OFFICIAL STATEMENT

New Issue

This Official Statement provides information on the 2014 Series 2 Bonds. Some of the information appears on this cover page for ready reference. To make an informed investment decision, a prospective investor should read the entire Official Statement.

$94,130,000
STATE OF WISCONSIN
TRANSPORTATION REVENUE REFUNDING BONDS, 2014 SERIES 2

Dated: Date of Delivery **Due: July 1, as shown below**

Ratings AA+ Fitch Ratings
AAA Kroll Bond Rating Agency, Inc.
Aa2 Moody's Investors Service, Inc.
AA+ Standard & Poor's Ratings Services

Tax Exemption Interest on the 2014 Series 2 Bonds is, for federal income tax purposes, excludable from gross income and is not an item of tax preference. Interest on the 2014 Series 2 Bonds is not exempt from State of Wisconsin income or franchise taxes—*Pages 11-12*.

Redemption The 2014 Series 2 Bonds maturing on or after July 1, 2025 are subject to optional redemption at par (100%) on any date on or after July 1, 2024—*Page 4*.

Security The Bonds have a first claim on vehicle registration fees (which are a substantial portion of pledged Program Income) and a first claim on other vehicle registration-related fees including, but not limited to, vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees—*Pages 6-9.*

Priority The 2014 Series 2 Bonds are issued on a parity with the Prior Bonds, which are outstanding as of October 15, 2014 in the amount of $1,897,965,000, and any additional parity Bonds issued by the State pursuant to the General Resolution—*Pages 6-9.*

Purpose Proceeds of the 2014 Series 2 Bonds will be used to advance refund certain Outstanding Bonds, and to pay costs of issuance—*Pages 2-3.*

Interest Payment Dates January 1 and July 1

First Interest Payment Date July 1, 2015

Closing/Settlement On or about December 10, 2014

Denominations Multiples of $5,000

Book-Entry-Only Form The Depository Trust Company—*Page 5.*

Trustee/Registrar/Paying Agent The Bank of New York Mellon Trust Company, N.A.

Bond Counsel Quarles & Brady LLP

Issuer Contact Wisconsin Capital Finance Office; (608) 266-2305; DOACapitalFinanceOffice@wisconsin.gov

2013 Annual Report This Official Statement incorporates by reference Parts I, II, and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2013.

The prices and yields listed below were determined on November 6, 2014 at negotiated sale. The 2014 Series 2 Bonds were purchased at an aggregate purchase price of $112,296,265.97.

CUSIP	Year (July 1)	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (July 1)	Call Price
977123 J41	2019	$ 8,040,000	5.00%	1.20%	116.806%	Not Callable	-
977123 J58	2020	8,440,000	5.00	1.53	118.421	Not Callable	-
977123 J66	2021	8,860,000	5.00	1.85	119.369	Not Callable	-
977123 J74	2022	9,300,000	5.00	2.11	120.091	Not Callable	-
977123 J82	2023	9,770,000	5.00	2.29	120.951	Not Callable	-
977123 J90	2024	10,255,000	5.00	2.41	121.992	Not Callable	-
977123 K23	2025	10,770,000	5.00	2.53	120.853 [a]	2024	100%
977123 K31	2026	11,305,000	5.00	2.63	119.913 [a]	2024	100
977123 K49	2027	17,390,000	5.00	2.70	119.261 [a]	2024	100

[a] These 2014 Series 2 Bonds are priced to the July 1, 2024 first optional call date.

J.P. Morgan

Jefferies **Loop Capital Markets** **Piper Jaffray & Co.** **U.S. Bancorp Investments, Inc.**

November 6, 2014

This document is the State's official statement about the offering of the 2014 Series 2 Bonds; that is, it is the only document the State has authorized for providing information about the 2014 Series 2 Bonds. This document is not an offer or solicitation for the 2014 Series 2 Bonds, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. This document is not a contract, and it provides no investment advice. Prospective investors should consult their advisors and legal counsel with questions about this document, the 2014 Series 2 Bonds, and anything else related to the offering.

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

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

In connection with the offering of the 2014 Series 2 Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the 2014 Series 2 Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, sales representative, or other person has been authorized to give any information or to make any representations about the 2014 Series 2 Bonds other than what is in this document. The information and expressions of opinion in this document may change without notice. Neither the delivery of this document nor any sale of the 2014 Series 2 Bonds implies that there has been no change in the other matters contained in this document since its date. Material referred to in this document is not part of this document unless expressly included.

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STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF 2014 SERIES 2 BONDS

BUILDING COMMISSION MEMBERS*

Voting Members	**Term of Office Expires**
Governor Scott Walker, Chairperson	January 5, 2015
Representative Dean Kaufert, Vice-Chairperson	January 5, 2015
Senator Scott Fitzgerald	January 5, 2015
Senator Terry Moulton	January 5, 2015
Senator Fred Risser	January 2, 2017
Representative Joan Ballweg	January 5, 2015
Representative Gordon Hintz	January 5, 2015
Mr. Robert Brandherm, Citizen Member	At the pleasure of the Governor

Nonvoting, Advisory Members	
Vacant, State Chief Engineer Department of Administration	——
Mr. Daniel J. Stephans, State Ranking Architect Department of Administration	——

Building Commission Secretary	
Ms. Summer R. Strand, Administrator Division of Facilities Development 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 5, 2015
Mr. Mike Huebsch, Secretary Department of Administration	At the pleasure of the Governor
Mr. Mark Gottlieb, P.E., Secretary Department of Transportation	At the pleasure of the Governor

DEBT MANAGEMENT AND DISCLOSURE

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

Mr. Kevin D. Taylor
Capital Finance Director
(608) 266-2305
DOACapitalFinanceOffice@wisconsin.gov

Mr. David Erdman
Assistant Capital Finance Director
(608) 267-0374
DOACapitalFinanceOffice@wisconsin.gov

Mr. Brad Elmer
Capital Finance Officer
(608) 267-7399
DOACapitalFinanceOffice@wisconsin.gov

* The Building Commission is composed of eight voting members. The Governor serves as the chairperson. Each house of the Wisconsin State Legislature appoints three members. State law provides for the two major political parties to be represented in the membership from each house. One citizen member is appointed by the Governor and serves at the Governor's pleasure.

SUMMARY DESCRIPTION

Selected information is presented on this page for the convenience of the reader. To make an informed decision regarding the 2014 Series 2 Bonds, a prospective investor should read the entire Official Statement.

Description:	State of Wisconsin Transportation Revenue Refunding Bonds, 2014 Series 2
Principal Amount:	$94,130,000
Denominations:	Multiples of $5,000
Date of Issue:	On or about December 10, 2014
Interest Payment:	January 1 and July 1, commencing July 1, 2015
Maturities:	July 1, 2019-2027—*Front Cover*
Record Date:	December 15 or June 15
Redemption:	*Optional*—The 2014 Series 2 Bonds maturing on or after July 1, 2025 are subject to optional redemption at par (100%) on any date on or after July 1, 2024—*Page 4*
Form:	Book-entry-only—*Page 5*
Paying Agent:	All payments of principal and interest on the 2014 Series 2 Bonds will be made by The Bank of New York Mellon Trust Company, N.A., or its successor. All payments will be made to The Depository Trust Company, which will distribute payments as described herein.
Authority for Issuance:	The 2014 Series 2 Bonds are issued under Chapter 18 and Section 84.59 of the Wisconsin Statutes.
Purpose:	The 2014 Series 2 Bond proceeds will be used to advance refund certain Outstanding Bonds, and to pay costs of issuance.
Security:	The Bonds are revenue obligations having a first claim on vehicle registration fees (which are a substantial portion of pledged Program Income) and a first claim on other vehicle registration-related fees including, but not limited to, vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees—*Pages 6-9*
Priority and Additional Bonds:	The 2014 Series 2 Bonds are issued on a parity with the Outstanding Prior Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution. As of October 15, 2014, $1,897,965,000 of Prior Bonds were Outstanding and $144,103,000 of Notes subordinate to the Prior Bonds were Outstanding. The State may, if certain conditions are met, issue additional transportation revenue obligations on parity with the Prior Bonds and the 2014 Series 2 Bonds—*Pages 6-9*
Legality of Investment:	State law provides that the 2014 Series 2 Bonds are legal investments for all banks and bankers, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State, the State investment board and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the 2014 Series 2 Bonds is, for federal income tax purposes, excludable from gross income and is not an item of tax preference—*Page 11* Interest on the 2014 Series 2 Bonds is not exempt from State of Wisconsin income or franchise taxes—*Page 12*
Legal Opinion:	Validity and tax opinion to be provided by Quarles & Brady LLP—*Page C-1*
2013 Annual Report:	This Official Statement incorporates by reference, and makes certain updates to, Parts I, II, and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2013. Pursuant to its undertakings, the State intends to publish a new Continuing Disclosure Annual Report by December 27, 2014.

OFFICIAL STATEMENT

$94,130,000

STATE OF WISCONSIN

TRANSPORTATION REVENUE REFUNDING BONDS, 2014 SERIES 2

INTRODUCTION

This Official Statement sets forth information concerning the $94,130,000 State of Wisconsin Transportation Revenue Refunding Bonds, 2014 Series 2 **(2014 Series 2 Bonds)**, issued by the State of Wisconsin **(State)**. This Official Statement includes by reference Parts I, II, and V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2013 **(2013 Annual Report)**. Pursuant to its undertakings, the State intends to publish a new Continuing Disclosure Annual Report by December 27, 2014.

The 2014 Series 2 Bonds are revenue obligations issued for the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations Program (**Program**), authorized by Subchapter II of Chapter 18 of the Wisconsin Statutes, as amended **(Revenue Obligations Act)** and Section 84.59 of the Wisconsin Statutes (**Act**), and issued pursuant to a General Resolution adopted by the State of Wisconsin Building Commission (**Commission**) on June 26, 1986, as supplemented on March 19, 1998, August 9, 2000, and October 15, 2003 (**General Resolution**), and a Series Resolution adopted by the Commission on December 11, 2013 (**Series Resolution)** (collectively, with the General Resolution, the **Resolutions**).

The 2014 Series 2 Bonds, the Prior Bonds, and any additional parity Bonds (as such terms are defined herein) issued by the State pursuant to the General Resolution, are secured by a first lien pledge of Program Income. Program Income (as defined herein) includes vehicle registration fees authorized under Section 341.25 of the Wisconsin Statutes and certain other vehicle registration-related fees pursuant to 2003 Wisconsin Act 33 and a supplement to the General Resolution adopted on October 15, 2003. See "SECURITY FOR THE BONDS".

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell transportation revenue obligations of the State. The Commission is assisted and staffed by the State of Wisconsin Department of Administration**.**

In connection with the issuance and sale of the 2014 Series 2 Bonds, the Commission has authorized the preparation of this Official Statement. This Official Statement describes the terms of and security for the 2014 Series 2 Bonds. Copies of the Resolutions, the Revenue Obligations Act and the Act are available from the Commission. All capitalized terms used in this Official Statement and not otherwise defined shall have the meanings assigned in the Resolutions. Certain documents are expressly incorporated into this Official Statement by reference, however, all other web sites listed in this Official Statement are provided for informational purposes only and are not incorporated by reference into this Official Statement.

THE DEPARTMENT OF TRANSPORTATION

The State of Wisconsin Department of Transportation (**Department**) is the State agency that is involved with all forms of transportation in the State, including the construction and reconstruction of State highways and related transportation facilities and the registration of all motor vehicles. The Department is also the State agency responsible for the collection of vehicle registration fees and other vehicle registration-related fees, which are pledged as security for the revenue obligations issued by the State pursuant to the General Resolution.

Information concerning the Department is included as APPENDIX A to this Official Statement, which includes by reference Part V of the 2013 Annual Report. APPENDIX A also includes any updated information, or makes changes and additions, to Part V of the 2013 Annual Report, including but not limited to, the independent auditors' reports and audited statements of cash receipts and disbursements of the Program for the years ended June 30, 2014 and June 30, 2013.

THE STATE

The State is located in the Midwest among the northernmost tier of states. The State ranks 20th among the states in population and 25th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State and its financial condition is included as APPENDIX B, which includes by reference Part II of the 2013 Annual Report. APPENDIX B also includes any updated information, or makes changes or additions, to Part II of the 2013 Annual Report, including but not limited to:

- Annual Fiscal Report (budgetary basis), dated October 15, 2014, for the 2013-14 fiscal year, including summary of actual General Fund tax collections for the 2013-14 fiscal year.
- Information included in the Legislative Fiscal Bureau **(LFB)** memorandum dated January 16, 2014 **(January 2014 LFB Memorandum)**.
- General Fund information for the 2013-14 fiscal year through June 30, 2014 and General Fund information for the 2014-15 fiscal year through September 30, 2014, which are both presented on either a cash basis or an agency-recorded basis.

