

PART III

GENERAL OBLIGATIONS

Part III of the 2018 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**). Selected information is provided in this introduction for the convenience of the readers; however, all information presented in this Part III of the 2018 Annual Report should be reviewed to make an informed investment decision.

Total Outstanding Balance (12/15/2018)	\$7,751,862,888
Amount Outstanding of Fixed-Rate Obligations	7,346,300,000
Amount Outstanding of Variable-Rate Obligations	405,562,888
Percentage of Outstanding Obligations in the form of Variable-Rate Obligations	5.23%
Ratings ^(a) (Fitch/Kroll/Moody's/S&P)	
Bonds	AA+/AA+/Aa1/AA
CP Notes/EMCP	F1+/K1+/P-1/A-1+
Authority	Chapters 18 and 20, Wisconsin Statutes
Registrar/Paying Agent	The Secretary of Administration is the registrar and paying agent for all outstanding fixed-rate general obligations. U.S. Bank National Association serves as issuing and paying agent for the CP Notes and EMCP.
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, provide for the repayment of all general obligations, and establish, as security for the payment of all debt service on general obligations, an irrevocable appropriation as a first charge on all revenues of the State.
<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 2018 Annual Report about any rating assigned to any general obligations based on any bond insurance policy.</p>	

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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 firms of Foley & Lardner LLP and Quarles & Brady LLP provided bond counsel services in connection with the issuance of the outstanding general obligations. Requests for additional information about general obligations of the State may be directed to the Capital Finance Office.

Other than general obligation refunding notes issued in 2014 to evidence the State's repayment obligation under a term loan agreement with a bank, all outstanding fixed-rate general obligations have been issued in book-entry-only form. Two series of bonds commonly referred to as Higher Education Bonds had final maturity dates of May 1, 2011 and May 1, 2012. These Higher Education Bonds were issued in fully-registered form and U.S. Bank National Association is the registrar and paying agent. Any holder that has not presented these Higher Education Bonds for payment should contact the Capital Finance Office or U.S. Bank National Association for information on redeeming such bonds.

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 former Section 54AA of the Internal Revenue Code of 1986, as amended (**Code**).

The 2018 Annual Report includes information and defined terms for different types of securities issued by the State. The context or meaning of a term used in one part of the 2018 Annual Report may differ from that of the same term 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 2018 Annual Report is part of the report unless expressly incorporated by reference.

General information about the State, including but not limited to operating data such as revenues, expenditures, budgets, General Fund data, information on significant pending litigation, and statistical information on the State's economic condition and the Wisconsin Retirement System, along with the audited general purpose external financial statements for the fiscal year ending June 30, 2018 and the independent auditor's report that is provided by the State Auditor, is included in Part II of the 2018 Annual Report.

Certain statements in this Part III of the 2018 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 2018 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 charge 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 such revenues, 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 venue for all actions in which the sole defendant is the State, any State board or commission, or any State officer, employee, or agent in an

official capacity shall be the county designated by the plaintiff unless another venue is specifically authorized by law.

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, then interest ceases to accrue, and the general obligation is no longer outstanding. If any general obligation is not presented for payment, then 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 State's General Fund is available for 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 of all general obligations. It is this appropriation, which pledges all revenues of the State for payment of debt service, 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 are 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. Furthermore, if operating notes are outstanding, no impoundment payments required in connection with operating notes may be made until the amounts required to be paid into the Bond Security and Redemption Fund during the ensuing 30 days have been so deposited.

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 pay the principal of, 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 by the State with the respective issuing and paying agent. The State's practice is to make deposits at regular intervals, chosen at its discretion.

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 \$4,121,495,186, and the aggregate limit is \$27,476,634,575. 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-5](#) 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 more than 110 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 2018 Annual Report, approximately 55 of the distinct borrowing purposes essentially have no remaining borrowing authority or are subject to statutory restrictions that keep them from being used. The Legislature has delegated to the Commission responsibility to establish the form and terms of the issuance and sale of general obligations. **Table III-1** describes, as of December 15, 2018, 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, 2018**

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		Total Authorized Unissued Debt
			Interest Earnings^(a)	Premium^(a)	
University of Wisconsin; academic facilities.....	\$ 2,552,521,100	\$ 2,110,380,843	\$ 13,072,507	\$ 65,409,659	\$ 363,658,091
University of Wisconsin; self-amortizing facilities.....	2,740,855,400	2,303,607,699	2,911,822	63,556,082	370,779,797
Natural resources; Warren Knowles - Gaylord Nelson stewardship 2000 program.....	1,046,250,000	857,536,480	405,319	25,655,162	162,653,039
Natural resources; municipal clean drinking water grants.....	9,800,000	9,518,744	141,818		139,438
Clean water fund program.....	646,283,200	636,296,843		3,967,798	6,018,559
Safe drinking water loan program.....	71,400,000	68,735,546		2,183,403	481,051
Natural resources; nonpoint source grants.....	94,310,400	93,954,702	190,043	165,649	6
Natural resources; nonpoint source	44,050,000	29,099,339	1,454	2,509,913	12,439,294
Natural resources; environmental repair.....	57,000,000	49,097,663	203,594	274,644	7,424,099
Natural resources; urban nonpoint source cost-sharing.....	53,600,000	42,858,124	30,671	1,609,413	9,101,792
Natural resources; contaminated sediment removal.....	32,000,000	24,549,247		1,211,035	6,239,718
Natural resources; environmental segregated fund supported administrative facilities.....	19,969,200	10,655,566	143	144,257	9,169,234
Natural resources; segregated revenue supported dam safety projects.....	6,600,000	6,571,582	617	27,795	6
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	22,919,742	141,325	68	364
Natural resources; land acquisition.....	45,608,600	45,116,929	491,671		
Natural resources; Wisconsin natural areas heritage program.....	2,500,000	2,445,793	17,174		37,032
Natural resources; segregated revenue supported facilities.....	108,171,100	91,371,393	93,544	3,930,728	12,775,435

