

State of Wisconsin

Notice of **Material Information** #2008-28
Dated November 25, 2008

Information Cover Sheet

This page is a cover sheet to the attached document that is being submitted to and filed with each of the Nationally Recognized Municipal Securities Information Repositories. At this time, no State Information Depository has been established for the State of Wisconsin. This page is not intended to be part of the filing; rather, it is intended to only assist with the filing and classification of the attached submittal.

Issuer: State of Wisconsin Transportation Revenue Bonds and
Transportation Revenue Commercial Paper

CUSIP Numbers: 977123 Prefix (All) 97712NK Prefix (All)
97712PH Prefix (All) 97712VA Prefix (All)
97712UB Prefix (All)

This filing relates to all securities issued by the State of Wisconsin that contain the above base CUSIP numbers.

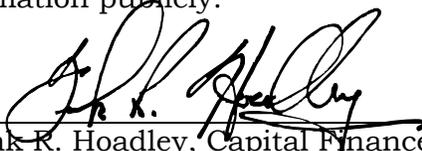
Type of Filing: Electronic. The following submission is also available on the State of Wisconsin Capital Finance web site at:

www.doa.wi.gov/capitalfinance

Type of Information: Financial Statements and Independent Auditors' Report for the Year Ended June 30, 2008

Attached are the financial statements and independent auditors' report for the years ended June 30, 2008 and June 30, 2007, together with unaudited supplementary information, for both the **Wisconsin Department of Transportation Revenue Bond Program** and **Wisconsin Department of Transportation Commercial Paper Program**.

The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office (which is the office of the State of Wisconsin responsible for providing annual reports and giving notice of listed material events when notice is required by the State's Master Agreement on Continuing Disclosure) and is authorized to distribute this information publicly.



Frank R. Hoadley, Capital Finance Director
State of Wisconsin Capital Finance Office
Wisconsin Department of Administration
101 East Wilson Street, FLR 10
Madison, WI 53703
Phone: (608) 266-2305
Fax: (608) 266-7645
E-mail: DOACapitalFinanceOffice@wisconsin.gov
Website: www.doa.state.wi.us/capitalfinance

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**1993 SERIES A, 1998 SERIES A, 1998 SERIES B,
2001 SERIES A, 2002 SERIES A, 2002 SERIES 1, 2002 SERIES 2,
2003 SERIES A, 2004 SERIES 1, 2005 SERIES A, 2005 SERIES B,
2007 SERIES A, AND 2007 SERIES 1**

**Statements of Cash Receipts and Disbursements
for the Years Ended June 30, 2008 and 2007
with Independent Auditors' Report**

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

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To the Wisconsin Department of Transportation

We have audited the accompanying statements of cash receipts and disbursements of the 1993 Series A, 1998 Series A, 1998 Series B, 2001 Series A, 2002 Series A, 2002 Series 1, 2002 Series 2, 2003 Series A, 2004 Series 1, 2005 Series A, 2005 Series B, 2007 Series A and 2007 Series 1 bonds of the Wisconsin Department of Transportation Revenue Bond Program (the "Program") for the years ended June 30, 2008 and 2007. These statements are the responsibility of the Wisconsin Department of Transportation. Our responsibility is to express an opinion on these statements based on our audits.

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

As described in Note 2 to the financial statements, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements present fairly, in all material respects, the cash receipts and disbursements of the 1993 Series A, 1998 Series A, 1998 Series B, 2001 Series A, 2002 Series A, 2002 Series 1, 2002 Series 2, 2003 Series A, 2004 Series 1, 2005 Series A, 2005 Series B, 2007 Series A and 2007 Series 1 bonds of the Wisconsin Department of Transportation Revenue Bond Program for the years ended June 30, 2008 and 2007, on the basis of accounting described in Note 2.

Our audits were made for the purpose of forming an opinion on the statements of cash receipts and disbursements taken as a whole. The supplemental information required by the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution presented on pages 12 through 25 is for purposes of additional analysis and is not a required part of the statement of cash receipts and disbursements. This supplemental information is the responsibility of the Wisconsin Department of Transportation. This information has been subjected to the auditing procedures applied in our audits of the statements of cash receipts and disbursements and, in our opinion, is fairly stated in all material respects in relation to the statements of cash receipts and disbursements taken as a whole.

The information identified in the table of contents as Unaudited Information is presented for purposes of additional analysis and is not a required part of the statement of cash receipts and disbursements. Such information has not been subjected to the auditing procedures applied in the audits of the statements of cash receipts and disbursements and, accordingly, we express no opinion on it.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
October 3, 2008



WISCONSIN DEPARTMENT OF TRANSPORTATION REVENUE BOND PROGRAM

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
CASH AND INVESTMENTS, BEGINNING OF YEAR	\$ 243,664,588	\$ 147,388,476
RECEIPTS:		
Motor vehicle registration fees retained by Trustee	147,405,083	138,683,475
Investment income	6,448,800	5,811,983
Revenue bond proceeds - par value	-	148,710,000
Revenue bond proceeds - accrued interest and original issuance premium, net of underwriter's discount	-	278,674
Revenue refunding bond proceeds - par value	-	206,900,000
Revenue refunding bond proceeds - accrued interest and original issuance premium, net of underwriter's discount	-	15,415,302
Total receipts	<u>153,853,883</u>	<u>515,799,434</u>
DISBURSEMENTS:		
Debt service - principal	75,065,000	71,640,000
Debt service - interest	68,173,022	68,459,706
Highway program expenditures	115,152,628	56,631,739
Program expenses - revenue bond program	89,406	77,785
Program expenses - commercial paper program	330,996	286,053
Bond issuance costs	-	413,189
Defeasance of debt - purchase of securities for escrow account	-	222,014,850
Total disbursements	<u>258,811,052</u>	<u>419,523,322</u>
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 138,707,419</u>	<u>\$ 243,664,588</u>
Cash and investments reserved for debt service	\$ 115,256,636	\$ 108,236,194
Cash and investments reserved for program expenses	59,354	70,383
Cash and investments reserved for highway expenditures	13,278,852	125,537,360
Cash and investments in the reserve fund	<u>10,112,577</u>	<u>9,820,651</u>
	<u>\$ 138,707,419</u>	<u>\$ 243,664,588</u>

See notes to statements of cash receipts and disbursements.

WISCONSIN DEPARTMENT OF TRANSPORTATION REVENUE BOND PROGRAM

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

1. NATURE OF PROGRAM

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

The Department has statutory authority (as amended) as of June 30, 2008, to issue a total of \$2,708,341,000 of revenue obligations (excluding refunded bonds), in order to partially finance the costs of the authorized projects, in addition to proceeds from State general obligation debt, federal aid and other money in the Transportation Fund of the State of Wisconsin. As of June 30, 2008, the Department has remaining authority to issue \$401,020,246 of additional obligations. The Department is responsible for managing the construction projects and the collection of motor vehicle registration fees and certain other vehicle registration-related fees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Receipts and Disbursements Basis of Accounting—The statements of cash receipts and disbursements present the Program's cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, cash receipts are recorded when received and disbursements are recorded when paid. The Program's cash and investments balance is presented at cost.

