

STATE OF WISCONSIN CONTINUING DISCLOSURE ANNUAL REPORT

FILED PURSUANT TO UNDERTAKINGS PROVIDED TO PERMIT COMPLIANCE WITH
SECURITIES EXCHANGE COMMISSION RULE 15c2-12

GENERAL OBLIGATIONS

(Base CUSIPs 977055, 977056, and 97705L)

MASTER LEASE CERTIFICATES OF PARTICIPATION

(Base CUSIP 977087)

TRANSPORTATION REVENUE OBLIGATIONS

(Base CUSIP 977123)

CLEAN WATER REVENUE BONDS

(Base CUSIP 977092)

PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS

(Base CUSIP 977109)

GENERAL FUND ANNUAL APPROPRIATION BONDS

(Base CUSIP 977100)

DECEMBER 23, 2010



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR

DANIEL J. SCHOOFF
SECRETARY

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December 23, 2010

Thank you for your interest in the State of Wisconsin.

This is the Continuing Disclosure Annual Report for the fiscal year ending June 30, 2010 (**2010 Annual Report**).

The 2010 Annual Report provides information on different securities that the State issues and fulfills the State's continuing disclosure undertakings. These undertakings of the State are intended to help dealers and brokers comply with Rule 15c2-12 under the Securities Exchange Act of 1934. As of this date, the State has filed the 2010 Annual Report with the Municipal Securities Rulemaking Board (**MSRB**) through the MSRB's Electronic Municipal Market Access (**EMMA**) system. EMMA receives, and makes available to the public, continuing disclosure documents and related information that is provided by issuers and obligated persons.

Official Statements for securities that the State issues during the next year may incorporate parts of this 2010 Annual Report by reference.

Organization of the 2010 Annual Report

The 2010 Annual Report is divided into eight parts. The first two parts present general information.

- **Part I** presents the **State's continuing disclosure undertakings**. A Master Agreement on Continuing Disclosure (Amended and Restated December 1, 2010) establishes a general framework. Separate addenda describe the information to be provided for specific types of securities.
- **Part II** presents **general information about the State**, including its operations and financial results. This part includes the General Purpose External Financial Statements portion of the audited Comprehensive Annual Financial Report for the fiscal year ending June 30, 2010. This part also includes the results of the 2009-10 fiscal year and information on the budget for 2010-11 fiscal year.

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

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

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

Ratings on the State's Securities

The following chart presents a summary of the long-term ratings currently assigned to different types of securities that the State issues.

<u>Security</u>	<u>Fitch Ratings⁽¹⁾</u>	<u>Moody's Investors Service, Inc.⁽²⁾</u>	<u>Standard & Poor's Ratings Services</u>
General Obligations	AA	Aa2	AA
Master Lease Certificates of Participation	AA-	Aa3	AA-
Transportation Revenue Bonds	AA+	Aa2	AA+
Clean Water Revenue Bonds	AA+	Aa1	AA+
Petroleum Inspection Fee Revenue Bonds	AA	Aa2	AA
General Fund Annual Appropriation Bonds	AA-	Aa3	AA-

- (1) On April 5, 2010, Fitch Ratings changed its rating on the many of the State of Wisconsin's obligations reflecting a recalibration by Fitch Ratings of certain U.S. public finance credit ratings.
- (2) On April 16, 2010, Moody's Investors Service changed its rating on many of the State of Wisconsin's obligations reflecting a recalibration by Moody's Investors Service of its long-term U.S. municipal ratings to its global rating scale. In addition, at that time the rating outlook on the State's general obligations, master lease certificates of participation, and general fund annual appropriation bonds was also changed from "negative" to "stable".

December 23, 2010

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How to Get Additional Information

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

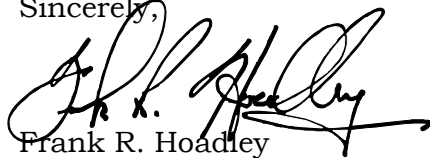
The Capital Finance Office maintains a web site that provides access to both disclosure and non disclosure information.

www.doa.wi.gov/capitalfinance

The Capital Finance Office posts to this web site monthly general fund cash flow reports. The Capital Finance Office also posts to this web site all information filings and listed event filings that it makes through MSRB's EMMA system.

We welcome your comments or suggestions about the format and content of the 2010 Annual Report. The general telephone number of the Capital Finance Office is (608) 266-2305. The e-mail address is **DOACapitalFinanceOffice@wisconsin.gov**.

Sincerely,

A handwritten signature in black ink, appearing to read "F. R. Hoadley", written over a horizontal line.

Frank R. Hoadley
Capital Finance Director

**SUMMARY OF OUTSTANDING STATE OF WISCONSIN OBLIGATIONS
AS OF DECEMBER 15, 2010**

	<u>Principal Balance 12/15/2009</u>	<u>Principal Issued 12/15/2009 - 12/15/10</u>	<u>Principal Matured, Redeemed, or Defeased 12/15/2009 - 12/15/10</u>	<u>Principal Balance 12/15/2010</u>
<u>GENERAL OBLIGATIONS^(a)</u>				
Total	\$6,222,792,744	\$1,221,718,000	\$621,738,762	\$6,822,771,982
General Purpose Revenue (GPR)	4,302,621,576	848,368,524	496,836,519	4,654,153,581
Self-Amortizing: Veterans	278,385,000	—	55,640,000	222,745,000
Self-Amortizing: Other	1,641,786,167	373,349,476	69,262,243	1,945,873,400
<u>MASTER LEASE CERTIFICATES OF PARTICIPATION</u>				
Total	\$ 63,871,327	\$ 28,689,267	\$ 18,460,941	\$ 74,099,653
<u>TRANSPORTATION REVENUE OBLIGATIONS^(a)</u>				
Total	\$1,759,238,000	\$200,000,000	\$ 93,100,000	\$1,866,138,000
<u>CLEAN WATER REVENUE BONDS</u>				
Total	\$ 805,305,000	\$284,225,000	\$121,365,000	\$ 968,165,000
<u>PETROLEUM INSPECTION FEE REVENUE OBLIGATIONS^(a)</u>				
Total	\$ 188,610,000	—	—	\$ 188,610,000
<u>GENERAL FUND ANNUAL APPROPRIATION BONDS^(a)</u>				
Total	\$3,379,710,000	—	\$ 20,020,000	\$3,359,690,000

(a) This table also includes variable rate obligations that have been issued by the State.

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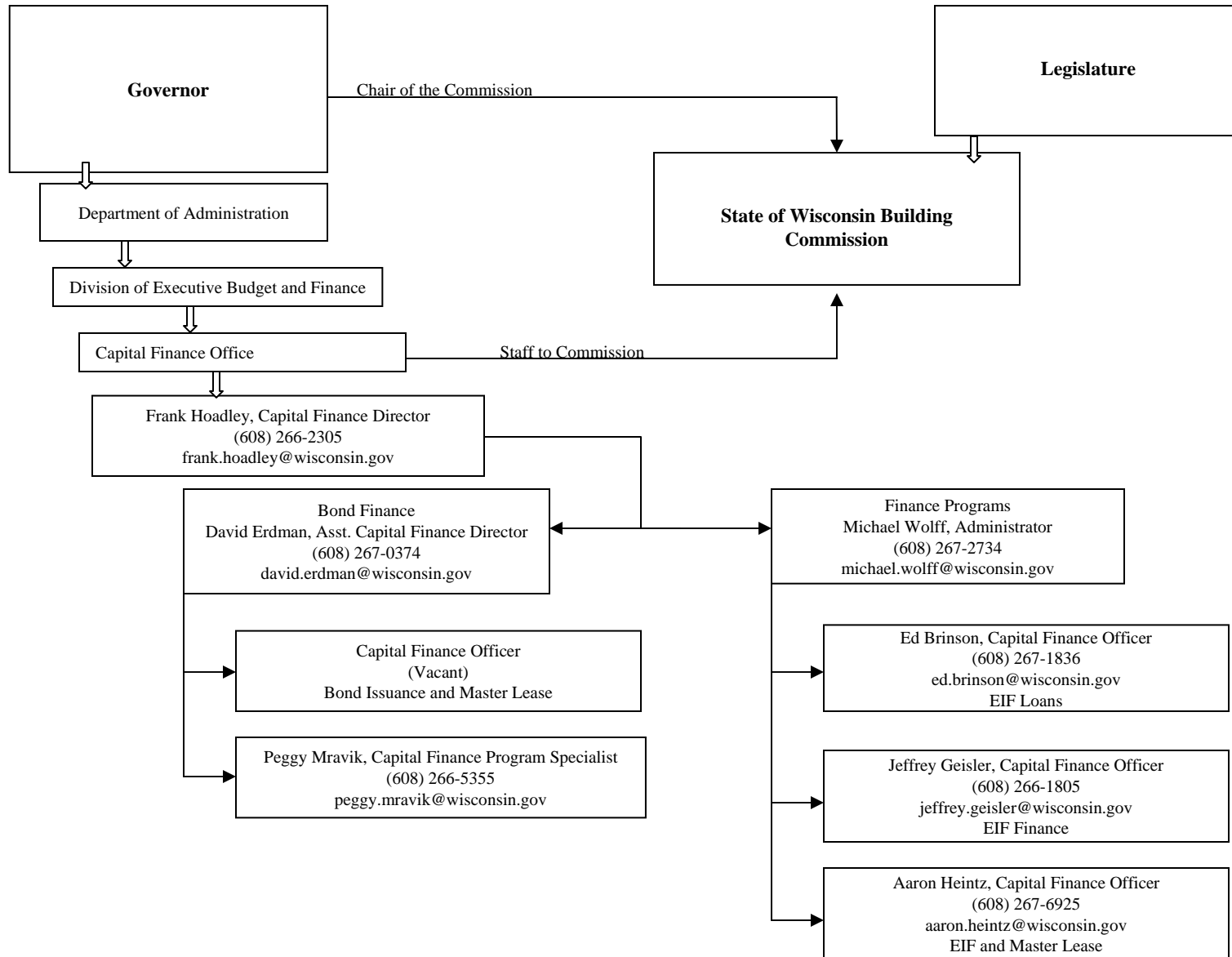
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Capital Finance Office Staff (November 1, 2010)



STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS AND NOTES

BUILDING COMMISSION MEMBERS

Voting Members	Term of Office Expires
Governor Jim Doyle, Chairperson	January 2, 2011
Senator Jeffrey Plale, Vice-Chairperson	January 2, 2011
Senator Ted Kanavas	January 6, 2013
Senator Pat Kreitlow	January 2, 2011
Representative Spencer Black	January 2, 2011
Representative Gordon Hintz	January 2, 2011
Representative Dean Kaufert	January 2, 2011
Mr. Terry McGuire, Citizen Member	At the pleasure of the Governor
Nonvoting, Advisory Members	
Mr. Gil Funk, State Chief Engineer Department of Administration	_____
State Chief Architect (Vacant) Department of Administration	_____
Building Commission Secretary	
Mr. David W. Helbach, 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. Daniel J. Schooff, Secretary Department of Administration	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

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PART III

GENERAL OBLIGATIONS

Part III of the 2010 Annual Report provides information about general obligations issued by the State of Wisconsin (**State**) in the form of bonds, notes, commercial paper notes (**CP Notes**), and extendible municipal commercial paper (**EMCP**). General obligations issued by the State have been issued as both tax-exempt obligations and taxable obligations, with some of the taxable obligations being “qualified build America bonds” pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (**Code**).

Total Outstanding Balance (12/15/2010)	\$6,822,771,982
Amount Outstanding of Fixed-Rate Obligations	\$6,205,355,982
Amount Outstanding of Variable-Rate Obligations	\$ 617,416,000
Percentage of Outstanding Obligations in the form of Variable-Rate Obligations	9.05%
Ratings ^(a) (Fitch/Moody’s/Standard & Poor’s)	
Bonds	AA ^(b) /Aa2 ^(c) /AA
CP Notes/EMCP	F1+/P-1/A-1+
<p>^(a) The ratings presented are the ratings assigned to the State’s general obligations without regard to any bond insurance policy. No information is provided in the 2010 Annual Report about any rating assigned to any general obligations based on any bond insurance policy.</p> <p>^(b) On April 5, 2010, Fitch Ratings changed its rating on the State’s general obligation bonds from “AA–” to “AA”, reflecting a recalibration by Fitch Ratings of certain U.S. public finance credit ratings. According to Fitch Ratings, the recalibration should not be interpreted as an improvement in the credit quality; rather, the intent of the recalibration is to ensure a greater degree of comparability across Fitch Ratings’ global portfolio of credit ratings.</p> <p>^(c) On April 16, 2010, Moody’s Investors Service changed its rating on the State’s general obligation bonds from “Aa3” to “Aa2”, reflecting a recalibration by Moody’s Investors Service of its long-term U.S. municipal ratings to its global rating scale. According to Moody’s Investors Service, the recalibration does not reflect an improvement in credit quality or a change in credit opinion; instead, the recalibration aligns municipal ratings with its global scale equivalent. In addition to the rating change, the rating outlook of Moody’s Investors Service on the State’s general obligations was also changed from “negative” to “stable”.</p>	

The State of Wisconsin Building Commission (**Commission**) supervises all matters concerning the State’s issuance of general obligations. The Capital Finance Office, which is part of the Division of Executive Budget and Finance within the State of Wisconsin Department of Administration (**Department of Administration**), is responsible for managing the State’s borrowing programs.

The law firm of Foley & Lardner LLP provides bond counsel services to the State for the issuance of general obligations. The Secretary of Administration is the registrar and paying agent for general obligations issued in book-entry-only form. There is a different registrar and paying agent for the following two series of general obligations, which were issued in fully-registered form:

<u>Name of Obligation</u>	<u>Name of Registrar/Paying Agent</u>
General Obligation Bonds of 1990, Series D (Higher Education Bonds)	U.S. Bank National Association
General Obligation Bonds of 1991, Series B (Higher Education Bonds)	U.S. Bank National Association

Deutsche Bank Trust Company Americas serves as issuing and paying agent for the CP Notes, and U.S. Bank Trust National Association serves as issuing and paying agent for EMCP.

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

Contact: Capital Finance Office
Attn: Capital Finance Director
Phone: (608) 266-2305
Mail: State of Wisconsin Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
E-mail: DOACapitalFinanceOffice@wisconsin.gov
Web site: www.doa.wi.gov/capitalfinance

The 2010 Annual Report includes information and defined terms for different types of securities issued by the State. The context or meaning of terms used in one part of the 2010 Annual Report may differ from those of the same terms used in another part, and the total amount shown in a table may vary from the related sum due to rounding. No information or resource referred to in the 2010 Annual Report is part of the 2010 Annual Report unless expressly incorporated by reference.

Certain statements in Part III of the 2010 Annual Report may be forward-looking statements that are based on expectations, estimates, projections, or assumptions. Any forward-looking statements are made as of the date of the 2010 Annual Report, and the State undertakes no obligation to update such statements to reflect subsequent events or circumstances. Actual results could differ materially from the anticipated results.

SECURITY PROVISIONS FOR GENERAL OBLIGATIONS

Security

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

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

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

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

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

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

Flow of Funds to Pay Debt Service on General Obligations

The General Fund stands behind the payment of debt service on all general obligations. Should the General Fund have insufficient resources to pay debt service, there is a single irrevocable and unlimited appropriation from all revenues of the State for timely payment on all general obligations. It is this appropriation, which pledges all revenues of the State for payment of debt service due from any program using general obligation proceeds, that enables the State to issue a general obligation that is undifferentiated by the purpose for which proceeds are used.

