest also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations, however, interest on the Bonds is taken into account in determining adjusted current earnings. As to questions of fact material to Bond Counsel's opinion, Bond Counsel has relied upon certified proceedings and certifications of public officials without independently undertaking to verify them. Moreover, the State must comply with all requirements of the Internal Revenue Code of 1986, as amended (**Code**), that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has promised to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date the Bonds were issued. The proceedings authorizing the Bonds do not provide for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds ceases to be excluded from gross income.

Certain requirements and procedures contained or referred to in the authorizing resolution and other relevant documents may be changed, and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel does not express any opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Foley & Lardner LLP.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal taxation, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending federal legislation, as to which Bond Counsel expresses no view.

The opinion of Bond Counsel is based on legal authorities that are current as of its date, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment regarding the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (**IRS**) or the courts, and it is not a guarantee of result. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the State, or about the effect of changes to the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS.

The IRS has an active tax-exempt bond enforcement program. Bond Counsel is not obligated to defend the State regarding the tax-exempt status of the Bonds in the event of an examination by the IRS. Under current IRS procedures, the owners of the Bonds and other parties other than the State would have little, if any, right to participate in an IRS examination of the Bonds. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt bonds is difficult, obtaining independent review of IRS positions with which the State legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for examination, or the course or result of such an examination, or an examination of obligations presenting similar tax issues may affect the market price, or the marketability of the Bonds, and may cause the State or the owners of the Bonds to incur significant expense.

Recent legislation amended Section 6049 of the Code to require information reporting for payments of tax-exempt interest, applicable to interest paid after December 31, 2005. The IRS has published transitional guidance for information reporting requirements for payments of interest on tax-exempt bonds, including circumstances under which "backup withholding" may be required.

Bond Counsel expresses no opinion about other federal tax consequences arising regarding the Bonds. There may be other federal tax law provisions that could adversely affect the value of an investment in the Bonds for particular owners of Bonds. Prospective investors should consult their own tax advisors about the tax consequences of owning a Bond.

State of Wisconsin Income and Franchise Taxes

Interest on the Bonds is not excluded from current State of Wisconsin income and franchise taxes. Prospective investors should consult their own tax advisors about the state and local tax consequences of owning a Bond.

Premium Bonds

Each Bond has an issue price that is greater than the amount payable at the maturity of the Bond, and each Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code (**Premium Bond**). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium. During each taxable year, such an owner must reduce his or her tax basis in the Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the owner owned the Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the Premium Bond.

Owners of Premium Bonds who do not purchase their Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning Premium Bonds.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State (**Annual Reports**). By December 27 of each year, the State will send the report to each nationally recognized municipal securities information repository (**NRMSIR**) and to any state information depository (**SID**) for the State. The State will also provide notices of the occurrence of certain events specified in the undertaking to each NRMSIR, or the Municipal Securities Rulemaking Board (**MSRB**), and to any SID. At this time, there is no SID for the State. [Part I of the 2006 Annual Report](#), which contains information on the undertaking, is included by reference as part of this Official Statement.

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

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov
www.doa.wi.gov/capitalfinance

The undertaking also describes the consequences if the State fails to provide any required information. The State must report the failure to the NRMSIRS, or the MSRB, and to any SID. In the last five years, the State has not failed to comply in any material respect with this or any similar undertaking.

Dated: January 10, 2007

STATE OF WISCONSIN

/s/ JIM DOYLE

Governor Jim Doyle, Chairperson
State of Wisconsin Building Commission

/s/ MICHAEL L. MORGAN

Michael L. Morgan, Secretary
State of Wisconsin Department of Administration

/s/ ROBERT G. CRAMER

Robert G. Cramer, Secretary
State of Wisconsin Building Commission

APPENDIX A

INFORMATION ABOUT THE STATE

This appendix includes by reference information concerning the State of Wisconsin (**State**) and general obligations issued by the State, as contained in Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 22, 2006 (**2006 Annual Report**).

[Part II of the 2006 Annual Report](#) contains general information about the State. More specifically, that part presents information about the following matters:

- State's operations and financial procedures
- State's accounting and financial reporting
- Organization of, and services provided by, the State
- Results of fiscal year 2005-06
- State budget
- Potential effects of litigation
- Obligations of the State
- State Investment Board
- Statistical information about the State's population, income, and employment

Included as [APPENDIX A to Part II of the 2006 Annual Report](#) are the [audited general purpose external financial statements for the fiscal year ending June 30, 2006](#), prepared in conformity with generally accepted accounting principles (**GAAP**) for governments as prescribed by the Government Accounting Standards Board, and the State Auditors' report.