The Department has entered into trust agreements with The Bank of New York Trust Company, National Association (the "Trustee"), relating to the creation and administration of the State of Wisconsin Transportation Revenue Bonds, 1993 Series A, 1998 Series A, 1998 Series B, 2001 Series A, 2002 Series A, 2002 Series 1, 2002 Series 2, 2003 Series A, 2004 Series 1, 2005 Series A, 2005 Series B, 2007 Series A and 2007 Series 1. Among other provisions, the trust agreements, in conjunction with the General Resolution, specify those funds to be created and maintained, the timing and flow of monies through the funds, the determination of the Debt Service Reserve requirements and the procedure to be followed for the redemption of the bonds. It is the Program directors' view that the statements of cash receipts and disbursements along with the related notes meet the reporting requirements of the trust agreements.

Receipts and Disbursements:

Motor Vehicle Registration Fees Retained by Trustee—Motor vehicle registration fees and certain other vehicle registration-related fees retained by the Trustee are recorded at time of impounding, when transfer of possession occurs.

Investment Income—Investment income is recorded when received and includes realized gains and losses on sales or maturities of investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Proceeds—Bond proceeds are recorded as receipts on the date of closing at gross value of the issuance. All related fees are reported as bond issuance costs within disbursements.

Debt Service—Principal and Interest—Debt service payments are recorded when paid.

Highway Program Expenditures—Highway program expenditures are recorded when paid by the Program to the Transportation Fund of the State of Wisconsin.

Program Expenses – Revenue Bond Program—Program expenses are recorded when paid.

Program Expenses - Commercial Paper Program—Represents payments for expenses made by the Revenue Bond Program on behalf of the Commercial Paper Program.

3. CASH AND INVESTMENTS

The Program's investment policies are governed by the General Resolution and Wisconsin Statutes. The Program is authorized to invest in direct obligations of or obligations guaranteed by the United States, obligations of agencies created or sponsored by an Act of Congress, obligations of any state or municipality that are rated in either of the two highest rating categories by a nationally recognized bond rating agency, bankers acceptances and certificates of deposit from banks with combined capital and surplus aggregating at least \$100 million whose securities are rated within the two highest rating categories assigned by a nationally recognized rating agency, corporate commercial paper given the highest rating by Standard & Poor's Corporation and Moody's Investors Service, Inc., and a fund whose assets consist of direct obligations or obligations guaranteed by the United States or obligations of agencies created or sponsored by Congress. Program assets are to be invested in the highest yielding authorized securities, with maturity or redemption dates coinciding as closely as possible with cash flow and liquidity needs of Program operations.

For fiscal years 2008 and 2007, the Trustee invested the Program's assets in money market funds, U.S. government securities, and federal agency securities. These Program assets are reported at cost. The following table summarizes the cost and fair market value for each of the investments:

Investment Type	June 30, 2008		June 30, 2007	
	Cost	Fair Value	Cost	Fair Value
Money market fund	\$138,707,419	\$138,707,419	\$154,209,010	\$154,209,010
U.S. government securities	0	0	16,655,770	16,725,000
Federal agency securities	0	0	72,799,808	72,799,808
Total	\$138,707,419	\$138,707,419	\$243,664,588	\$243,733,818

The money market fund consists of Goldman Sachs Institutional Liquid Assets Treasury Instruments Portfolio Fund 423 and JP Morgan 100% U.S. Treasury Securities Money Market Fund 3163, which invest exclusively in obligations of the U.S. Treasury, including Treasury bills, bonds and notes. The federal agency securities are Federal Home Loan Bank Discount Notes. The U.S. government securities are U.S. Treasury Notes.

3. CASH AND INVESTMENTS (Continued)

Investments of the Program are subject to various risks:

- Custodial credit risk is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, the Program will not be able to recover the value of investments or collateral securities that are in the possession of another party. Securities of the U.S. government and its agency were registered and held by the Program's agent in the Program's name. Money market funds are not insured or collateralized.
- Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Standard & Poor's, Moody's, and Fitch Ratings. As of June 30, 2008, the money market funds were rated AAA.
- Concentration of credit risk may be a concern if investments in any one issuer represent 5 percent or more of net Program assets, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments. Concentration of credit risk is not addressed in the Program's investment requirements. As of June 30, 2008, all of the Program's assets were invested in money market funds; however, these funds solely invest in U.S. government securities.
- Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2008, all investments had reached maturity and were redeemed.
- Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment. Foreign currency holdings are not specifically addressed in the Program's investment requirements; however, no investments denominated in foreign currency were held by the Program as of June 30, 2008.

4. REVENUE BONDS

The Program's revenue obligations are issued pursuant to Subchapter II of Chapter 18 of the Wisconsin Statutes as amended, Section 84.59 of the Wisconsin Statutes and a General Resolution and series resolutions adopted by the State of Wisconsin Building Commission. The bonds are revenue obligations of the State of Wisconsin ("State"), payable solely from the Redemption Fund created by the General Resolution. The bonds are collateralized by a first lien pledge of income derived from vehicle registration fees ("Program Income") under Section 341.25 of the Wisconsin Statutes and certain other vehicle registration-related fees, as collected by the Trustee. The State has covenanted in the General Resolution that it will charge registration fees sufficient to pay principal and interest on the bonds, as they become due, to pay program expenses and to maintain the Debt Service Reserve requirement. Vehicle registration fees collected in excess of the amount needed to service this Program are transferred to the Department free of the first lien pledge of the General Resolution. The State is not generally liable on the bonds nor are the projects financed by the bonds pledged as collateral.