Requests for additional public information about the State, the Department, or the Program may be directed to:

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

PLAN OF FINANCE

General

The Legislature has authorized the issuance of revenue obligations to finance the costs of State transportation facilities and highway projects **(Projects)** and to refund Outstanding Bonds previously issued for that purpose. The 2014 Series 2 Bonds are being issued to advance refund certain Outstanding Bonds previously issued by the State **(Refunding)**. The refunded maturities associated with the Refunding are currently outstanding in the total principal amount of $101,215,000 **(Refunded Bonds)**.

APPENDIX D identifies, and provides information about, the Refunded Bonds.

Refunding

To provide for the Refunding, 2014 Series 2 Bond proceeds will be used to purchase direct obligations of the United States of America **(Government Obligations)**. These Government Obligations, together with the interest to be earned and a beginning cash deposit, will be sufficient:

- to pay when due (other than the interest due on January 1, 2015) the interest on the Refunded Bonds to and including their respective redemption dates, and

- to redeem or pay the principal of the Refunded Bonds on their respective redemption dates at their respective redemption prices or amounts of maturing principal.

Interest due on January 1, 2015 on the Refunded Bonds will not be funded with proceeds from the 2014 Series 2 Bonds, but such interest amounts have been funded from Program Income and deposited in the Principal and Interest Account of the Redemption Fund held by the Trustee, in accordance with the requirements of the General Resolution, prior to the date of issuance of the 2014 Series 2 Bonds.

In the opinion of Bond Counsel, upon the State making (i) the deposits into the Principal and Interest Account of the Redemption Fund for the January 1, 2015 interest payment due on the Refunded Bonds, as described above, and (ii) the deposits into the Escrow Fund, as outlined below, and with such funds being invested as required by the General Resolution, the Refunded Bonds will be deemed to be paid for purposes of the General Resolution and will no longer be considered outstanding under the General Resolution.

Refunding Escrow Agreement

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

The Escrow Fund will be held by the Escrow Trustee in trust to make principal and interest payments on the Refunded Bonds (other than interest due on January 1, 2015). The Escrow Fund will be held by the Escrow Trustee separate and apart from all other funds or accounts held by the Escrow Trustee. No fees or other charges of the Escrow Trustee may be paid from moneys in the Escrow Fund. Instead, the State has agreed that it will pay all such fees and charges to the Escrow Trustee from other available funds.

The arithmetical accuracy of the computations of the sufficiency of the amounts deposited into the Escrow Fund will be independently verified by Robert Thomas CPA, LLC **(Verification Agent)**.

Sources and Applications

It is expected that the proceeds of the 2014 Series 2 Bonds will be applied as follows.

Sources	
Principal Amount of the 2014 Series 2 Bonds	$ 94,130,000.00
Original Issue Premium	18,639,204.15
Total Sources	$112,769,204.15
Applications	
Deposit to Escrow Fund	$112,014,220.54
Deposit to the Program Account to Pay Costs of Issuance	282,045.43
Underwriters' Discount	472,938.18
Total Applications	$112,769,204.15

THE 2014 SERIES 2 BONDS

General

The 2014 Series 2 Bonds are issued under the General Resolution. The front cover of this Official Statement sets forth the maturity dates, principal amounts, interest rates, and other information for the 2014 Series 2 Bonds.

The 2014 Series 2 Bonds are being issued in book-entry-only form, so the registered owner will be a securities depository or its nominee. The Commission has appointed, as the securities depository for the

2014 Series 2 Bonds, The Depository Trust Company, New York, New York **(DTC)**. See "THE 2014 SERIES 2 BONDS; Book-Entry-Only Form".

The 2014 Series 2 Bonds will be dated their date of delivery (expected to be December 10, 2014) and will bear interest from that date payable on January 1 and July 1 of each year, beginning on July 1, 2015.

Interest on the 2014 Series 2 Bonds will be computed on the basis of a 30-day month and a 360-day year. So long as such Bonds are in book-entry-only form, payments of principal and interest for each Bond will be paid to the securities depository.

The 2014 Series 2 Bonds are issued as fully-registered bonds without coupons in the principal denominations of $5,000 or any multiples thereof.

The Bank of New York Mellon Trust Company, N.A., or its successor, is the trustee for the Bonds (**Trustee**). In addition, the Trustee is the registrar (**Registrar**) and paying agent (**Paying Agent**) for the 2014 Series 2 Bonds.

Optional Redemption

The 2014 Series 2 Bonds maturing on or after July 1, 2025 are subject to optional redemption, at the option of the Commission, on July 1, 2024 or any date after that date, in whole or in part in integral multiples of $5,000, at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the date of redemption. In the event of partial redemption, the Commission shall direct the amounts and maturity or maturities of the 2014 Series 2 Bonds to be redeemed.

Selection of 2014 Series 2 Bonds for Redemption

The 2014 Series 2 Bonds shall be called for redemption in multiples of $5,000 and bonds of denominations of more than $5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by $5,000, and such bonds may be selected for redemption in part. If the 2014 Series 2 Bonds are in book-entry form and less than all of a particular maturity are to be redeemed, selection of the ownership interests of the 2014 Series 2 Bonds affected thereby shall be made solely by DTC and the DTC Participants in accordance with their then prevailing rules. If the 2014 Series 2 Bonds are in certificated form and less than all of a particular maturity are to be redeemed, selection shall be by lot.

Notice of Redemption

So long as the 2014 Series 2 Bonds are in book-entry form, a notice of the redemption of any 2014 Series 2 Bonds shall be sent to the securities depository not less than 30 days or more than 60 days prior to the date of redemption.

Interest on any 2014 Series 2 Bond so called for prior redemption shall cease to accrue on the redemption date provided payment thereof has been duly made or provided for.

Ratings

The following ratings have been assigned to the 2014 Series 2 Bonds:

Rating	Rating Agency
AA+	Fitch Ratings
AAA	Kroll Bond Rating Agency, Inc.
Aa2	Moody's Investors Service, Inc.
AA+	Standard and Poor's Ratings Services

Any explanation of what a rating means may only be obtained from the rating agency giving the rating. No one can offer any assurance that a rating given to the 2014 Series 2 Bonds and the Outstanding Bonds will be maintained for any period of time; a rating agency may lower or withdraw the rating it gives, if in its judgment, circumstances so warrant. Any downgrade or withdrawal of a rating may adversely affect the market price of the 2014 Series 2 Bonds and the Outstanding Bonds.

Book-Entry-Only Form

The 2014 Series 2 Bonds are being initially issued in book-entry-only form. Purchasers of the 2014 Series 2 Bonds will not receive bond certificates but instead will have their ownership recorded in the book-entry system.

Bond certificates are to be issued and registered in the name of a nominee of DTC, which acts as securities depository for the Bonds. Ownership of the 2014 Series 2 Bonds by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system **(DTC Participants)**. All transfers of ownership in the 2014 Series 2 Bonds must be made, directly or indirectly, through DTC Participants.

Payment

The Trustee will make all payments of principal of, interest on, and any redemption premium on the 2014 Series 2 Bonds to DTC. Owners of the Bonds will receive payments through the DTC Participants.

Notices and Voting Rights

The State and Trustee will provide notices and other communications about the 2014 Series 2 Bonds to DTC. Owners of the Bonds will receive any notices or communications through the DTC Participants. In any situation involving voting rights, DTC will not vote but rather will give a proxy through the DTC Participants.

Redemption

If less than all of the 2014 Series 2 Bonds of a given maturity or Sinking Fund Installment are being redeemed, DTC's practice is to determine by lottery the amount of the 2014 Series 2 Bonds to be redeemed from each DTC Participant.

Discontinued Service

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

Further Information

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

The State and Trustee are not responsible for a failure by DTC or any DTC Participant to transfer payments or notices to the owners of the 2014 Series 2 Bonds or to follow the procedures established by DTC for its book-entry system.

Possible Discontinuance of Book-Entry-Only System

In the event the 2014 Series 2 Bonds were not in book-entry-only form, how the Bonds are paid, redeemed, and transferred would differ.

Payment

Payment of principal would be made by check or draft issued upon presentation and surrender of the 2014 Series 2 Bonds at the office of the Paying Agent. Payment of interest due on the 2014 Series 2 Bonds would be made by check or draft mailed to the registered owner shown in the registration books on the Record Date, which is the 15th day of the month (whether or not a business day) preceding the Interest Payment Date.

Redemption

If less than all of a particular maturity of the 2014 Series 2 Bonds is to be redeemed, selection for redemption would be by lot. Any notice of the redemption of any 2014 Series 2 Bonds would be mailed not less than 30 days prior to the date of redemption to the registered owners of any 2014 Series 2 Bonds to be redeemed. Interest on any 2014 Series 2 Bond called for redemption would cease to accrue on the redemption date so long as the 2014 Series 2 Bond was paid or money was on deposit with the Registrar or Paying Agent for its payment.

Transfer

Any 2014 Series 2 Bond would be transferred by the person in whose name it is registered, in person or by his duly authorized legal representative, upon surrender of the 2014 Series 2 Bond to the Registrar for cancellation, together with a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any 2014 Series 2 Bond is surrendered for transfer, the Registrar shall deliver 2014 Series 2 Bonds, as applicable, in like aggregate principal amount, interest rate, and maturity. The Registrar may require the Bondholder requesting the transfer to pay any tax, fee or other governmental charge required to be paid with respect to the transfer and may charge a sum sufficient to pay the cost of preparing such 2014 Series 2 Bond. The Registrar shall not be obliged to make any transfer or exchange of 2014 Series 2 Bonds:

(1) after the 15th day of the month preceding an Interest Payment Date for such 2014 Series 2 Bond,

(2) during the 15 days preceding the date of the mailing of a notice of redemption of such 2014 Series 2 Bonds selected for redemption, or

(3) after such 2014 Series 2 Bond has been called for redemption.

SECURITY FOR THE BONDS

General

Information concerning the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations Program (**Program**), security for the Bonds, sources of payment, vehicles subject to registration, past and projected vehicle registration fees, past and projected other vehicle registration-related fees, registration fee collection procedures, the Reserve Fund, additional Bonds, and the Department is included as APPENDIX A, which includes by reference Part V of the 2013 Annual Report. APPENDIX A also includes any updates to Part V of the 2013 Annual Report.

Prior Bonds

The Legislature has authorized the issuance of $3.768 billion of revenue obligations to finance the costs of Projects, excluding revenue obligations issued to refund Outstanding Bonds. As of October 15, 2014, $3.525 billion of the authorized obligations to finance the costs of Projects have been issued.

The following is a summary of the Transportation Revenue Bonds which are currently Outstanding Bonds within the meaning of the General Resolution:

Bond Issue	Dated Date
Transportation Revenue Bonds, 1998 Series A (**1998 Series A Bonds**)	August 15, 1998
Transportation Revenue Bonds, 2005 Series A **(2005 Series A Bonds)**	March 10, 2005
Transportation Revenue Bonds, 2005 Series B **(2005 Series B Bonds)**	September 29, 2005
Transportation Revenue Bonds, 2007 Series A **(2007 Series A Bonds)**	March 8, 2007
Transportation Revenue Refunding Bonds, 2007 Series 1 **(2007 Series 1 Bonds)**	March 8, 2007
Transportation Revenue Bonds, 2008 Series A **(2008 Bonds)**	August 27, 2008
Transportation Revenue Bonds, 2009 Series A **(2009 Series A Bonds)**	October 1, 2009
Transportation Revenue Bonds, 2009 Series B (Taxable) **(2009 Series B Bonds)**	October 1, 2009
Transportation Revenue Bonds, 2010 Series A **(2010 Series A Bonds)**	December 9, 2010
Transportation Revenue Bonds, 2010 Series B (Taxable) **(2010 Series B Bonds)**	December 9, 2010
Transportation Revenue Bonds, 2012 Series 1 **(2012 Series 1 Bonds)**	April 25, 2012
Transportation Revenue Bonds, 2012 Series 2 **(2012 Series 2 Bonds)**	June 28, 2012
Transportation Revenue Bonds, 2013 Series 1 **(2013 Bonds)**	March 6, 2013
Transportation Revenue Bonds, 2014 Series 1 **(2014 Series 1 Bonds)**	April 23, 2014

These Outstanding Bonds (collectively, **Prior Bonds**), and the 2014 Series 2 Bonds, together with any future additional Bonds issued by the State pursuant to the General Resolution, are referred to collectively as the **Bonds**. As of October 15, 2014, the amount of outstanding Prior Bonds was $1,897,965,000.