[Part III of the 2006 Annual Report](#) contains information concerning general obligations issued by the State. That part discusses the security provisions for general obligation debt (including the flow of funds to pay debt service on general obligations) and presents data about the State's outstanding general obligation debt and the portion of that general obligation debt that is revenue-supported general obligation debt.

The 2006 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**) and is also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin". The Capital Finance Office web site is located at the following address:

www.doa.wi.gov/capitalfinance

Copies of the 2006 Annual Report may also be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov

After publication and filing of the 2006 Annual Report, certain changes or events may occur that affect items discussed in the 2006 Annual Report; however, as of the date of this Official Statement, no such changes or events have occurred. The State has filed, and expects to continue to file, certain informational notices with the NRMSIRs, some of which may be notices that do not describe listed material events under the State's Master Agreement on Continuing Disclosure.

APPENDIX B

State of Wisconsin General Obligation Issuance Status Report December 1, 2006

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date^(a)</u>	<u>Interest Earnings^(b)</u>	<u>G.O. Refunding Bonds of 2007, Series 1</u>	<u>Total Authorized Unissued Debt^(a)</u>
University of Wisconsin; academic facilities.....	\$ 1,358,615,800	\$ 1,069,499,024	\$ 12,244,365		\$ 276,872,411
University of Wisconsin; self-amortizing facilities.....	1,279,517,100	877,204,471	1,720,367		400,592,262
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	572,000,000	320,116,795	69,761		251,813,444
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,744	141,818		139,438
Clean water fund program.....	637,743,200	451,547,035			186,196,165
Safe drinking water loan program.....	32,310,000	31,971,520			338,480
Natural resources; nonpoint source grants.....	89,310,400	76,683,243	132,570		12,494,587
Natural resources; nonpoint source	4,000,000	2,348,194			1,651,806
Natural resources; environmental repair.....	51,000,000	39,977,681	170,906		10,851,413
Natural resources; urban nonpoint source cost-sharing.....	23,900,000	15,727,897			8,172,103
Natural resources; environmental segregated fund supported administrative facilities.....	7,490,000	5,479,906			2,010,094
Natural resources; segregated revenue supported dam safety projects.....	6,600,000	5,882,779	51		717,170
Natural resources; pollution abatement and sewage collection facilities, ORAP funding.....	145,060,325	145,010,325	50,000		
Natural resources; pollution abatement and sewage collection facilities.....	893,493,400	874,927,239	18,513,076		53,085
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow.....	200,600,000	194,312,599	6,287,401		
Natural resources; recreation projects.....	56,055,000	56,053,994	1,006		
Natural resources; local parks land acquisition and development.....	2,490,000	2,447,741	42,259		
Natural resources; recreation development.....	23,061,500	22,871,110	141,227		49,163
Natural resources; land acquisition.....	45,608,600	45,116,930	491,671		

General Obligation Issuance Status Report—Continued
December 1, 2006

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date^(a)</u>	<u>Interest Earnings^(b)</u>	<u>G.O. Refunding Bonds of 2007, Series 1</u>	<u>Total Authorized Unissued Debt^(a)</u>
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,445,793	17,174		37,032
Natural resources; segregated revenue supported facilities.....	55,078,100	29,375,119	46,904		25,656,077
Natural resources; general fund supported administrative facilities.....	11,410,200	10,829,210	21,432		559,558
Natural resources; ice age trail.....	750,000	750,000			
Natural resources; dam safety projects.....	5,500,000	5,400,148	49,701		50,151
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,500,000			
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	225,962,443	1,293,404		3,744,153
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	1,840,212			48,159,788
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; major highway and rehabilitation projects.....	565,480,400	565,480,400			
Transportation; Marquette interchange rehabilitation project.....	213,100,000	209,300,000	2,332,363		1,467,637
Transportation; state highway rehabilitation projects.....	250,000,000	248,611,615	1,182,896		205,489
Transportation; harbor improvements.....	40,700,000	25,780,305	232,605		14,687,090
Transportation; rail acquisitions and improvements.....	44,500,000	33,874,500	5,187		10,620,313
Transportation; local roads for job preservation, state funds.....	2,000,000	2,000,000			
Corrections; correctional facilities.....	801,979,400	777,563,081	11,467,003		12,949,316