A summary of these revenue obligations outstanding as of June 30, 2008 and 2007 is as follows:

	2008	2007
Transportation Revenue Bonds, 1993 Series A, varying fixed interest rates from 4.75% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2012	\$ 48,975,000	\$ 62,065,000
Transportation Revenue Bonds, 1998 Series A and B, varying fixed interest rates from 4.25% to 5.5%, interest payable semiannually, annual principal payments of variable amounts through 2016	108,945,000	119,010,000
Transportation Revenue Bonds, 2001 Series A, varying fixed interest rates from 4.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2022	69,005,000	78,955,000
Transportation Revenue Bonds, 2002 Series A, varying fixed interest rates from 4.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2023	93,715,000	100,715,000
Transportation Revenue Bonds, 2002 Series 1 and 2, varying fixed interest rates from 4.0% to 5.75%, interest payable semiannually, annual principal payments of variable amounts through 2019	124,810,000	133,130,000
Transportation Revenue Bonds, 2003 Series A, varying fixed interest rates from 3.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2024	142,395,000	150,730,000

4. REVENUE BONDS (Continued)

Transportation Revenue Bonds, 2004 Series 1, varying fixed interest rates from 5.0% to 5.25%, interest payable semiannually, annual principal payments of variable amounts through 2017	76,800,000	87,725,000
Transportation Revenue Bonds, 2005 Series A, varying fixed interest rates from 3.0% to 5.25%, interest payable semiannually, annual principal payments of variable amounts through 2025	234,915,000	235,255,000
Transportation Revenue Bonds, 2005 Series B, varying fixed interest rates from 4.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2025	151,360,000	158,400,000
Transportation Revenue Bonds, 2007 Series A, varying fixed interest rates from 4.25% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2027	148,710,000	148,710,000
Transportation Revenue Bonds, 2007 Series 1, varying fixed interest rates from 4.35% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2022	<u>206,900,000</u>	<u>206,900,000</u>
Total principal amount of bonds outstanding at June 30	1,406,530,000	1,481,595,000
Less: current maturities	<u>80,395,000</u>	<u>75,065,000</u>
Principal outstanding at June 30 due beyond one year	\$ <u>1,326,135,000</u>	\$ <u>1,406,530,000</u>

Additional series of bonds may be issued on a parity with the current bond series outstanding and collateralized by an equal charge and lien on the Program Income. However, no additional series may be issued unless, among other things, Program Income, including interest, for 12 consecutive months within the preceding 18-month period is at least 2.25 times the maximum aggregate principal and interest requirement in any bond year for all outstanding bonds.

Future maturities of bonds payable as of June 30, 2008 are as follows:

Year Ending June 30,	
2009	\$ 80,395,000
2010	79,395,000
2011	71,600,000
2012	75,325,000
2013	76,760,000
Thereafter	<u>1,023,055,000</u>
	<u>\$1,406,530,000</u>

5. DEFEASED REVENUE BONDS

From time to time, the Program issues revenue bonds to defease older revenue bonds in order to take advantage of market conditions. The proceeds from the issuance of revenue bonds, together with assets transferred from the refunded bond series, are deposited with a trustee bank in a separate Escrow Account. These funds are invested by an escrow agent in U.S. Treasury obligations and certain other government securities so that sufficient monies are available to pay the principal, interest and redemption price of the defeased bonds. The defeased bonds are not included in the outstanding revenue bonds summarized in Note 4. Also, the related securities in the Escrow Accounts are not included in the Program's cash and investments balance. Once defeased, no related activity in the Escrow Accounts is reported in the Program's Statements of Cash Receipts and Disbursements. The following is a summary of these defeased bonds at June 30, 2008.

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

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
1991 Series A	July 1, 2010	\$ 8,495,000		
	July 1, 2011	<u>9,085,000</u>		
		<u>\$17,580,000</u>	Maturity	Par

The revenue bonds defeased by the 2002 Series 1 Refunding that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
1998 Series B	July 1, 2010	\$ 5,400,000		
	July 1, 2011	<u>5,645,000</u>		
		11,045,000	July 1, 2009	Par
2000 Series A	July 1, 2012	<u>9,700,000</u>	July 1, 2010	Par
		<u>\$20,745,000</u>		

The revenue bonds defeased by the 2002 Series 2 Refunding that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2000 Series A	July 1, 2013	\$10,200,000		
	July 1, 2014	<u>10,700,000</u>		
		<u>\$20,900,000</u>	July 1, 2010	Par

5. DEFEASED REVENUE BONDS (Continued)

The revenue bonds defeased by the 2004 Series 1 Refunding that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
1998 Series B	July 1, 2012	\$ 5,905,000		
	July 1, 2013	6,180,000		
	July 1, 2014	6,475,000		
	July 1, 2015	<u>6,790,000</u>		
		25,350,000	July 1, 2009	Par
2000 Series A	July 1, 2015	11,300,000		
	July 1, 2016	11,900,000		
	July 1, 2017	<u>12,500,000</u>		
		35,700,000	July 1, 2010	Par
2002 Series A	July 1, 2014	<u>9,850,000</u>	July 1, 2013	Par
		<u>\$70,900,000</u>		

The revenue bonds defeased by 2005 Series A that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2000 Series A	July 1, 2018	\$ 13,200,000		
	July 1, 2019	14,000,000		
	July 1, 2020	14,700,000		
	July 1, 2021	<u>15,500,000</u>		
		57,400,000	July 1, 2010	Par
2002 Series A	July 1, 2015	10,345,000		
	July 1, 2016	<u>10,860,000</u>		
		21,205,000	July 1, 2013	Par
2002 Series 1	July 1, 2014	10,070,000		
	July 1, 2015	10,650,000		
	July 1, 2016	10,685,000		
	July 1, 2017	<u>11,295,000</u>		
		42,700,000	July 1, 2012	Par
2002 Series 2	July 1, 2020	13,720,000	July 1, 2012	Par
2003 Series A	July 1, 2015	12,315,000		
	July 1, 2016	12,930,000		
	July 1, 2017	<u>13,580,000</u>		
		38,825,000	July 1, 2014	Par
		<u>\$173,850,000</u>		

5. DEFEASED REVENUE BONDS (Continued)

The revenue bonds defeased by 2007 Series 1 that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
1998 Series B	July 1, 2016	\$ 7,125,000		
	July 1, 2017	7,480,000		
	July 1, 2019	<u>16,095,000</u>		
		30,700,000	July 1, 2009	Par
2001 Series A	July 1, 2014	3,295,000	July 1, 2012	Par
	July 1, 2015	3,460,000	July 1, 2012	Par
	July 1, 2016	3,630,000	July 1, 2012	Par
	July 1, 2017	3,815,000	July 1, 2012	Par
	July 1, 2018	4,005,000	July 1, 2012	Par
	July 1, 2019	4,205,000	July 1, 2012	Par
	July 1, 2020	<u>4,415,000</u>	July 1, 2012	Par
	26,825,000			
2002 Series A	July 1, 2017	11,405,000		
	July 1, 2018	11,975,000		
	July 1, 2019	12,575,000		
	July 1, 2020	<u>13,205,000</u>		
	49,160,000	July 1, 2013	Par	
2002 Series 1	July 1, 2013	125,000		
	July 1, 2018	11,950,000		
	July 1, 2019	<u>12,565,000</u>		
	24,640,000	July 1, 2012	Par	
2002 Series 2	July 1, 2022	29,655,000	July 1, 2012	Par
2003 Series A	July 1, 2018	14,255,000		
	July 1, 2019	14,970,000		
	July 1, 2020	<u>15,720,000</u>		
	44,945,000	July 1, 2014	Par	
	<u>\$205,925,000</u>			
Total defeased bonds outstanding at June 30, 2008:		<u>\$509,900,000</u>		

6. DEBT SERVICE RESERVE FUND REQUIREMENT

The General Resolution creates a Reserve Fund and provides that it shall be used to make up any deficiency in the Redemption Fund for the payment of principal and interest on all of the-then Outstanding Bonds. Each Series Resolution must set forth the Debt Service Reserve Requirement ("DSRR"), if any, for that Series. The total DSRR as of June 30, 2008, is \$16,341,600.