TABLE III-1
GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
DECEMBER 15, 2018

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; general fund supported administrative facilities.....	\$ 16,514,100	\$ 11,317,787	\$ 21,753	\$ 9,001	\$ 5,165,559
Natural resources; ice age trail.....	750,000	750,000			
Natural resources; dam safety projects.....	25,500,000	17,735,301	49,701	1,306,963	6,408,035
Natural resources; segregated revenue supported land acquisition.....	2,500,000	2,500,000			
Natural resources; Warren Knowles - Gaylord Nelson stewardship program.....	231,000,000	229,243,222	1,306,849	132,869	317,060
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.....	245,000,000	213,025,705		31,974,231	64
Transportation; rail passenger route development.....	79,000,000	66,084,243	3,016	1,342,987	11,569,754
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; Southeast rehabilitation projects, southeast megaprojects, and high- cost bridge projects.....	1,328,550,000	1,214,217,833	3,018,078	97,882,005	13,432,084
Transportation; state highway rehabilitation projects, southeast megaprojects.....	820,063,700	781,604,780	1,182,897	37,275,422	601
Transportation; major highway projects.....	100,000,000	98,948,179		1,051,814	7
Transportation; state highway rehabilitation, certain projects.....	141,000,000	134,924,101		6,075,854	45
Transportation; major highway and rehabilitation projects subject to joint committee on finance approval.....	350,000,000	233,421,404		39,871,103	76,707,493
Transportation; southeast Wisconsin freeway megaprojects subject to contingency.....	252,400,000	89,659,553		10,163,039	152,577,408
Transportation; harbor improvements.....	120,000,000	93,675,410	234,581	5,057,346	21,032,663
Transportation; rail acquisitions and improvements.....	250,300,000	175,738,988	5,187	15,181,051	59,374,774
Transportation; local roads for job preservation, state funds.....	2,000,000	2,000,000			
Corrections; correctional facilities.....	926,679,900	847,410,965	11,467,562	5,535,522	62,265,851

TABLE III-1
GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
DECEMBER 15, 2018

<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</u> ^(a)	<u>Premium</u> ^(a)	
Corrections; self-amortizing facilities and equipment.....	\$ 2,116,300	\$ 2,115,438	\$ 99		\$ 763
Corrections; juvenile correctional facilities.....	28,652,200	28,538,452	108,861	\$ 988	3,899
Corrections; juvenile correctional grant program.....	40,000,000				40,000,000
Health services; mental health and secure treatment facilities.....	208,646,200	173,824,197	895,124	1,937,211	31,989,668
Agriculture; soil and water.....	68,075,000	62,554,018	3,025	3,203,656	2,314,301
Agriculture; conservation reserve enhancement.....	28,000,000	19,977,431		988,947	7,033,622
Administration; Black Point Estate.....	1,600,000	1,598,655	445		900
Administration; energy conservation projects; capital improvement fund.....	220,000,000	161,110,590		10,406,397	48,483,013
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.....	474,000,000	473,651,084			348,916
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before July 1, 2013.....	264,200,000	263,420,000			780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt.....	6,785,000,000	4,976,873,916			1,808,126,084
Building commission; housing state departments and agencies.....	917,767,100	743,824,795	2,356,097	37,184,403	134,401,805
Building commission; 1 West Wilson street parking ramp.....	15,100,000	14,805,521	294,479		
Building commission; project contingencies.....	47,961,200	46,886,988	64,761	102,627	906,824
Building commission; capital equipment acquisition.....	125,660,000	123,153,806	740,327	234,156	1,531,711
Building commission; discount sale of debt.....	90,000,000	72,908,307			17,091,693
Building commission; discount sale of debt (higher education bonds).....	100,000,000	99,988,833 ^(b)			11,167
Building commission; other public purposes.....	2,677,933,400	2,334,873,270	8,728,268	51,733,817	282,598,045

TABLE III-1
GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
DECEMBER 15, 2018

<u>Program Purpose</u>	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund		Total Authorized Unissued Debt
			Interest Earnings ^(a)	Premium ^(a)	
Medical College of Wisconsin, Inc.;					
basic science education and health information technology facilities.....	\$ 10,000,000	\$ 10,000,000			
Norskedalen Nature and Heritage Center.....	1,048,300				\$ 1,048,300
Bond Health Center.....	1,000,000	983,307		\$ 16,682	10
Lac du Flambeau Indian Tribal Cultural Center...	250,000	210,495		39,504	1
Dane County; livestock facilities.....	9,000,000	7,577,838		1,422,134	28
K I Convention Center.....	2,000,000	1,725,394		274,522	84
HR Academy, Inc.....	1,500,000	1,500,000			
Medical College of Wisconsin, Inc.;					
biomedical research and technology incubator.....	35,000,000	33,820,484		910,977	268,539
AIDS Resource Center of Wisconsin, Inc.....	800,000	800,000			
Bradley Center Sports and Entertainment Corporation.....	5,000,000	4,869,946		130,053	1
Medical College of Wisconsin;					
community medical education facilities.....	7,384,300	4,719,945		495,259	2,169,096
Family justice center.....	10,625,000	9,109,385		1,515,566	49
Marquette University;					
dental clinic and education facility.....	25,000,000	23,785,844	\$ 818	1,032,347	180,991
Civil War exhibit at the Kenosha Public Museums.....	500,000	500,000			
AIDS Network, Inc.....	300,000	300,000			
Wisconsin Maritime Center of Excellence.....	5,000,000	4,382,666		616,673	661
Hmong cultural centers.....	250,000	250,000			
Milwaukee Police Athletic League;					
youth activities center.....	1,000,000	1,000,000			
Children's research institute.....	10,000,000	10,000,000			
Domestic Abuse Intervention Services, Inc.....	560,000	476,628		83,327	45
Carroll University.....	3,000,000	2,393,760		403,102	203,138
Wisconsin Agricultural Education Center, Inc...	5,000,000	3,427,220		353,681	1,219,099
Eau Claire Confluence Arts, Inc.....	15,000,000	11,120,638		1,280,371	2,598,991
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			
Administration;					
public library educational technology infrastructure financial assistance.....	269,000	268,918	42		41
Educational communications board;					
educational communications facilities.....	24,169,000	24,112,683	38,515	11,925	5,877
LaCrosse Center.....	5,000,000				5,000,000
St. Ann Center for Intergenerational Care, Inc., Bucyrus Campus.....	5,000,000				5,000,000
Brown County innovation center.....	5,000,000				5,000,000
Grand Opera House in Oshkosh.....	500,000	500,000			
Aldo Leopold climate change classroom and interactive laboratory.....	500,000	485,000		14,992	8
Historical society;					
self-amortizing facilities.....	1,029,300	1,029,156	3,896		