General Obligation Issuance Status Report—Continued
December 1, 2006

Program Purpose	Legislative Authorization	General Obligations Issued to Date^(a)	Interest Earnings^(b)	G.O. Refunding Bonds of 2007, Series 1	Total Authorized Unissued Debt^(a)
Corrections; self-amortizing facilities and equipment.....	7,337,000	2,115,438	99		5,221,463
Corrections; juvenile correctional facilities.....	28,984,500	26,678,189	105,717		2,200,594
Health and family services; mental health and secure treatment facilities.....	127,761,700	121,842,268	895,124		5,024,308
Agriculture; soil and water.....	26,075,000	18,013,623	1,248		8,060,129
Agriculture; conservation reserve enhancement....	40,000,000	10,086,882			29,913,118
Administration; Black Point Estate.....	1,600,000	944,403	387		655,210
Building commission; previous lease rental authority.....	143,071,600	143,068,654			2,946
Building commission; refunding tax-supported general obligation debt.....	2,102,086,430	2,102,086,530			
Building commission; refunding self-amortizing general obligation debt.....	272,863,033	272,863,033			
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005....	250,000,000	250,000,000			
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	1,400,000,000	967,020,000		299,005,000	133,975,000
Building commission; housing state departments and agencies.....	485,015,400	408,667,741	2,329,712		74,017,947
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,805,521	294,479		
Building commission; project contingencies.....	47,961,200	42,850,617	62,251		5,048,332
Building commission; capital equipment acquisition.....	126,335,000	110,787,510	729,556		14,817,934
Building commission; discount sale of debt.....	90,000,000	67,493,598			22,506,402
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(c)			11,167
Building commission; other public purposes.....	1,727,901,000	1,383,262,752	6,770,550		337,867,698
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities....	10,000,000	10,000,000			
HR Academy, Inc.....	1,500,000	1,500,000			
Medical College of Wisconsin, Inc.; biomedical research and technology incubator.....	25,000,000	19,288,805			5,711,195
Marquette University; dental clinic and education facility....	15,000,000	14,999,182	818		

**General Obligation Issuance Status Report—Continued
December 1, 2006**

Program Purpose	Legislative Authorization	General Obligations Issued to Date^(a)	Interest Earnings^(b)	G.O. Refunding Bonds of 2007, Series 1	Total Authorized Unissued Debt^(a)
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			
Children's research institute	10,000,000	5,522,013			4,477,987
Administration; school educational technology infrastructure financial assistance.....	90,200,000	71,480,216	431,066		18,288,718
Administration; public library educational technology infrastructure financial assistance.....	300,000	268,918	42		31,040
Educational communications board; educational communications facilities.....	22,858,100	20,417,691	38,168		2,402,241
Historical society; self-amortizing facilities.....	1,157,000	1,029,156	3,896		123,947
Historical society; historic records.....	15,400,000				15,400,000
Historical society; historic sites.....	3,107,800	1,848,860			1,258,940
Historical society; museum facility.....	4,384,400	4,362,469			21,931
Historical society; Wisconsin history center.....	30,000,000				30,000,000
Public instruction; state school, state center and library facilities.....	7,367,700	7,330,612	32,509		4,579
Military affairs; armories and military facilities.....	27,463,900	21,386,882	192,632		5,884,386
Veterans affairs; veterans facilities.....	10,090,100	9,405,485	50,593		634,022
Veterans affairs; self-amortizing mortgage loans.....	2,120,840,000	2,118,097,395	2,133,000		609,605
Veterans affairs; refunding bonds.....	1,015,000,000	721,169,245			293,830,755
Veterans affairs; self-amortizing facilities.....	34,912,600	12,624,016	501		22,288,083
State fair park board; board facilities.....	14,787,100	14,541,771			245,329
State fair park board; housing facilities.....	11,000,000	10,999,985	15		
State fair park board; self-amortizing facilities.....	56,787,100	51,129,300	22,328		5,635,472
Total.....	\$18,544,141,288	\$15,855,996,926	\$70,783,782	\$299,005,000	\$2,318,355,681

^(a) Does not include the State's \$158,390,000 General Obligation Bonds of 2007, Series A, which were sold at competitive sale on January 9, 2007 and delivery is expected on February 1, 2007.

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

^(c) Accrued interest on any 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 statutory authority to issued debt.

Source: Wisconsin Department of Administration.

Appendix C

EXPECTED FORM OF BOND COUNSEL OPINION

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

(Letterhead of Foley & Lardner LLP)

\$299,005,000

STATE OF WISCONSIN

GENERAL OBLIGATION REFUNDING BONDS OF 2007, SERIES 1

We have served as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$299,005,000 General Obligation Refunding Bonds of 2007, Series 1, dated the date hereof (**Bonds**). The Bonds are being issued pursuant to Chapters 18 and 20, Wisconsin Statutes and a resolution adopted by the State of Wisconsin Building Commission (**Commission**) on August 9, 2006 (**Resolution**).