The 2014 Series 2 Bonds are issued on a parity with the Prior Bonds and any future additional parity Bonds issued by the State pursuant to the General Resolution.

The State has issued various series of Transportation Revenue Commercial Paper Notes (collectively, **Notes**). As of October 15, 2014, the amount of outstanding Notes was $144,103,000. The Notes were issued pursuant to the General Resolution and pursuant to Series Resolutions that provide that the payment of the Notes by the State from Program Income is junior and subordinate to the Bonds. The Commission has authorized the issuance of additional Bonds to pay for the funding of the Notes. If and when issued, the Bonds issued to fund the Notes will be on a parity with the Prior Bonds, the 2014 Series 2 Bonds, and any additional parity Bonds issued by the State pursuant to the provisions and conditions of the General Resolution.

Security

The 2014 Series 2 Bonds are revenue obligations of the State payable solely from the Redemption Fund created by the General Resolution. The 2014 Series 2 Bonds, the Prior Bonds, and any additional parity Bonds issued by the State pursuant to the General Resolution, are secured by a first lien pledge of Program Income (as defined below), and the funds created by the General Resolution pledged to the payment of interest, principal, and Redemption Price on the Bonds. The 2014 Series 2 Bonds are not general obligations of the State.

The 2014 Series 2 Bonds shall be revenue obligations of the State payable solely out of the Redemption Fund. The State is not generally liable on the 2014 Series 2 Bonds, and the Bonds shall not be a debt of the State for any purpose whatsoever.

Program Income includes vehicle registration fees authorized under Section 341.25 of the Wisconsin Statutes **(Registration Fees)** and certain other vehicle registration-related fees pursuant to 2003 Wisconsin Act 33 and a supplement to the General Resolution adopted on October 15, 2003 **(Other Registration-Related Fees)**. Other Registration-Related Fees include many types of fees that are enumerated in the Wisconsin Statutes, however, many of the Other Registration-Related Fees result in insignificant or sporadic annual revenues. Given this insignificant and sporadic nature, the State is currently providing continuing disclosure on some, but not all, Other Registration-Related Fees. These specific Other Registration-Related Fees include vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees. SEE APPENDIX A.

The Notes, and any other obligations to be issued on parity with the Notes, are also revenue obligations of the State payable from Program Income deposited into the Subordinated Debt Service Fund authorized by the General Resolution and created pursuant to the Series Resolutions for the Notes. The pledge of Program Income to the Subordinated Debt Service Fund is subordinate and junior to the pledge of Program Income to the payment of principal and interest on the Bonds.

Flow of Funds

Program Income is collected by the Trustee, or the Department as agent of the Trustee, throughout the entire fiscal year, and deposited outside the State Treasury in an account with the Trustee defined as the **Redemption Fund**. Program Income is defined to include all the interest earned or gain realized from the investment of the Redemption Fund. Starting on the date a series of Bonds is issued and also on each Redemption Fund Deposit Day (the 1st day of January, April, July, and October), Program Income is deposited into the funds and accounts established under, and in the order of priority and amounts required by, the General Resolution. Program Income received by the Trustee in the Redemption Fund is to be used:

(1) to pay interest on all Outstanding Bonds,

(2) to pay the principal or Redemption Price of all Outstanding Bonds,

(3) to maintain the Debt Service Reserve Requirement in the Reserve Fund,

(4) to pay, from the Program Expense Fund, direct administrative expenses (**Program Expenses**) of the State's program of financing Projects, and

(5) to pay, from the Subordinated Debt Service Fund, principal of and interest on the Notes and any other obligations issued on a parity with the Notes.

Program Income in excess of the amount needed for such purposes is to be transferred to the Transportation Fund held by the Department free of the lien of the pledge of the General Resolution and will be used by the Department for any of its authorized purposes.

Build America Bonds

The direct payment the State expects to receive from the United States Treasury on each interest payment date, in connection with the 2009 Series B Bonds and the 2010 Series B Bonds, which were designated by the State as qualified "build America bonds," is not Program Income and is not pledged to the payment of interest, principal, or Redemption Price on the Bonds.

With respect to the direct payments the State expects to receive, since such payments are not Program Income and not pledged to the payment on the Bonds, there is no direct impact on the Bonds with these direct payments being subject to mandated across-the-board cuts to the Federal budget for the federal fiscal year that started October 1, 2014. The impact of these cuts for the current federal fiscal year is a 7.3% reduction in the direct payment amount that the State expects to receive.

State Pledge and Agreement

In the General Resolution, the State pledges and agrees with the Bondholders that the State will not limit or alter its powers to fulfill the terms of any agreements (made in the General Resolution or in the Bonds) with the Bondholders, or in any way impair the rights and remedies of the Bondholders until the Bonds, together with interest, including interest on any unpaid installments of interest thereon, and Redemption Price thereof, and all costs and expenses in connection with any action or proceeding by or on behalf of the Bondholders, are fully met and discharged.

November 4, 2014 Constitutional Amendment Referendum

A constitutional amendment referendum question was approved in the State's general election on November 4, 2014. The constitutional amendment will require most revenues generated by use of the State's transportation system be deposited with a trustee for the benefit of the Department or the holders of transportation-related revenue bonds (such as Bondholders) or into a transportation fund administered by the Department for the exclusive purpose of funding the State's transportation systems. The constitutional amendment will further prohibit any transfers or lapses from this transportation fund.

This constitutional amendment has no direct impact on Bondholders. Pursuant to the General Resolution, Program Income will continue to be first collected by the Trustee and deposited outside the State Treasury in the Redemption Fund. After all General Resolution requirements are met, excess Program Income is then transferred to the State's transportation fund. See "SECURITY FOR THE BONDS; Security; *Flow of Funds*" above. At that time, the revenues will then be subject to the requirements of this constitutional amendment.

Reserve Fund

The General Resolution creates a Reserve Fund for the Bonds; however, as of October 15, 2014, the balance of the Reserve Fund is $0.00.

The State pursuant to each Series Resolution specifies the Debt Service Reserve Requirement, if any, for each Series of Bonds. The individual Debt Service Reserve Requirements for each Series of the Outstanding Bonds are combined to determine the aggregate Debt Service Reserve Requirement for the Reserve Fund. Since 2003, the State has not specified a Debt Service Reserve Requirement for any Series of Bonds that have been issued. The State will continue this practice in connection with the issuance of the 2014 Series 2 Bonds. Accordingly, the Debt Service Reserve Requirement for the 2014 Series 2

Bonds is $0.00. Furthermore, the State does not currently expect to specify a Debt Service Reserve Requirement for any future Series of additional Bonds; however, the State reserves the right to change its practice and no representation is made as to the amount of the Debt Service Reserve Requirement that the State may specify for any future Series of additional Bonds.

If all of the Bonds of a Series cease to be Outstanding, then the aggregate Debt Service Reserve Requirement is reduced by the Debt Service Reserve Requirement attributable to that Series of Bonds. The State may, pursuant to the General Resolution, transfer cash and investments on deposit in the Reserve Fund that are in excess of the aggregate Debt Service Reserve Requirement to the Principal and Interest Account at the end of any fiscal year. The aggregate Debt Service Reserve Requirement for all Series of Outstanding Bonds was reduced to $0.00 on July 1, 2014, and on October 1, 2014 the State transferred excess funds in the amount of $9,103,617, from the Reserve Fund to the Principal and Interest Account, leaving a balance of $0.00 in the Reserve Fund.

In the event that the Reserve Fund were to be funded in connection with a future Series of Bonds, the General Resolution provides that it shall be used to make up any deficiency in the Redemption Fund for the payment of principal of and interest on all of the-then Outstanding Bonds. If there is a deficiency in the Reserve Fund, the Trustee shall, after setting aside in the Principal and Interest Account the applicable amount required to be deposited therein, deposit Program Income into the Reserve Fund in an amount sufficient to remedy such deficiency.

Additional Bonds

The General Resolution authorizes the issuance of additional Bonds for the purpose of paying the costs of Projects, funding reserves, paying costs of issuance, and refunding Outstanding Bonds. The issuance of transportation revenue obligations to finance the costs of Projects beyond the remaining legislative authorized amount requires additional legislative authorization; over the past ten years such additional legislative authorization has been provided biennially as part of the State's biennial budget process. See "SECURITY FOR THE 2014 SERIES 2 BONDS; Prior Bonds".

In addition, except in the case of additional Bonds issued to refund Outstanding Bonds (such as the 2014 Series 2 Bonds), additional Bonds may be issued only if Program Income for any 12 consecutive calendar months of the preceding 18 calendar months was at least equal to 2.25 times the maximum aggregate Principal and Interest Requirement in any Bond Year for all Outstanding Bonds, including the Bonds to be issued. The General Resolution defines **Outstanding Bonds**, as of any particular date, as all Bonds previously delivered and expected to be delivered, except (1) any Bond canceled by the Trustee, or proven to the satisfaction of the Trustee to have been canceled by the Registrar, (2) any Bond deemed to have been defeased pursuant to the General Resolution, and (3) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the requirements of the General Resolution or any Series Resolution.

SUMMARY OF THE GENERAL RESOLUTION

A summary of the General Resolution is included as APPENDIX A, which includes by reference Part V of the 2013 Annual Report.

BORROWING PROGRAM

The 2014 Series 2 Bonds are the second issuance of transportation revenue bonds in calendar year 2014. The State previously issued the 2014 Series 1 Bonds; $300 million of the par amount from that Series financed the costs of State transportation facilities and highway projects and $40 million currently refunded prior transportation revenue obligations. The Commission has authorized up to $335 million of additional transportation revenue refunding obligations; the issuance of the 2014 Series 2 Bonds will expend approximately $94 million of such authorization. The amount and timing of any additional transportation revenue refunding obligations depends on market conditions.

The Commission has previously authorized the issuance of additional Bonds for the funding of the outstanding Notes. If and when issued, the Bonds issued to fund the Notes will be on parity with the Prior

Bonds, the 2014 Series 2 Bonds, and any additional parity Bonds issued by the State pursuant to the provisions and conditions of the General Resolution.

UNDERWRITING

The 2014 Series 2 Bonds are being purchased by the **Underwriters**, for which J.P. Morgan Securities LLC is acting as the **Representative**. The Underwriters have agreed, subject to certain conditions, to purchase the 2014 Series 2 Bonds from the State at an aggregate purchase price, not including accrued interest, of $112,296,265.97 reflecting an original issue premium of $18,639,204.15 and underwriters' discount of $472,938.18.

The Underwriters have agreed to reoffer the 2014 Series 2 Bonds at the public offering prices or yields set forth on the front cover. The 2014 Series 2 Bonds may be offered and sold to certain dealers (including dealers depositing such 2014 Series 2 Bonds into investment trusts) at prices lower than such public offering prices, and such prices may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions, and they will be obligated to purchase all the 2014 Series 2 Bonds if any 2014 Series 2 Bonds are purchased.

Certain legal matters will be passed upon for the Underwriters by their counsel, Barnes & Thornburg LLP.

CUSIP NUMBERS, REOFFERING YIELDS, PRICES, AND OTHER INFORMATION

The table appearing on the front cover includes information about the 2014 Series 2 Bonds and is provided for reference. The CUSIP number for each maturity has been obtained from sources believed to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices. For each of the 2014 Series 2 Bonds subject to optional redemption, the yield at issuance shown is the lower of the yield to the first optional call date or the yield to the nominal maturity date.

LEGALITY FOR INVESTMENT

State law provides that the 2014 Series 2 Bonds are legal investments for the following:

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

PENDING LITIGATION

The State and its officers and employees are defendants in numerous lawsuits. It is not expected that the pending litigation will be finally determined so as to result individually or in the aggregate in a final judgment against the State which would materially affect the payment of interest on, principal of, or Redemption Price of the 2014 Series 2 Bonds.