In the past, it was generally the practice of the State to fund the Reserve Fund at an amount equal to the maximum annual interest (fiscal year basis) due on the-then Outstanding Bonds. In determining the maximum annual interest, the State subtracts any accrued interest or other amounts irrevocably deposited with the Trustee for payment of interest.

6. DEBT SERVICE RESERVE FUND REQUIREMENT (Continued)

The General Resolution provides that in lieu of a deposit to the Reserve Fund of an amount equal to the DSRR, the State may provide for a letter of credit, municipal bond insurance policy, surety bond or other type of agreement or arrangement with an entity having, at the time of entering into such agreement or arrangement, a credit rating equal to or greater than the Bonds.

In 1993, the State began funding the DSRR with an irrevocable surety bond ("Surety Bond") issued by Ambac Assurance Corporation. For Bonds sold from 1994 through 2002 (excluding those sold for refunding of outstanding Bonds), the Surety Bond was exchanged for a larger Surety Bond to meet the DSRR. For Bonds sold after 2002 (excluding those sold for refunding), the DSRR, if any, was funded using bond proceeds. The amount available of the Surety Bond at June 30, 2008, was \$16,341,600. The Surety Bond is noncancelable until it expires on the earlier of July 1, 2023, or when all Bonds are paid-in-full. At June 30, 2008, the balance of the cash-funded portion of the DSRR was \$10,112,577.

7. ADMINISTRATIVE EXPENSES

The Program is not charged for certain departmental administrative expenses incurred by the State of Wisconsin related to the operation of the Program. All such costs are charged to the Transportation Fund of the State of Wisconsin. Program expenses include expenses of the trustee, audit fees and other expenses of the Program. Program expenses of the Transportation Revenue Commercial Paper Program are paid by the Revenue Bond Program.

8. SUBSEQUENT EVENTS

On July 1, 2008, The Bank of New York Mellon completed the consolidation effort that followed the merger of the holding companies of Mellon Financial and The Bank of New York. The Bank of New York Mellon Trust Company, National Association, as legal successor to The Bank of New York Trust Company, N.A., became the Trustee.

On August 27, 2008, the State issued 2008 Series A Transportation Revenue Bonds in the amount of \$185,000,000. Interest rates are fixed at 5.0%, interest is payable semiannually. The bonds are due in various maturities beginning in 2010, with final maturity in 2029. The bonds are being used to finance certain State transportation facilities and highway projects and to pay costs of issuance.

* * * * *

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - SCHEDULE OF MOTOR VEHICLE REGISTRATION
AND REGISTRATION-RELATED FEES RETAINED BY TRUSTEE**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>July 2007</u>	<u>October 2007</u>	<u>January 2008</u>	<u>April 2008</u>	<u>Total</u>
Program Expense	\$ 83,123	\$ 162,200	\$ 34,000	\$ 86,250	\$ 365,573
Program Income	(11,615)	(6,364)	(1,234)	(5,326)	(24,539)
1991 Series A	(17)	-	-	-	(17)
1993 Series A	3,843,431	3,911,313	3,962,221	3,996,165	15,713,130
1998 Series A	2,649,208	2,730,254	2,666,413	2,773,603	10,819,478
1998 Series B	1,297,883	1,342,000	1,319,181	1,388,445	5,347,509
2001 Series A	3,884,983	3,933,023	3,685,160	3,929,291	15,432,457
2002 Series 1	3,471,045	3,498,130	3,484,254	3,560,333	14,013,762
2002 Series 2	1,593,667	1,627,945	1,626,188	1,653,102	6,500,902
2002 Series A	2,827,329	2,892,544	2,891,652	2,944,792	11,556,317
2003 Series A	3,877,586	3,805,276	3,794,079	3,905,334	15,382,275
2004 Series 1	2,480,152	2,402,714	2,368,427	2,464,339	9,715,632
2005 Series A	3,003,341	3,039,530	2,945,641	3,035,987	12,024,499
2005 Series B	3,513,729	3,562,869	3,408,274	3,574,036	14,058,908
2007 Series A	1,609,709	1,635,161	1,668,784	1,600,651	6,514,305
2007 Series 1	<u>2,449,063</u>	<u>2,540,080</u>	<u>2,495,331</u>	<u>2,500,418</u>	<u>9,984,892</u>
Total	<u>\$36,572,617</u>	<u>\$37,076,675</u>	<u>\$36,348,371</u>	<u>\$37,407,420</u>	<u>\$ 147,405,083</u>

July amounts are net of excess motor vehicle registration fees returned to the Wisconsin Department of Transportation.

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 1993 SERIES A
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	4.75	\$ 13,725,000
2009	4.80	14,395,000
2010	4.90	6,620,000
2011	5.00	6,945,000
2012	4.75	<u>7,290,000</u>
		<u>\$ 48,975,000</u>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 1998 SERIES A
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	5.00	\$ 5,590,000
2009	5.50	6,625,000
2010	5.50	7,345,000
2011	5.50	14,665,000
2012	5.50	22,580,000
2013	5.50	16,915,000
2014	5.50	7,915,000
2015	5.50	8,360,000
2016	5.50	8,825,000
		<hr/>
		\$ 98,820,000
		<hr/> <hr/>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 1998 SERIES B
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	4.25	\$ 4,955,000
2009	5.25	<u>5,170,000</u>
		<u>\$ 10,125,000</u>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2001 SERIES A
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	5.00	\$ 12,385,000
2009	5.00	13,000,000
2010	5.00	13,655,000
2011	5.00	14,330,000
2012	4.00	2,990,000
2013	4.10	3,140,000
2021	4.90	4,635,000
2022	4.90	4,870,000
		<hr/>
		\$ 69,005,000
		<hr/> <hr/>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2002 SERIES A
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	5.00	\$ 7,350,000
2009	4.00	7,720,000
2010	5.00	8,105,000
2011	5.00	8,510,000
2012	5.00	8,935,000
2013	5.00	9,385,000
2021	4.75	13,865,000
2022	4.60	14,560,000
2023	4.75	15,285,000
		<hr/>
		\$ 93,715,000
		<hr/> <hr/>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2002 SERIES 1
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	5.50	\$ 8,750,000
2009	5.50	15,165,000
2010	5.50	17,685,000
2011	5.50	11,785,000
2012	5.50	9,170,000
2013	5.75	14,420,000
2014	5.75	14,965,000
2015	5.75	7,355,000
		<hr/>
		\$ 99,295,000
		<hr/> <hr/>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2002 SERIES 2
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	5.00	\$ 5,265,000
2009	4.00	10,000
2010	4.125	15,000
2011	4.25	15,000
2012	4.30	15,000
2013	5.50	9,815,000
2014	5.50	10,295,000
2015	4.625	15,000
2016	4.75	15,000
2017	4.75	15,000
2018	4.875	20,000
2019	5.00	20,000
		<hr/>
		\$ 25,515,000
		<hr/>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2003 SERIES A
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	5.00	\$ 8,750,000
2009	3.00	9,190,000
2010	5.00	9,650,000
2011	5.00	10,130,000
2012	5.00	10,640,000
2013	5.00	11,170,000
2014	5.00	11,730,000
2021	5.00	16,505,000
2022	5.00	17,330,000
2023	5.00	18,195,000
2024	5.00	<u>19,105,000</u>
		<u><u>\$ 142,395,000</u></u>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2004 SERIES 1
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	5.00	\$ 5,880,000
2012	5.25	5,760,000
2013	5.25	6,185,000
2014	5.25	16,345,000
2015	5.25	18,150,000
2016	5.25	11,955,000
2017	5.25	12,525,000
		<hr/>
		\$ 76,800,000
		<hr/> <hr/>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2005 SERIES A
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	3.00	\$ 350,000
2009	3.00	360,000
2010	3.00	375,000
2011	3.125	385,000
2012	3.25	395,000
2013	3.375	410,000
2014	5.25	10,495,000
2015	5.25	33,705,000
2016	5.00 & 5.25 (1)	34,865,000
2017	5.00	25,210,000
2018	5.00	13,430,000
2019	5.00	14,205,000
2020	5.00	28,575,000
2021	5.00	15,555,000
2022	5.00	13,130,000
2023	5.00	13,790,000
2024	5.00	14,480,000
2025	5.00	15,200,000
		<hr/>
		\$ 234,915,000
		<hr/>