For budgetary control purposes, different internal funds flows apply to general obligations, depending on whether they are issued as bonds or notes, and in some cases depending on the purpose for which they were issued.

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

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

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

Purposes of General Obligations

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

Limitations on Issuance of General Obligations

All general obligations issued by the State fall within a debt limit set forth in the Wisconsin Constitution and the Wisconsin 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. Currently, the annual limit

is \$3,719,281,442, and the aggregate limit is \$24,795,209,615. A funding or refunding bond issue does not count for purposes of the annual debt limit, and a funded or refunded bond issue does not count for purposes of the cumulative debt limit. Accrued interest on any general obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations. See [Table III-4](#) in “DEBT INFORMATION”.

Authorization of General Obligations

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

To date, the Legislature has authorized the issuance of general obligations for 101 distinct borrowing purposes and has limited the amount of general obligations that may be issued for each purpose. In practice, as a part of the budget, these amounts are adjusted to accommodate newly budgeted activity. As of the date of the 2010 Annual Report, approximately 30 of the distinct borrowing purposes essentially have no remaining borrowing authority. The Legislature has delegated to the Commission responsibility to establish the form and terms of the issuance and sale of these general obligations. [Table III-1](#) describes the amounts authorized, issued, and credited to the Capital Improvement Fund for each borrowing purpose.

Table III-1

**GENERAL OBLIGATION ISSUANCE STATUS REPORT
(December 15, 2010)**

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>	
University of Wisconsin; academic facilities.....	\$ 1,813,686,800	\$ 1,426,161,744	\$ 13,072,507	\$ 760,824	\$ 373,691,725
University of Wisconsin; self-amortizing facilities.....	2,185,196,800	1,389,276,661	2,911,822	1,301,258	791,707,059
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	1,432,000,000	577,399,651	405,319	999,941	853,195,089
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,744	141,818		139,438
Clean water fund program.....	777,043,200	572,749,053		108,689	204,185,458
Safe drinking water loan program.....	45,400,000	45,399,520			480
Natural resources; nonpoint source grants.....	94,310,400	91,054,918	190,043	32,607	3,032,832
Natural resources; nonpoint source	18,000,000	7,530,000	1,454	21,738	10,446,808
Natural resources; environmental repair.....	54,000,000	47,479,054	203,594		6,317,352
Natural resources; urban nonpoint source cost-sharing.....	35,900,000	26,003,640	30,671	35,324	9,830,365
Natural resources; contaminated sediment removal.....	22,000,000	9,898,000			12,102,000
Natural resources; environmental segregated fund supported administrative facilities.....	10,842,500	7,792,686	143	5,108	3,044,563
Natural resources; segregated revenue supported dam safety projects.....	6,600,000	6,119,779	617	1,087	478,517
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	18,513,077		53,084
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	22,918,510	141,325		1,665
Natural resources; land acquisition.....	45,608,600	45,116,929	491,671		

Table III-1 — Continued
GENERAL OBLIGATION ISSUANCE STATUS REPORT
(December 15, 2010)

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		Total Authorized Unissued Debt
			Interest Earnings^(a)	Premium^(a)	
Natural resources; Wisconsin natural areas heritage program.....	\$ 2,500,000	\$ 2,445,793	\$ 17,174		\$ 37,033
Natural resources; segregated revenue supported facilities.....	80,754,000	61,107,692	93,544	\$ 30,324	19,522,440
Natural resources; general fund supported administrative facilities.....	11,410,200	11,261,102	21,753		127,345
Natural resources; ice age trail.....	750,000	750,000			
Natural resources; dam safety projects.....	9,500,000	5,450,148	49,701		4,000,151
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,500,000			
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	227,837,895	1,306,849		1,855,256
Transportation; administrative facilities.....	8,890,400	8,759,479	33,943		96,978
Transportation; accelerated bridge improvements.....	46,849,800	46,849,800			
Transportation; major interstate bridge construction...	225,000,000				225,000,000
Transportation; rail passenger route development...	122,000,000	51,817,921	3,016	584,531	69,594,532
Transportation; southeast Wisconsin transit improvements.....	100,000,000				100,000,000
Transportation; accelerated highway improvements.....	185,000,000	185,000,000			
Transportation; connecting highway improvements.....	15,000,000	15,000,000			
Transportation; federally aided highway facilities.....	10,000,000	10,000,000			
Transportation; highway projects.....	41,000,000	41,000,000			
Transportation; major highway and rehabilitation projects.....	565,480,400	565,480,400			
Transportation; Marquette interchange and I 94 north-south corridor reconstruction projects.....	553,550,000	374,506,000	3,018,078	895,599	175,130,323
Transportation; state highway rehabilitation projects.....	504,712,200	450,297,103	1,182,897	2,267,241	50,964,959
Transportation; major highway projects.....	50,000,000	25,000,000		217,378	24,782,622
Transportation; state highway rehabilitation, certain projects.....	60,000,000	30,000,000		226,777	29,773,223

Table III-1 — Continued
GENERAL OBLIGATION ISSUANCE STATUS REPORT
(December 15, 2010)

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		Total Authorized Unissued Debt
			Interest Earnings^(a)	Premium^(a)	
Transportation; harbor improvements.....	\$ 66,100,000	\$ 46,636,500	\$ 234,581	\$ 61,192	\$ 19,167,727
Transportation; rail acquisitions and improvements.....	126,500,000	58,696,684	5,187	5,000	67,793,129
Transportation; local roads for job preservation, state funds.....	2,000,000	2,000,000			
Corrections; correctional facilities.....	819,800,800	792,865,337	11,467,562	21,738	15,446,163
Corrections; self-amortizing facilities and equipment.....	12,779,900	2,115,438	99		10,664,363
Corrections; juvenile correctional facilities.....	28,984,500	28,523,551	108,861	326	351,762
Health services; mental health and secure treatment facilities.....	170,950,100	149,315,268	895,124	120,645	20,619,063
Agriculture; soil and water.....	40,075,000	34,062,960	3,025	76,083	5,932,932
Agriculture; conservation reserve enhancement...	28,000,000	11,904,500			16,095,500
Agriculture; conservation easements.....	12,000,000				12,000,000
Administration; Black Point Estate.....	1,600,000	1,598,655	445		900
Administration; energy conservation projects; capital improvement fund.....	80,000,000	24,385,000		217,378	55,397,622
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 incurred before July 1, 2011.....	309,000,000	255,520,000			53,480,000
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	1,775,000,000	1,266,025,000			508,975,000
Building commission; housing state departments and agencies.....	604,526,500	462,513,306	2,356,097	543,446	139,113,651
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,805,521	294,479		

Table III-1 — Continued
GENERAL OBLIGATION ISSUANCE STATUS REPORT
(December 15, 2010)

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>	
Building commission; project contingencies.....	\$ 47,961,200	\$ 45,164,610	\$ 64,761	\$ 109	\$ 2,731,720
Building commission; capital equipment acquisition.....	126,335,000	120,343,761	740,327	39,431	5,211,481
Building commission; discount sale of debt.....	90,000,000	72,869,266			17,130,734
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(b)			11,167
Building commission; other public purposes.....	2,104,751,000	1,762,979,418	8,728,268	2,366,532	330,676,782
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities....	10,000,000	10,000,000			
Bond Health Center.....	1,000,000				1,000,000
HR Academy, Inc.....	1,500,000	1,500,000			
Medical College of Wisconsin, Inc.; biomedical research and technology incubator.....	35,000,000	25,000,000			10,000,000
AIDS Resource Center of Wisconsin, Inc.....	800,000	800,000			
Bradley Center Sports and Entertainment Corporation.....	5,000,000	2,500,000		54,345	2,445,655
Marquette University; dental clinic and education facility...	15,000,000	14,999,182	818		
Civil War exhibit at the Kenosha Public Museums.....	500,000	500,000			
AIDS Network, Inc.....	300,000	300,000			
Swiss cultural center.....	1,000,000				1,000,000
Hmong cultural centers.....	2,250,000	250,000			2,000,000
Milwaukee Police Athletic League; youth activities center.....	1,000,000	1,000,000			
Children's research institute.....	10,000,000	10,000,000			
Administration; school educational technology infrastructure financial assistance.....	71,911,300	71,480,216	431,066		18
Myrick Hixon EcoPark, Inc.....	500,000				500,000
Madison Children's Museum.....	250,000	250,000			
Marshfield Clinic	10,000,000				10,000,000
Administration; public library educational technology infrastructure financial assistance.....	269,000	268,918	42		40
Educational communications board; educational communications facilities.....	23,981,500	23,737,389	38,515	2,174	203,422
Grand Opera House in Oshkosh.....	500,000				500,000

Table III-1 — Continued
GENERAL OBLIGATION ISSUANCE STATUS REPORT
(December 15, 2010)

<u>Program Purpose</u>	<u>Legislative Authorization</u>	<u>General Obligations Issued to Date</u>	<u>Credit to Capital Improvement Fund</u>		<u>Total Authorized Unissued Debt</u>
			<u>Interest Earnings^(a)</u>	<u>Premium^(a)</u>	
Aldo Leopold climate change classroom and interactive laboratory.....	\$ 500,000				\$ 500,000
Historical society; self-amortizing facilities.....	1,157,000	\$ 1,029,156	\$ 3,896		123,948
Historical society; historic records.....	26,650,000				26,650,000
Historical society; historic sites.....	10,067,800	3,083,756	847		6,983,197
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.....	51,415,300	27,517,447	195,308	\$ 1,304	23,701,241
Veterans affairs; veterans facilities.....	10,090,100	9,405,485	50,593		634,022
Veterans affairs; self-amortizing mortgage loans.....	2,400,840,000	2,122,542,395			278,297,605
Veterans affairs; refunding bonds.....	1,015,000,000	761,594,245			253,405,755
Veterans affairs; self-amortizing facilities.....	38,370,100	14,192,450	1,613	6,847	24,169,190
State fair park board; board facilities.....	14,787,100	14,769,363	1		17,736
State fair park board; housing facilities.....	11,000,000	10,999,985	15		
State fair park board; self-amortizing facilities.....	52,987,100	52,385,915	22,401	6,521	572,263
Total.....	\$23,891,908,988	\$18,884,364,927	\$73,888,122	\$11,011,497	\$4,922,644,541

^(a) Interest earnings and sale proceeds representing purchase premium credited to the Capital Improvement Fund reduce issuance authority by the same amounts.

^(b) 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 issue debt.

Source: Department of Administration.

DEBT INFORMATION

Table III-2 includes general obligations that have outstanding balances as of December 15, 2010.

Table III-2

OUTSTANDING GENERAL OBLIGATIONS BY ISSUE (As of December 15, 2010)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
<i>Fixed-Rate General Obligations</i>				
1991- Bonds Series A	4/1/91			
Serial Bonds		1992-2006	5,775,000	-0-
Accelerated Term Bonds		2011	5,825,000	-0-
Term Bonds		2021	18,400,000	-0-
Bonds Series B (Higher Education	5/15/91	1996-2011	117,136,000	\$ 7,321,000
Bonds Series C	6/1/91	1992-2011	60,580,000	-0-
Bonds Series D	9/1/91	1993-2012	97,000,000	-0-
1992- Bonds Series A	3/1/92	1993-2012	219,040,000	-0-
Refunding Bonds	3/1/92	1994-2015	448,935,000	8,810,000
Bonds Series B	6/1/92			
Serial Bonds		1993-2008	7,780,000	-0-
Accelerated Term Bonds		2012	4,000,000	-0-
Term Bonds		2022	18,220,000	-0-
Loan Series B	10/2/92	1995	5,330,000	-0-
Refunding Bonds Series 2	10/15/92	1994-2015	5,975,000	2,150,000
Bonds Series C	11/1/92	1994-2013	173,285,000	-0-
1993- Refunding Bonds Series 1	1/1/93	1994-2009	280,060,000	-0-
Refunding Bonds Series 2	3/1/93	1993-2011	137,530,000	22,785,000
Bonds Series A	5/1/93	1994-2013	124,325,000	-0-
Refunding Bonds Series 3	8/1/93	1995-2012	302,050,000	23,800,000
Refunding Bonds Series 6	10/15/93			
Serial Bonds		1994-2006	5,510,000	-0-
Term Bonds		2010	2,125,000	-0-
Term Bonds		2013	2,150,000	-0-
Term Bonds		2016	10,215,000	-0-
Refunding Bonds Series 4	12/1/93	1994-2006	77,575,000	-0-
Refunding Bonds Series 5	12/1/93			
Serial Bonds		1994-2006	113,550,000	-0-
Term Bonds		2010	14,770,000	-0-
Term Bonds		2013	1,190,000	-0-
Term Bonds		2016	1,405,000	-0-
Term Bonds		2023	4,340,000	-0-
1994- Bonds Series A	1/1/94	1995-2014	119,810,000	-0-
Refunding Bonds Series 1	3/1/94	1995-2002	106,610,000	-0-
Refunding Bonds Series 2	3/1/94			
Serial Bonds		1999-2009	52,050,000	-0-
Term Bonds		2014	1,700,000	-0-
Term Bonds		2024	4,775,000	-0-
Bonds Series B	6/1/94	1995-2014	110,000,000	-0-
Refunding Bonds Series 3	9/15/94	1995-2008	10,400,000	-0-

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2010)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
1994- Bonds Series C.....	9/15/94			
Serial Bonds		1998-2013	\$ 17,135,000	-0-
Term Bonds		2016	5,135,000	-0-
Term Bonds		2020	8,535,000	-0-
Term Bonds		2025	14,195,000	-0-
1995- Bonds Series A	1/15/95	1996-2015	231,315,000	-0-
Refunding Bonds, Series 1	2/15/95			
Serial Bonds		1999-2000	4,350,000	-0-
Serial Bonds		2004	860,000	-0-
Serial Bonds		2007-15	10,525,000	-0-
Bonds Series B.....	2/15/95			
Term Bonds		2016	4,215,000	-0-
Term Bonds		2020	7,920,000	-0-
Term Bonds		2025	17,130,000	-0-
Note, Series B	7/6/95	2005	361,623	-0-
Bonds Series C.....	9/15/95	1997-2016	97,480,000	-0-
Refunding Bonds Series 2	10/15/95			
Serial Bonds		1997-2000	5,780,000	-0-
Serial Bonds		2004-05	2,715,000	-0-
Serial Bonds		2007-15	34,355,000	-0-
1996- Bonds Series A	1/15/96	1997-2016	158,080,000	-0-
Refunding Bonds Series 1	2/15/96	1996-2015	104,765,000	-0-
Bonds Series B.....	5/15/96			
Serial Bonds		1998-99	4,215,000	-0-
Serial Bonds		2007-14	16,550,000	-0-
Term Bonds		2021	10,305,000	-0-
Term Bonds		2026	13,930,000	-0-
Bonds Series C.....	9/1/96	1998-2017	115,230,000	-0-
Bonds Series D	10/15/96			
Serial Bonds		2007-09	8,550,000	-0-
Term Bonds		2014	3,700,000	-0-
Term Bonds		2020	6,405,000	-0-
Term Bonds		2027	11,345,000	-0-
1997- Bonds Series 1	3/15/97			
Serial Bonds		2006-15	17,880,000	-0-
Serial Bonds		2017	5,760,000	-0-
Bonds Series A	3/15/97			
Term Bonds		2021	8,065,000	-0-
Term Bonds		2028	13,295,000	-0-
Bonds Series B.....	7/15/97	1999-2018	101,010,000	-0-
1997 - Bonds Series C.....	9/15/97			
Serial Bonds		2000-01	520,000	-0-
Serial Bonds		2003-13	22,755,000	-0-
Term Bonds		2017	7,850,000	-0-
Term Bonds		2023	10,580,000	-0-
Term Bonds		2026	3,295,000	-0-
Bonds Series D (Taxable).....	9/15/97			
Serial Bonds		1999-2012	13,385,000	\$ 780,000
Term Bonds		2017	6,760,000	1,370,000
Term Bonds		2028	24,855,000	4,530,000