TABLE III-1
GENERAL OBLIGATION ISSUANCE STATUS REPORT—CONTINUED
DECEMBER 15, 2018

<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</u> ^(a)	<u>Premium</u> ^(a)	
Historical society; historic records.....	\$ 26,650,000	\$ 21,972,766	-	\$ 3,169,487	\$ 1,507,747
Historical society; historic sites.....	9,591,800	9,064,652	847	291,312	234,989
Historical society; museum facility.....	4,384,400	4,362,469			21,931
Historical society; Wisconsin history center.....	16,000,000	8,583,072		1,360,316	6,056,612
Public instruction; state school, state center and library facilities.....	12,350,600	11,845,468	32,509	467,826	4,797
Military affairs; armories and military facilities.....	56,490,800	43,178,753	195,308	2,078,102	11,038,637
Veterans affairs; veterans facilities.....	15,018,700	9,405,485	50,593		5,562,621
Veterans affairs; self-amortizing mortgage loans.....	2,127,540,000	2,122,542,395			4,997,605
Veterans affairs; refunding bonds.....	1,015,000,000	761,594,245			253,405,755
Veterans affairs; self-amortizing facilities.....	77,995,100	27,589,066	1,613	1,127,943	49,276,478
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.....	53,687,100	52,699,335	22,401	13,596	951,768
Total.....	\$ 33,181,731,788	\$ 28,460,125,379	\$ 73,888,124	\$546,406,713	\$ 4,101,315,425

^(a) Amounts previously credited to the Capital Improvement Fund (which include interest earnings and may include sale proceeds representing purchase premium) reduce issuance authority by the same amount.

^(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 shows general obligations that have outstanding balances as of December 15, 2018 and history of other issuances during the past 20 years. If payment has been made or duly provided for by the date that a general obligation becomes due for payment, then interest ceases to accrue, and the general obligation is no longer outstanding for purposes of the following tables.

Table III-2

OUTSTANDING GENERAL OBLIGATIONS BY ISSUE (As of December 15, 2018)

<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>				
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	-0-
Refunding Bonds Series 1	8/15/98			
Serial Bonds		1999	2,820,000	-0-
Serial Bonds		2004-16	154,760,000	-0-
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	-0-
Bonds Series F (Taxable).....	10/15/98			
Serial Bonds		1999-2009	9,410,000	-0-
Term Bonds		2029	45,590,000	-0-
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	-0-
Term Bonds		2016	3,180,000	-0-
Term Bonds		2030	27,830,000	-0-
Bonds Series C.....	10/15/99	2001-20	100,000,000	-0-
Bonds Series D (Taxable).....	11/1/99			
Term Bonds		2010	9,465,000	-0-
Term Bonds		2030	55,535,000	-0-
2000-Bonds Series A.....	3/15/00			
Serial Bonds.....		2001-18	128,875,000	-0-
Term Bonds		2020	21,125,000	-0-

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2018)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
2000- Bonds Series B (Taxable)	7/1/00			
Term Bonds		2010	\$ 4,625,000	-0-
Term Bonds		2030	30,375,000	-0-
Bonds Series C	7/15/00	2012-21	87,715,000	-0-
Bonds Series D	11/1/00	2012-21	199,965,000	-0-
Bonds Series E (Taxable)	11/7/00			
Term Bonds		2016	5,000,000	-0-
2001- Bonds Series A (Taxable)	2/21/01			
Term Bonds		2031	15,000,000	-0-
Bonds Series B	4/1/01	2012-21	91,620,000	-0-
Bonds Series C	6/1/01	2002-11	92,410,000	-0-
Bonds Series D (Taxable)	6/15/01			
Serial Bonds		2002-08	2,060,000	-0-
Term Bonds		2011	1,110,000	-0-
Term Bonds		2016	2,390,000	-0-
Term Bonds		2021	3,305,000	-0-
Term Bonds		2031	11,135,000	-0-
Loan Series A	8/24/01		50,000,000	-0-
Bonds Series F	10/1/01	2003-22	186,615,000	-0-
Refunding Bonds Series 1	10/1/01			
Serial Bonds		2005	4,230,000	-0-
Serial Bonds		2007-15	242,875,000	-0-
Bonds Series E (Taxable)	10/1/01			
Term Bonds		2017	6,210,000	-0-
Term Bonds		2021	2,730,000	-0-
Term Bonds		2031	11,060,000	-0-
2002- Bonds Series A	3/1/02	2003-22	112,280,000	-0-
Refunding Bonds Series 1	3/1/02	2004-20	75,000,000	-0-
Bonds Series B (Taxable)	3/26/02			
Term Bonds		2032	15,000,000	-0-
Bonds Series C	6/1/02	2003-22	143,545,000	-0-
Bonds Series D (Taxable)	6/12/02			
Term Bonds		2033	20,000,000	-0-
Bonds Series E (Taxable)	9/26/02			
Term Bonds		2018	2,000,000	-0-
Bonds Series F (Taxable)	9/26/02			
Term Bonds		2033	13,000,000	-0-
Bonds Series G	10/15/02	2004-23	190,550,000	-0-
Bonds Series H (Taxable)	12/30/02			
Term Bonds		2033	15,000,000	-0-
2003- Refunding Bonds Series 1 (Taxable)	4/3/03	2019	7,000,000	-0-
Refunding Bonds Series 2	4/1/03			
Serial Bonds		2007-21	10,650,000	-0-
Term Bonds		2024	3,090,000	-0-
Bonds Series A	5/1/03	2004-23	173,900,000	-0-
Bonds Series B (Taxable)	7/24/03	2033	30,000,000	-0-