(1) \$20,000,000 @ 5.00% and \$14,865,000 @ 5.25%

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2005 SERIES B
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2008	4.00	\$ 7,395,000
2009	4.50	7,760,000
2010	5.00	8,150,000
2011	5.00	8,560,000
2012	5.00	8,985,000
2013	5.00	9,435,000
2014	5.00	9,905,000
2015	5.00	10,400,000
2016	5.00	10,920,000
2017	5.00	11,465,000
2018	4.10	12,040,000
2019	4.10	12,640,000
2020	4.20	13,275,000
2021	4.25	13,940,000
2022	4.00	1,505,000
2023	4.00	1,580,000
2024	4.00	1,660,000
2025	4.10	1,745,000
		<hr/>
		\$ 151,360,000
		<hr/>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2007 SERIES A
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2018	5.00	\$ 11,825,000
2019	4.25	12,415,000
2020	4.30	13,035,000
2021	4.35	13,685,000
2022	4.50	14,370,000
2023	4.40	15,090,000
2024	4.45	15,845,000
2025	4.50	16,635,000
2026	4.50	17,470,000
2027	4.25	18,340,000
		<hr/>
		\$ 148,710,000
		<hr/> <hr/>

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

**SUPPLEMENTAL INFORMATION - BONDS OUTSTANDING - 2007 SERIES 1
JUNE 30, 2008**

Maturity July 1,	Rate (%)	Principal
2014	5.00	\$ 3,320,000
2015	5.00	3,510,000
2016	5.00	10,835,000
2017	5.00	22,800,000
2018	5.00	50,180,000
2019	5.00	52,735,000
2020	5.00	33,540,000
2021	4.35	14,670,000
2022	4.35	15,310,000
		<hr/>
		\$ 206,900,000
		<hr/>
Total Bonds Outstanding		<u><u>\$ 1,406,530,000</u></u>

UNAUDITED INFORMATION

The following information has been prepared by the Wisconsin Department of Transportation and is unaudited.

Unaudited Information

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE OBLIGATION PROGRAM

Schedule of Program Revenue (Unaudited)
For the Years Ended June 30, 2008 and 2007

Date	Section 341.25 Registration Fees			Interest Earnings on 341.25 Revenues	Title Transaction Fees (4)	Counter Service Fees and Personalized License Plates		Other Miscellaneous Vehicle Registration & Related Fees	Total Program Revenues
	Registration Non-IRP (2)	IRP Revenues (3)	Subtotal			Subtotal (1)			
July, 2007	\$ 27,095,746	\$ 3,621,121	\$ 30,716,867	\$ 4,485,481	\$ 795,549	\$ 35,997,897	\$ 728,823	\$ 36,726,720	
August, 2007	24,882,488	3,021,717	27,904,205	4,954,562	770,758	33,629,525	786,211	34,415,736	
September, 2007	22,827,028	3,423,062	26,250,090	4,100,774	655,745	31,006,609	684,775	31,691,384	
October, 2007	23,669,451	4,861,396	28,530,847	4,446,406	715,699	33,692,952	762,691	34,455,643	
November, 2007	30,585,137	3,385,738	33,970,875	3,754,026	574,117	38,299,018	708,332	39,007,350	
December, 2007	34,814,687	3,537,535	38,352,222	2,805,991	490,308	41,648,521	511,106	42,159,627	
January, 2008	37,223,559	5,072,859	42,296,418	4,602,159	647,717	47,546,294	709,146	48,255,440	
February, 2008	31,463,817	6,853,691	38,317,508	5,380,806	599,491	44,297,805	621,978	44,919,783	
March, 2008	39,883,822	13,895,132	53,778,954	6,578,058	811,722	61,168,734	740,421	61,909,155	
April, 2008	39,753,037	9,712,822	49,465,859	7,388,972	872,754	57,727,585	755,958	58,483,543	
May, 2008	35,861,033	8,397,166	44,258,199	7,769,389	811,250	52,838,838	881,509	53,720,347	
June, 2008	37,387,867	6,039,641	43,427,508	7,558,493	759,434	51,745,435	799,550	52,544,985	
TOTAL for the Year ended June 30, 2008	\$ 385,447,672	\$ 71,821,880	\$ 457,269,552	\$ 6,448,800	\$ 63,825,117	\$ 8,504,544	\$ 536,048,013	\$ 8,690,500	\$ 544,738,513
July, 2006	\$ 24,847,779	\$ 3,941,621	\$ 28,789,400	\$ 4,418,014	\$ 757,359	\$ 33,964,773	\$ 749,219	\$ 34,713,992	
August, 2006	25,435,601	3,001,055	28,436,656	4,963,816	809,746	34,210,218	748,670	34,958,888	
September, 2006	23,845,169	3,026,317	26,871,486	4,418,637	695,633	31,985,756	717,033	32,702,789	
October, 2006	22,678,575	5,823,365	28,501,940	4,231,524	714,583	33,448,047	694,884	34,142,931	
November, 2006	30,915,150	2,889,911	33,805,061	3,631,589	584,264	38,020,914	720,258	38,741,172	
December, 2006	34,152,572	2,825,039	36,977,611	3,399,384	578,210	40,955,205	575,029	41,530,234	
January, 2007	27,894,955	5,958,167	33,853,122	3,507,509	658,962	38,019,593	650,772	38,670,365	
February, 2007	22,510,098	4,419,376	26,929,474	3,455,454	620,737	31,005,665	600,251	31,605,916	
March, 2007	29,503,011	6,032,569	35,535,580	4,273,073	744,315	40,552,968	750,062	41,303,030	
April, 2007	27,055,943	12,890,028	39,945,971	4,259,946	752,636	44,958,553	705,605	45,664,158	
May, 2007	26,956,030	7,598,487	34,554,517	4,827,905	806,727	40,189,149	801,514	40,990,663	
June, 2007	26,838,888	3,809,329	30,648,217	5,083,530	764,289	36,496,036	744,492	37,240,528	
TOTAL for the Year ended June 30, 2007	\$ 322,633,771	\$ 62,215,264	\$ 384,849,035	\$ 5,811,983	\$ 50,470,381	\$ 8,487,461	\$ 449,618,860	\$ 8,457,789	\$ 458,076,649