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2010)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
1998- Bonds Series A	3/1/98	1999-2018	\$ 156,185,000	-0-
Bonds Series B.....	5/15/98			
Serial Bonds		2007-08	2,865,000	-0-
Term Bonds		2010	4,775,000	-0-
Term Bonds		2018	2,865,000	-0-
Term Bonds		2023	8,670,000	-0-
Term Bonds		2028	11,390,000	-0-
Bonds Series C (Taxable)	5/15/98			
Serial Bonds		1999-2008	6,245,000	-0-
Term Bonds		2028	27,760,000	\$ 4,970,000
Refunding Bonds Series 1	8/15/98			
Serial Bonds		1999	2,820,000	-0-
Serial Bonds		2004-16	154,760,000	72,200,000
Refunding Bonds Series 2	9/15/98			
Serial Bonds		1999-2001	17,095,000	-0-
Serial Bonds		2004-09	77,155,000	-0-
Bonds Series D	9/1/98	2000-19	74,840,000	-0-
Bonds Series E.....	10/15/98	2012-17	6,155,000	1,925,000
Bonds Series F (Taxable).....	10/15/98			
Serial Bonds		1999-2009	9,410,000	-0-
Term Bonds		2029	45,590,000	7,370,000
1999- Bonds Series A	2/1/99	2000-19	147,060,000	-0-
Refunding Bonds Series 1	5/1/99			
Serial Bonds		2008-12	4,905,000	-0-
Term Bonds		2015	3,880,000	0-
Term Bonds		2020	7,005,000	-0-
Bonds Series B (Taxable).....	5/1/99			
Serial Bonds		2000-10	6,370,000	-0-
Term Bonds		2013	2,620,000	375,000
Term Bonds		2016	3,180,000	450,000
Term Bonds		2030	27,830,000	3,945,000
Bonds Series C.....	10/15/99	2001-20	100,000,000	5,320,000 ^(a)
Bonds Series D (Taxable).....	11/1/99			
Term Bonds		2010	9,465,000	-0-
Term Bonds		2030	55,535,000	3,935,000
2000- Bonds Series A	3/15/2000			
Serial Bonds		2001-18	128,875,000	-0-
Term Bonds		2020	21,125,000	-0-
Bonds Series B (Taxable).....	7/1/2000			
Term Bonds		2010	4,625,000	-0-
Term Bonds		2030	30,375,000	-0-
Bonds Series C.....	7/15/2000	2012-21	87,715,000	-0-
Bonds Series D	11/1/2000	2012-21	199,965,000	-0- ^(a)
Bonds Series E (Taxable)	11/7/2000			
Term Bonds		2016	5,000,000	690,000

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

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2010)

<u>Financing</u>	<u>Date of</u>	<u>Maturity</u>	<u>Amount of</u>	<u>Amount</u>
	<u>Financing</u>		<u>Issuance</u>	<u>Outstanding</u>
2001- Bonds Series A (Taxable)	2/21/01			
Term Bonds		2031	\$ 15,000,000	\$ 1,940,000
Bonds Series B	4/1/01	2012-21	91,620,000	7,365,000 ^(a)
Bonds Series C	6/1/01	2002-11	92,410,000	9,355,000
Bonds Series D (Taxable)	6/15/01			
Serial Bonds		2002-08	2,060,000	-0-
Term Bonds		2011	1,110,000	50,000
Term Bonds		2016	2,390,000	300,000
Term Bonds		2021	3,305,000	395,000
Term Bonds		2031	11,135,000	1,340,000
Loan Series A	8/24/01		50,000,000	-0-
Bonds Series F	10/1/01	2003-22	186,615,000	44,490,000 ^(a)
Refunding Bonds Series 1	10/1/01			
Serial Bonds		2005	4,230,000	-0-
Serial Bonds		2007-15	242,875,000	183,730,000
Bonds Series E (Taxable)	10/1/01			
Term Bonds		2017	6,210,000	570,000
Term Bonds		2021	2,730,000	440,000
Term Bonds		2031	11,060,000	1,790,000
2002- Bonds Series A	3/1/02	2003-22	112,280,000	24,480,000 ^(a)
Refunding Bonds Series 1	3/1/02	2004-20	75,000,000	34,505,000
Bonds Series B (Taxable)	3/26/02			
Term Bonds		2032	15,000,000	2,720,000
Bonds Series C	6/1/02	2003-22	143,545,000	33,255,000 ^(a)
Bonds Series D (Taxable)	6/12/02			
Term Bonds		2033	20,000,000	3,845,000
Bonds Series E (Taxable)	9/26/02			
Term Bonds		2018	2,000,000	580,000
Bonds Series F (Taxable)	9/26/02			
Term Bonds		2033	13,000,000	6,025,000
Bonds Series G	10/15/02	2004-23	190,550,000	67,005,000 ^(a)
Bonds Series H	12/30/02			
Term Bonds		2033	15,000,000	3,325,000
2003- Refunding Bonds Series 1 (Taxable)	4/3/03	2019	7,000,000	2,125,000
Refunding Bonds Series 2	4/1/03			
Serial Bonds		2007-21	10,650,000	6,220,000
Term Bonds		2024	3,090,000	3,090,000
Bonds Series A	5/1/03	2004-23	173,900,000	77,940,000 ^(a)
Bonds Series B (Taxable)	7/24/03	2033	30,000,000	16,235,000
Bonds Series C	10/15/03		285,130,000	
Serial Bonds		2005-24	251,865,000	116,485,000 ^(a)
Term Bonds		2026	5,420,000	5,420,000
Term Bonds		2029	9,190,000	9,190,000
Term Bonds		2034	18,655,000	18,655,000

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

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2010)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
Refunding Bonds Series 3	10/30/03			
Serial Bonds		2004-07	\$ 9,495,000	-0-
Term Bonds		2013	16,210,000	\$ 8,510,000
Term Bonds		2025	13,000,000	13,000,000
Term Bonds		2026	29,185,000	29,185,000
2004- Refunding Bonds Series 1	1/28/04	2006-19	146,970,000	143,015,000
Refunding Bonds Series 2	1/28/04	2006-20	175,830,000	164,965,000
Refunding Notes Series 1	3/16/04	2004	175,000,000	-0-
Bonds Series A	4/14/04	2005-24	307,435,000	173,540,000 ^(a)
Bonds CWF Global Certificate	5/1/04	2009-24	116,840,688	96,763,673
Refunding Bonds Series 3	6/15/04	2006-22	175,000,000	62,130,000 ^(a)
Refunding Bonds Series 4	7/29/04	2006-20	117,200,000	115,290,000
Bonds Series B (Taxable)	8/12/04			
Term Bonds		2014	1,000,000	205,000
Bonds Series C (Taxable)	8/12/04			
Term Bonds		2019	1,000,000	320,000
Bonds Series D (Taxable)	8/26/04			
Term Bonds		2034	20,000,000	3,785,000
Bonds Series E	10/21/04	2006-25	225,000,000	158,150,000 ^(a)
2005- Bonds Series A	2/10/05	2016-25	131,485,000	131,485,000
Refunding Bonds Series 1	2/10/05	2006-21	430,240,000	416,755,000
Bonds Series B	4/20/05	2006-15	148,515,000	83,020,000 ^(a)
Bonds Series C (Taxable)	4/7/05			
Term Bonds		2035	5,000,000	3,405,000
Bonds Series D	8/11/05	2007-25	186,640,000	155,980,000
Bonds Series E	12/8/05	2007-11	48,275,000	9,470,000
2006- Refunding Bonds Series 1	1/31/06	2007-15	96,780,000	71,965,000
Bonds Series A	3/28/06	2015-26	331,215,000	331,215,000
Bonds Series B (Taxable)	7/7/06			
Term Bonds		2037	2,000,000	780,000
Bonds Series C	8/2/06	2008-37	61,685,000	52,235,000
Bonds Series D	9/13/06	2018-26	176,490,000	176,490,000
2007- Bonds Series A	2/1/07	2016-27	158,390,000	158,390,000
Refunding Bonds Series 1	2/1/07	2014-20	299,005,000	299,005,000
Bonds CWF Series A	2/1/07	2026	13,148,554	11,866,862
Bonds CWF Series B	2/1/07	2027	6,851,446	6,851,446
Bonds Series B	6/27/07	2008-27	150,000,000	135,455,000
Refunding Bonds Series 2	10/31/07			
Serial Bonds		2008-2017	13,905,000	5,325,000
Term Bonds		2022	2,510,000	2,475,000
Term Bonds		2027	4,155,000	4,095,000
Refunding Bonds Series 3	10/31/07	2026	3,835,000	880,000
Bonds Series C	12/5/07	2009-28	154,890,000	144,250,000
2008- Bonds Series A	4/30/08	2009-28	164,535,000	152,655,000
Bonds Series B (Taxable)	5/30/08			
Term Bonds		2038	4,445,000	3,690,000

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

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2010)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
2008- Bonds CWF Series B	6/17/08	2026-28	\$ 16,600,000	\$ 16,600,000
Refunding Bonds Series 1	6/26/08			
Serial Bonds		2009-2018	3,120,000	2,405,000
Term Bonds		2018	14,680,000	8,360,000
Serial Bond		2023	175,000	175,000
Refunding Bonds Series 2	6/26/08			
Term Bonds		2020	1,880,000	-0-
Bonds Series C	9/4/08	2010-29	302,200,000	290,830,000
Bonds, Series D	12/23/08	2012-30	100,000,000	100,000,000
2009- Bonds CWF Series A	1/27/09	2016-26	17,700,000	17,700,000
Bonds Series A	6/18/09	2012-22	47,440,000	47,440,000
Bonds Series B (Taxable)	6/18/09			
Serial Bonds		2023-26	24,610,000	24,610,000
Term Bonds		2030	29,925,000	29,925,000
Bonds Series C	9/3/09	2012-22	197,265,000	197,265,000
Bonds Series D (Taxable)	9/3/09			
Serial Bonds		2023-30	182,890,000	182,890,000
Term Bonds		2034	13,990,000	13,990,000
Term Bonds		2040	28,945,000	28,945,000
Refunding Bonds Series 1	9/15/09	2011-16	54,355,000	54,355,000
2010- Refunding Bonds Series 1	3/3/10	2012-29	201,165,000	201,165,000
Bonds Series A	4/7/10	2012-19	143,525,000	143,525,000
Bonds Series B (Taxable)	4/7/10	2020-30	179,105,000	179,105,000
Bonds CWF Series A	4/13/10	2025-31	15,243,000	15,243,000
Bonds Series C	9/2/10	2012-19	146,680,000	146,680,000
Bonds Series D (Taxable)	9/2/10			
Serial Bonds		2020-26	155,835,000	155,835,000
Term Bonds		2032	118,025,000	118,025,000
Term Bonds		2041	35,880,000	35,880,000
Bonds CWF Series B	12/7/10	2030-31	15,000,000	<u>15,000,000</u>
<i>Total Fixed-Rate General Obligations</i>				<u>\$6,205,355,982</u>
<i>Variable-Rate General Obligations</i>				
2005- Commercial Paper Series A	12/14/05		100,350,000	\$ 80,332,000
Ext. Muni. Comm. Paper Series A (AMT) ..	12/29/05		61,000,000	-0-
2006- Ext. Muni. Comm. Paper Series A	2/9/06		161,905,000	-0-
Commercial Paper Series A	8/2/06		123,510,000	113,174,000
Ext. Muni. Comm. Paper Series B	12/1/06		91,720,000	-0-
Ext. Muni. Comm. Paper Series C (AMT) ..	12/1/06		4,445,000	-0-
2008- Ext. Muni Comm Paper Program	2/1/08		452,189,000	413,610,000
Bonds CWF Series A	3/18/08		10,300,000	<u>10,300,000</u>
<i>Total Variable-Rate General Obligations</i>				<u>\$ 617,416,000</u>
TOTAL GENERAL OBLIGATIONS				<u><u>\$6,822,771,982</u></u>

Table III-3

PER CAPITA STATE GENERAL OBLIGATION DEBT

Year Ending December 31	Outstanding Indebtedness^(a) (Amounts in Thousands)	Debt Per Capita	Debt Per Capita as % of Per Capita Income
2000.....	\$4,270,718	\$ 796.18	2.73%
2001.....	4,452,626	823.65	2.74
2002.....	4,682,045	860.67	2.79
2003.....	4,794,398	875.85	2.77
2004.....	5,116,439	929.59	2.84
2005.....	5,445,615	983.67	2.92
2006.....	5,898,647	1,061.48	2.97
2007.....	5,893,590	1,052.05	2.86
2008.....	6,146,978	1,092.21	2.88
2009.....	6,481,078	1,146.08	3.06

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

**Sources: Legislative Audit Bureau
Tables II-30 and II-33 in Part II of the 2010 Annual Report**

Table III-4

LIMITATION ON ANNUAL AGGREGATE PUBLIC DEBT THAT MAY BE CONTRACTED

The aggregate debt contracted in calendar year 2010 shall not exceed the lesser of (a) or (b):

(a)	3/4 of 1% x \$495,904,192,300		\$ 3,719,281,442
(b)	5% x \$495,904,192,300	\$24,795,209,615	
	Deduct: Net Indebtedness 1/1/2010	<u>(6,481,078,478)</u>	
			\$18,314,131,137

The amount of \$495,904,192,300 shown above is the aggregate full market value of all taxable property in the State for the year 2010 as certified by the Department of Revenue.

The amount of \$6,481,078,478 shown above is the net indebtedness as of January 1, 2010 as certified by the Legislative Audit Bureau.

The lesser of (a) or (b) is \$3,719,281,442. Aggregate debt contracted in calendar year 2010 shall not exceed this amount.

Source: Department of Administration

Table III-5

ANNUAL DEBT LIMIT COMPARED
TO ACTUAL BORROWING

<u>Calendar Year</u>	<u>Annual Debt Limitation</u>	<u>Actual Borrowing</u>	<u>Borrowing as Percentage of Limitation</u>
2001	\$2,343,627,800	\$485,645,000	20.7%
2002	2,514,948,590	481,000,000	19.1
2003	2,705,326,585	499,030,000	18.4
2004	2,933,908,610	664,435,000	22.6
2005	3,209,501,715	571,990,000	17.8
2006	3,517,373,999	891,285,000	25.3
2007	3,734,402,615	483,280,000	12.9
2008	3,857,954,728	493,635,000	12.8
2009	3,839,339,873	542,765,000	14.1
2010	3,719,281,442	809,293,000	21.8

Source: Department of Administration

Table III-6

DEBT STATEMENT
(December 15, 2010)

	<u>Tax-Supported Debt</u>		<u>Revenue-Supported Debt^(a)</u>		<u>Total</u>
	<u>General Fund</u>	<u>Segregated Funds^(b)</u>	<u>Veterans Housing</u>	<u>Other^(c)</u>	
General Obligations	\$4,654,153,581	\$664,937,902	\$222,745,000	\$1,280,935,498	\$6,822,771,981
Total Outstanding					
Indebtedness	\$4,654,153,581	\$664,937,902	\$222,745,000	\$1,280,935,498	\$6,822,771,981

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

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

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

Source: Department of Administration

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

<u>Calendar Year</u>	<u>Value of Taxable Property (Amounts in Thousands)</u>	<u>Outstanding Indebtedness^(a) (Amounts in Thousands)</u>	<u>Debt as Percentage of Equalized Value</u>
2000	\$286,321,492	\$4,270,718	1.49%
2001	312,483,707	4,452,626	1.42
2002	335,326,479	4,682,045	1.40
2003	360,710,815	4,794,398	1.33
2004	391,187,815	5,116,439	1.31
2005	427,933,562	5,445,615	1.27
2006	468,983,200	5,898,647	1.26
2007	497,920,349	5,893,590	1.18
2008	514,393,964	6,146,978	1.19
2009	511,911,983	6,481,078	1.27

^(a) As of December 31.