As required by law, the office of the Attorney General will examine a certified copy of all proceedings leading to issuance of the 2014 Series 2 Bonds. The Attorney General will deliver an opinion on the regularity and validity of the proceedings. The Attorney General's opinion will also state that there is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, restraining or enjoining the issuance, sale, execution, or delivery of the 2014 Series 2 Bonds, and there also is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, in any way contesting or affecting (1) the titles to their respective offices of any of the State officers involved in the issuance of the 2014 Series 2 Bonds, (2) the validity of the 2014 Series 2 Bonds or any proceedings or authority by which the same have been issued, sold, executed and delivered, or (3) the pledge or application of any moneys or security provided for the payment of the 2014 Series 2 Bonds, the existence of the Department or its power to charge and collect Registration Fees and Other Registration-Related Fees and pledge them for the payment of the 2014 Series 2 Bonds.

In the event certificated Bonds are issued, the certificate of the Attorney General will be printed on the reverse side of each 2014 Series 2 Bond.

LEGALITY

All legal matters incident to the authorization, issuance, and delivery of the 2014 Series 2 Bonds are subject to the opinion of Quarles & Brady LLP (**Bond Counsel**).

TAX MATTERS

Tax Exemption

Bond Counsel will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the 2014 Series 2 Bonds under existing law substantially in the form as set forth in APPENDIX C.

Prospective purchasers of the 2014 Series 2 Bonds should be aware that ownership of the 2014 Series 2 Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the 2014 Series 2 Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time, legislation is proposed and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the 2014 Series 2 Bonds. It cannot be predicted whether or in what form any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the 2014 Series 2 Bonds may be enacted. Prospective purchasers of the 2014 Series 2 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Original Issue Premium

To the extent that the initial offering prices of certain of the 2014 Series 2 Bonds are more than the principal amount payable at maturity, such 2014 Series 2 Bonds **(Premium Bonds)** will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have “amortizable bond premium” within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the owner held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

State Taxes

The interest on the 2014 Series 2 Bonds is not exempt from present Wisconsin income or franchise taxes. Owners of the 2014 Series 2 Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the 2014 Series 2 Bonds.

FINANCIAL ADVISOR

Robert W. Baird & Co. Incorporated has been employed by the State to perform professional services in the capacity of financial advisor **(Financial Advisor)**. The Financial Advisor has provided advice on the plan of finance, selection of the Refunded Bonds, and structure of the 2014 Series 2 Bonds, and has also reviewed certain legal and disclosure documents, including this Official Statement, for financial matters.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations was independently verified by the Verification Agent. These computations, which were provided by the Underwriters, indicate (1) the sufficiency of the receipts from the Government Obligations, together with an initial cash deposit, to pay to and at early redemption the principal of and interest (other than interest due on January 1, 2015) on the Refunded Bonds and (2) the yield of the Escrow Fund is less than the yield on the 2014 Series 2 Bonds. The Verification Agent relied upon assumptions and information supplied by the Underwriters on behalf of the State and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Refunded Bonds will be paid as described in its report.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the 2014 Series 2 Bonds, to provide an annual report presenting certain financial information and operating data about the State **(Annual Reports)**. By December 27 of each year, the State will send the report to the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system. The State will also provide to the MSRB through its EMMA system notices of the occurrence of certain events specified in the undertaking. Part I of the 2013 Annual Report, which contains information on the undertaking, is included by reference as part of this Official Statement.

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

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

The undertaking also describes the consequences if the State fails to provide any required information. The State must report the failure to the MSRB. In the last five years, the State has not failed to comply in any material respect with this, or any similar, undertaking. During that period, rating agencies have changed their respective ratings with respect to various bond insurers. Certain obligations previously issued by the State were insured by policies issued by these bond insurers, and the State did not file notice of those rating changes, based on a determination that the changes were not material. On July 31, 2014, the State filed with the MSRB, as a technical clarification, a written notice of those rating changes of bond insurers where the rating before the change was above the underlying rating of the respective State obligations.

Dated: November 6, 2014

STATE OF WISCONSIN

/S/ SCOTT WALKER

Governor Scott Walker, Chairperson
State of Wisconsin Building Commission

/S/ SUMMER R. STRAND

Summer R. Strand, Secretary
State of Wisconsin Building Commission

/S/ MARK GOTTLIEB

Mark Gottlieb, P.E., Secretary
State of Wisconsin Department of Transportation

APPENDIX A

INFORMATION ABOUT THE TRANSPORTATION REVENUE BOND PROGRAM

This Appendix includes by reference information concerning the State of Wisconsin Transportation Revenue Bond Program, contained in Part V of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2013 (**2013 Annual Report**), which can be obtained as described below. This Appendix also includes any updates, or makes changes or additions, to the information presented in Part V of the 2013 Annual Report, including but not limited to, the independent auditors' reports and audited statements of cash receipts and disbursements of the Program for the years ended June 30, 2014 and June 30, 2013.

Part V of the 2013 Annual Report contains information concerning the Transportation Revenue Bond Program, security for the Bonds, sources of payment, vehicle registration fees, other vehicle registration-related fees, registration fee collection procedures, the Reserve Fund, additional Bonds, the Wisconsin Department of Transportation **(Department)**, and a summary of the General Resolution. Part V of the 2013 Annual Report also includes the independent auditor's reports and audited statements of cash receipts and disbursements for the years ended June 30, 2013 and June 30, 2012.

The 2013 Annual Report has been filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system, and is also available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin". The Capital Finance Office web site is located at the following address:

www.doa.wi.gov/capitalfinance

Copies of the 2013 Annual Report may also be obtained from:

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

After publication and filing of the 2013 Annual Report, certain changes or events have occurred that affect items discussed in the 2013 Annual Report. Certain of these changes or events are described in the body of this Official Statement. Listed below, by reference to particular sections of Part V of the 2013 Annual Report, are other changes or additions to the discussion contained in those particular sections. Many of the following changes or additions have not been filed with the MSRB. However, the State has filed, and expects to continue to file, informational notices with the MSRB, some of which may be notices that are not required to be filed under the State's undertakings.

This Official Statement may include changes or additions that were released after the date of the Preliminary Official Statement (October 28, 2014). Any such change or addition is identified accordingly.

Table V-2; Debt Service of Outstanding Transportation Revenue Bonds and Estimated Revenue Coverage (Page 165). Replace with the following updated table:

The table on the following page shows the forecasted coverage of annual debt service on the Outstanding Bonds following the issuance of the 2014 Series 2 Bonds, based on the Department's estimated Program Income for 2015-2022. There can be no assurance that the estimated vehicle registration and other vehicle registration-related fees will be realized in the amounts shown.

Debt Service on the 2014 Series 2 Bonds and Estimated Coverage for Outstanding Bonds[(a)(e)]

	Estimated Program Income[(a)]			2014 Series 2 Bonds Debt Service			Outstanding Bonds (Including 2014 Series 2 Bonds)[(c)(e)]				Outstanding Notes[(d)(e)]				
Maturity (July 1)	Estimated Registration Fees (Millions)	Estimated Certain Other Registration-Related Fees (Millions)	Total Program Income[(c)] (Millions)	Principal	Interest	Debt Service	Total Principal	Total Interest	Total Debt Service	Coverage Ratio[(b)(c)(e)]	Total Principal-Notes	Estimated Total Interest - Notes	Estimated Total Debt Service - Notes	Estimated Total Debt Service - Bonds and Notes	Coverage Ratio[(b)(c)(d)(e)]
2015	$545.40	$93.37	$638.77		$2,627,796	$2,627,796	$107,690,000	$94,458,487	$202,148,487	3.16	$26,975,000	$7,205,150	$34,180,150	$236,328,637	2.70
2016	564.80	93.37	658.17		4,706,500	4,706,500	104,840,000	88,674,426	193,514,426	3.40	28,405,000	5,856,400	34,261,400	227,775,826	2.89
2017	566.70	93.37	660.07		4,706,500	4,706,500	102,825,000	83,514,240	186,339,240	3.54	29,915,000	4,436,150	34,351,150	220,690,390	2.99
2018	585.60	93.37	678.97		4,706,500	4,706,500	118,065,000	78,544,613	196,609,613	3.45	16,153,000	2,940,400	19,093,400	215,703,013	3.15
2019	586.80	93.37	680.17	$8,040,000	4,706,500	12,746,500	123,150,000	72,822,452	195,972,452	3.47	7,720,000	2,132,750	9,852,750	205,825,202	3.30
2020	605.10	93.37	698.47	8,440,000	4,304,500	12,744,500	129,200,000	66,766,558	195,966,558	3.56	8,105,000	1,746,750	9,851,750	205,818,308	3.39
2021	605.90	93.37	699.27	8,860,000	3,882,500	12,742,500	135,540,000	60,424,637	195,964,637	3.57	8,510,000	1,341,500	9,851,500	205,816,137	3.40
2022	623.90	93.37	717.27	9,300,000	3,439,500	12,739,500	127,080,000	53,789,158	180,869,158	3.97	8,935,000	916,000	9,851,000	190,720,158	3.76
2023				9,770,000	2,974,500	12,744,500	112,990,000	47,561,041	160,551,041		9,385,000	469,250	9,854,250	170,405,291	
2024				10,255,000	2,486,000	12,741,000	114,035,000	41,974,982	156,009,982						
2025				10,770,000	1,973,250	12,743,250	101,780,000	36,235,073	138,015,073						
2026				11,305,000	1,434,750	12,739,750	89,225,000	31,068,092	120,293,092						
2027				17,390,000	869,500	18,259,500	95,235,000	26,458,622	121,693,622						
2028							81,845,000	21,527,845	103,372,845						
2029							86,050,000	17,244,060	103,294,060						
2030							75,615,000	12,725,638	88,340,638						
2031							65,455,000	8,709,975	74,164,975						
2032							52,535,000	5,423,425	57,958,425						
2033							40,840,000	2,992,075	43,832,075						
2034							26,885,000	1,209,825	28,094,825						
				$94,130,000	$42,818,296	$136,948,296	$1,890,880,000	$852,125,224	$2,743,005,224		$144,103,000	$27,044,350	$171,147,350		

(a) The estimated fees for 2015 through 2022 reflect revenue projections completed by the Department in October 2014. Excludes interest earnings.

(b) Reflects the 2014 Series 2 Bonds and assumes, as of the date of this Official Statement, that the Refunded Bonds have been defeased.

(c) Does not reflect or include the direct payment the State is expected to receive from the United States Treasury on each interest payment date in the amount of 35% of the interest payable by the State on such date for the 2009 Series B Bonds and the 2010 Series B Bonds, each designated as qualified "build America bonds".

(d) Reflects principal component of the respective Subordinated Debt Service Fund Requirement and assumed interest rate of 5.00%.

(e) Assumes that no additional Bonds will be issued and continuation of current Registration Fees and Other Registration-Related Fees. Estimates of Program Income and coverage beyond 2022 are not currently available.

Table V-5; Actual Number of Motor Vehicle Registrations (Page 167). Replace with the following updated table:

ACTUAL NUMBER OF MOTOR VEHICLE REGISTRATIONS[a]
(Millions of Vehicles)

Fiscal Year (June 30)	Automobiles[b]	Trucks[c]	Other Vehicles [d]	Total	% Change
2005	3.36	1.11	.85	5.32	—
2006	3.41	1.14	.89	5.44	2.3%
2007	3.47	1.14	.97	5.58	2.5
2008	3.52	1.14	.98	5.64	1.0
2009	3.51	1.13	1.07	5.71	1.2
2010	3.52	1.11	1.07	5.70	(0.2)
2011	3.52	1.12	1.14	5.78	1.4
2012	3.53	1.12	1.12	5.77	(0.2)
2013	3.59	1.14	1.20	5.92	2.7
2014	3.62	1.15	1.17	5.94	0.3

(a) In fiscal year 2005, the methodology for reporting vehicle registrations was changed from vehicle frame-based to vehicle registration-type. All of the information in this table reflects the use of the new vehicle registration-type methodology.

(b) "Automobiles" include autos, minivans, and sport utility vehicles.

(c) "Trucks" includes trucks and other vehicles that pay Registration Fees based on the vehicle's gross weight.

(d) "Other Vehicles" include mobile homes, motorcycles, mopeds, buses, and several other vehicle types.

Source: Department of Transportation

Table V-6; Actual Registration Fee Revenues (Page 167). Replace with the following updated table:

ACTUAL REGISTRATION FEE REVENUES
(Amounts in Millions)

Fiscal Year (June 30)	Non-IRP Fees	Pledged IRP Fees	Total	% Change
2005	$314.4	$60.7[a]	$375.1	—
2006	333.6	62.7[a]	396.3	5.7%
2007	322.6	62.2	384.8	(2.9)
2008[b]	385.4	71.8	457.2	18.8
2009[b]	435.5	75.3	510.8	11.7
2010	444.4	75.3	519.7	1.7
2011	433.0	76.8	509.8	(1.9)
2012	445.0	81.1	526.1	3.2
2013	440.1	82.8	522.8	(0.6)
2014	458.9	85.5	544.4	4.1

[a] The Pledged IRP fees for fiscal years 2005 and 2006 have been revised and restated to reflect a correction in the recording of revenue obtained through the IRP program.