- (1) This is the amount of Program Revenue for which the State has undertaken to provide continuing disclosure and the amount of Program Revenue that will be used for determining the debt service coverage ratio and the additional bonds test.
- (2) During FY 2008, auto registration fees increased from \$55 to \$75; light truck registration fees increased from \$48.50 to \$75 for "A" plates, from \$61.50 to \$84 for "B" plates, and from \$77.50 to \$106 for "C" plates; heavy duty truck registration fees increased 30 percent. (2007 Wisconsin Act 20)
- (3) IRP - The International Registration Plan is a multi-state compact for collecting and sharing large truck registration fees. Under the IRP, the registration fees on trucks involved in multi-state commercial activity are collected by the state in which the company is headquartered and are split between the participating states on the basis of proportionate mileage. During FY 2008, heavy duty truck registration fees increased 30 percent (2007 Wisconsin Act 20).
- (4) During FY 2008, first Wisconsin title and transfer of title fees increased from \$28.50 to \$53. (2007 Wisconsin Act 20)

Source: Wisconsin Department of Transportation

Unaudited Information

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM**

Schedule of Motor Vehicle Registration and Registration-Related Fees--Cash Basis (Unaudited)
For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Total Program Revenues	\$ 544,738,513	\$ 458,076,649
Less: Interest Earnings on 341.25 Revenues	<u>(6,448,800)</u>	<u>(5,811,983)</u>
Motor Vehicle Registration and Related Fees Collected	\$ 538,289,713	\$ 452,264,666
Less:		
Motor Vehicle Registration and Related Fees Retained by Trustee for Commercial Paper Program	(19,997,498)	(13,999,307)
Motor Vehicle Registration and Related Fees Available for Transportation Fund	<u>(370,887,132)</u>	<u>(299,581,884)</u>
Motor Vehicle Registration and Related Fees Retained by Trustee for Revenue Bond Program	<u>\$ 147,405,083</u>	<u>\$ 138,683,475</u>

Source: Wisconsin Department of Transportation

**WISCONSIN DEPARTMENT OF TRANSPORTATION
COMMERCIAL PAPER PROGRAM**

**TRANSPORTATION REVENUE COMMERCIAL PAPER
NOTES OF 1997, SERIES A AND 2006, SERIES A**

**Statements of Cash Receipts and Disbursements
for the Years Ended June 30, 2008 and 2007
with Independent Auditors' Report**

**WISCONSIN DEPARTMENT OF TRANSPORTATION
COMMERCIAL PAPER PROGRAM
TRANSPORTATION REVENUE COMMERCIAL PAPER
NOTES OF 1997, SERIES A AND 2006, SERIES A**

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INDEPENDENT AUDITORS' REPORT

To the Wisconsin Department of Transportation

We have audited the accompanying statements of cash receipts and disbursements of the Transportation Revenue Commercial Paper Notes of 1997, Series A and 2006, Series A, of the Wisconsin Department of Transportation Commercial Paper Program (the "Program") for the years ended June 30, 2008 and 2007. These statements are the responsibility of the Wisconsin Department of Transportation. Our responsibility is to express an opinion on these statements based on our audits.

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

As described in Note 2 to the financial statements, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the 2008 and 2007 financial statements present fairly, in all material respects, the cash receipts and disbursements of the Transportation Revenue Commercial Paper Notes of 1997, Series A and 2006, Series A, of the Wisconsin Department of Transportation Commercial Paper Program for the years ended June 30, 2008 and 2007, on the basis of accounting described in Note 2.

The information identified in the table of contents as Unaudited Information is presented for purposes of additional analysis and is not a required part of the statement of cash receipts and disbursements. Such information has not been subjected to the auditing procedures applied in the audits of the statements of cash receipts and disbursements and, accordingly, we express no opinion on it.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
October 3, 2008



**WISCONSIN DEPARTMENT OF TRANSPORTATION
COMMERCIAL PAPER PROGRAM
TRANSPORTATION REVENUE COMMERCIAL PAPER
NOTES OF 1997, SERIES A AND 2006, SERIES A**

**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
YEARS ENDED JUNE 30, 2008 AND 2007**

	2008	2007
CASH AND INVESTMENTS, BEGINNING OF YEAR	\$ 8,622,079	\$ 7,401,000
RECEIPTS:		
Motor vehicle registration fees retained by Trustee	19,997,498	13,999,307
Investment income	334,331	1,145,466
Commercial paper note proceeds	-	91,290,000
	<hr/>	<hr/>
Total receipts	20,331,829	106,434,773
	<hr/>	<hr/>
DISBURSEMENTS:		
Debt service - principal	6,760,000	6,425,000
Debt service - interest	6,658,000	6,594,000
Highway program expenditures	-	92,126,209
Note issuance costs	-	68,485
	<hr/>	<hr/>
Total disbursements	13,418,000	105,213,694
	<hr/>	<hr/>
CASH AND INVESTMENTS, END OF YEAR	\$ 15,535,908	\$ 8,622,079
	<hr/> <hr/>	<hr/> <hr/>
Cash and investments reserved for debt service	\$ 15,535,908	\$ 8,622,079
	<hr/> <hr/>	<hr/> <hr/>

See notes to statements of cash receipts and disbursements.

WISCONSIN DEPARTMENT OF TRANSPORTATION COMMERCIAL PAPER PROGRAM

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

1. NATURE OF PROGRAM

The Transportation Revenue Commercial Paper Program (the "Program") originated on April 23, 1997, pursuant to the adoption of the Program Resolution by the State of Wisconsin Building Commission. The purpose of the Program is to provide financing for the construction, maintenance and repair of certain major highway projects and transportation facilities. Receipts provided from motor vehicle registration fees and certain other vehicle registration-related fees are used to service the Program's debt, after the debt service requirements for the Transportation Revenue Bond Program have been met.