Sources: Department of Revenue and Wisconsin Legislative Audit Bureau

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
To June 30, 1990.....	\$1,817,985,000	\$1,711,347,263	\$ 3,529,332,236
1990-91	185,050,000	161,025,824	346,075,824
1991-92	157,985,000	100,545,026	258,530,026
1992-93	131,634,000	138,331,828	269,965,828
1993-94	151,416,138	153,491,249	304,907,387
1994-95	188,718,292	159,985,783	348,704,075
1995-96	199,622,231	159,090,781	358,713,012
1996-97	205,112,886	167,659,261	372,772,147
1997-98	217,184,565	171,783,741	388,968,306
1998-99	236,344,072	173,743,794	410,087,867
1999-2000	244,211,911	183,158,974	427,370,884
2000-01	285,088,311	209,230,800	494,319,110
2001-02.....	273,060,055	202,386,510	475,446,565
2002-03.....	270,544,076	216,328,685	486,872,762
2003-04.....	310,843,832	183,991,355	494,835,186
2004-05.....	361,327,888	185,242,899	546,570,787
2005-06.....	349,172,670	216,358,460	565,531,131
2006-07.....	379,470,000	233,687,100	613,157,100
2007-08.....	350,005,000	268,124,600	618,129,600
2008-09.....	397,266,258	255,994,695	653,260,953
2009-10.....	119,029,189	251,749,918	370,779,107
7/1/2010-12/15/2010	<u>70,522,000</u>	<u>143,953,853</u>	<u>238,395,190</u>
Totals.....	<u>\$6,901,593,374</u>	<u>\$5,647,212,399</u>	<u>\$12,572,725,110</u>

Source: Department of Administration

Table III-9

**DEBT SERVICE MATURITY SCHEDULE:
AMOUNT DUE ANNUALLY ON GENERAL OBLIGATION BONDS
(Issued to December 15, 2010)**

<u>Fiscal Year (Ending June 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011 ^(a)	\$ 276,619,325	\$ 150,692,867	\$ 427,312,192
2012.....	422,061,829	283,599,223	705,661,052
2013.....	420,352,930	264,323,061	684,675,991
2014.....	411,605,021	244,911,629	656,516,650
2015.....	423,918,280	225,426,784	649,345,063
2016.....	414,201,289	205,434,511	619,635,800
2017.....	371,705,350	185,141,147	556,846,497
2018.....	373,404,630	168,160,034	541,564,664
2019.....	364,887,162	150,469,127	515,356,290
2020.....	359,442,905	133,145,250	492,588,155
2021.....	326,803,476	116,592,581	443,396,057
2022.....	292,567,142	101,393,272	393,960,414
2023.....	273,459,552	87,338,884	360,798,436
2024.....	262,190,831	74,484,433	336,675,263
2025.....	238,352,120	61,721,220	300,073,341
2026.....	210,788,316	50,056,165	260,844,481
2027.....	225,511,824	39,305,501	264,817,325
2028.....	132,415,000	28,851,476	161,266,476
2029.....	122,101,000	21,634,948	143,735,948
2030.....	104,493,000	15,159,583	119,652,583
2031.....	56,890,000	9,453,286	66,343,286
2032.....	16,780,000	6,426,564	23,206,564
2033.....	17,220,000	5,562,189	22,782,189
2034.....	16,820,000	4,669,491	21,489,491
2035.....	12,305,000	3,822,350	16,127,350
2036.....	12,525,000	3,171,660	15,696,660
2037.....	11,955,000	2,502,615	14,457,615
2038.....	9,330,000	1,859,330	11,189,330
2039.....	9,635,000	1,344,350	10,979,350
2040.....	10,205,000	810,765	11,015,765
2041.....	4,810,000	245,310	5,055,310
TOTALS.....	\$ 6,205,355,982	\$ 2,647,709,606	\$ 8,853,065,588

^(a) For the fiscal year ending June 30, 2011, the table includes debt service amounts for the period December 15, 2010 through June 30, 2011.

Source: Department of Administration

Table III-10

**AMORTIZATION SCHEDULE:
GENERAL OBLIGATION VARIABLE RATE OBLIGATIONS^(a)
(Issued to December 15, 2010)**

<u>(Year Ending June 30)</u>	<u>Principal</u>
2011.....	\$ 14,444,894
2012.....	128,041,145
2013.....	127,104,381
2014.....	133,468,114
2015.....	82,482,368
2016.....	69,445,044
2017.....	25,017,972
2018.....	4,699,829
2019.....	4,933,801
2020.....	5,162,780
2021.....	981,957
2022.....	1,026,536
2023.....	1,080,574
2024.....	1,136,603
2025.....	1,190,000
2026.....	1,250,000
2027.....	1,310,000
2028.....	1,375,000
2029.....	1,445,000
2030 ^(b)	11,820,000
	<u>\$ 617,416,000</u>

^(a) The State intends to treat each general obligation variable rate issue as if it were a long-term bond issue by making annual principal payments on May 1. The annual principal amounts reflect the re-amortization of principal amounts that were scheduled to be due in the 2010-11 fiscal year.

^(b) \$10,300,000 of this amount reflects a General Obligation Bond sold to the State Environmental Improvement Fund that matured June 1, 2008; however, at the option of the purchaser the maturity date can be extended for six month periods (for all or a portion of the outstanding amount) with such extensions not extending beyond December 1, 2029.

Source: Department of Administration

Table III-11

**SOURCE OF DEBT SERVICE PAYMENTS
ON GENERAL OBLIGATIONS
(June 30, 2010)**

	<u>2009-10</u>	<u>%</u>	<u>2008-09</u>	<u>%</u>	<u>2007-08</u>	<u>%</u>
Tax-Supported Debt						
General Fund ^(a)	\$179,364,692	48.4	\$462,635,654	70.8	\$455,510,677	73.7
Segregated Funds	<u>28,809,684</u>	<u>7.8</u>	<u>29,170,510</u>	<u>4.5</u>	<u>27,441,179</u>	<u>4.4</u>
Subtotal	208,174,376	56.1	491,806,164	75.3	482,951,857	78.1
Self-Amortizing Debt						
Veterans.....	59,599,604	16.1	67,509,512	10.3	43,139,650	7.0
University of Wisconsin.....	76,588,040	20.7	68,841,926	10.5	65,276,046	10.6
State Fair Park	3,525,107	1.0	3,486,194	0.5	3,518,715	0.6
Historical	51,874	0.0	85,424	0.0	97,321	0.0
Housing State Depts./Other.....	<u>22,543,075</u>	<u>6.2</u>	<u>21,531,733</u>	<u>3.3</u>	<u>23,146,011</u>	<u>3.7</u>
Subtotal	<u>162,604,699</u>	<u>43.9</u>	<u>161,454,789</u>	<u>24.7</u>	<u>135,177,744</u>	<u>21.9</u>
Total Debt Service.....	<u>370,779,075</u>	<u>100.0</u>	<u>\$653,260,953</u>	<u>100.0</u>	<u>\$618,129,600</u>	<u>100.0</u>

(a) The amount for “Tax-Supported Debt; General Fund” in the 2009-10 fiscal year reflects a refunding in which the State issued general obligation refunding bonds to pay for certain general obligations maturing during the 2009-10 fiscal year.

Source: Department of Administration

VARIABLE RATE OBLIGATIONS

The State has issued, and there currently remain outstanding, both general obligation CP Notes and EMCP.

Commercial Paper Notes

The State has appointed Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith, Incorporated (**Merrill Lynch**) to serve as **Dealers**. Merrill Lynch was acquired by Bank of America Corporation in a merger which closed on January 1, 2009. With the consummation of the merger, Merrill Lynch is an indirect wholly-owned subsidiary of the Bank of America Corporation. The State has appointed Deutsche Bank Trust Company Americas to serve as **Issuing and Paying Agent** for the CP Notes, and The Depository Trust Company (**DTC**) serves as **Depository** for the CP Notes.

The State has obtained a **Liquidity Facility** in the form of a line of credit, which is provided through a **Credit Agreement**, as amended, between State Street Bank and Trust Company and California State Teachers’ Retirement System (collectively, **Liquidity Facility Providers**) and the State. The principal portion of the Credit Agreement is currently \$233 million.

Table III-12 summarizes, for each authorized and outstanding series of CP Notes, the principal amount initially issued, the date of initial issuance, and the principal amount outstanding as of December 15, 2010.

Table III-12

**SUMMARY OF OUTSTANDING GENERAL OBLIGATION CP NOTES
(December 15, 2010)**

<u>Series of CP Notes</u>	<u>Amount Issued</u>	<u>Date of Initial Issuance</u>	<u>Amount Outstanding</u>
2005 Series A	\$100,350,000	December 14, 2005	\$ 80,332,000
2006 Series A	123,510,000	August 2, 2006	<u>113,174,000</u>
		Total Outstanding:	\$ 193,506,000

Additional CP Notes may be issued pursuant to action of the Commission, but the aggregate amount of CP Notes outstanding may not exceed the principal amount of the Liquidity Facility.

Description of CP Notes

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

The CP Notes are not callable prior to maturity.

Each CP Note matures from 1 to 270 days from its issue date. Also, no CP Note may be issued with a maturity date later than the expiration date of the Liquidity Facility or any substitute Liquidity Facility.

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

Liquidity Facility

In order to provide liquidity for the payment of the principal of and interest on maturing CP Notes, the State has entered into the Credit Agreement with the Liquidity Facility Providers.

Pursuant to the Credit Agreement, the Liquidity Facility Providers are severally and not jointly obligated, subject to certain conditions, to make **Advances** in amounts equal to their respective percentages of the line of credit from time to time on any business day during the term of the Credit Agreement, only for providing funds to pay the principal of and interest on the CP Notes on the maturity date thereof to the extent that proceeds of other CP Notes or other moneys on deposit in the Note Fund for the CP Notes are not available. The respective percentages are currently 51.72% for State Street Bank and Trust Company (**State Street**) and 48.28% for California State Teachers' Retirement System (**CalSTRS**). The aggregate principal amount of all Advances made on any date may not exceed the principal portion of the Credit Agreement (currently \$233 million), as such amount may be increased or decreased from time to time. Also, the principal portion of the Credit Agreement cannot be less than the sum of the outstanding CP Notes plus the aggregate principal amount of all outstanding Advances provided by the Liquidity Facility Providers.

The Credit Agreement currently terminates on March 23, 2013. The Credit Agreement provides that the termination date may be extended, if the parties agree.

The State has delivered one or more promissory notes (**Promissory Notes**) to each Liquidity Facility Provider, evidencing its obligation to repay all Advances. Each Promissory Note is a general obligation of the State.

Description of the Liquidity Facility Providers

The following information concerning State Street and CalSTRS has been provided by representatives of State Street and CalSTRS, respectively, and has not been independently confirmed or verified by the State. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date. The following information is not intended to serve as a representation, warranty, or contract modification of any kind.

State Street Bank and Trust Company

State Street is a wholly-owned subsidiary of State Street Corporation (**Corporation**). The Corporation (NYSE: STT) is a leading specialist in providing institutional investors with investment servicing, investment management, and investment research and trading. With \$18.79 trillion in assets under custody and \$1.91 trillion in assets under management, the Corporation operates in 25 countries and more

than 100 markets worldwide. The assets of State Street at December 31, 2009 accounted for approximately 98% of the consolidated assets of the Corporation. At December 31, 2009, the Corporation had total assets of \$157.94 billion, total deposits (including deposits in foreign offices) of \$90.06 billion, total loans and lease finance assets net of unearned income, allowance and reserve for possible credit losses of approximately \$10.80 billion and total equity capital of \$14.49 billion.

State Street's Consolidated Reports of Condition for Insured Commercial and State Chartered Savings Banks FFIEC 031 for December 31, 2009, as submitted to the Federal Reserve Bank of Boston, are incorporated by reference into Part III of the 2010 Annual Report and shall be deemed to be a part hereof.

In addition, all reports filed by State Street pursuant to 12 U.S.C. §324 after the date of Part III to the 2010 Annual Report shall be deemed to be incorporated herein by reference and shall be deemed to be a part hereof from the date of filing of any such report.

Additional information, including financial information relating to the Corporation and State Street is set forth in the Corporation's Annual Report or Form 10-K for the year ended December 31, 2009. The annual report can be found on the Corporation's web site, www.statestreet.com. Such report and all reports filed by the Corporation pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this 2010 Annual Report are incorporated herein by reference and shall be deemed a part hereof from the date of filing of any such report. The Corporation's web site is not incorporated by reference into Part III of the 2010 Annual Report. The Credit Agreement is an obligation of State Street and not of the Corporation.

Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of Part III of the 2010 Annual Report to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of Part III of the 2010 Annual Report.

State Street hereby undertakes to provide, without charge to each person to whom a copy of Part III of the 2010 Annual Report has been delivered, on the written request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated into Part III of the 2010 Annual Report by reference, other than exhibits to such documents. Written requests for such copies should be directed to Investor Relations, State Street Corporation, One Lincoln Street, Boston, Massachusetts 02111, telephone number 617-786-3000.

California State Teachers' Retirement System

CalSTRS is a component unit of the State of California, organized and operating under the laws of the State of California, including the Teachers' Retirement Law, constituting Part 13 of Division 1 of Title 1 of the Education Code of the State of California, commencing at Section 22000 (**Law**), as amended. The Law establishes the Teachers' Retirement Board (**Board**), which has the sole and exclusive fiduciary responsibility over the administration and investment of funds held in the Teachers' Retirement Fund (**Fund**), in which the bulk of the assets of CalSTRS are held. School districts and other agencies employing members of CalSTRS are required to make monthly contributions to the Fund in an amount equal to 8.25% of the total of the salaries upon which members' contributions are based. All full-time certificated employees in the public school system from kindergarten through the community college level are required by law to be members of CalSTRS. CalSTRS provides defined retirement, survivor, and disability benefits to all members based on the final compensation attained by the member, the age of retirement, and the term of service, and other factors.

Financial data for June 30, 2009 are taken from the audited financial statements for the fiscal year ended June 30, 2009. Financial data for fiscal years ended after 2009 are incorporated by reference in this section and shall be deemed to be a part hereof.

As of June 30, 2009, the Fund had net assets held in trust for pension benefits with a market value of approximately \$118.4 billion, compared to approximately \$161.5 billion as of June 30, 2008. As of October 3, 2010, total investment assets had a market value of approximately \$141.3 billion (unaudited).

CalSTRS is independently rated “AA/A-1+” by Standard and Poor’s, a Division of the McGraw-Hill Companies, Inc., “Aa3/P-1” by Moody’s Investors Service, and “AA+/F1+” by Fitch Ratings.