[b] The increase in fiscal years 2008 and 2009 reflects the $20 increase in registration fees for automobiles, along with other fee increases for other vehicle types, which went into effect on January 1, 2008.

Source: Department of Transportation

Table V-7; Projected Registration Fee Revenues (Page 169). Replace with the following updated table:

PROJECTED REGISTRATION FEE REVENUES
(Amounts in Millions)

Fiscal Year (June 30)	Revenues[a]	% Change
2015	$ 545.4	—
2016	564.8	3.6%
2017	566.7	0.3
2018	585.6	3.3
2019	586.8	0.2
2020	605.1	3.1
2021	605.9	0.1
2022	623.9	3.0

[a] Includes both IRP and non-IRP Registration Fees pursuant to Section 341.25, Wisconsin Statutes. Does not include Other Registration-Related Fees, which are addressed in a different section in Part V of the 2013 Annual Report.

Source: Department of Transportation

Table V-8; Actual and Projected Other Registration-Related Fees (Page 173). Replace with the following updated table:

ACTUAL AND PROJECTED OTHER REGISTRATION-RELATED FEES

Fiscal Year (June 30)	Title Transaction Fees	Counter Service Fees and Personalized License Plates	Subtotal	Other Miscellaneous Vehicle Registration-Related Fees	Total Registration-Related Fees
2005	$ 37,703,381	$ 9,080,116	$ 46,783,497	$ 11,249,762	$ 58,033,259
2006[a]	48,026,267	9,129,613	57,155,880	8,494,960	65,650,840
2007	50,470,381	8,487,460	58,957,841	8,457,789	67,415,630
2008[a]	63,825,116	8,504,542	72,329,658	8,690,501	81,020,159
2009[a]	73,326,881	8,065,590	81,392,471	8,300,302	89,692,773
2010	72,424,499	8,356,113	80,780,612	9,873,154	90,653,766
2011	73,817,627	7,736,294	81,553,921	12,201,959	93,755,880
2012[a]	86,902,864	8,082,787	94,985,651	13,046,048	108,031,699
2013	88,495,799	7,650,431	96,146,230	13,240,815	109,387,045
2014	92,478,346	7,838,553	100,316,899	14,053,506	114,370,405
2015	85,438,400	7,932,800	93,371,200	12,696,800	106,068,000
2016	85,438,400	7,932,800	93,371,200	12,696,800	106,068,000
2017	85,438,400	7,932,800	93,371,200	12,696,800	106,068,000
2018	85,438,400	7,932,800	93,371,200	12,696,800	106,068,000
2019	85,438,400	7,932,800	93,371,200	12,696,800	106,068,000
2020	85,438,400	7,932,800	93,371,200	12,696,800	106,068,000
2021	85,438,400	7,932,800	93,371,200	12,696,800	106,068,000
2022	85,438,400	7,932,800	93,371,200	12,696,800	106,068,000

[a] Reflects (i) effective date of October 1, 2005 for additional $10 increase in title transaction fees and $12 increase in duplicate title fee, (ii) effective date of January 1, 2008 for additional $24.50 increase in title transaction fees, and (iii) effective date of July 1, 2011 for no increase in the actual title transaction fee, but a $9 increase in the portion of the title transaction fee that is now considered to be Program Income.

Appendix A; Audited Financial Statements (Page 194). The following are the independent auditors' reports and audited statements of cash receipts and disbursements of the Program for the years ended June 30, 2014 and June 30, 2013. The independent auditor released these materials after the date of the Preliminary Official Statement for the 2014 Series 2 Bonds (October 28, 2014).

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

Statements of Cash Receipts and Disbursements
for the Years Ended June 30, 2014 and 2013
with Independent Auditors' Report

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

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INDEPENDENT AUDITORS' REPORT

To the Wisconsin Department of Transportation
State of Wisconsin

Report on the Financial Statements

We have audited the accompanying statements of cash receipts and disbursements of the Wisconsin Department of Transportation Revenue Bond Program (the "Program") for the years ended June 30, 2014 and 2013 and the related notes to the statements of cash receipts and disbursements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Program's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the statements of cash receipts and disbursements of the Wisconsin Department of Transportation Revenue Bond Program for the years ended June 30, 2014 and 2013, in accordance with the cash basis of accounting as described in Note 2.

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Basis of Accounting

We draw attention to Note 2 of the notes to the statements of cash receipts and disbursements, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the statements of cash receipts and disbursements of the Program as a whole. The financial information listed in the table of contents as supplementary information on pages 14 through 30 are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The schedule of program revenue and schedule of motor vehicle registration and registration-related fees – cash basis on pages 31 and 32 have not been subject to the auditing procedures applied in the audits of the statements of cash receipts and disbursements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2014, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
October 21, 2014

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH AND INVESTMENTS, BEGINNING OF YEAR	$ 236,057,948	$ 253,293,642
RECEIPTS:		
Motor vehicle registration fees retained by Trustee	194,747,937	182,236,197
Investment income	2,837,276	671,217
Revenue bond proceeds - par value	300,000,000	123,925,000
Revenue bond proceeds - accrued interest and original issuance premium, net of underwriter's discount	31,461,500	22,469,857
Revenue refunding bond proceeds - par value	39,745,000	135,755,000
Revenue refunding bond proceeds - accrued interest and original issuance premium, net of underwriter's discount	2,962,356	29,364,255
Total receipts	571,754,069	494,421,526
DISBURSEMENTS:		
Debt service - principal	94,835,000	94,715,000
Debt service - interest	84,950,106	85,651,391
Net premium paid/(discount earned) on investments	2,999,298	213,126
Highway program expenditures	134,598,039	165,313,599
Program expenses - revenue bond program	25,906	41,131
Program expenses - commercial paper program	635,437	259,596
Bond issuance costs	586,732	493,612
Defeasance of debt - purchase of securities for escrow account	-	164,969,765
Total disbursements	318,630,518	511,657,220
CASH AND INVESTMENTS, END OF YEAR	$ 489,181,499	$ 236,057,948
Cash and investments reserved for debt service	$ 195,666,036	$ 137,522,857
Cash and investments reserved for program expenses	33,191	179,534
Cash and investments reserved for highway expenditures	284,378,887	88,002,032
Cash and investments in the reserve fund	9,103,385	10,353,525
	$ 489,181,499	$ 236,057,948

See notes to statements of cash receipts and disbursements.

WISCONSIN DEPARTMENT OF TRANSPORTATION REVENUE BOND PROGRAM

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

1. NATURE OF PROGRAM

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

The Department has statutory authority (as amended) as of June 30, 2014, to issue a total of $3,768,059,300 of revenue obligations (excluding refunded bonds), in order to partially finance the costs of the authorized projects, in addition to proceeds from State of Wisconsin ("State") general obligation debt, federal aid and other money in the State Transportation Fund. As of June 30, 2014, the Department has remaining authority to issue $243,213,091 of additional obligations.

As part of the State's reporting entity, the Program's financial information is included in the State of Wisconsin Comprehensive Annual Financial Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Department has entered into trust agreements, as amended, with The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), relating to the creation and administration of the State of Wisconsin Transportation Revenue Bonds, 1998 Series A, 2002 Series A, 2003 Series A, 2004 Series 1, 2005 Series A, 2005 Series B, 2007 Series A, 2007 Series 1, 2008 Series A, 2009 Series A, 2009 Series B (Taxable), 2010 Series A, 2010 Series B (Taxable), 2012 Series 1, 2012 Series 2, 2013 Series 1 and 2014 Series 1. Among other provisions, the trust agreements, in conjunction with the General Resolution, specify those funds to be created and maintained, the timing and flow of monies through the funds, the determination of the debt service reserve requirements (see Note 6) and the procedure to be followed for the redemption of the bonds. It is the Department's view that the statements of cash receipts and disbursements along with the related notes meet the reporting requirements of the trust agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receipts and Disbursements:

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

Investment Income - Investment income is recorded when received. Investment Income for the year ended June 30, 2013, has been restated to report the premiums paid and discounts earned on investments redeemed during the year, previously included in Investment Income, as Net Premium Paid/(Discount Earned) on Investments.

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

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

Net Premium Paid/(Discount Earned) on Investments - The net of the premium paid on investments purchased at more than face value and the discount earned on investments purchased at less than face value.

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

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

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

Bond Issuance Costs - Costs associated with issuing bonds, such as legal, financial advisor and accounting fees, are recorded when paid. For bonds issued late in the fiscal year, subsequent payment of the related issuance costs may occur and be reported in the fiscal year following issuance of the bonds and recording of the bond proceeds.

3. CASH AND INVESTMENTS

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

3. CASH AND INVESTMENTS (Continued)

During fiscal years 2014 and 2013, the Program's assets were held in deposit accounts or invested in a money market fund, U.S. government securities, and federal agency securities by the Trustee. The money market fund invests exclusively in obligations of the U.S. Treasury, including Treasury bills, bonds and notes. Program assets are reported at cost. The following table summarizes the cost and fair market value for each of the investments:

	June 30, 2014		June 30, 2013	
Cash/Investment	**Cost**	**Fair Value**	**Cost**	**Fair Value**
Bank of New York Cash Reserve (deposit account)	$176,932,246	$176,932,246	$ 33,545,792	$ 33,545,792
Dreyfus Treasury Cash Management Money Market	127,337,385	127,337,385	25,416,344	25,416,344
U.S. Treasury Notes	-	-	84,411,746	82,884,000
Federal Home Loan Mortgage Corp Disc Notes	119,927,667	119,928,000	14,361,920	14,367,000
Federal Home Loan Bank Discount Notes	64,984,201	64,990,250	56,405,273	56,426,491
Federal National Mortgage Association Discount Notes	-	-	21,916,873	21,919,400
Total	$489,181,499	$489,187,881	$236,057,948	$234,559,027

Investments of the Program are subject to various risks:

- Custodial credit risk is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, the Program will not be able to recover the value of investments or collateral securities that are in the possession of another party. Securities of the U.S. government and its agencies were registered and held by the Program's agent in the Program's name. The deposit account is FDIC-insured up to $250,000 but is not collateralized. Money market funds are not insured or collateralized.

- Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Standard & Poor's Ratings Services, Moody's Investors Service, Inc., and Fitch Ratings. As of June 30, 2014, the deposit account was rated AA_2 by Moody's and AA- by Standard & Poor's and Fitch. Standard & Poor's rating for U.S. government and federal agencies securities was AA+. All remaining investments were rated AAA.

- Concentration of credit risk may be a concern if investments in any one issuer represent 5 percent or more of net Program assets, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments. Concentration of credit risk is not addressed in the Program's investment requirements. As of June 30, 2014, 36 percent of the Program's assets were held in a deposit account. Thirty-eight percent of the Program's assets were invested in federal agency securities and 26 percent in a money market fund; however, this fund solely invests in U.S. government securities.

3. CASH AND INVESTMENTS (Continued)

- Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Money market funds are liquid, having no future maturity dates. The Federal Home Bank Discount Notes will mature on October 15, 2014. The Federal Home Loan Mortgage Corporation Discount Notes will mature on February 27, 2015.

- Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment. Foreign currency holdings are not specifically addressed in the Program's investment requirements; however, no investments denominated in foreign currency were held by the Program as of June 30, 2014.