The Program has authority to issue notes in an aggregate outstanding principal amount not to exceed \$275,000,000, in order to partially finance the costs of the authorized projects, in addition to proceeds from State general obligation debt, federal aid and other money in the Transportation Fund of the State of Wisconsin. The Wisconsin Department of Transportation ("Department") is responsible for managing the construction projects and the collection of motor vehicle registration fees and certain other vehicle registration-related fees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Receipts and Disbursements Basis of Accounting—The statements of cash receipts and disbursements present the Program's cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, cash receipts are recorded when received and disbursements are recorded when paid. The cash and investments balance is presented at cost.

The Department has entered into trust agreements with The Bank of New York Trust Company, National Association (the "Trustee"), relating to the creation and administration of the Transportation Revenue Commercial Paper Notes of 1997, Series A and 2006, Series A. Among other provisions, the trust agreements, in conjunction with the General Resolution, specify those funds to be created and maintained, the timing and flow of monies through the funds, and the procedure to be followed for the redemption of the notes. It is the Program directors' view that the statements of cash receipts and disbursements along with the related notes meet the reporting requirements of the trust agreements.

Receipts and Disbursements—

Motor Vehicle Registration Fees Retained by Trustee - Motor vehicle registration fees and certain other vehicle registration-related fees retained by the Trustee are recorded at time of impounding, when transfer of possession occurs.

Investment Income - Investment income is recorded when received and includes realized gains and losses on sales or maturities of investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service - Principal and Interest - Cash payments for debt service are recorded when paid. Notes payable that mature and are replaced with new notes are not reflected in the statements of cash receipts and disbursements as there is no cash receipt or cash disbursement.

3. CASH AND INVESTMENTS

The Program's investment policies are governed by the General Resolution and Wisconsin Statutes. The Program is authorized to invest in direct obligations of or obligations guaranteed by the United States, obligations of agencies created or sponsored by an Act of Congress, obligations of any state or municipality that are rated in either of the two highest rating categories by a nationally recognized bond rating agency, bankers acceptances and certificates of deposit from banks with combined capital and surplus aggregating at least \$100 million whose securities are rated within the two highest rating categories assigned by a nationally recognized rating agency, corporate commercial paper given the highest rating by Standard & Poor's Corporation and Moody's Investors Service, Inc., and a fund whose assets consist of direct obligations or obligations guaranteed by the United States or obligations of agencies created or sponsored by Congress. Program assets are to be invested in the highest yielding authorized securities, with maturity or redemption dates coinciding as closely as possible with cash flow and liquidity needs of Program operations.

For fiscal years 2008 and 2007, the Trustee invested the Program's assets in money market funds, U.S. government securities, and federal agency securities. These Program assets are reported at cost, which approximates their fair market value. As of June 30, 2008, \$15,535,908 was invested in Goldman Sachs Institutional Liquid Assets Treasury Instruments Portfolio Fund 423. As of June 30, 2007, \$8,622,079 was invested in JP Morgan 100% U.S. Treasury Securities Money Market Fund 3163. These money market funds invest exclusively in obligations of the U.S. Treasury, including Treasury bills, bonds and notes.

Investments of the Program are subject to various risks:

- Custodial credit risk is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, the Program will not be able to recover the value of investments or collateral securities that are in the possession of another party. Money market funds are not insured or collateralized.
- Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Standard & Poor's, Moody's, and Fitch Ratings. As of June 30, 2008, the money market fund was rated AAA.
- Concentration of credit risk may be a concern if investments in any one issuer represent 5 percent or more of net Program assets, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments. Concentration of credit risk is not addressed in the Program's investment requirements. As of June 30, 2008, all of the Program's assets were invested in a money market fund; however, this fund solely invests in U.S. government securities.

3. CASH AND INVESTMENTS (Continued)

- Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Money market funds are liquid, having no future maturity dates.
- Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment. Foreign currency holdings are not specifically addressed in the Program's investment requirements; however, no investments denominated in foreign currency were held by the Program as of June 30, 2008.

4. NOTES PAYABLE

The notes consist of interest-bearing obligations issued in initial denominations of \$100,000 and additional increments of \$1,000 above \$100,000. The notes are issued pursuant to Subchapter II of Chapter 18 of the Wisconsin Statutes as amended, Section 84.59 of the Wisconsin Statutes and a Program Resolution and a series resolution adopted by the State of Wisconsin Building Commission. The notes are revenue obligations of the State of Wisconsin ("State"), payable solely from the Subordinated Debt Service Fund (see Note 5).

The State is not generally liable on the notes, nor are the projects financed by the notes pledged as collateral. The notes are collateralized by a pledge of income derived from vehicle registration fees ("Program Income") under Section 341.25 of the Wisconsin Statutes and certain other vehicle registration-related fees, as collected by the Trustee. The notes are subordinate to the pledge of Program Income for payment of the State Transportation Revenue Bonds outstanding. Vehicle registration fees collected in excess of the amount needed to service this Program and the outstanding State Transportation Revenue Bonds are transferred to the Department pursuant to the General Resolution of the State of Wisconsin Building Commission.

The State expects to pay the principal on the notes with the proceeds of additional notes until the State provides permanent financing through the issuance of long-term transportation revenue bonds for the projects which are being initially financed by the notes.

In order to assure the timely payment of principal and interest on the notes, the State has entered into a Credit Agreement (the liquidity facility agreement) with State Street Bank and Trust Company and California State Teachers' Retirement System for a line of credit which is severally provided (but not jointly) in the respective percentages of 67 percent and 33 percent. The commitment amount is \$207,000,000 and expires April 28, 2013. The Credit Agreement describes events which, if they occur, would cause early termination.

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

4. NOTES PAYABLE (Continued)

A summary of the notes outstanding as of June 30, 2008 and 2007 is as follows:

	2008	2007
Commercial Paper Notes of 1997, Series A, maturities ranging from July 2 to August 12, 2008, weighted average interest rate of 1.94%	\$ 100,708,000	\$ 107,468,000
Commercial Paper Notes of 2006, Series A, maturities ranging from July 8, 2008 to February 5, 2009, weighted average interest rate of 2.21%	<u>91,290,000</u>	<u>91,290,000</u>
Total Notes Payable as of June 30	\$ <u>191,998,000</u>	\$ <u>198,758,000</u>

5. SUBORDINATED DEBT SERVICE FUND

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

6. ADMINISTRATIVE EXPENSES

The Program is not charged for certain departmental administrative expenses related to the operation of the Program. All such costs are charged to the Transportation Fund of the State of Wisconsin. Expenses related to trustee fees, bond rating fees, audit fees and other expenses of the Program are paid by the Revenue Bond Program.