CalSTRS will provide without charge and upon request, a copy of its financial statements. Requests to CalSTRS for the Financial Statements should be directed by mail to State Teachers’ Retirement System, P.O. Box 163740, Sacramento, California 95816-3710, Attention: Credit Enhancement Program, or by email to cepinquiries@calstrs.com. The most recent financial statements, comprehensive annual Financial Report and other information regarding CalSTRS can be viewed at www.calstrs.com; however, this web site is not incorporated by reference into Part III of the 2010 Annual Report.

Extendible Municipal Commercial Paper

General obligation EMCP is similar to CP Notes; however, rather than liquidity being provided by a bank or credit facility, the maturity date is extended in case there is a disruption in market liquidity for the EMCP. The State has appointed Goldman, Sachs & Co. and Merrill Lynch to serve as **Dealers**. The State has appointed U.S. Bank Trust National Association to serve as Issuing and Paying Agent for the EMCP, and DTC serves as Depository for the EMCP.

On February 1, 2008, the State issued a single series of EMCP that replaced outstanding multiple series of EMCP that had been issued between calendar years 2000-2006. Table III-13 summarizes, for each authorized and outstanding program under this single series of EMCP, the principal amount initially issued, the date of initial issuance, and the principal amount outstanding as of December 15, 2010.

Table III-13

**SUMMARY OF OUTSTANDING GENERAL OBLIGATION EMCP
(December 15, 2010)**

<u>Series of EMCP</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Tax-Exempt Notes	\$490,709,000	\$ 413,610,000
Tax-Exempt AMT Notes	4,445,000	<u>-0-</u>
		\$ 413,610,000

Additional Authorized Notes

The State may increase the principal amount of EMCP outstanding, upon adoption by the Commission of one or more authorizing resolutions, to fund various general governmental purposes and veterans housing loans. With respect to an initial issuance, specific instructions must be provided to the Issuing and Paying Agent before a Dealer may increase the principal amount of EMCP outstanding. This has occurred once during the past year; on September 2, 2010 for the initial issuance of \$19 million of additional EMCP. The total amount of EMCP authorized to be outstanding at any given time, pursuant to the program resolution, is \$950 million. EMCP will not be given a series designation based on any initial issuance date.

Description of EMCP

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

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

note will mature on its **Extended Maturity Date**, which will be the date that is 270 days after its original issue date.

If the State exercises its option to extend the maturity date, notice of this extension must be provided to the Depository in accordance with the Depository's operational requirements.

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

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

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

(2) if the Original Maturity Date is on or after the 15th day of the month, interest will next be payable on the first Business Day of the second succeeding month after the Original Maturity Date.

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

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

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

$$(1.35 \times BMA) + E$$

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

Prevailing Ratings			
<u>Fitch</u>	<u>Moody's Investors Service, Inc.</u>	<u>Standard & Poor's Ratings Services</u>	<u>E Variable (basis points)</u>
F1+	P-1	A-1+	100
F1	–	A-1	150
F2	P-2	A-2	200
F3	P-3	A-3	300
Lower than F3 (or rating discontinued)	Lower than P-3 (or rating discontinued)	Lower than A-3 (or rating discontinued)	400

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

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

REVENUE-SUPPORTED GENERAL OBLIGATION DEBT

General

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

Table III-6 identifies the amount of outstanding general obligations designated as revenue supported. The programs and facilities funded with these general obligations support debt service payments on approximately \$1.504 billion of State general obligations outstanding on December 15, 2010. Furthermore, **Table III-11** shows that revenue-supported debt service payments were approximately 43.9% of the total debt service cost for the fiscal year ending June 30, 2010. This percentage is higher than the previous fiscal year; in the fiscal year ending June 30, 2010, the State issued general obligation refunding bonds for certain maturing general obligation bonds, which resulted in a decrease in percentage of tax-supported debt service payments and corresponding increase to percentage of revenue-supported debt service payments.

Veterans Housing Loan Program

The veterans housing loan program, operated by the State of Wisconsin Department of Veterans Affairs (**DVA** or **Department of Veterans Affairs**), is one of the revenue-supported general obligation bonding programs of the State. Lending activities under the veterans housing loan program began in 1974. The program is currently funded by general obligations that are either **Tax-Exempt Veterans Mortgage Bonds** or **Taxable Veterans Mortgage Bonds**, collectively referred to as **Veterans Mortgage Bonds**. The repayment of veterans housing loans funded with proceeds of the Veterans Mortgage Bonds are estimated to be at least sufficient to pay or reimburse the General Fund for the amount paid for debt service related to the Veterans Mortgage Bonds.

Approximately \$224 million in aggregate principal amount of Veterans Mortgage Bonds remain outstanding on December 15, 2010. As outlined later in this section, there are different special redemption provisions for the Tax-Exempt Veterans Mortgage Bonds and each series of Taxable Veterans Mortgage Bonds. [Tables III-18 through III-24](#) in Part III of the 2010 Annual Report include unaudited financial and statistical information and related notes that may be helpful in describing the operation of the veterans housing loan program.

Veterans Housing Loan Program Requirements

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

Home Improvement Loan Program

In addition to veterans housing loans that are considered primary mortgage housing loans, as described above, DVA also makes loans through the Home Improvement Loan Program (**HILP**) that are funded with proceeds of Taxable Veterans Mortgage Bonds, with prepayments of loans previously funded with Taxable Veterans Mortgage Bonds, or with funds from the Insurance Reserve Account of the veterans housing loan program that are in excess of amounts needed to satisfy the insurance reserve requirement. This program has a maximum loan amount of 90% of the equity in the home and is processed through county veterans service officers rather than lending institutions. HILP loans have terms of 5, 7, 10, or 15 years and have different loan interest rates for differing terms and differing loan-to-value ratios. HILP loans in excess of \$3,000 are secured by either a first or second mortgage on the improved property and require a minimum equity position of 10% after considering the HILP loan. HILP loans under \$3,000 may be guaranteed by a guarantor or secured by a first or second mortgage. HILP loans use the same basic underwriting standards as the veterans primary mortgage housing loans but do not include loan-servicing charges.

Mortgage Interest Rates

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

In setting the interest rate, DVA has previously chosen to provide a subsidy for veterans primary mortgage housing loans, and some HILP loans, funded with some, but not all of the Taxable Veterans Mortgage Bonds. The result is that the lending rate may be lower than the true interest cost rate on the Taxable Veterans Mortgage Bonds issued to fund those loans.

With respect to veterans housing loans, DVA has not determined whether any subsidy or similar arrangement will be available to such loans funded with future issues of Taxable Veterans Mortgage Bonds. With respect to HILP loans, DVA has a policy that requires the interest rate established for any HILP

loan to include a minimum mark-up over the cost of money to make such loan, which would include a mark-up over the true interest cost rate on any future Taxable Veterans Mortgage Bonds issued to fund HILP loans. This policy includes provisions that DVA must complete in advance if it desires to deviate from this policy.

Default Risks and Other Information

Veterans Mortgage Bonds issued prior to 1985 assumed a certain level of prepayments in estimating program cash flow. No prepayments have been assumed in the nominal amortization of Veterans Mortgage Bonds issued since 1985. Based on asset and liability balances as of June 30, 2010 and existing DVA assumptions, the cash flow of the mortgages on September 23, 2010 was sufficient to meet future debt service payments. A loan under the veterans housing loan program may be assumed only by another qualifying veteran.

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

Program loans financed with Veterans Mortgage Bonds are not required to be insured or guaranteed (casualty insurance coverage is, however, required). Instead, the default risk with respect to such loans is borne by the program. The ability of DVA to dispose of defaulted properties and realize the amount of the outstanding principal balances of the related loans has varied in recent years depending upon the location of the properties within the State and their physical condition upon foreclosure. Although DVA expects that it will continue to experience liquidation losses, it also expects that such losses will not require recourse to the State's General Fund but rather will be covered by the Insurance Reserve Account within the Veterans Mortgage Loan Repayment Fund. As of October 31, 2010, of the 1,992 outstanding primary mortgage housing loans financed by the veterans housing loan program, there were 43 loans in an aggregate principal amount of approximately \$4.7 million for which payments were 60 days or longer past due. The insurance reserve requirement (4% of the principal amount of outstanding loans) is currently satisfied. See [Table III-22](#) for more complete details concerning delinquencies.

Special Redemption; Tax-Exempt Veterans Mortgage Bonds

The State had outstanding as of December 15, 2010, approximately \$138 million of Tax-Exempt Veterans Mortgage Bonds. All Tax-Exempt Veterans Mortgage Bonds are subject to special redemption before maturity (even if not subject to optional redemption as provided above), at the option of the Commission, on any date, in whole or in part, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the date of redemption, from:

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

The redemption provisions listed above are commonly referred to as a "cross-call". In addition, other special redemption provisions (such as allowing redemptions funded from unexpended proceeds) may apply to certain series of Tax-Exempt Veterans Mortgage Bonds. In the event of a partial redemption, the Capital Finance Director shall direct the maturities and amounts of the Tax-Exempt Veterans Mortgage Bonds to be redeemed.

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

Table III-14 presents a summary of the outstanding Tax-Exempt Veterans Mortgage Bonds as of December 15, 2010. [Table III-25](#) presents further detailed information on these outstanding Tax-Exempt Veterans Mortgage Bonds that are subject to special redemption.

Table III-14

**SUMMARY OF OUTSTANDING
TAX-EXEMPT VETERANS MORTGAGE BONDS SUBJECT TO SPECIAL REDEMPTION
(December 15, 2010)**

<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount Subject to Special Redemption</u>	<u>Outstanding Principal Amount Subject to Special Redemption</u>	<u>Range of Interest Rates on Outstanding Bonds</u>
1998 Series E	10/15/98	\$ 6,155,000	\$ 1,925,000	4.75-4.80%
2003 Series 2	04/01/03	13,740,000	9,310,000	3.80-5.00
2003 Series 3	10/30/03	67,890,000	50,695,000	3.50-5.00
2006 Series C	08/02/06	61,685,000	52,235,000	4.50-5.00
2007 Series 2	10/31/07	16,735,000	11,895,000	3.70-4.50
2007 Series 3	10/31/07	3,835,000	880,000	5.00
2008 Series 1	6/26/08	17,975,000	<u>10,940,000</u>	2.95-4.75
			<u>\$ 137,880,000</u>	

The State has historically received, and expects to continue to receive, prepayments of veterans housing loans funded with Tax-Exempt Veterans Mortgage Bonds. [See Table III-26](#) for a summary of the prepayments received over the past three years. The State may use, and has from time to time used, veterans housing loan prepayments to make new veterans housing loans. If the State determines that it is not feasible to make new veterans housing loans, then the State intends to use these prepayments to purchase or redeem Tax-Exempt Veterans Mortgage Bonds, as determined by the Commission.

Prior to calendar year 2002, it had been the working policy of the Department of Administration, on behalf of the Commission, to call Tax-Exempt Veterans Mortgage Bonds for special redemption based on the highest estimated market price, while taking into consideration the Legislature’s mandate that the veterans housing loan program be self-amortizing. Since that time, this working policy has been modified from time to time to address both (1) the impact special redemption cross-calls have on the cash flow that supports all Veterans Mortgage Bonds, and (2) compliance with applicable federal tax law restrictions. This working policy may be further modified from time to time and is subject to change at any time. While the Tax-Exempt Veterans Mortgage Bonds that were called for special redemption in calendar year 2009 were those with the highest interest rates, the Tax-Exempt Veterans Mortgage Bonds called for special redemption in calendar year 2010 reflect the working policy outlined above.

The most recent special redemption of Tax-Exempt Veterans Mortgage Bonds occurred on November 1, 2010, as summarized in [Table III-15](#). This special redemption used both prepayments of veterans housing loans funded with Tax-Exempt Veterans Mortgage Bonds and money available from the Insurance Reserve Account, in excess of amounts required to meet scheduled debt service on all Tax-Exempt Veterans Mortgage Bonds. During calendar year 2010 other special redemptions of Tax-Exempt Veterans Mortgage Bonds (using solely prepayments of veterans housing loans funded with Tax-Exempt Veterans Mortgage Bonds) occurred on January 1 (aggregate of \$2 million), May 1 (aggregate of \$5 million), and August 1 (aggregate of \$3 million).

Table III-15

**NOVEMBER 1, 2010 SPECIAL REDEMPTION
TAX-EXEMPT VETERANS MORTGAGE BONDS**

<u>Bond Issue</u>	<u>Maturity Date</u>	<u>Coupon</u>	<u>Redemption Amount</u>
1999 Series 1	2011	5.00%	\$ 585,000
	2012	5.00	625,000
2003 Series 2	2024	5.00	2,150,000
2007 Series 2	2016	4.125	3,900,000
2006 Series C	2020	5.00	1,550,000
	2021	5.00	1,660,000
	2022	5.00	1,770,000
	2023	5.00	1,880,000
2008 Series 1	2018	4.75	6,320,000

Special Redemption; Taxable Veterans Mortgage Bonds

The State had outstanding, as of December 15, 2010, approximately \$85 million of Taxable Veterans Mortgage Bonds.

Taxable Veterans Mortgage Bonds are subject to special redemption prior to maturity, at the option of the Commission, on any date, in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, from:

- Unexpended proceeds from only that series of Taxable Veterans Mortgage Bonds, as provided in the respective authorizing resolution.
- Prepayments of veterans housing loans or HILP loans, or interest or income on investments in certain accounts, funded from or attributed to only that series of Taxable Veterans Mortgage Bonds, as provided in the respective authorizing resolution.

In the event of a partial redemption, the Commission shall direct the maturities of the Taxable Veterans Mortgage Bonds and the amounts thereof so to be redeemed; however, the Commission has stated in the respective Official Statements that it intends to apply amounts from these sources as a *pro rata* redemption on all applicable outstanding maturities of the Taxable Veterans Mortgage Bonds, subject to rounding, to reflect approximately the unexpended proceeds or prepayment from either veterans housing loans or HILP loans.

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

The State has historically received, and expects to continue to receive, prepayments of veterans housing loans and HILP loans funded with Taxable Veterans Mortgage Bonds. See Table III-26 for a summary of these prepayments received over the past three years. The State may use prepayments of veterans housing loans and HILP loans funded with Taxable Veterans Mortgage Bonds to make new veterans housing loans and HILP loans. If the State determines that it is not feasible to make new veterans housing loans or HILP loans, then the State intends to use these prepayments to purchase or redeem Taxable Veterans Mortgage Bonds, as determined by the Commission

The Commission has made several special redemptions of Taxable Veterans Mortgage Bonds from these prepayments. The Commission most recently made such a special redemption of Taxable Veterans Mortgage Bonds on November 1, 2010, as summarized in [Table III-16](#). During calendar year 2010 other special redemptions of Taxable Veterans Mortgage Bonds occurred on January 1 (aggregate of \$3 million), May 1 (aggregate of \$3 million), and August 1, 2010 (aggregate of \$3 million). In addition, an optional redemption in the amount of approximately \$6 million was also made on November 1, 2010 using funds available from the veterans housing loan program.

See [Table III-17](#) for an aggregate summary of special redemptions (from prepayments and unexpended proceeds) that have occurred on Taxable Veterans Mortgage Bonds for the past ten years.