4. REVENUE BONDS

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

A summary of these revenue obligations outstanding as of June 30, 2014 and 2013 is as follows:

	2014	2013
Transportation Revenue Bonds, 1998 Series A, fixed interest rate of 5.5%, interest payable semiannually, annual principal payments of variable amounts through 2016	$ 25,100,000	$ 42,015,000
Transportation Revenue Bonds, 2002 Series A, fixed interest rate of 5.0%, interest payable semiannually, final annual principal payment in 2013	-	9,385,000
Transportation Revenue Bonds, 2003 Series A, fixed interest rate of 5.0%, interest payable semiannually, final annual principal payment in 2014	11,730,000	22,900,000
Transportation Revenue Refunding Bonds, 2004 Series 1, fixed interest rate of 5.25%, interest payable semiannually, final annual principal payment in 2014	16,345,000	65,160,000

4. **REVENUE BONDS (Continued)**

Transportation Revenue Bonds, 2005 Series A, varying fixed interest rates from 5.0% to 5.25%, interest payable semiannually, annual principal payments of variable amounts through 2021	176,040,000	176,450,000
Transportation Revenue Bonds, 2005 Series B, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2015	20,305,000	22,540,000
Transportation Revenue Bonds, 2007 Series A, fixed interest rate of 4.25%, interest payable semiannually, final annual principal payment in 2027	18,340,000	18,340,000
Transportation Revenue Refunding Bonds, 2007 Series 1, varying fixed interest rates from 4.35% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2022	206,900,000	206,900,000
Transportation Revenue Bonds, 2008 Series A, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2029	160,885,000	167,360,000
Transportation Revenue Bonds, 2009 Series A, fixed interest rate of 3.5%, interest payable semiannually, final annual principal payment in 2014	6,170,000	12,135,000
Transportation Revenue Bonds, 2009 Series B (Taxable), varying fixed interest rates from 3.54% to 5.84%, interest payable semiannually, annual principal payments of variable amounts through 2030	147,130,000	147,130,000
Transportation Revenue Bonds, 2010 Series A, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2021	63,675,000	70,025,000
Transportation Revenue Bonds, 2010 Series B (Taxable), varying fixed interest rates from 4.7% to 6.0%, interest payable semiannually, annual principal payments of variable amounts through 2031	123,925,000	123,925,000
Transportation Revenue Bonds, 2012 Series 1, varying fixed interest rates from 3.5% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2032	313,980,000	343,725,000
Transportation Revenue Bonds, 2012 Series 2, varying fixed interest rates from 4.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2024	116,400,000	116,400,000
Transportation Revenue Bonds, 2013 Series 1, varying fixed interest rates from 4.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2033	259,680,000	259,680,000

4. REVENUE BONDS (Continued)

Transportation Revenue Bonds, 2014 Series 1, varying fixed interest rates from 2.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2034	339,745,000	-
Total principal amount of bonds outstanding at June 30	2,006,350,000	1,804,070,000
Less: current maturities	108,385,000	94,835,000
Principal outstanding at June 30 due beyond one year	$ 1,897,965,000	$ 1,709,235,000

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

Future maturities of bonds payable as of June 30, 2014 are as follows:

Year Ending June 30,	
2015	$ 108,385,000
2016	107,690,000
2017	104,840,000
2018	102,825,000
2019	118,065,000
2020 – 2024	631,510,000
2025 – 2029	485,655,000
2030 – 2034	320,495,000
2035	26,885,000
	$2,006,350,000

The 2009 Series B (Taxable) and 2010 Series B (Taxable) Bonds are "qualified build America bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended. The State expects to receive 35% of the interest payable to bondholders from the United States Treasury. Interest subsidies from the United States Treasury received in connection with these "build America bonds" are not pledged to the payment of principal, interest, or redemption price on the bonds and are not reported as income to the Program.

The $4.7 million subsidy for interest due January 1 and July 1, 2014, was received and deposited in the State Transportation Fund. The subsidy was reduced by $0.4 million (7.2 percent), as required by the Budget Control Act of 2011 (federal budget sequestration).

5. DEFEASED REVENUE BONDS

From time to time, the Program issues revenue bonds to defease older revenue bonds in order to generate debt service savings. The proceeds from the issuance of revenue bonds, together with assets transferred from the refunded bond series, are deposited with a trustee bank in a separate Escrow Account. These funds are invested by an escrow agent in U.S. Treasury obligations and certain other government securities so that sufficient monies are available to pay the principal, interest and redemption price of the defeased bonds.

A summary of the debt service savings and economic gain (present value of debt service savings) as a result of refunding transactions during the years ended June 30, 2014 and 2013 follows:

Refunding Issue	Debt Service Savings	Economic Gain
2014 Series 1	$ 3,598,370	$ 3,554,046
2013 Series 1	15,491,021	12,959,885

Defeased bonds, totaling $465.3 million as of June 30, 2014, are not included in the outstanding revenue bonds summarized in Note 4. Also, the related securities in the Escrow Accounts are not included in the Program's cash and investments balance. Once defeased, no related activity in the Escrow Accounts is reported in the Program's Statements of Cash Receipts and Disbursements. The following is a summary of these defeased bonds at June 30, 2014.

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

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2003 Series A	July 1, 2015	$ 12,315,000		
	July 1, 2016	12,930,000		
	July 1, 2017	13,580,000		
		$ 38,825,000	July 1, 2014	Par

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

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2003 Series A	July 1, 2018	$ 14,255,000		
	July 1, 2019	14,970,000		
	July 1, 2020	15,720,000		
		$ 44,945,000	July 1, 2014	Par

The revenue bonds defeased by 2012 Series 1 that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2003 Series A	July 1, 2021	$ 16,505,000		
	July 1, 2022	17,330,000		
	July 1, 2023	18,195,000		
	July 1, 2024	19,105,000		
		$ 71,135,000	July 1, 2014	Par

5. DEFEASED REVENUE BONDS (Continued)

The revenue bonds defeased by 2012 Series 2 that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2005 Series A	July 1, 2022	$ 13,130,000		
	July 1, 2023	13,790,000		
	July 1, 2024	14,480,000		
		41,400,000	July 1, 2015	Par
2005 Series B	July 1, 2017	11,465,000	July 1, 2015	Par
2007 Series A	July 1, 2018	11,825,000		
	July 1, 2019	12,415,000		
	July 1, 2020	13,035,000		
	July 1, 2021	13,685,000		
	July 1, 2022	14,370,000		
		65,330,000	July 1, 2015	Par
		$118,195,000		

The revenue bonds defeased by 2013 Series 1 that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2005 Series A	July 1, 2025	$ 15,200,000	July 1, 2015	Par
2005 Series B	July 1, 2016	10,920,000		
	July 1, 2018	12,040,000		
	July 1, 2019	12,640,000		
	July 1, 2020	13,275,000		
	July 1, 2021	13,940,000		
	July 1, 2022	1,505,000		
	July 1, 2023	1,580,000		
	July 1, 2024	1,660,000		
	July 1, 2025	1,745,000	July 1, 2015	Par
		69,305,000		
2007 Series A	July 1, 2023	15,090,000		
	July 1, 2024	15,845,000		
	July 1, 2025	16,635,000		
	July 1, 2026	17,470,000		
		65,040,000	July 1, 2015	Par
		$149,545,000		

5. DEFEASED REVENUE BONDS (Continued)

The revenue bonds defeased by 2014 Series 1 that remain outstanding were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2004 Series 1	July 1, 2015	$ 18,150,000		
	July 1, 2016	11,955,000		
	July 1, 2017	12,525,000	July 1, 2014	Par
		$42,630,000		

Total defeased bonds outstanding at June 30, 2014:	$465,275,000

6. DEBT SERVICE RESERVE FUND REQUIREMENT

The General Resolution creates a Reserve Fund and provides that it shall be used to make up any deficiency in the Redemption Fund for the payment of principal and interest on all of the-then outstanding bonds. At June 30, 2014, the Reserve Fund is currently funded in an amount equal to $18,196,385 (consisting of an amount available under a Surety Bond of $9,093,000 and other cash and investments of $9,103,385), which exceeds the aggregate Debt Service Reserve Requirement ("DSRR") at that time of $9,093,000.

The State, pursuant to each Series Resolution, specifies the DSRR, if any, for that Series. The individual DSRRs for each Series of outstanding bonds are combined to determine the aggregate DSRR for the Reserve Fund. Since 2003, the State has not specified a DSRR for any Series of bonds that have been issued. Furthermore, the State does not currently expect to specify a DSRR for any Series of additional bonds; however, the State reserves the right to change its practice and specify a DSRR for future bond Series.

If all of the bonds of a Series cease to be outstanding, the aggregate DSRR is reduced by the DSRR attributable to that Series of bonds. As of June 30, 2014, only the State of Wisconsin Transportation Revenue Bonds, 2003 Series A have a DSRR. Portions of the Transportation Revenue Bonds, 2003 Series A have been defeased, and upon discharge of the remainder of these bonds on July 1, 2014, the aggregate DSRR is reduced to $0.

The General Resolution provides that, in lieu of a deposit to the Reserve Fund of an amount equal to the DSRR, the State may obtain a letter of credit, municipal bond insurance policy, surety bond or similar agreement with an entity having, at the time of entering into such agreement or arrangement, a credit rating equal to or greater than the credit rating on the bonds. Since 1993, the State has funded the Reserve Fund, in part, with an irrevocable surety bond ("Surety Bond") issued by Ambac Assurance Corporation. The Surety Bond is an asset of the Reserve Fund and is noncancelable by the provider until it expires on the earlier of July 1, 2023, or when all bonds are paid in full. Pursuant to the terms of the Surety Bond, the amount available under the Surety Bond is the lesser of $51,258,600 or the aggregate DSRR which, as of June 30, 2014, is $9,093,000. No draw has been made on the Reserve Fund or the Surety Bond. As previously noted, on July 1, 2014, the aggregate DSRR is $0; therefore, the amount available under the Surety Bond is also $0.

6. DEBT SERVICE RESERVE FUND REQUIREMENT (Continued)

At the end of any fiscal year, the State may, pursuant to the General Resolution, transfer cash and investments on deposit in the Reserve Fund that are in excess of the aggregate DSRR to the Principal and Interest Accounts. While not done previously, on August 26, 2013, as instructed by the State, the Trustee transferred the excess aggregate DSRR as of July 2, 2013, in the amount of $1,147,924, to the Principal and Interest Account for Transportation Revenue Bonds, 1998 Series A. On October 1, 2014, following the State's instructions, the Trustee transferred the balance of the Reserve Fund, $9,103,617, to the Principal and Interest Account for Transportation Revenue Bonds, 2005 Series A.

7. ADMINISTRATIVE EXPENSES

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

* * * * * *

SUPPLEMENTARY INFORMATION

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

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

FOR THE YEAR ENDED JUNE 30, 2014

	July 2013	October 2013	January 2014	April 2014	Total
Program Expense	$ 220,000	$ 159,000	$ 136,000	$ -	$ 515,000
1998 Series A	2,362,501	1,226,641	2,334,558	2,324,890	8,248,590
2002 Series A	37,686	-	-	-	37,686
2003 Series A	3,215,502	3,139,719	3,104,585	3,079,822	12,539,628
2004 Series 1	5,017,020	4,933,608	4,906,400	4,888,038	19,745,066
2005 Series A	4,926,185	4,896,373	4,911,954	4,876,252	19,610,764
2005 Series B	2,625,440	2,792,641	2,736,580	2,730,904	10,885,565
2007 Series A	195,992	194,987	197,489	194,994	783,462
2007 Series 1	3,379,374	3,388,941	3,408,294	3,367,892	13,544,501
2008 Series A	3,815,557	3,765,511	3,757,068	3,717,101	15,055,237
2009 Series A	1,709,448	1,631,707	1,598,851	1,617,078	6,557,084
2009 Series B (Taxable)	1,908,212	1,919,958	1,930,331	1,905,936	7,664,437
2010 Series A	2,613,113	2,483,078	2,475,532	2,485,752	10,057,475
2010 Series B (Taxable)	1,716,083	1,717,423	1,726,765	1,718,068	6,878,339
2012 Series 1	11,047,167	11,215,317	11,198,432	11,210,679	44,671,595
2012 Series 2	1,373,763	1,399,814	1,407,767	1,389,938	5,571,282
2013 Series 1	3,080,915	3,102,098	3,119,353	3,079,860	12,382,226
Total	$ 49,243,958	$ 47,966,816	$ 48,949,959	$ 48,587,204	$ 194,747,937

July amounts are net of $227,915 in excess motor vehicle registration and registration-related fees retained by the Trustee in the previous fiscal year and returned to the Wisconsin Department of Transportation.