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2018)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
2003- Bonds Series C.....	10/15/03			
Serial Bonds		2005-24	\$ 251,865,000	-0-
Term Bonds		2026	5,420,000	-0-
Term Bonds		2029	9,190,000	-0-
Term Bonds		2034	18,655,000	-0-
Refunding Bonds Series 3.....	10/30/03			
Serial Bonds		2004-07	9,495,000	-0-
Term Bonds		2013	16,210,000	-0-
Term Bonds		2025	13,000,000	-0-
Term Bonds		2026	29,185,000	-0-
2004- Refunding Bonds Series 1.....	1/28/04	2006-19	146,970,000	-0-
Refunding Bonds Series 2.....	1/28/04	2006-20	175,830,000	-0-
Refunding Notes Series 1.....	3/16/04	2004	175,000,000	-0-
Bonds Series A.....	4/14/04	2005-24	307,435,000	-0-
Bonds CWF Global Certificate.....	5/1/04	2009-24	116,840,688	-0-
Refunding Bonds Series 3.....	6/15/04	2006-22	175,000,000	-0-
Refunding Bonds Series 4.....	7/29/04	2006-20	117,200,000	-0-
Bonds Series B (Taxable).....	8/12/04			
Term Bonds		2014	1,000,000	-0-
Bonds Series C (Taxable).....	8/12/04			
Term Bonds		2019	1,000,000	-0-
Bonds Series D (Taxable).....	8/26/04			
Term Bonds		2034	20,000,000	-0-
Bonds Series E.....	10/21/04	2006-25	225,000,000	-0-
2005- Bonds Series A.....	2/10/05	2016-25	131,485,000	-0-
Refunding Bonds Series 1.....	2/10/05	2006-21	430,240,000	-0-
Bonds Series C (Taxable).....	4/7/05			
Term Bonds		2035	5,000,000	-0-
Bonds Series D.....	8/11/05	2007-25	186,640,000	-0-
Bonds Series E.....	12/8/05	2007-11	48,275,000	-0-
2006- Refunding Bonds Series 1.....	1/31/06	2007-15	96,780,000	-0-
Bonds Series A.....	3/28/06	2015-26	331,215,000	-0-
Bonds Series B (Taxable).....	7/7/06			
Term Bonds		2037	2,000,000	-0-
Bonds Series C.....	8/2/06	2008-37	61,685,000	-0-
Bonds Series D.....	9/13/06	2018-26	176,490,000	-0-
2007- Bonds Series A.....	2/1/07	2016-27	158,390,000	-0-
Refunding Bonds Series 1.....	2/1/07	2014-20	299,005,000	\$ 129,045,000
Bonds CWF Series A.....	2/1/07	2026	13,148,554	-0-
Bonds CWF Series B.....	2/1/07	2027	6,851,446	-0-
Refunding Bonds Series 2.....	10/31/07			
Serial Bonds		2008-17	13,905,000	-0-
Term Bonds		2022	2,510,000	-0-
Term Bonds		2027	4,155,000	-0-
Refunding Bonds Series 3.....	10/31/07	2026	3,835,000	-0-
Bonds Series C.....	12/5/07	2009-28	154,890,000	-0-