7. SUBSEQUENT EVENTS

On July 1, 2008, The Bank of New York Mellon completed the consolidation effort that followed the merger of the holding companies of Mellon Financial and The Bank of New York. The Bank of New York Mellon Trust Company, National Association, as legal successor to The Bank of New York Trust Company, N.A., became the Trustee.

UNAUDITED INFORMATION

The following information has been prepared by the Wisconsin Department of Transportation and is unaudited.

Unaudited Information

**WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE OBLIGATION PROGRAM**

Schedule of Program Revenue (Unaudited)
For the Years Ended June 30, 2008 and 2007

Date	Section 341.25 Registration Fees			Interest Earnings on 341.25 Revenues	Title Transaction Fees (4)	Counter Service Fees and Personalized License Plates		Other Miscellaneous Vehicle Registration & Related Fees	Total Program Revenues
	Registration Non-IRP (2)	IRP Revenues (3)	Subtotal			Subtotal (1)			
July, 2007	\$ 27,095,746	\$ 3,621,121	\$ 30,716,867	\$ 4,485,481	\$ 795,549	\$ 35,997,897	\$ 728,823	\$ 36,726,720	
August, 2007	24,882,488	3,021,717	27,904,205	4,954,562	770,758	33,629,525	786,211	34,415,736	
September, 2007	22,827,028	3,423,062	26,250,090	4,100,774	655,745	31,006,609	684,775	31,691,384	
October, 2007	23,669,451	4,861,396	28,530,847	4,446,406	715,699	33,692,952	762,691	34,455,643	
November, 2007	30,585,137	3,385,738	33,970,875	3,754,026	574,117	38,299,018	708,332	39,007,350	
December, 2007	34,814,687	3,537,535	38,352,222	2,805,991	490,308	41,648,521	511,106	42,159,627	
January, 2008	37,223,559	5,072,859	42,296,418	4,602,159	647,717	47,546,294	709,146	48,255,440	
February, 2008	31,463,817	6,853,691	38,317,508	5,380,806	599,491	44,297,805	621,978	44,919,783	
March, 2008	39,883,822	13,895,132	53,778,954	6,578,058	811,722	61,168,734	740,421	61,909,155	
April, 2008	39,753,037	9,712,822	49,465,859	7,388,972	872,754	57,727,585	755,958	58,483,543	
May, 2008	35,861,033	8,397,166	44,258,199	7,769,389	811,250	52,838,838	881,509	53,720,347	
June, 2008	37,387,867	6,039,641	43,427,508	7,558,493	759,434	51,745,435	799,550	52,544,985	
TOTAL for the Year ended June 30, 2008	\$ 385,447,672	\$ 71,821,880	\$ 457,269,552	\$ 6,448,800	\$ 63,825,117	\$ 8,504,544	\$ 536,048,013	\$ 8,690,500	\$ 544,738,513
July, 2006	\$ 24,847,779	\$ 3,941,621	\$ 28,789,400	\$ 4,418,014	\$ 757,359	\$ 33,964,773	\$ 749,219	\$ 34,713,992	
August, 2006	25,435,601	3,001,055	28,436,656	4,963,816	809,746	34,210,218	748,670	34,958,888	
September, 2006	23,845,169	3,026,317	26,871,486	4,418,637	695,633	31,985,756	717,033	32,702,789	
October, 2006	22,678,575	5,823,365	28,501,940	4,231,524	714,583	33,448,047	694,884	34,142,931	
November, 2006	30,915,150	2,889,911	33,805,061	3,631,589	584,264	38,020,914	720,258	38,741,172	
December, 2006	34,152,572	2,825,039	36,977,611	3,399,384	578,210	40,955,205	575,029	41,530,234	
January, 2007	27,894,955	5,958,167	33,853,122	3,507,509	658,962	38,019,593	650,772	38,670,365	
February, 2007	22,510,098	4,419,376	26,929,474	3,455,454	620,737	31,005,665	600,251	31,605,916	
March, 2007	29,503,011	6,032,569	35,535,580	4,273,073	744,315	40,552,968	750,062	41,303,030	
April, 2007	27,055,943	12,890,028	39,945,971	4,259,946	752,636	44,958,553	705,605	45,664,158	
May, 2007	26,956,030	7,598,487	34,554,517	4,827,905	806,727	40,189,149	801,514	40,990,663	
June, 2007	26,838,888	3,809,329	30,648,217	5,083,530	764,289	36,496,036	744,492	37,240,528	
TOTAL for the Year ended June 30, 2007	\$ 322,633,771	\$ 62,215,264	\$ 384,849,035	\$ 5,811,983	\$ 50,470,381	\$ 8,487,461	\$ 449,618,860	\$ 8,457,789	\$ 458,076,649

- (1) This is the amount of Program Revenue for which the State has undertaken to provide continuing disclosure and the amount of Program Revenue that will be used for determining the debt service coverage ratio and the additional bonds test.
- (2) During FY 2008, auto registration fees increased from \$55 to \$75; light truck registration fees increased from \$48.50 to \$75 for "A" plates, from \$61.50 to \$84 for "B" plates, and from \$77.50 to \$106 for "C" plates; heavy duty truck registration fees increased 30 percent. (2007 Wisconsin Act 20)
- (3) IRP - The International Registration Plan is a multi-state compact for collecting and sharing large truck registration fees. Under the IRP, the registration fees on trucks involved in multi-state commercial activity are collected by the state in which the company is headquartered and are split between the participating states on the basis of proportionate mileage. During FY 2008, heavy duty truck registration fees increased 30 percent (2007 Wisconsin Act 20).
- (4) During FY 2008, first Wisconsin title and transfer of title fees increased from \$28.50 to \$53. (2007 Wisconsin Act 20)

Source: Wisconsin Department of Transportation

Unaudited Information

**WISCONSIN DEPARTMENT OF TRANSPORTATION
COMMERCIAL PAPER PROGRAM**

Schedule of Motor Vehicle Registration and Registration-Related Fees--Cash Basis (Unaudited)
For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Total Program Revenues	\$ 544,738,513	\$ 458,076,649
Less: Interest Earnings on 341.25 Revenues	<u>(6,448,800)</u>	<u>(5,811,983)</u>
Motor Vehicle Registration and Related Fees Collected	\$ 538,289,713	\$ 452,264,666
Less:		
Motor Vehicle Registration and Related Fees Retained by Trustee for Revenue Bond Program	(147,405,083)	(138,683,475)
Motor Vehicle Registration and Related Fees Available for Transportation Fund	<u>(370,887,132)</u>	<u>(299,581,884)</u>
Motor Vehicle Registration and Related Fees Retained by Trustee for Commercial Paper Program	<u>\$ 19,997,498</u>	<u>\$ 13,999,307</u>

Source: Wisconsin Department of Transportation