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 1998 SERIES A
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	5.50	$ 7,915,000
2015	5.50	8,360,000
2016	5.50	8,825,000
		$ 25,100,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2003 SERIES A
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	5.00	$ 11,730,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2004 SERIES 1
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	5.25	$ 16,345,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2005 SERIES A
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	5.25	$ 10,495,000
2015	5.25	33,705,000
2016	5.00 & 5.25 (1)	34,865,000
2017	5.00	25,210,000
2018	5.00	13,430,000
2019	5.00	14,205,000
2020	5.00	28,575,000
2021	5.00	15,555,000
		$ 176,040,000

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

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2005 SERIES B
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	5.00	$ 9,905,000
2015	5.00	10,400,000
		$ 20,305,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2007 SERIES A
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2027	4.25	$ 18,340,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2007 SERIES 1
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	5.00	$ 3,320,000
2015	5.00	3,510,000
2016	5.00	10,835,000
2017	5.00	22,800,000
2018	5.00	50,180,000
2019	5.00	52,735,000
2020	5.00	33,540,000
2021	4.35	14,670,000
2022	4.35	15,310,000
		$ 206,900,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2008 SERIES A
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	5.00	$ 6,800,000
2015	5.00	7,140,000
2016	5.00	7,500,000
2017	5.00	7,875,000
2018	5.00	8,265,000
2019	5.00	8,680,000
2020	5.00	9,115,000
2021	5.00	9,570,000
2022	5.00	10,045,000
2023	5.00	10,550,000
2024	5.00	11,075,000
2025	5.00	11,630,000
2026	5.00	12,210,000
2027	5.00	12,825,000
2028	5.00	13,465,000
2029	5.00	14,140,000
		$ 160,885,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2009 SERIES A
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	3.50	$ 6,170,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2009 SERIES B (TAXABLE)
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2015	3.54	$ 6,390,000
2016	4.00	6,615,000
2017	4.15	6,880,000
2018	4.44	7,165,000
2019	4.54	7,485,000
2020	4.74	7,825,000
2021	4.89	8,200,000
2022	5.04	8,600,000
2023	5.19	9,040,000
2024	5.29	9,510,000
2025	5.44	10,015,000
2026	5.84	10,555,000
2027	5.84	11,180,000
2028	5.84	11,840,000
2029	5.84	12,545,000
2030	5.84	13,285,000
		$ 147,130,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2010 SERIES A
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	5.00	$ 6,670,000
2015	5.00	7,000,000
2016	5.00	7,350,000
2017	5.00	7,720,000
2018	5.00	8,105,000
2019	5.00	8,510,000
2020	5.00	8,935,000
2021	5.00	9,385,000
		$ 63,675,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2010 SERIES B (TAXABLE)
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2022	4.70	$ 9,850,000
2023	4.90	10,345,000
2024	5.10	10,865,000
2025	5.30	11,405,000
2026	5.50	11,975,000
2027	5.60	12,575,000
2028	5.70	13,205,000
2029	5.80	13,865,000
2030	5.85	14,555,000
2031	6.00	15,285,000
		$ 123,925,000

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2012 SERIES 1
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2014	4.00 & 5.00 (1)	$ 29,035,000
2015	4.00 & 5.00 (2)	12,710,000
2016	5.00	6,205,000
2017	5.00	6,510,000
2018	5.00	6,840,000
2019	5.00	7,180,000
2020	3.50 & 5.00 (3)	7,530,000
2021	5.00	39,575,000
2022	5.00	41,590,000
2023	5.00	39,045,000
2024	5.00	26,455,000
2025	5.00	9,560,000
2026	5.00	10,040,000
2027	5.00	10,540,000
2028	5.00	11,070,000
2029	5.00	11,620,000
2030	5.00	12,205,000
2031	5.00	12,815,000
2032	5.00	13,455,000
		$ 313,980,000

(1) $10,000,000 @ 4.00% and $19,035,000 @ 5.00%
(2) $3,100,000 @ 4.00% and $9,610,000 @ 5.00%
(3) $2,500,000 @ 3.50% and $5,030,000 @ 5.00%

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2012 SERIES 2
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2017	4.00	$ 11,335,000
2018	4.00	11,575,000
2019	4.00 & 5.00 (1)	12,035,000
2020	5.00	12,700,000
2021	5.00	13,425,000
2022	5.00	27,315,000
2023	5.00	13,665,000
2024	5.00	14,350,000
		$ 116,400,000

(1) $3,195,000 @ 4.00% and $8,840,000 @ 5.00%

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2013 SERIES 1
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2016	4.00	$ 9,715,000
2018	4.00 & 5.00 (1)	10,675,000
2019	4.00 & 5.00 (2)	11,290,000
2020	4.00 & 5.00 (3)	11,940,000
2021	4.00 & 5.00 (4)	12,585,000
2023	4.00 & 5.00 (5)	15,255,000
2024	5.00	25,935,000
2025	5.00	42,535,000
2026	5.00	26,975,000
2027	5.00	11,440,000
2028	5.00	12,010,000
2029	5.00	12,610,000
2030	5.00	13,240,000
2031	4.00	13,905,000
2032	4.50	14,460,000
2033	4.00 & 5.00 (6)	15,110,000
		$ 259,680,000

(1) $2,500,000 @ 4.00% and $8,175,000 @ 5.00%
(2) $3,500,000 @ 4.00% and $7,790,000 @ 5.00%
(3) $6,000,000 @ 4.00% and $5,940,000 @ 5.00%
(4) $3,690,000 @ 4.00% and $8,895,000 @ 5.00%
(5) $7,000,000 @ 4.00% and $8,255,000 @ 5.00%
(6) $13,110,000 @ 4.00% and $2,000,000 @ 5.00%

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2014 SERIES 1
JUNE 30, 2014

Maturity July 1,	Rate (%)	Principal
2015	2.00	$ 18,475,000
2016	5.00	$ 12,930,000
2017	5.00	$ 14,495,000
2018	5.00	$ 1,830,000
2019	5.00	$ 1,670,000
2020	5.00	$ 9,715,000
2021	5.00	$ 13,285,000
2022	5.00	$ 15,115,000
2023	5.00	$ 15,870,000
2024	5.00	$ 16,665,000
2025	5.00	$ 17,495,000
2026	5.00	$ 18,375,000
2027	5.00	$ 19,285,000
2028	5.00	$ 20,255,000
2029	5.00	$ 21,270,000
2030	5.00	$ 22,330,000
2031	5.00	$ 23,450,000
2032	4.50	$ 24,620,000
2033	4.50	$ 25,730,000
2034	4.50	$ 26,885,000
		$ 339,745,000

Total Bonds Outstanding	$ 2,006,350,000

UNAUDITED INFORMATION

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

Unaudited Information

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE OBLIGATION PROGRAM

Schedule of Program Revenue (Unaudited)
For the Years Ended June 30, 2014 and 2013

	Section 341.25 Registration Fees							Other	
Date	Registration Non-IRP	IRP Revenues (2)	Subtotal	Interest Earnings on 341.25 Revenues (3)	Title Transaction Fees	Counter Service Fees and Personalized License Plates	Subtotal (1)	Miscellaneous Vehicle Registration & Related Fees	Total Program Revenues
July, 2013	$ 37,420,723	$ 4,511,851	$ 41,932,574		$ 8,409,269	$ 715,218	$ 51,057,061	$ 1,218,501	$ 52,275,562
August, 2013	33,741,959	3,698,286	37,440,245		8,802,578	686,270	46,929,093	1,191,376	48,120,469
September, 2013	33,013,367	5,433,093	38,446,460		7,802,290	612,488	46,861,238	1,137,146	47,998,384
October, 2013	32,924,498	6,413,250	39,337,748		8,113,245	642,365	48,093,358	1,202,679	49,296,037
November, 2013	37,032,026	5,179,752	42,211,778		6,414,572	487,200	49,113,550	991,000	50,104,550
December, 2013	49,732,802	6,353,075	56,085,877		5,863,227	478,399	62,427,503	958,666	63,386,169
January, 2014	39,839,307	5,943,123	45,782,430		6,560,420	566,033	52,908,883	1,073,322	53,982,205
February, 2014	32,950,232	9,397,468	42,347,700		6,301,494	561,649	49,210,843	952,231	50,163,074
March, 2014	43,325,691	10,202,668	53,528,359		8,012,442	774,455	62,315,256	1,242,219	63,557,475
April, 2014	42,673,808	13,371,118	56,044,926		8,743,445	833,845	65,622,216	1,324,103	66,946,319
May, 2014	37,355,874	9,509,499	46,865,373		8,503,367	758,999	56,127,739	1,430,652	57,558,391
June, 2014	38,888,083	5,440,231	44,328,314		8,951,998	721,632	54,001,944	1,331,611	55,333,555
TOTAL for the Year ended June 30, 2014	$ 458,898,370	$ 85,453,414	$ 544,351,784	$ 2,837,276	$ 92,478,347	$ 7,838,553	$ 647,505,960	$ 14,053,506	$ 661,559,466
July, 2012	$ 35,599,010	$ 4,057,299	$ 39,656,309		$ 7,720,538	$ 724,447	$ 48,101,294	$ 1,149,353	$ 49,250,647
August, 2012	33,938,958	3,574,597	37,513,555		8,595,253	735,658	46,844,466	1,194,876	48,039,342
September, 2012	30,692,015	4,496,932	35,188,947		6,975,595	597,335	42,761,877	1,075,736	43,837,613
October, 2012	31,358,951	7,279,975	38,638,926		7,296,179	640,439	46,575,544	1,144,523	47,720,067
November, 2012	41,234,782	4,691,992	45,926,774		6,600,599	545,156	53,072,529	1,032,860	54,105,389
December, 2012	44,702,513	5,903,168	50,605,681		5,748,147	479,856	56,833,684	882,653	57,716,337
January, 2013	40,822,754	7,766,124	48,588,878		6,546,970	603,021	55,738,869	1,054,290	56,793,159
February, 2013	30,912,409	7,718,773	38,631,182		6,201,958	542,122	45,375,262	890,520	46,265,782
March, 2013	38,387,827	8,592,874	46,980,701		7,538,466	659,042	55,178,209	1,148,337	56,326,546
April, 2013	39,872,937	19,397,754	59,270,691		8,554,254	725,055	68,550,000	1,278,896	69,828,896
May, 2013	36,883,772	4,570,150	41,453,922		8,642,341	744,496	50,840,759	1,237,984	52,078,743
June, 2013	35,681,444	4,698,348	40,379,792		8,075,499	653,804	49,109,095	1,150,787	50,259,882
TOTAL for the Year ended June 30, 2013	$ 440,087,372	$ 82,747,986	$ 522,835,358	$ 671,217	$ 88,495,799	$ 7,650,431	$ 619,652,805	$ 13,240,815	$ 632,893,620

(1) This is the amount of Program Revenue for which the State has undertaken to provide continuing disclosure and the amount of Program Revenue that will be used for determining the debt service coverage ratio and the additional bonds test.

(2) IRP - The International Registration Plan is a multi-state compact for collecting and sharing large truck registration fees. Under the IRP, the registration fees on trucks involved in multi-state commercial activity are collected by the state in which the company is headquartered and are split between the participating states on the basis of proportionate mileage.

(3) Interest Earnings as of June 30, 2013, have been restated to report only investment income; premiums paid and discounts earned on investments redeemed during the year are now excluded.

Source: Wisconsin Department of Transportation

Unaudited Information

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE BOND PROGRAM

Schedule of Motor Vehicle Registration and Registration-Related Fees--Cash Basis (Unaudited)
For the Years Ended June 30, 2014 and 2013

	2014	2013
Total Program Revenues	$ 661,559,466	$ 632,893,620
Less: Interest Earnings on 341.25 Revenues	(2,837,276)	(671,217)
Motor Vehicle Registration and Related Fees Collected	$ 658,722,190	$ 632,222,403
Less:		
Motor Vehicle Registration and Related Fees Retained by Trustee for Commercial Paper Program	(21,016,924)	(18,607,354)
Motor Vehicle Registration and Related Fees Available for Transportation Fund	(442,957,329)	(431,378,852)
Motor Vehicle Registration and Related Fees Retained by Trustee for Revenue Bond Program	$ 194,747,937	$ 182,236,197

Note: The Commercial Paper Program is subordinate to the pledge of Program Income for payment of Revenue Bond obligations. Program Income in excess of the amounts needed for the Commercial Paper or Revenue Bond Programs is transferred to the State Transportation Fund.

Interest Earnings on 341.25 Revenues as of June 30, 2013, have been restated to report only investment income; premiums paid and discounts earned on investments redeemed during the year are now excluded.

Source: Wisconsin Department of Transportation

WISCONSIN DEPARTMENT OF TRANSPORTATION
COMMERCIAL PAPER PROGRAM

Statements of Cash Receipts and Disbursements
for the Years Ended June 30, 2014 and 2013
with Independent Auditors' Report

WISCONSIN DEPARTMENT OF TRANSPORTATION
COMMERCIAL PAPER PROGRAM

TABLE OF CONTENTS

Schenck
CPAs AND SO MUCH MORE.