Table III-16

**NOVEMBER 1, 2010 SPECIAL REDEMPTION
TAXABLE VETERANS MORTGAGE BONDS**

<u>Bond Issue</u>	<u>Maturity Date</u>	<u>Coupon</u>	<u>Redemption Amount</u>
2002 Series B	2032	6.25%	\$ 115,000
2002 Series D	2033	6.25	295,000
2002 Series F	2033	5.25	100,000
2002 Series H	2033	5.25	245,000

Table III-17

**SUMMARY OF SPECIAL REDEMPTIONS
TAXABLE VETERANS MORTGAGE BONDS
(As of December 15, 2010)**

Bond Issue	Dated Date	Maturity Date	Original Issue Amount	Special Redemption; Calendar Year 2001	Special Redemption; Calendar Year 2002	Special Redemption; Calendar Year 2003	Special Redemption; Calendar Year 2004	Special Redemption; Calendar Year 2005	Special Redemption; Calendar Year 2006	Special Redemption; Calendar Year 2007	Special Redemption; Calendar Year 2008	Special Redemption; Calendar Year 2009	Special Redemption; Calendar Year 2010	Optional Redemption and Sinking Fund Payments Made	Outstanding Par Amount	Coupon	
1997 Series D	9/15/1997	11/1/1999	\$ 620,000												-	6.15%	
		11/1/2000	655,000													-	6.15%
		11/1/2001	695,000	\$ 5,000												-	6.25%
		11/1/2002	740,000	5,000	\$ 35,000											-	6.30%
		11/1/2003	785,000	10,000	75,000	\$ 165,000										-	6.40%
		11/1/2004	840,000	15,000	70,000	280,000	\$ 25,000									-	6.50%
		11/1/2005	895,000	5,000	90,000	305,000	65,000	\$ 20,000								-	6.55%
		11/1/2006	950,000	15,000	85,000	330,000	85,000	25,000	\$ 15,000							-	6.60%
		11/1/2007	1,010,000	10,000	100,000	340,000	75,000	25,000	25,000	\$ 40,000						-	6.65%
		11/1/2008	1,080,000	15,000	100,000	385,000	95,000	30,000	20,000	40,000						-	6.70%
		11/1/2009	1,155,000	15,000	115,000	385,000	85,000	30,000	25,000	45,000						-	6.80%
		11/1/2010	1,230,000	15,000	120,000	420,000	100,000	25,000	30,000	50,000		\$ 10,000	\$ 10,000			-	6.85%
		11/1/2011	1,320,000	15,000	120,000	450,000	110,000	40,000	25,000	55,000		5,000	25,000		\$ 380,000	-	6.90%
		11/1/2012	1,410,000	20,000	130,000	490,000	115,000	35,000	30,000	50,000		10,000	20,000			400,000	6.90%
		11/1/2017	6,760,000	90,000	710,000	2,650,000	670,000	215,000	185,000	200,000		55,000	145,000			1,370,000	7.15%
		11/1/2028	24,855,000	340,000	2,650,000	10,095,000	2,590,000	830,000	705,000	680,000		225,000	560,000			4,530,000	7.25%
				Subtotal	45,000,000	575,000	4,400,000	16,295,000	4,015,000	1,275,000	1,060,000	1,160,000	-	305,000	760,000	-	6,680,000
1998 Series C	5/15/1998	5/1/1999	495,000												-	5.80%	
		5/1/2000	495,000												-	5.85%	
		5/1/2001	525,000												-	5.90%	
		5/1/2002	550,000	5,000	25,000											-	6.05%
		5/1/2003	595,000	10,000	70,000	55,000										-	6.05%
		5/1/2004	625,000	10,000	80,000	265,000										-	6.10%
		5/1/2005	675,000	10,000	95,000	305,000	40,000									-	6.15%
		5/1/2006	710,000	10,000	85,000	310,000	50,000	20,000								-	6.20%
		5/1/2007	760,000	15,000	105,000	340,000	50,000	20,000	5,000							-	6.25%
		5/1/2008	815,000	10,000	95,000	365,000	50,000	30,000	10,000	10,000						-	6.30%
		5/1/2028	27,760,000	380,000	2,910,000	12,935,000	2,185,000	870,000	185,000	550,000	180,000	360,000	300,000	370,000		4,970,000	6.95%
				Subtotal	34,005,000	450,000	3,465,000	14,575,000	2,375,000	940,000	200,000	560,000	180,000	360,000	300,000	370,000	4,970,000

Table III-17 — Continued
SUMMARY OF SPECIAL REDEMPTIONS
TAXABLE VETERANS MORTGAGE BONDS
(As of December 15, 2010)

Bond Issue	Dated Date	Maturity Date	Original Issue Amount	Special Redemption; Calendar Year 2001	Special Redemption; Calendar Year 2002	Special Redemption; Calendar Year 2003	Special Redemption; Calendar Year 2004	Special Redemption; Calendar Year 2005	Special Redemption; Calendar Year 2006	Special Redemption; Calendar Year 2007	Special Redemption; Calendar Year 2008	Special Redemption; Calendar Year 2009	Special Redemption; Calendar Year 2010	Optional Redemption and Sinking Fund Payments Made	Outstanding Par Amount	Coupon		
1998 Series F	10/15/1998	11/1/1999	\$ 355,000												-	-		
		11/1/2000	725,000													-	5.00%	
		11/1/2001	760,000	\$ 5,000												-	5.10%	
		11/1/2002	790,000	5,000	\$ 40,000											-	5.20%	
		11/1/2003	830,000	10,000	85,000	\$ 290,000										-	5.35%	
		11/1/2004	870,000	5,000	80,000	440,000										-	5.45%	
		11/1/2005	915,000	10,000	90,000	460,000	\$ 75,000	\$ 30,000								-	5.55%	
		11/1/2006	960,000	10,000	100,000	475,000	80,000	35,000	\$ 5,000							-	5.55%	
		11/1/2007	1,015,000	10,000	100,000	510,000	85,000	35,000	10,000	\$ 30,000						-	5.60%	
		11/1/2008	1,065,000	10,000	105,000	535,000	85,000	40,000	15,000	30,000						-	5.65%	
		11/1/2009	1,125,000	10,000	105,000	570,000	95,000	40,000	10,000	35,000		\$ 20,000				-	5.75%	
		11/1/2029	45,590,000	415,000	4,495,000	22,890,000	3,750,000	1,665,000	460,000	1,405,000		1,395,000	\$ 585,000	205,000	\$ 7,370,000	6.40%		
		Subtotal	55,000,000	490,000	5,200,000	26,170,000	4,170,000	1,845,000	500,000	1,500,000	-	1,415,000	585,000	-	7,370,000			
		1999 Series B	5/1/1999	11/1/2000	420,000												-	5.35%
				11/1/2001	450,000												-	5.60%
11/1/2002	480,000			10,000	50,000										-	5.80%		
11/1/2003	500,000			5,000	95,000	200,000									-	6.00%		
11/1/2004	535,000			5,000	100,000	280,000									-	6.20%		
11/1/2005	570,000			5,000	105,000	295,000	40,000	10,000							-	6.25%		
11/1/2006	600,000			5,000	115,000	310,000	45,000	10,000							-	6.25%		
11/1/2007	640,000			10,000	115,000	340,000	45,000	10,000	5,000	5,000					-	6.30%		
11/1/2008	680,000			5,000	130,000	355,000	50,000	10,000		10,000					-	6.35%		
11/1/2009	725,000			10,000	135,000	375,000	55,000	15,000	5,000	15,000		5,000			-	6.40%		
11/1/2010	770,000			5,000	145,000	400,000	55,000	10,000	5,000	10,000	5,000	5,000			-	6.40%		
11/1/2013	2,620,000			30,000	490,000	1,370,000	200,000	45,000	10,000	40,000	5,000	10,000	15,000		375,000	6.50%		
11/1/2016	3,180,000			35,000	600,000	1,655,000	235,000	55,000	15,000	50,000	10,000	15,000	20,000		450,000	7.00%		
11/1/2030	27,830,000			305,000	5,225,000	14,520,000	2,060,000	480,000	140,000	420,000	70,000	145,000	165,000		3,945,000	7.25%		
Subtotal	40,000,000			420,000	7,305,000	20,100,000	2,785,000	645,000	180,000	550,000	90,000	180,000	200,000	-	4,770,000			

Table III-17 — Continued
SUMMARY OF SPECIAL REDEMPTIONS
TAXABLE VETERANS MORTGAGE BONDS
(As of December 15, 2010)

Bond Issue	Dated Date	Maturity Date	Original Issue Amount	Special Redemption; Calendar Year 2001	Special Redemption; Calendar Year 2002	Special Redemption; Calendar Year 2003	Special Redemption; Calendar Year 2004	Special Redemption; Calendar Year 2005	Special Redemption; Calendar Year 2006	Special Redemption; Calendar Year 2007	Special Redemption; Calendar Year 2008	Special Redemption; Calendar Year 2009	Special Redemption; Calendar Year 2010	Optional Redemption and Sinking Fund Payments Made	Outstanding Par Amount	Coupon
1999 Series D	11/1/1999	11/1/2010	\$ 9,465,000	\$ 550,000	\$ 3,290,000	\$ 2,970,000	\$ 240,000	\$ 75,000						\$ 2,340,000	\$ -	7.70%
		11/1/2030	55,535,000	2,315,000	22,430,000	21,150,000	1,960,000	755,000						2,990,000	3,935,000	7.70%
		Subtotal	65,000,000	2,865,000	25,720,000	24,120,000	2,200,000	830,000						-	5,330,000	3,935,000
2000 Series B	7/1/2000	11/1/2010	4,625,000	1,000,000	870,000	1,520,000	85,000	10,000	\$ 5,000	\$ 5,000				1,130,000	-	7.50%
		11/1/2030	30,375,000	7,215,000	6,655,000	12,170,000	850,000	100,000	75,000	135,000				3,175,000	-	8.05%
		Subtotal	35,000,000	8,215,000	7,525,000	13,690,000	935,000	110,000	80,000	140,000				-	4,305,000	-
2000 Series E	11/7/2000	11/1/2016	5,000,000	-	1,600,000	1,160,000	435,000	165,000	40,000	150,000				760,000	690,000	7.00%
2001 Series A	2/21/2001	5/1/2031	15,000,000	N/A	-	9,625,000	1,145,000	255,000	340,000	280,000	\$ 170,000	\$ 530,000	\$ 20,000	695,000	1,940,000	7.00%
2001 Series D	6/15/2001	11/1/2002	320,000												-	4.50%
2001 Series D	6/15/2001	11/1/2003	255,000		10,000	125,000									-	5.00%
2001 Series D	6/15/2001	11/1/2004	265,000		10,000	185,000									-	5.30%
2001 Series D	6/15/2001	11/1/2005	280,000		10,000	200,000	20,000								-	5.50%
2001 Series D	6/15/2001	11/1/2006	295,000		10,000	210,000	25,000								-	5.60%
2001 Series D	6/15/2001	11/1/2007	315,000		15,000	225,000	15,000			5,000					-	5.75%
2001 Series D	6/15/2001	11/1/2008	330,000		10,000	240,000	25,000			10,000					-	5.90%
2001 Series D	6/15/2001	11/1/2011	1,110,000		45,000	785,000	85,000			25,000		5,000	10,000	105,000	50,000	6.20%
2001 Series D	6/15/2001	11/1/2016	2,390,000		95,000	1,700,000	175,000	5,000	5,000	60,000		20,000	30,000		300,000	6.60%
2001 Series D	6/15/2001	11/1/2021	3,305,000		130,000	2,350,000	250,000	5,000	10,000	85,000	5,000	25,000	50,000		395,000	6.90%
2001 Series D	6/15/2001	11/1/2031	11,135,000		440,000	7,925,000	830,000	20,000	25,000	275,000	15,000	90,000	175,000		1,340,000	7.05%
		Subtotal	20,000,000	N/A	775,000	13,945,000	1,425,000	30,000	40,000	460,000	20,000	140,000	265,000	-	2,085,000	
2001 Series E	10/1/2001	11/1/2017	6,210,000			3,230,000	440,000	180,000	265,000	205,000		305,000		1,015,000	570,000	6.12%
2001 Series E	10/1/2001	11/1/2021	2,730,000			1,505,000	220,000	90,000	145,000	115,000		210,000	5,000		440,000	6.71%
2001 Series E	10/1/2001	11/1/2031	11,060,000			6,095,000	900,000	375,000	580,000	470,000		835,000	15,000		1,790,000	6.96%
		Subtotal	20,000,000	N/A	-	10,830,000	1,560,000	645,000	990,000	790,000	-	1,350,000	20,000	1,015,000	2,800,000	

Table III-17 — Continued
SUMMARY OF SPECIAL REDEMPTIONS
TAXABLE VETERANS MORTGAGE BONDS
(As of December 15, 2010)

Bond Issue	Dated Date	Maturity Date	Original Issue Amount	Special Redemption; Calendar Year 2001	Special Redemption; Calendar Year 2002	Special Redemption; Calendar Year 2003	Special Redemption; Calendar Year 2004	Special Redemption; Calendar Year 2005	Special Redemption; Calendar Year 2006	Special Redemption; Calendar Year 2007	Special Redemption; Calendar Year 2008	Special Redemption; Calendar Year 2009	Special Redemption; Calendar Year 2010	Optional Redemption and Sinking Fund Payments Made	Outstanding Par Amount
2002 Series B	3/26/2002	11/1/2032	15,000,000	N/A	N/A	\$ 5,825,000	\$ 1,285,000	\$ 860,000	\$ 1,040,000	\$ 1,060,000	\$ 160,000	\$ 1,385,000	\$ 350,000	\$ 730,000	\$ 2,305,000
2002 Series D	6/12/2002	5/1/2033	20,000,000	N/A	\$ 2,000,000	5,025,000	4,345,000	330,000	830,000	850,000	130,000	1,110,000	750,000	785,000	3,845,000
2002 Series E	9/26/2002	5/1/2018	2,000,000	N/A	N/A	-	65,000	-	470,000	-	220,000	110,000	15,000	540,000	580,000
2002 Series F	9/26/2002	5/1/2033	13,000,000	N/A	N/A	470,000	910,000	660,000	-	-	430,000	2,270,000	985,000	1,250,000	6,025,000
2002 Series H	12/30/2002	5/1/2033	15,000,000	N/A	N/A	-	2,080,000	1,125,000	-	230,000	660,000	2,170,000	990,000	1,420,000	6,325,000
2003 Series I	4/3/2003	11/1/2019	7,000,000	N/A	N/A	N/A	1,915,000	370,000	230,000	-	510,000	160,000	75,000	1,615,000	2,125,000
2003 Series B	7/24/2003	11/1/2033	30,000,000	N/A	N/A	N/A	-	1,760,000	-	60,000	-	5,000,000	3,280,000	3,665,000	16,235,000
2004 Series B	8/12/2004	11/1/2014	1,000,000	N/A	N/A	N/A	N/A	-	-	5,000	40,000	190,000	115,000	445,000	205,000
2004 Series C	8/12/2004	11/1/2019	1,000,000	N/A	N/A	N/A	N/A	-	-	70,000	40,000	290,000	35,000	245,000	320,000
2004 Series D	8/26/2004	11/1/2034	20,000,000	N/A	N/A	N/A	N/A	13,500,000	-	175,000	160,000	1,315,000	510,000	555,000	3,785,000
2005 Series C	4/7/2005	5/1/2035	5,000,000	N/A	N/A	N/A	N/A	N/A	-	5,000	280,000	70,000	860,000	380,000	3,405,000
2006 Series B	7/7/2006	11/1/2021	2,000,000	N/A	N/A	N/A	N/A	N/A	N/A	20,000	-	700,000	170,000	330,000	780,000
2008 Series B	5/30/2008	5/1/2038	4,445,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	400,000	230,000	125,000	3,690,000
Totals			\$ 469,450,000	\$ 13,015,000	\$ 57,990,000	\$ 161,830,000	\$ 31,645,000	\$ 25,345,000	\$ 6,000,000	\$ 8,065,000	\$ 3,090,000	\$ 19,450,000	\$ 10,515,000	\$ 24,560,000	\$ 84,865,000

Note: The total original issue amount less all the special redemptions and sinking fund payment amounts does not equal the total outstanding par amount since the table does not include serial bonds that matured prior to the date of this 2010 Annual Report.