We examined the law, a certified copy of the proceedings relating to the issuance of the Bonds, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon those certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission and is a valid and binding obligation of the State enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes. It also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations, however, interest on the Bonds is taken into account in determining adjusted current earnings. The State must comply with all requirements of the Internal Revenue Code that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactive to the date the Bonds were issued. This letter expresses no opinion about other federal tax law consequences regarding the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (except only the matters set forth as our opinion in the Official Statement). However, in serving as bond counsel,

nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial statements and other financial or statistical data included therein, as to which we express no view), as of the date of delivery of the Bonds, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law.

Very truly yours,

FOLEY & LARDNER LLP

Appendix D

STATE OF WISCONSIN OUTSTANDING BONDS REFUNDED

Series	Dated Date	Principal	Interest	Maturity	CUSIP	Redemption	Redemption
		Amount	Rate			Date	Price
1998 Series D	9/1/1998	\$ 5,030,000	4.85%	5/1/2019	977056 SM3	5/1/2009	100%
1999 Series A	2/1/1999	8,815,000	4.75%	5/1/2018	977056 VF4	5/1/2009	100
		9,250,000	4.75%	5/1/2019	977056 VG2	5/1/2009	
2001 Series B	4/1/2001	10,740,000	5.00%	5/1/2020	977056 F70	5/1/2011	100
2002 Series A	3/1/2002	5,060,000 ^(a)	5.00%	5/1/2019	97705L NC7 ^(c)	5/1/2012	100
2002 Series C	6/1/2002	8,625,000	4.90%	5/1/2018	977056 2E9	5/1/2012	100
		9,070,000	5.00%	5/1/2019	977056 2F6	5/1/2012	
		9,535,000	5.00%	5/1/2020	977056 2G4	5/1/2012	
2002 Series G	10/15/2002	9,540,000	5.00%	5/1/2015	977056 3S7	5/1/2013	100
		10,015,000	5.00%	5/1/2016	977056 3T5	5/1/2013	
		10,515,000	5.00%	5/1/2017	977056 3U2	5/1/2013	
		11,040,000	5.00%	5/1/2018	977056 3V0	5/1/2013	
		11,595,000	5.00%	5/1/2019	977056 3W8	5/1/2013	
2003 Series A	5/1/2003	12,175,000	5.00%	5/1/2020	977056 3X6	5/1/2013	
		7,715,000	5.00%	5/1/2014	977056 5Q9	5/1/2013	100
		8,100,000	5.00%	5/1/2015	977056 5R7	5/1/2013	
		9,375,000	5.00%	5/1/2018	977056 5U0	5/1/2013	
		9,845,000	5.00%	5/1/2019	977056 5V8	5/1/2013	
2003 Series C	10/15/2003	10,340,000	5.00%	5/1/2020	977056 5W6	5/1/2013	
		8,735,000	5.00%	5/1/2015	977056 6V7	5/1/2014	100
		9,195,000	5.00%	5/1/2016	977056 6W5	5/1/2014	
		9,680,000	5.00%	5/1/2017	977056 6X3	5/1/2014	
		10,185,000	5.00%	5/1/2018	977056 6Y1	5/1/2014	
2004 Series A	4/14/2004	10,700,000	5.00%	5/1/2019	977056 6Z8	5/1/2014	
		11,235,000	5.00%	5/1/2020	977056 7A2	5/1/2014	
		7,845,000	5.00%	5/1/2015	97705L BM8	5/1/2014	100
2004 Series E	10/21/2004	8,255,000	5.00%	5/1/2016	97705L BN6	5/1/2014	
		8,690,000	4.50%	5/1/2017	97705L BP1	5/1/2014	
2004 Series 3	6/15/2004	8,540,000	5.00%	5/1/2019	97705L EQ6	5/1/2015	100
2004 Series 3	6/15/2004	10,955,000 ^(a)	5.25%	5/1/2015	97705L ND5 ^(d)	5/1/2014	100
		5,020,000 ^(a)	5.25%	5/1/2016	97705L NE3 ^(e)	5/1/2014	
		4,170,000 ^(a)	5.25%	5/1/2017	97705L NF0 ^(f)	5/1/2014	
		4,095,000 ^(a)	5.25%	5/1/2018	97705L NG8 ^(g)	5/1/2014	
		3,345,000 ^(a)	5.25%	5/1/2019	97705L NH6 ^(h)	5/1/2014	
		2,600,000 ^(a)	5.25%	5/1/2020	97705L NJ2 ⁽ⁱ⁾	5/1/2014	
2005 Series B	4/20/2005	8,500,000 ^(b)	4.00%	5/1/2008	97705L NK9 ^(j)	n/a	n/a
		\$ 308,125,000					

^(a) This amount represents the portion of this maturity being escrowed to the redemption date.