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2018)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
2008- Bonds Series A.....	4/30/08	2009-28	\$164,535,000	-0-
Bonds Series B (Taxable)	5/30/08			
Term Bonds		2038	4,445,000	-0-
Bonds CWF Series A	6/17/08	2026-28	16,600,000	-0-
Refunding Bonds Series 1	6/26/08			
Serial Bonds		2009-18	3,120,000	-0-
Term Bonds		2018	14,680,000	-0-
Serial Bond		2023	175,000	-0-
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	-0-
Bonds, Series D	12/23/08	2012-30	100,000,000	-0-
2009- Bonds CWF Series A	1/27/09	2016-26	17,700,000	-0-
Bonds Series A	6/18/09	2012-22	47,440,000	-0- (a)
Bonds Series B (Taxable)	6/18/09			
Serial Bonds		2023-26	24,610,000	-0- (b)
Term Bonds		2030	29,925,000	\$ 8,040,000 (b)
Bonds Series C	9/3/09	2012-22	197,265,000	42,415,000 (a)
Bonds Series D (Taxable)	9/3/09			
Serial Bonds		2023-30	182,890,000	54,655,000 (b)
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	-0-
2010- Refunding Bonds Series 1	3/3/10	2012-29	201,165,000	29,905,000 (a)
Bonds Series A	4/7/10	2012-19	143,525,000	3,755,000 (a)
Bonds Series B (Taxable)	4/7/10	2020-30	179,105,000	59,990,000 (b)
Bonds CWF Series A	4/13/10	2025-31	15,243,000	-0-
Bonds Series C	9/2/10	2012-19	146,680,000	21,615,000
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	-0-
2011- Bonds Series A	2/11/11	2012-31	428,740,000	62,530,000 (a)
Refunding Bonds Series 1	6/2/11	2013-22	275,375,000	128,095,000 (a)
Bonds Series B	8/4/11	2013-32	329,260,000	44,315,000 (a)
Refunding Bonds Series 2	10/31/11	2013-22	316,070,000	213,560,000
Bonds Series C	12/22/11	2023-32	138,260,000	36,735,000 (a)
2012- Refunding Bonds Series 1	3/20/12	2014-31	221,460,000	66,730,000 (a)
Bonds CWF Series A	4/24/12	2014-30	12,300,000	-0-
Refunding Bonds Series 2	5/1/12	2018-29	143,555,000	135,360,000
Bonds Series A	6/5/12			
Serial Bonds		2022-35	167,475,000	78,445,000 (a)
Term Bonds		2037	7,960,000	7,960,000
Term Bonds		2042	23,580,000	23,580,000
Bonds Series B	11/1/12	2022-33	293,070,000	246,965,000 (a)
2013- Bonds Series A	5/9/13	2014-33	410,250,000	215,310,000 (a)
Refunding Bonds Series 1	11/7/13	2016-33	405,470,000	355,880,000

Table III-2 – Continued
OUTSTANDING GENERAL OBLIGATIONS BY ISSUE
(As of December 15, 2018)

<u>Financing</u>	<u>Date of Financing</u>	<u>Maturity</u>	<u>Amount of Issuance</u>	<u>Amount Outstanding</u>
2014- Refunding Bonds Series 1	2/4/14	2015-20	\$ 181,595,000	\$ 51,990,000
Bonds Series A	2/13/14	2015-34	231,405,000	60,685,000 (a)
Bonds CWF Series A	4/17/14	2014-33	10,700,000	-0-
Refunding Bonds Series 2	4/24/14	2015-34	241,985,000	156,375,000 (a)
Bonds Series B	7/29/14	2016-31	250,990,000	40,660,000 (a)
Refunding Bonds Series 3	9/3/14	2020-29	275,865,000	275,865,000
Refunding Bonds Series 4	1/15/15	2019-28	257,415,000	257,415,000
Refunding Notes Series A-E	5/1/15	2017-21	279,810,000	121,025,000
2015- Bonds Series A	2/19/15	2021-35	331,915,000	36,485,000 (a)
Refunding Bonds Series 1	4/14/15	2015-29	171,045,000	110,250,000
Bonds Series B	6/30/15	2017-21	88,830,000	53,335,000
Bonds Series C	9/16/15	2017-36	387,025,000	281,470,000 (a)
2016- Refunding Bonds Series 1	3/8/16	2019-28	295,225,000	295,225,000
Bonds Series A	3/16/16	2024-36	295,185,000	295,185,000
Bonds Series B	7/28/16	2018-23	83,980,000	70,820,000
Bonds Series C (Taxable)	7/28/16	2018-26	9,735,000	8,780,000
Refunding Bonds Series 2	8/25/16	2021-30	370,850,000	370,850,000
Bonds Series D	10/25/16	2018-37	324,405,000	312,075,000
2017- Bonds Series A	03/29/17	2022-37	335,310,000	335,310,000
Refunding Bonds Series 1	07/21/17	2021-31	345,275,000	345,275,000
Refunding Bonds Series 2	11/15/17	2020-28	382,680,000	382,680,000
Bonds Series B	11/30/17	2019-38	272,665,000	272,665,000
Refunding Bonds Series 3	12/28/17	2026-34	247,030,000	347,030,000
2018- Bonds Series A	3/15/18	2019-36	288,325,000	288,325,000
Bonds Series B	10/11/18	2020-39	258,965,000	<u>258,965,000</u>
<i>Total Fixed-Rate General Obligations</i>				\$7,346,300,000
<i>Variable-Rate General Obligations</i>				
2005- CP Notes Series A	12/14/05		\$ 100,350,000	\$ 11,144,000
EMCP Series A (AMT)	12/29/05		61,000,000	-0-
2006- EMCP Series A	2/9/06		161,905,000	-0-
CP Notes Series A	8/2/06		123,510,000	24,047,000
EMCP Series B	12/1/06		91,720,000	-0-
EMCP Series C (AMT)	12/1/06		4,445,000	-0-
2008- EMCP Program	Various		452,189,000	223,661,888
Bonds CWF Series A	3/18/08		10,300,000	-0-
2013- CP Notes Series A	12/10/13		58,825,000	58,825,000
2016- CP Notes Series A	9/15/16		136,050,000	<u>87,885,000</u>
<i>Total Variable-Rate General Obligations</i>				\$ <u>405,562,888</u>
TOTAL OUTSTANDING GENERAL OBLIGATIONS				<u>\$7,751,862,888</u>

(a) Pursuant to a refunding escrow agreement, the principal of, 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.

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

Table III-3 provides a historical view of the amount of outstanding general obligations as of December 15th for the previous ten years and the other following tables provide additional data about the State's outstanding general obligations.