Financial and Statistical Information

The following unaudited financial and statistical information and notes relate to the operation of the veterans housing loan program. Veterans Mortgage Bonds issued to fund this program are general obligations; the bondholders have no special pledge or lien on revenues derived from this program.

Table III-18

VETERANS HOUSING LOAN PROGRAM BALANCE SHEET (As of June 30; Amounts in Thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
ASSETS					
Cash and Cash Equivalents.....	\$ 58,108	\$ 75,288	\$ 129,521	\$ 154,097	\$ 166,816
Veterans Loans.....	225,132	258,368	276,838	256,280	250,748
Other Receivables.....	2,006	1,647	1,624	1,945	1,466
Advances to Other Funds.....	454				
Due From Other Funds.....					1
Prepaid Items.....	43	40	40	72	248
Deferred Charges.....	1,653	2,507	3,311	3,612	3,344
Capital Assets (net of accumulated depreciation).....	77	103	131	29	41
Other Assets.....	1,041	908	595	385	318
Total Assets.....	<u>\$ 288,514</u>	<u>\$ 338,860</u>	<u>\$ 412,060</u>	<u>\$ 416,420</u>	<u>\$ 422,982</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable and Other Accrued Liabilities.....	\$ 278	\$ 170	\$ 325	\$ 621	\$ 631
Due to Other Funds.....	284	183	123	189	395
Due to Other Governments.....	15	12	41	520	13
Tax and Other Deposits.....					1
Unearned Revenue.....				1	11
Interest Payable.....	2,210	2,588	3,024	3,228	2,793
Compensated Absences.....	308	259	209	328	376
Other Postemployment Benefits	122	146	80		
Short Term Note Payable.....				4,445	61,000
General Obligation Bonds Payable.....	259,926	304,422	372,104	367,881	314,424
Total Liabilities.....	<u>\$ 263,144</u>	<u>\$ 307,778</u>	<u>\$ 375,904</u>	<u>\$ 377,211</u>	<u>\$ 379,645</u>
Fund Equity:					
Retained Earnings:					
Unreserved.....	\$ 25,370	\$ 31,082	\$ 36,156	\$ 39,209	\$ 43,336
Total Fund Equity.....	<u>\$ 25,370</u>	<u>\$ 31,082</u>	<u>\$ 36,156</u>	<u>\$ 39,209</u>	<u>\$ 43,336</u>
Total Liabilities and Fund Equity.....	<u>\$ 288,514</u>	<u>\$ 338,860</u>	<u>\$ 412,060</u>	<u>\$ 416,420</u>	<u>\$ 422,982</u>

Source: Department of Veterans Affairs

Table III-19

VETERANS HOUSING LOAN PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
(As of June 30; Amounts in Thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating Revenues:					
Investment and Interest Income.....	\$ 14,705	\$ 17,285	\$ 16,418	\$ 15,346	\$ 16,141
Total Operating Revenues.....	<u>\$ 14,705</u>	<u>\$ 17,285</u>	<u>\$ 16,418</u>	<u>\$ 15,346</u>	<u>\$ 16,141</u>
Operating Expenses:					
Personal Services.....	\$ 2,486	\$ 2,577	\$ 2,313	\$ 3,762	\$ 3,796
Supplies and Services.....	577	581	495	889	747
Depreciation.....	30	30	21	15	23
Interest Expense.....	15,186	19,116	19,670	20,466	19,764
Other Expenses.....	2,254	1,411	1,149	1,072	1,059
Total Operating Expenses.....	<u>20,533</u>	<u>23,715</u>	<u>23,649</u>	<u>26,205</u>	<u>25,388</u>
Operating Income (Loss).....	<u>(\$ 5,828)</u>	<u>(\$ 6,431)</u>	<u>(\$ 7,230)</u>	<u>(\$ 10,859)</u>	<u>(\$ 9,247)</u>
Nonoperating Revenues (Expenses):					
Investment and Interest Income.....	\$ 177	\$ 1,324	\$ 5,375	\$ 7,665	\$ 5,401
Other Revenues.....	4	40			
Other Expenses:					
Grants Disbursed.....	(339)	(452)	(451)	(449)	(457)
Other.....			(47)	(499)	
Total Nonoperating Revenue (Expense).....	<u>(159)</u>	<u>913</u>	<u>4,876</u>	<u>6,717</u>	<u>4,944</u>
Income (Loss) Before Operating Transfers.....	<u>(5,987)</u>	<u>(5,518)</u>	<u>(2,347)</u>	<u>(4,132)</u>	<u>(4,303)</u>
Operating Transfers In.....	0	10			
Operating Transfers Out.....	(51)	(77)	(707)	(67)	(142)
Net Income before Extraordinary Items and Cumulative	<u>(6,039)</u>	<u>(5,584)</u>	<u>(3,053)</u>	<u>(4,127)</u>	<u>(4,444)</u>
Extraordinary Items:					
Gain (Loss) from Extinguishment of Debt.....					
Net Income	<u>(\$ 6,039)</u>	<u>(\$ 5,584)</u>	<u>(\$ 3,053)</u>	<u>(\$ 4,127)</u>	<u>(\$ 4,444)</u>
Retained Earnings, Beginning of Year.....	\$31,082	\$36,156	\$39,209	\$43,336	\$47,781
Prior Period Adjustments.....	327	510			
Retained Earnings, End of Year	<u>\$25,370</u>	<u>\$31,082</u>	<u>\$36,156</u>	<u>\$39,209</u>	<u>\$43,336</u>

Source: Department of Veterans Affairs

Table III-20

VETERANS HOUSING LOAN PROGRAM
STATEMENT OF CASH FLOWS
(As of June 30; Amounts in Thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities:					
Cash Payments to Suppliers for Goods and Services.....	(\$ 560)	(\$ 711)	(\$ 414)	(\$ 911)	(\$ 692)
Cash Payments to Employees for Services.....	(2,464)	(2,324)	(2,407)	(3,847)	(3,761)
Cash Payments for Loans Originated.....	(11,136)	(38,761)	(52,544)	(39,453)	(16,176)
Investment and Interest Income.....	15,972	18,287	16,756	15,628	16,403
Collection of Loans.....	42,233	55,703	31,431	32,994	42,240
Other Operating Revenues (Expenses).....	(1,387)	(1,262)	(1,039)	(976)	(963)
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 42,658</u>	<u>\$ 30,932</u>	<u>(\$ 8,217)</u>	<u>\$ 3,437</u>	<u>\$ 37,051</u>
Cash Flows from Noncapital Financing Activities:					
Proceeds from Issuance of Debt.....			\$ 44,870	\$ 68,130	\$ 61,000
Grants to Individuals or Governments.....	(\$ 336)	(\$ 444)	(468)	(442)	(448)
Repayment of Bonds and Notes.....	(44,790)	(68,315)	(44,755)	(71,195)	(21,650)
Interest Payments.....	(14,824)	(18,208)	(19,383)	(19,497)	(19,405)
Operating Transfers Out.....	(51)	(87)	(221)	(67)	(75)
Other Cash Inflows from Noncapital Financing Activities.....	3	63	7	10	
Other Cash Outflows from Noncapital Financing Activities.....			(1,284)	(746)	
Net Cash Provided (Used) by Noncapital Financing Activities.....	<u>(\$ 59,998)</u>	<u>(\$ 86,992)</u>	<u>(\$ 21,233)</u>	<u>(\$ 23,807)</u>	<u>\$ 19,422</u>
Cash Flows from Capital and Related Financing Activities:					
Payments for Purchase of Fixed Assets.....	(\$ 3)	(\$ 2)	(\$ 123)	(\$ 4)	\$ 0
Net Cash Provided (Used) by Capital and Related Financing Activities.....	<u>(\$ 3)</u>	<u>(\$ 2)</u>	<u>(\$ 123)</u>	<u>(\$ 4)</u>	<u>\$ 0</u>
Cash Flows from Investing Activities:					
Interest and Dividends Receipts.....	163	1,318	4,998	7,654	5,362
Net Cash Provided (Used) by Investing Activities.....	<u>\$ 163</u>	<u>\$ 1,318</u>	<u>\$ 4,998</u>	<u>\$ 7,654</u>	<u>\$ 5,362</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(\$ 17,180)	(\$ 54,744)	(\$ 24,576)	(\$ 12,719)	\$ 61,835
Cash and Cash Equivalents, Beginning of Year.....	75,288	130,031	154,096	166,815	104,980
Cash and Cash Equivalents, End of Year.....	<u>\$ 58,108</u>	<u>\$ 75,288</u>	<u>\$ 129,520</u>	<u>\$ 154,096</u>	<u>\$ 166,815</u>
Operating Income (Loss).....	<u>(\$ 5,828)</u>	<u>(\$ 6,431)</u>	<u>(\$ 7,230)</u>	<u>(\$ 10,859)</u>	<u>(\$ 9,247)</u>
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation.....	\$ 30	\$ 30	\$ 21	\$ 15	\$ 23
Provision for Uncollectible Accounts.....	461	48	9	(4)	(5)
Operating Expense (Interest Expense) Classified as Noncapital Financing Act.	15,186	19,116	19,670	20,466	19,764
Miscellaneous Non-Operating Income (Expense).....	(1)				
Changes in Assets and Liabilities:					
Decrease (Increase) in Mortgage Loans Receivables.....	32,776	18,421	(20,567)	(5,528)	26,080
Decrease (Increase) in Other Accounts Receivables.....	(360)	(23)	321	(479)	793
Decrease (Increase) in Due From Other Funds.....				1	(1)
Decrease (Increase) in Investments.....					
Decrease (Increase) in Prepaid Items.....			32	(0)	(8)
Decrease (Increase) in Deferred Charges.....	406	101	101	101	101
Decrease (Increase) in Other Assets.....	(133)	(314)	(210)	(67)	(236)
Decrease (Increase) in Accounts Payable and Other Accrued Liabilities.....	106	(164)	(297)	(12)	(124)
Decrease (Increase) in Compensated Absences.....	49	50	(119)	(48)	30
Decrease (Increase) in Other Postemployment Benefits.....	(23)	66	80		
Decrease (Increase) in Due to Other Funds.....	(12)	60	(66)	(139)	(88)
Decrease (Increase) in Due to Other Governments.....	5	(30)	38	2	(4)
Decrease (Increase) in Tax and Other Deposits.....				(1)	
Decrease (Increase) in Unearned Revenues.....			(1)	(10)	(25)
Total Adjustments.....	<u>\$ 48,489</u>	<u>\$ 37,363</u>	<u>(\$ 987)</u>	<u>\$ 14,295</u>	<u>\$ 46,298</u>
Net Cash Provided by Operating Activities.....	<u>\$ 42,658</u>	<u>\$ 30,932</u>	<u>(\$ 8,217)</u>	<u>\$ 3,437</u>	<u>\$ 37,051</u>
Noncash Investing, Capital and Financing Activities					
Other (Residual Equity Transfer)					
Total Noncash Investing, Capital and Financing Activities					

Source: Department of Veterans Affairs

Table III-21
VETERANS HOUSING LOAN PROGRAM
BONDS ISSUED AND RELATED RATES OF INTEREST ^(a)
(On Bonds Issued to December 15, 2010)

<u>Bonds Dated</u>	<u>Amount of Issue</u>	<u>Interest Rate Paid by the State ^(b)</u>	<u>Interest Rate Charged to Veterans ^(c)</u>
4/01/85	\$290,955,000	9.49%	10.60%
5/22/86	38,185,500	7.78	8.55
7/01/88	15,000,000	7.87	8.55
1/01/89	20,000,000	7.98	8.55
8/01/89	20,000,000	7.22	7.85
3/01/90	20,000,000	7.60	8.25
10/01/90	20,000,000	7.62	8.25
4/01/91	30,000,000	7.36	8.10
6/01/92	30,000,000	6.56	7.40
10/15/93	20,000,000	5.40	5.25 ^(d)
9/15/94	45,000,000	6.62	7.25
2/15/95	29,625,000	6.46	7.45
10/15/95	42,850,000	5.58	6.55
5/15/96	45,000,000	6.07	7.00
10/15/96	30,000,000	5.93	6.90
3/15/1997	45,000,000	5.97	6.90
9/15/1997	45,000,000	5.41	6.40
9/15/1997	45,000,000	7.30	6.40 ^(e)
5/15/1998	30,565,000	5.41	6.65
5/15/1998	34,005,000	6.93	6.65 ^(e)
10/15/1998	6,155,000	4.87	6.50
10/15/1998	55,000,000	6.37	6.50 ^(e)
5/01/1999	40,000,000	7.14	6.85 ^(e)
11/01/1999	65,000,000	7.75	7.80 ^(e)
7/01/2000	35,000,000	8.02	7.90 ^(e)
2/21/2001	15,000,000	7.00	6.80 ^(e)
6/15/2001	20,000,000	6.96	7.00 ^(e)
10/1/2001	20,000,000	6.80	6.80 ^(e)
3/26/2002	15,000,000	6.25	6.50 ^(e)
6/12/2002	20,000,000	6.25	6.50 ^(e)
9/26/2002	13,000,000	5.25	5.65
12/30/2002	15,000,000	5.25	5.75
4/1/2003	81,630,000	4.62/4.73	5.30/5.75
7/24/2003	30,000,000	4.35	5.35/5.75/5.30
8/26/2004	20,000,000	5.65	6.15
4/7/2005	5,000,000	5.40	5.99
8/2/2006	61,685,000	5.06	6.00
10/31/2007	20,570,000	4.66	6.00
5/30/2008	4,445,000	4.90	6.00
6/26/2008	19,855,000	4.80	5.75

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

^(b) Reflects the true interest cost rate for the associated series of bonds.