^(b) This amount represents the portion of this maturity being escrowed to the maturity date.

^(c) This CUSIP number is for the amount being escrowed to the redemption date. The CUSIP number of 97705L NL7 has been assigned to the remaining principal amount of this maturity. The original CUSIP number was 977056 V64.

^(d) This CUSIP number is for the amount being escrowed to the redemption date. The CUSIP number of 97705L NM5 has been assigned to the remaining principal amount of this maturity. The original CUSIP number was 97705L CS4.

^(e) This CUSIP number is for the amount being escrowed to the redemption date. The CUSIP number of 97705L NN3 has been assigned to the remaining principal amount of this maturity. The original CUSIP number was 97705L CT2.

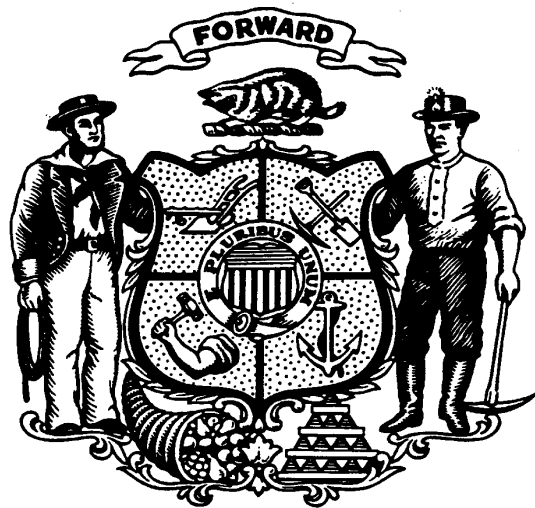
^(f) This CUSIP number is for the amount being escrowed to the redemption date. The CUSIP number of 97705L NP8 has been assigned to the remaining principal amount of this maturity. The original CUSIP number was 97705L CU9.

^(g) This CUSIP number is for the amount being escrowed to the redemption date. The CUSIP number of 97705L NQ6 has been assigned to the remaining principal amount of this maturity. The original CUSIP number was 97705L CV7.

^(h) This CUSIP number is for the amount being escrowed to the redemption date. The CUSIP number of 97705L NR4 has been assigned to the remaining principal amount of this maturity. The original CUSIP number was 97705L CW5.

⁽ⁱ⁾ This CUSIP number is for the amount being escrowed to the redemption date. The CUSIP number of 97705L NS2 has been assigned to the remaining principal amount of this maturity. The original CUSIP number was 97705L CX3.

^(j) This CUSIP number is for the amount being escrowed to the maturity date. The CUSIP number of 97705L NT0 has been assigned to the remaining principal amount of this maturity. The original CUSIP number was 97705L HJ9.



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Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin, and is licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands, with admitted assets of approximately \$9,699,000,000 (unaudited) and statutory capital of approximately \$6,223,000,000 (unaudited) as of September 30, 2006. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in the Financial Guaranty Insurance Policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Obligor of the Bonds.

Ambac Assurance makes no representation regarding the Bonds or the advisability of investing in the Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement and this Notice other than the information supplied by Ambac Assurance and presented in this Notice.

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (**Company**) is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (**Exchange Act**), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (**SEC**). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices is One State Street Plaza, 19th Floor, New York, New York 10004, and its telephone number is (212) 668-0340.

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Notice:

- The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and filed on March 13, 2006;
- The Company's Current Report on Form 8-K dated and filed on April 26, 2006;
- The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2006 and filed on May 10, 2006;
- The Company's Current Report on Form 8-K dated July 25, 2006 and filed on July 26, 2006;
- The Company's Current Report on Form 8-K dated and filed on July 26, 2006;
- The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2006 and filed on August 9, 2006;
- The Company's Current Report on Form 8-K dated and filed on October 25, 2006; and
- The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended September 30, 2006 and filed on November 8, 2006.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Notice will be available for inspection in the same manner as described above in "Available Information".

Financial Guaranty Insurance Policy

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.



President



Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.



Authorized Officer of Insurance Trustee