Table III-3

HISTORICAL SUMMARY OF OUTSTANDING GENERAL OBLIGATIONS

Year (December 15)	Outstanding Amount
2008	\$ 5,939,381,431
2009	6,222,792,743
2010	6,822,771,981
2011	7,378,610,318
2012	8,014,705,521
2013	8,027,531,244
2014	7,856,685,602
2015	7,988,224,416
2016	8,071,307,580
2017	7,342,045,000

Bank Loans

On January 16, 2014, the State of Wisconsin entered into a Term Loan Agreement with JPMorgan Chase Bank, National Association, and on April 15, 2015, terms of the agreement were met and the State drew proceeds of loans that were applied on May 1, 2015 to refund certain general obligation bonds. The Term Loan Agreement includes loans with May 1 maturities in the years 2017 to and including 2021. The interest rates on these loans are fixed. The State issued its General Obligation Refunding Notes of 2014, Series A-E to evidence its repayment obligation under the Term Loan Agreement, and these refunding notes are included in [Table III-2](#). Pursuant to provisions of the Term Loan Agreement, as a result of the Federal Tax Cuts and Jobs Act enacted on December 22, 2017, which decreased the maximum federal corporate tax rate, interest rates on outstanding notes under the Term Loan Agreement increased, effective January 1, 2018.

Table III-4

PER CAPITA STATE GENERAL OBLIGATION DEBT

Year Ending December 31	Outstanding Indebtedness (Amounts in Thousands)	Debt Per Capita	Debt Per Capita as % of Per Capita Income
2008	\$6,146,978	\$1,092.21	2.80%
2009	6,481,078	1,146.54	2.98
2010	7,407,431	1,301.83	3.37
2011	7,878,628	1,379.79	3.39
2012	8,385,972	1,464.54	3.44
2013	8,344,530	1,452.99	3.40
2014	8,134,099	1,412.66	3.19
2015	8,239,224	1,428.36	3.11
2016	8,238,758	1,451.67	3.10
2017	8,389,197	1,411.15	2.88

Sources: Legislative Audit Bureau
Tables II-31 and II-34 in Part II of the 2018 Annual Report

Table III-5

LIMITATION ON ANNUAL AGGREGATE PUBLIC DEBT THAT MAY BE CONTRACTED

The State Constitution provides that the aggregate debt contracted by the State in calendar year 2018 shall not exceed the lesser of (a) or (b):

(a)	3/4 of 1% x \$549,532,691,500		\$ 4,121,495,186
(b)	5% x \$549,532,691,500	\$27,476,634,575	
	Deduct: Net Indebtedness 1/1/2018	8,155,029,919	
			\$19,321,604,656

The amount of \$549,532,691,500 shown above is the aggregate full market value of all taxable property in the State for the year 2018 as certified by the Department of Revenue.

The amount of \$8,155,029,919 shown above is the net indebtedness as of January 1, 2018 as certified by the Legislative Audit Bureau.

The lesser of (a) or (b) is \$4,121,495,186. Aggregate debt contracted by the State in calendar year 2018 shall not exceed this amount.

Source: Department of Administration

Table III-6

**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>
2009	\$3,839,339,873	\$542,765,000	14.1%
2010	3,719,281,442	809,293,000	21.8
2011	3,651,481,746	896,260,000	24.6
2012	3,533,193,969	735,585,000	20.8
2013	3,506,269,230	642,295,000	18.3
2014	3,596,099,766	598,170,000	16.6
2015	3,679,519,080	750,475,000	20.4
2016	3,788,432,462	713,305,000	18.8
2017	3,944,884,094	607,975,000	15.4
2018	4,121,495,186	547,290,000	13.3

Source: Department of Administration

Table III-7

**DEBT STATEMENT
(December 15, 2018)**

	<u>Tax-Supported Debt</u>		<u>Revenue-Supported Debt^(a)</u>		
	<u>General Fund</u>	<u>Segregated Funds^(b)</u>	<u>Veterans Housing</u>	<u>Other^(c)</u>	<u>Total</u>
Total General Obligations (Outstanding Indebtedness)	<u>\$4,209,945,478</u>	<u>\$1,634,958,209</u>	<u>\$0</u>	<u>\$1,906,959,201</u>	<u>\$7,751,862,888</u>

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

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

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

Source: Department of Administration

**Table III-8
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>
2009	\$511,911,983	\$6,481,078	1.27 %
2010	495,904,192	7,407,431	1.49
2011	486,864,233	7,878,628	1.62
2012	471,092,529	8,385,972	1.78
2013	467,502,564	8,344,530	1.78
2014	479,968,800	8,134,099	1.70
2015	490,602,544	8,239,224	1.68
2016	505,124,328	8,238,758	1.63
2017	525,984,545	8,389,197	1.59
2018	549,532,691	8,155,029	1.48

(a) As of December 15.

Sources: Department of Revenue and Wisconsin Legislative Audit Bureau

**Table III-9
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, 1995	\$2,632,788,430	\$2,424,726,973	\$5,057,515,376
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
2010-11	222,253,398	263,514,405	485,767,804
2011-12	159,343,712	262,202,521	421,546,232
2012-13	626,021,930	300,123,248	926,145,178
2013-14	736,319,021	322,918,374	1,059,237,395
2014-15	527,677,280	308,323,446	836,000,726
2015-16	554,334,289	316,040,351	870,374,639
2016-17	620,619,350	326,382,360	947,001,709
2017-18	592,765,000	328,799,622	921,564,622
7/1/2018-12/15/2018	<u>61,065,000</u>	<u>169,287,601</u>	<u>230,352,601</u>
Totals	<u>\$10,931,470,353</u>	<u>\$8,100,850,473</u>	<u>\$19,032,320,827</u>