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

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

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

Source: Departments of Administration and Veterans Affairs

Table III-22

**VETERANS HOUSING LOAN PROGRAM
60+ DAY LOAN DELINQUENCIES**

	<u>Month Ending</u>	<u>Principal Amount Outstanding</u>	<u>Number of Loans Outstanding</u>	<u>60+ Day Delinquent Loans</u>	<u>Percent of Total</u>
2007	January	\$246,922,395	3,601	27	0.75%
	February	247,626,268	3,566	28	0.79
	March	248,305,638	3,525	25	0.71
	April	248,848,115	3,477	21	0.60
	May	248,719,529	3,432	23	0.67
	June	251,503,500	3,409	28	0.82
	July	252,665,761	3,369	31	0.92
	August	259,169,908	3,364	23	0.68
	September.....	260,258,220	3,341	31	0.93
	October.....	264,692,722	3,337	25	0.75
	November.....	268,644,679	3,330	26	0.78
	December	269,434,460	3,305	24	0.73
2008	January	268,642,924	3,280	30	0.91
	February	267,031,321	3,239	31	0.96
	March	267,464,437	3,197	34	1.06
	April	265,630,295	3,143	26	0.83
	May	266,207,394	3,098	28	0.90
	June	270,926,895	3,100	33	1.06
	July	273,186,362	3,084	32	1.04
	August	280,544,886	3,079	27	0.88
	September.....	285,208,863	3,082	28	0.91
	October.....	288,101,465	3,068	29	0.95
	November.....	290,881,437	3,077	32	1.04
	December	292,796,657	3,059	35	1.14
2009	January	289,735,326	3,006	30	1.00
	February	283,672,968	2,929	30	1.02
	March	278,136,522	2,859	37	1.29
	April	269,781,496	2,765	38	1.37
	May	262,391,271	2,689	36	1.34
	June	255,155,123	2,619	36	1.37
	July	255,176,546	2,581	35	1.36
	August	253,214,494	2,548	34	1.33
	September.....	252,351,979	2,530	34	1.34
	October.....	248,835,344	2,485	34	1.37
	November.....	247,273,813	2,450	40	1.63
	December	243,551,234	2,399	43	1.79
2010	January	240,683,225	2,369	38	1.60
	February	237,863,991	2,342	41	1.75
	March	234,689,780	2,312	44	1.90
	April	230,978,719	2,268	41	1.81
	May	228,730,564	2,227	41	1.84
	June	223,730,564	2,171	37	1.70
	July	219,834,470	2,132	38	1.78
	August	214,644,656	2,092	38	1.82
	September.....	209,821,821	2,055	42	2.04
	October.....	200,767,367	1,992	43	2.16

Source: Department of Veterans Affairs

Table III-23

**DEBT SERVICE SCHEDULE ON STATE GENERAL OBLIGATION BONDS ISSUED TO FUND
VETERANS HOUSING AND HILP LOANS
(December 15, 2010)**

Fiscal Year (Ending June 30)	Principal	Interest	Total Debt Service
2011 ^(a)	\$ 2,660,000	\$ 5,741,790	\$ 8,401,790
2012.....	7,780,000	11,253,258	19,033,258
2013.....	8,120,000	10,900,656	19,020,656
2014.....	8,440,000	10,530,521	18,970,521
2015.....	5,655,000	10,201,979	15,856,979
2016.....	8,245,000	9,880,765	18,125,765
2017.....	14,100,000	9,443,017	23,543,017
2018.....	8,235,000	8,815,198	17,050,198
2019.....	6,930,000	8,379,578	15,309,578
2020.....	9,260,000	7,923,514	17,183,514
2021.....	9,435,000	7,431,478	16,866,478
2022.....	9,275,000	6,920,258	16,195,258
2023.....	9,665,000	6,414,907	16,079,907
2024.....	12,345,000	5,878,632	18,223,632
2025.....	12,505,000	5,215,446	17,720,446
2026.....	14,135,000	4,534,429	18,669,429
2027.....	14,720,000	3,773,553	18,493,553
2028.....	7,985,000	3,142,529	11,127,529
2029.....	7,530,000	2,692,293	10,222,293
2030.....	7,440,000	2,280,018	9,720,018
2031.....	7,180,000	1,883,661	9,063,661
2032.....	6,580,000	1,519,619	8,099,619
2033.....	6,455,000	1,192,284	7,647,284
2034.....	5,460,000	869,891	6,329,891
2035.....	4,630,000	624,885	5,254,885
2036.....	4,400,000	398,340	4,798,340
2037.....	3,355,000	178,550	3,533,550
2038.....	225,000	11,025	236,025
TOTALS.....	\$ 222,745,000	\$ 148,032,073	\$ 370,777,073

^(a) For the fiscal year ending June 30, 2011, the table includes debt service amounts for the period December 15, 2010 through June 30, 2011.

Source: Department of Administration

Table III-24

**VETERANS HOUSING LOAN PROGRAM
TOTAL LOANS BY COUNTY
(Through October 2010)**

<u>County</u>	<u>Number of Loans</u>	<u>% of Total Loans</u>	<u>County</u>	<u>Number of Loans</u>	<u>% of Total Loans</u>
Adams.....	152	0.27%	Marinette	314	0.57%
Ashland.....	106	0.19	Marquette	77	0.14
Barron.....	437	0.79	Menominee.....	16	0.03
Bayfield	105	0.19	Milwaukee.....	9,516	17.19
Brown	3,052	5.51	Monroe	492	0.89
Buffalo.....	100	0.18	Oconto	324	0.59
Burnett.....	80	0.14	Oneida	384	0.69
Calumet.....	377	0.68	Outagamie	2,160	3.90
Chippewa.....	525	0.95	Ozaukee.....	579	1.05
Clark	211	0.38	Pepin.....	55	0.10
Columbia	521	0.94	Pierce.....	377	0.68
Crawford.....	124	0.22	Polk	252	0.46
Dane.....	4,473	8.08	Portage	781	1.41
Dodge	837	1.51	Price	147	0.27
Door.....	252	0.46	Racine.....	2,181	3.94
Douglas.....	551	1.00	Richland	119	0.22
Dunn	338	0.61	Rock	2,228	4.03
Eau Claire	1,248	2.25	Rusk	176	0.32
Florence.....	8	0.01	St. Croix	621	1.12
Fond du Lac.....	1,280	2.31	Sauk.....	534	0.96
Forest.....	31	0.06	Sawyer.....	71	0.13
Grant	404	0.73	Shawano	319	0.58
Green	336	0.61	Sheboygan.....	1,370	2.48
Green Lake	151	0.27	Taylor	108	0.20
Iowa.....	225	0.41	Trempeleau.....	218	0.39
Iron	37	0.07	Vernon.....	170	0.31
Jackson	221	0.40	Vilas	123	0.22
Jefferson	764	1.38	Walworth.....	668	1.21
Juneau	204	0.37	Washburn	142	0.26
Kenosha.....	1,435	2.59	Washington	1,096	1.98
Kewaunee	148	0.27	Waukesha	2,773	5.01
LaCrosse.....	1,328	2.40	Waupaca.....	471	0.85
Lafayette.....	133	0.24	Waushara.....	164	0.30
Langlade	127	0.23	Winnebago	2,125	3.84
Lincoln.....	225	0.41	Wood.....	<u>1,122</u>	<u>2.03</u>
Manitowoc.....	1,165	2.10	Total	55,347	100.00
Marathon	1,363	2.46			

Source: Department of Veterans Affairs.

Table III-25

**OUTSTANDING TAX-EXEMPT VETERANS MORTGAGE BONDS
SUBJECT TO SPECIAL REDEMPTION
(As of December 15, 2010)**

<u>Series</u>	<u>Dated Date</u>	<u>Maturities</u>	<u>Original Par Amount</u>		<u>Par Amount Outstanding</u>		<u>Interest Rate</u>
			<u>May</u>	<u>November</u>	<u>May</u>	<u>November</u>	
1998 Series E	10/15/98	2012	\$ 905,000				4.60%
		2013	950,000				4.70
		2014	995,000				4.80
		2015	1,050,000				4.75
		2016	1,100,000			\$ 940,000	4.75
		2017	1,155,000			985,000	4.80
2003 Series 2	04/01/03	2007	545,000				2.45
		2008	565,000				2.85
		2009	575,000				3.20
		2010	595,000				3.50
		2011	620,000			620,000	3.80
		2012	640,000			640,000	3.95
		2013	665,000			665,000	4.00
		2014	695,000			695,000	4.05
		2015	720,000			720,000	4.15
		2016	750,000			750,000	4.25
		2017	785,000			785,000	4.35
		2018	815,000			815,000	4.50
		2019	855,000			855,000	4.60
		2020	890,000			890,000	4.65
		2021	935,000			935,000	4.80
2024	3,090,000			940,000	5.00		
2003 Series 3	10/30/03	2004		\$ 2,325,000			1.25
		2005		2,345,000			1.55
		2006		2,395,000			1.85
		2007		2,430,000			2.25
		2013		16,210,000		\$ 8,510,000	3.50
		2025		13,000,000		13,000,000	5.00
		2026		29,185,000		29,185,000	5.00
2006 Series C	08/02/06	2008	950,000				4.00
		2009	790,000				4.50
		2010	845,000				4.50
		2011	890,000			890,000	4.50
		2012	960,000			960,000	4.50
		2013	1,010,000			1,010,000	4.50
		2014	1,075,000			1,075,000	4.50
		2015	1,145,000			1,145,000	4.50
		2016	1,220,000			1,220,000	4.50
		2017	1,300,000			1,300,000	4.60
		2018	1,375,000			1,375,000	4.60
		2019	1,470,000			1,470,000	4.60
		2020	1,555,000				5.00
		2021	1,660,000				5.00
		2022	1,770,000				5.00
		2023	1,880,000				5.00
		2024	2,000,000			2,000,000	5.00
		2025	2,120,000			2,120,000	5.00
		2027	4,670,000			4,670,000	4.80
2031	11,260,000			11,260,000	5.00		
2037	21,740,000			21,740,000	5.00		

Table III-25 — Continued
OUTSTANDING TAX-EXEMPT VETERANS MORTGAGE BONDS
SUBJECT TO SPECIAL REDEMPTION
(As of December 15, 2010)

<u>Series</u>	<u>Dated</u> <u>Date</u>	<u>Maturities</u>	<u>Original Par Amount</u>		<u>Par Amount Outstanding</u>		<u>Interest Rate</u>
			<u>May</u>	<u>November</u>	<u>May</u>	<u>November</u>	
2007 Series 2	10/31/07	2008	\$ 60,000	\$ 120,000			3.50%
		2009	130,000	130,000			3.55
		2010	135,000	140,000			3.63
		2011	145,000	145,000	\$ 145,000	\$ 145,000	3.70
		2012	155,000	155,000	150,000	155,000	3.80
		2013	165,000	165,000	160,000	165,000	3.85
		2014	170,000	180,000	165,000	180,000	3.95
		2015	180,000	570,000	175,000	565,000	4.05
		2016	195,000	6,715,000	190,000	2,720,000	4.13
		2017	205,000	210,000	205,000	205,000	4.25
		2022		2,510,000		2,475,000	4.38
		2027		4,155,000		4,095,000	4.50
		2007 Series 3	10/31/07	2025	3,835,000		880,000
2008 Series 1	06/26/08	2009	160,000	180,000			2.30/2.35
		2010	185,000	190,000			2.60/2.65
		2011	195,000	205,000	195,000	205,000	2.95/3.00
		2012	210,000	215,000	210,000	215,000	3.25/3.30
		2013	220,000	200,000	220,000	200,000	3.45
		2014	235,000		235,000		3.60
		2015	250,000		250,000		3.75
		2016	100,000		100,000		3.88
		2017	175,000		175,000		4.00
		2018	400,000		400,000		4.13
		2018	14,680,000		8,360,000		4.75
2023		175,000		175,000	4.75		

Source: Department of Administration

Table III-26
SUMMARY OF PREPAYMENTS ON VETERANS HOUSING AND HILP LOANS
FUNDED WITH VETERANS MORTGAGE BONDS
Prepayments October 2007-September 2010

Mortgage Pool	Interest Rate	October 2007 -	April 2008 -	October 2007 -	April 2008 -	October 2009 -	April 2010 -
	Charged to Veterans	March 2008	September 2008	March 2008	September 2008	March 2010	September 2010
Tax-Exempt Veterans Mortgage Bonds							
1993 Series 6	5.25	\$ 159,052	\$ 289,977	\$ 161,526	\$ 226,448	\$ 244,182	\$ 4,111
1993 Series 5	5.25	406,473	663,939	338,166	283,396	-	-
1994 Series C	7.25	34,351	-	-	-	-	-
1994 Series 1	6.00	586,749	915,469	871,933	341,166	(10,376)	-
1994 Series 3		16,181	2,942	-	-	-	-
1995 Series B	7.45	691	645	-	-	-	-
1995 Series 1	7.45	1,385	-	-	-	-	-
1995 Series 2	6.55	184,850	-	-	-	-	-
1996 Series B	7.00	319,610	182,481	41,631	-	-	-
1996 Series D	6.90	351,536	86,043	3,363	-	-	-
1997 Series A	6.90	5,031	3,846	3,323	-	-	-
1997 Series 1	6.90	213,436	160,321	-	-	-	-
1997 Series C	6.40	327,790	220,431	155,324	-	-	-
1998 Series B	6.65	137,648	489,327	287,074	330,406	-	-
1998 Series E	6.50	23,173	53,153	68,866	89,989	23,979	21,010
1999 Series 1	N/A	51,655	49,145	77,989	93,822	66,382	13,334
2003 Series 2	5.75	120,201	179,684	283,128	376,560	249,824	197,599
2003 Series 3	5.30	913,154	1,076,906	1,071,754	1,885,344	1,265,372	2,636,563
2006 Series C	6.00/6.25	928,130	1,545,669	5,165,941	7,427,119	4,536,211	4,533,572
2007 Series 2	5.65/6.00	1,638	95,655	241,290	985,983	359,710	714,935
2007 Series 3	5.65/6.00	334	19,520	49,239	201,203	73,404	145,892
2008 Series 1	5.75	-	2,418	889,947	1,368,687	633,290	1,236,336
2008 Series 2	5.75	-	253	80,189	-	-	-
Equity Pool	N/A	507,559	1,384,332	2,676,981	5,719,978	4,058,196	6,140,899
Subtotal:		\$ 5,290,624	\$ 7,422,156	\$ 12,467,663	\$ 19,330,101	\$ 11,500,172	\$ 15,644,251
Taxable Veterans Mortgage Bonds							
1997 Series D	6.40%	68,964	459,565	494,860	912,314	516,894	90,197
1998 Series C	6.65	154,094	343,962	242,342	293,631	337,685	209,935
1998 Series F	6.50	402,751	515,910	629,799	955,083	429,711	433,206
1999 Series B	6.85	258,685	376,885	78,197	145,710	279,389	126,541
1999 Series D	7.80	(33,449)	63,824	228,278	239,433	204,670	52,046
2000 Series B	7.90	1,139	155,663	84,480	39,460	61,237	63,171
2000 Series E	6.80	30,691	5,168	27,480	7,534	8,511	27,602
2001 Series A	7.00	188,320	113,225	118,452	320,859	4,459	95,950
2001 Series D	7.00	37,630	26,099	57,789	371,346	175,339	5,426
2001 Series E	6.80	600,307	554,430	394,188	272,558	172	171,864
2002 Series B	6.50	279,333	368,890	505,576	638,034	114,732	272,667
2002 Series D	6.50	86,427	554,486	343,945	504,980	414,413	537,839
2002 Series E	5.65	34,280	16,142	28,770	76,247	25,936	9,267
2002 Series F	5.65	60,711	504,963	462,094	1,651,627	431,741	654,657
2002 Series H	5.75	192,792	384,139	953,091	1,300,069	478,400	306,648
2003 Series 1	N/A	39,984	69,203	53,748	14,071	71,000	10,809
2003 Series B	5.35/5.75/5.30	859,341	619,991	1,677,118	3,223,573	1,698,923	1,643,189
2004 Series B	5.35	123,333	29,327	59,925	74,511	36,806	52,717
2004 Series C	5.65	141,050	-	75,807	102,911	721	18,810
2004 Series D	6.15	331,508	100,026	755,813	595,182	276,902	264,458
2005 Series C	5.99	11,820	2,195	16,447	204,549	486,313	497,329
2006 Series B	6.75/7.25	142,136	47,265	205,149	221,871	42,376	84,901
2008 Series B	6.00	-	4,399	410,863	9,965	200,796	197,369
Subtotal:		\$ 4,011,846	\$ 5,315,758	\$ 7,904,208	\$ 12,175,518	\$ 6,297,125	\$ 5,826,597
Total:		\$ 9,302,470	\$ 12,737,915	\$ 20,371,870	\$ 31,505,619	\$ 17,797,297	\$ 21,470,847

Source: Department of Veterans Affairs.