Source: Department of Administration

Table III-10

**DEBT SERVICE MATURITY SCHEDULE:
AMOUNT DUE ANNUALLY ON GENERAL OBLIGATION BONDS
(Issued to December 15, 2018)**

Fiscal Year (Ending June 30)	Principal	Interest	Total Debt Service
2019 ^(a)	\$ 492,895,000	\$ 176,429,553	\$ 669,324,553
2020	558,940,000	326,792,592	885,732,592
2021	515,455,000	295,591,692	811,046,692
2022	486,110,000	268,842,418	754,952,418
2023	497,275,000	244,634,998	741,909,998
2024	472,365,000	222,166,258	694,531,258
2025	465,500,000	201,371,333	666,871,333
2026	432,000,000	178,100,385	610,100,385
2027	450,755,000	157,975,088	608,730,088
2028	382,075,000	136,044,413	518,119,413
2029	383,570,000	119,399,288	502,969,288
2030	370,465,000	101,265,198	471,730,198
2031	359,670,000	83,533,318	443,203,318
2032	325,340,000	67,883,483	393,223,483
2033	301,555,000	53,968,068	355,523,068
2034	206,210,000	40,618,900	246,828,900
2035	194,970,000	31,060,965	226,030,965
2036	161,265,000	22,281,020	183,546,020
2037	104,925,000	14,413,828	119,338,828
2038	110,080,000	9,172,755	119,252,755
2039	45,030,000	3,662,700	48,692,700
2040	14,910,000	1,404,165	16,314,165
2041	9,750,000	650,510	10,400,510
2042	5,190,000	207,600	5,397,600
TOTALS	\$ 7,346,300,000	\$ 2,757,470,522	\$ 10,103,770,523

^(a) For the fiscal year ending June 30, 2019, the table includes debt service amounts for the period December 15, 2018 through June 30, 2019.

Source: Department of Administration

Table III-11

**EXPECTED AMORTIZATION SCHEDULE:
GENERAL OBLIGATION VARIABLE RATE OBLIGATIONS^(a)
(Issued to December 15, 2018)**

<u>(Year Ending June 30)</u>	<u>Principal</u>
2019	\$ 84,992,931
2020	91,222,931
2021	116,962,616
2022	80,524,357
2023	15,539,353
2024	16,318,700
	<u>\$ 405,560,888</u>

^(a) In general, the State has treated each general obligation variable rate issue as if it were a long-term bond issue by making annual principal payments on May 1; in prior fiscal years, certain principal amounts that were budgeted for payment on May 1 were re-amortized.

Source: Department of Administration

Table III-12

**SOURCE OF DEBT SERVICE PAYMENTS
ON GENERAL OBLIGATIONS
(June 30, 2018)**

	<u>Fiscal Year</u> <u>2017-18</u>	<u>%</u>	<u>Fiscal Year</u> <u>2016-17</u>	<u>%</u>	<u>Fiscal Year</u> <u>2015-16</u>	<u>%</u>
Tax-Supported Debt						
General Fund	\$ 593,621,494	64.4	\$ 634,174,417	67.0	\$ 577,731,923	65.0
Segregated Funds	<u>153,649,690</u>	<u>16.7</u>	<u>135,537,769</u>	<u>14.3</u>	<u>154,960,040</u>	<u>17.4</u>
Subtotal	747,271,184	81.1	769,712,186	81.3	732,691,963	82.3
Revenue-Supported Debt						
Veterans	7,550,249	0.8	15,107,801	1.6	83,250	0.0
University of Wisconsin	135,020,809	14.7	133,446,396	14.1	130,014,890	14.6
State Fair Park	3,574,900	0.4	3,538,175	0.4	3,987,088	0.4
Housing State Depts./Other	<u>28,147,480</u>	<u>3.1</u>	<u>25,197,152</u>	<u>2.6</u>	<u>23,677,040</u>	<u>2.6</u>
Subtotal	<u>174,293,437</u>	<u>18.9</u>	<u>177,289,523</u>	<u>18.7</u>	<u>157,762,538</u>	<u>17.7</u>
Total Debt Service	<u>\$ 921,564,622</u>	<u>100.0</u>	<u>\$ 947,001,709</u>	<u>100.0</u>	<u>\$ 890,454,501</u>	<u>100.0</u>

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

In 1997, the Commission adopted a Program Resolution for State of Wisconsin General Obligation Commercial Paper Notes (as amended, **CP Notes Program Resolution**), which governs the issuance of the State's CP Notes.

The State has appointed, to serve as **Dealers** of CP Notes, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, and Merrill Lynch, Pierce, Fenner & Smith Incorporated. The State has appointed U.S. Bank National Association, as successor to 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** between the State and BMO Harris Bank N.A. (**Liquidity Facility Provider**). The amount available under the Credit Agreement is currently \$275 million.

Table III-13 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, 2018.

Table III-13

**SUMMARY OF OUTSTANDING GENERAL OBLIGATION CP NOTES
(December 15, 2018)**

<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	\$ 11,144,000
2006 Series A	123,510,000	August 2, 2006	24,047,000
2013 Series A	58,825,000	December 10, 2013	58,825,000
2016 Series A	136,050,000	September 15, 2016	<u>87,885,000</u>
			\$ 181,901,000

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, the CP Note Program Resolution provides that no CP Note may be issued with a maturity date later than the expiration date of the Liquidity Facility, including 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

To provide liquidity for the payment of the principal of maturing CP Notes, the State entered into the Credit Agreement with the Liquidity Facility Provider.

Pursuant to the Credit Agreement, the Liquidity Facility Provider is obligated, subject to certain conditions, to make **Advances** from time to time on any business day during the term of the Credit Agreement, only for providing funds to pay the principal of 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. Payment of interest on the Notes cannot be made from the line of credit established by the Credit Agreement. The aggregate principal amount of all Advances made on any date may not exceed the commitment under the Credit Agreement (currently \$275 million), as such amount may be increased or decreased from time to time. Also, pursuant to the CP Note Program Resolution, the commitment under 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 Provider.

The Credit Agreement currently terminates on March 15, 2019. The Credit Agreement provides that the termination date may be extended, if the parties agree. Alternatively, the State is permitted to replace the

Credit Agreement with another comparable agreement or agreements with any other liquidity facility provider, provided that such substitution meets all required qualifications, including, but not limited to, written evidence from each rating agency which, at the request of the State, is then rating the CP Notes and which is then also rating the provider (or its guarantor) of the proposed substitute Liquidity Facility, to the effect that the substitution of the Liquidity Facility will not by itself result in a withdrawal, suspension, or reduction of its ratings of the CP Notes from those which then prevail.

The State has delivered a promissory note (**Promissory Note**) to the Liquidity Facility Provider, evidencing its obligation to repay all Advances. The Promissory Note is a general obligation of the State. Likewise, a new Promissory Note would be issued to the provider of any substitute Liquidity Facility.

The State will notify the Dealers of any change in the Liquidity Facility. The State will also notify the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system of any change in the Liquidity Facility.

Description of the Liquidity Facility Provider

The following information concerning the Liquidity Facility Provider has been provided by representatives of the Liquidity Facility Provider 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.

BMO Harris Bank N.A. (formerly known as Harris N.A.) (**Bank**), with executive offices in Chicago, Illinois, is a wholly owned subsidiary of BMO Financial Corp., a Delaware corporation (**BFC**). BFC is a wholly owned subsidiary of Bank of Montreal. As such, the Bank is a member of BMO Financial Group (**BFG**), a brand name representing Bank of Montreal and its subsidiaries and affiliates. The Bank is a commercial bank offering a wide range of banking and trust services to its customers throughout the United States and around the world.

Each quarter, the Bank files quarterly reports called “Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices” (**Call Reports**). Each Call Report may be obtained from the FDIC on its website at <http://www.fdic.gov>, or by a written request directed to: BMO Harris Bank N.A., 111 West Monroe Street, P.O. Box 755, Chicago, Illinois 60690, Attention: Public Relations Department. Neither the above website nor any financial information referenced in this section, is incorporated by reference into this Part III of the 2018 Annual Report.

The Credit Agreement is an obligation of the Bank. Neither BFC nor Bank of Montreal has any obligation under the Credit Agreement or otherwise with respect to the Notes.

Extendible Municipal Commercial Paper

In 2007, the Commission adopted a Program Resolution for State of Wisconsin General Obligation Extendible Municipal Commercial Paper (**EMCP Program Resolution**), which replaced a program resolution previously adopted by the Commission in 2000 and which governs the issuance of the State’s EMCP.

General obligation EMCP is similar to CP Notes; however, rather than liquidity being provided by a bank or credit facility, the maturity date can be extended in case there is a disruption in market liquidity for the EMCP. The State has appointed, to serve as **Dealers** of EMCP, Goldman Sachs & Co. LLC and Merrill Lynch, Pierce, Fenner & Smith, Incorporated. The State has appointed U.S. Bank 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 multiple series of outstanding EMCP that had been issued during calendar years 2000 through 2006. The total amount of EMCP authorized to be outstanding at any given time, pursuant to the EMCP Program Resolution, is \$950 million. 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 or 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 five times since 2008 for an aggregate par increase of \$530 million, with the last increase occurring on December 2, 2014 in the par amount of \$105 million. EMCP is not given a series designation based on any initial issuance date.

Table III-14 summarizes, for each authorized and outstanding program under this single series of EMCP, the principal amount outstanding as of December 15, 2018.

Table III-14
SUMMARY OF OUTSTANDING GENERAL OBLIGATION EMCP
(December 15, 2018)

<u>Series of EMCP</u>	<u>Amount Outstanding</u>
Tax-Exempt Notes	\$ 223,661,888
Tax-Exempt AMT Notes	<u>-0-</u>
	\$ 223,661,888

Description of EMCP

Each EMCP note is dated the date it is issued and 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 day 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 the 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, then interest will 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, then interest will 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 payable on the first Business Day of December, and if the Original Maturity Date is November 15th, interest will be 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 Municipal Swap 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>S&P Global Ratings</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, then 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.

Variable Rate Demand Obligations

In August 2018, the Commission adopted a Program Resolution for State of Wisconsin General Obligation Variable Rate Demand Obligations (**VRDO Program Resolution**), which governs the issuance of State General Obligation Variable Rate Demand Obligations (**VRDO**). As of December 15, 2018, the State has not yet issued any VRDO under the VRDO Program Resolution, but authorization for issuance of up to \$59 million of general obligations has been provided by the Commission, and the State intends to issue such obligations in the form of VRDOs in the first quarter of calendar year 2019.

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-7 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 \$1.907 billion of State general obligations outstanding on December 15, 2018.

Furthermore, **Table III-12** shows that revenue-supported debt service payments were approximately 18.9% of the total debt service cost for the fiscal year ending June 30, 2018.

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**), has been 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 was funded by general obligations referred to as **Veterans Mortgage Bonds**. Due to market conditions and other factors resulting in private mortgage rates being lower than mortgage rates that could be offered with funds obtained through Veterans Mortgage Bonds, the State has not issued any general obligations for this purpose since 2008, and the Department of Veterans Affairs has not made any new mortgage loans under this program since June 2010.

On November 1, 2018, the Department of Veterans Affairs sold the portfolio of veterans housing loan mortgages to the Wisconsin Housing and Economic Development Authority, and the State used the proceeds of the sale to redeem all outstanding Veterans Mortgage Bonds. Prior to November 1, 2018, the outstanding balance of Veterans Mortgage Bonds was \$29 million.