INDEPENDENT AUDITORS' REPORT

To the Wisconsin Department of Transportation
State of Wisconsin

Report on the Financial Statements

We have audited the accompanying statements of cash receipts and disbursements of the Wisconsin Department of Transportation Commercial Paper Program (the "Program") for the years ended June 30, 2014 and 2013, and the related notes to statements of cash receipts and disbursements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Program's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the statements of cash receipts and disbursements of the Wisconsin Department of Transportation Commercial Paper Program for the years ended June 30, 2014 and 2013, in accordance with the cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the notes to the statements of cash receipts and disbursements, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The schedule of program revenue and schedule of motor vehicle registration and registration-related fees – cash basis on pages 9 and 10 have not been subject to the auditing procedures applied in the audits of the statements of cash receipts and disbursements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2014, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
October 21, 2014

WISCONSIN DEPARTMENT OF TRANSPORTATION
COMMERCIAL PAPER PROGRAM
TRANSPORTATION REVENUE COMMERCIAL PAPER
NOTES OF 1997 SERIES A, 2006 SERIES A AND 2013 SERIES A

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH AND INVESTMENTS, BEGINNING OF YEAR	$ 20,617,128	$ 19,807,691
RECEIPTS:		
Motor vehicle registration fees retained by Trustee	21,016,924	18,607,354
Investment income	387,816	66,559
Commercial paper note proceeds	70,025,000	-
Total receipts	91,429,740	18,673,913
DISBURSEMENTS:		
Debt service - principal	18,575,000	17,630,000
Debt service - interest	140,678	235,248
Net premium paid/(discount earned) on investments	424,004	(772)
Highway program expenditures	69,972,314	-
Note issuance costs	55,581	-
Total disbursements	89,167,577	17,864,476
CASH AND INVESTMENTS, END OF YEAR	$ 22,879,291	$ 20,617,128
Cash and investments reserved for debt service	$ 22,879,291	$ 20,617,128

See notes to statements of cash receipts and disbursements.

WISCONSIN DEPARTMENT OF TRANSPORTATION COMMERCIAL PAPER PROGRAM

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

1. NATURE OF PROGRAM

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

The Department has statutory authority (as amended) as of June 30, 2014, to issue a total of $3,768,059,300 of revenue obligations, including notes and excluding refunded bonds. The Program has authority to issue notes in an aggregate outstanding principal amount not to exceed $275,000,000, in order to partially finance the costs of the authorized projects, in addition to proceeds from the Transportation Revenue Bond Program, State of Wisconsin ("State") general obligation debt, federal aid and other money in the State Transportation Fund.

As part of the State's reporting entity, the Program's financial information is included in the State of Wisconsin Comprehensive Annual Financial Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Department has entered into trust agreements, as amended, with The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), relating to the creation and administration of the Transportation Revenue Commercial Paper Notes of 1997 Series A, 2006 Series A and 2013 Series A. Among other provisions, the trust agreements, in conjunction with the General Resolution, specify those funds to be created and maintained, the timing and flow of monies through the funds, and the procedure to be followed for the redemption of the notes.

It is the Department's view that the statements of cash receipts and disbursements along with the related notes meet the reporting requirements of the trust agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U.S. Bank National Association is the Issuing and Paying Agent (the "Agent") for the Notes. The Depository Trust Company ("DTC") serves as securities depository for the Notes. Purchasers of the Notes do not receive note certificates but instead have their ownership recorded in the DTC book-entry system. The Trustee transfers to the Agent monies sufficient to cover Note principal and interest payments; the Agent makes payment to the DTC. Owners of the Notes receive payments through brokers and other organizations participating in the DTC system.

Receipts and Disbursements—

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

Investment Income - Investment income is recorded when received. Investment Income for the year ended June 30, 2013, has been restated to report the premiums paid and discounts earned on investments redeemed during the year, previously included in Investment Income, as Net Premium Paid/(Discount Earned) on Investments.

Commercial Paper Note Proceeds - Proceeds are recorded as receipts on the date of closing at gross value of the issuance. All related fees are reported as issuance costs within disbursements.

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

Net Premium Paid/(Discount Earned) on Investments – The net of the premium paid on investments purchased at more than face value and the discount earned on investments purchased at less than face value.

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

3. CASH AND INVESTMENTS

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

3. CASH AND INVESTMENTS (Continued)

During fiscal years 2014 and 2013, the Program's assets were held in a deposit account or invested in money market funds, federal agency securities and U.S. Treasury securities. The money market funds invest exclusively in obligations of the U.S. Treasury, including Treasury bills, bonds and notes. Program assets are reported at cost.

The following table summarizes the cost and fair market value for each of the investments:

	June 30, 2014		June 30, 2013	
Investment	**Cost**	**Fair Value**	**Cost**	**Fair Value**
Bank of New York Cash Reserve (deposit account)	$ 830,478	$ 830,478	$ -	$ -
Money Market Funds:				
• Dreyfus Treasury Cash Management	19,839,044	19,839,044	4,415,000	4,415,000
• Fidelity Institutional - Treasury Portfolio	1,585,593	1,585,593	-	-
• Goldman Sachs Financial Sq Funds	624,176	624,176	-	-
• Investors Cash Trust - Treasury Portfolio	-	-	1,268,150	1,268,150
• JP Morgan 100% U.S. Treasury Securities	-	-	670,980	670,980
U.S. Treasury Notes	-	-	14,262,998	14,049,000
Total	$ 22,879,291	$ 22,879,291	$ 20,617,128	$ 20,403,130

Investments of the Program are subject to various risks:

- Custodial credit risk is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, the Program will not be able to recover the value of investments or collateral securities that are in the possession of another party. The deposit account is FDIC-insured up to $250,000 but is not collateralized. Money market funds are not insured or collateralized. Securities of the U.S. government were registered and held by the Program's agent in the Program's name.

- Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Standard & Poor's Ratings Services, Moody's Investors Service, Inc., and Fitch Ratings. As of June 30, 2014, the deposit account was rated AA_2 by Moody's and AA- by Standard & Poor's and Fitch. All remaining investments were rated AAA.

- Concentration of credit risk may be a concern if investments in any one issuer represent 5 percent or more of net Program assets, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments. Concentration of credit risk is not addressed in the Program's investment requirements. As of June 30, 2014, three percent of the Program's assets were held in a deposit account. The remaining assets were invested in money market funds; however, these funds solely invest in U.S. government securities.

3. CASH AND INVESTMENTS (Continued)

- Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Money market funds are liquid, having no future maturity dates.

- Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment. Foreign currency holdings are not specifically addressed in the Program's investment requirements; however, no investments denominated in foreign currency were held by the Program as of June 30, 2014.

4. NOTES PAYABLE

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

The State is not generally liable on the notes, nor are the projects financed by the notes pledged as collateral. The notes are collateralized by a pledge of income derived from vehicle registration fees under Section 341.25 of the Wisconsin Statues and certain other vehicle registration-related fees, as collected by the Trustee ("Program Income"). The notes are subordinate to the pledge of Program Income for payment of the State Transportation Revenue Bonds outstanding. The State has covenanted in the General Resolution that it will charge motor vehicle registration fees and certain other vehicle registration-related fees sufficient to pay principal and interest on the notes. Fees collected in excess of the amount needed to service this Program and the outstanding State Transportation Revenue Bonds are transferred to the Department pursuant to the General Resolution.

In order to assure the timely payment of principal and interest on the notes, the State has entered into an Amended and Restated Credit Agreement, dated April 15, 2013, (the liquidity facility agreement) with State Street Bank and Trust Company and California State Teachers' Retirement System for a line of credit which is severally provided (but not jointly) in the respective percentages of 60 percent and 40 percent. This Credit Agreement expires April 25, 2016, but may be extended upon agreement of both parties. The Credit Agreement describes events which, if they occur, would cause early termination.

Pursuant to the Amended and Restated Credit Agreement, on October 1, 2013, the amount of the commitment increased from $117,000,000 to $175,000,000. On November 5, 2013, the State issued approximately $70 million of additional notes. As of June 30, 2014, the commitment amount is $175,000,000, an amount not less than the note principal outstanding at that time.

4. NOTES PAYABLE (Continued)

The notes will mature no later than 270 days from the date of issuance provided that a liquidity facility agreement is in effect. No notes may be issued with a maturity date after the stated expiration of the liquidity facility agreement or after the stated date of a substitute liquidity facility agreement. The principal of and interest on the notes will be paid at maturity and the notes are not callable prior to maturity. The State expects to pay the principal on the notes with the proceeds of additional notes until the State provides permanent financing through the issuance of long-term transportation revenue bonds. Each note bears interest from its date of issuance, at the rate determined on the date of issuance (which may not exceed 12% per annum).

A summary of the notes outstanding as of June 30, 2014 and 2013 is as follows:

	2014	2013
Commercial Paper Notes of 1997, Series A	$ 51,718,000	$ 61,028,000
Commercial Paper Notes of 2006, Series A	41,925,000	51,190,000
Commercial Paper Notes of 2013, Series A	70,025,000	-
Total Notes Payable as of June 30	$ 163,668,000	$ 112,218,000

As of June 30, 2014, the Commercial Paper Notes of 1997, Series A had maturities ranging from August 7 to October 6, 2014, and a weighted average interest rate of 0.10%. The Commercial Paper Notes of 2006, Series A had maturities ranging from August 7 to October 6, 2014, and a weighted average interest rate of 0.10%. The Commercial Paper Notes of 2013, Series A had maturities ranging from July 9 to October 3, 2014, and a weighted average interest rate of 0.10%

As of June 30, 2013, the Commercial Paper Notes of 1997, Series A had maturities ranging from August 7 to September 12, 2013, and a weighted average interest rate of 0.17%. The Commercial Paper Notes of 2006, Series A had maturities ranging from August 7 to September 12, 2013, and a weighted average interest rate of 0.18%.

5. SUBORDINATED DEBT SERVICE FUND

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

6. ADMINISTRATIVE EXPENSES

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

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UNAUDITED INFORMATION

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

Unaudited Information

WISCONSIN DEPARTMENT OF TRANSPORTATION
REVENUE OBLIGATION PROGRAM

Schedule of Program Revenue (Unaudited)
For the Years Ended June 30, 2014 and 2013

Date	Section 341.25 Registration Fees: Registration Non-IRP	Section 341.25 Registration Fees: IRP Revenues (2)	Section 341.25 Registration Fees: Subtotal	Interest Earnings on 341.25 Revenues (3)	Title Transaction Fees	Counter Service Fees and Personalized License Plates	Subtotal (1)	Other Miscellaneous Vehicle Registration & Related Fees	Total Program Revenues
July, 2013	$ 37,420,723	$ 4,511,851	$ 41,932,574		$ 8,409,269	$ 715,218	$ 51,057,061	$ 1,218,501	$ 52,275,562
August, 2013	33,741,959	3,698,286	37,440,245		8,802,578	686,270	46,929,093	1,191,376	48,120,469
September, 2013	33,013,367	5,433,093	38,446,460		7,802,290	612,488	46,861,238	1,137,146	47,998,384
October, 2013	32,924,498	6,413,250	39,337,748		8,113,245	642,365	48,093,358	1,202,679	49,296,037
November, 2013	37,032,026	5,179,752	42,211,778		6,414,572	487,200	49,113,550	991,000	50,104,550
December, 2013	49,732,802	6,353,075	56,085,877		5,863,227	478,399	62,427,503	958,666	63,386,169
January, 2014	39,839,307	5,943,123	45,782,430		6,560,420	566,033	52,908,883	1,073,322	53,982,205
February, 2014	32,950,232	9,397,468	42,347,700		6,301,494	561,649	49,210,843	952,231	50,163,074
March, 2014	43,325,691	10,202,668	53,528,359		8,012,442	774,455	62,315,256	1,242,219	63,557,475
April, 2014	42,673,808	13,371,118	56,044,926		8,743,445	833,845	65,622,216	1,324,103	66,946,319
May, 2014	37,355,874	9,509,499	46,865,373		8,503,367	758,999	56,127,739	1,430,652	57,558,391
June, 2014	38,888,083	5,440,231	44,328,314		8,951,998	721,632	54,001,944	1,331,611	55,333,555
TOTAL for the Year ended June 30, 2014	$ 458,898,370	$ 85,453,414	$ 544,351,784	$ 2,837,276	$ 92,478,347	$ 7,838,553	$ 647,505,960	$ 14,053,506	$ 661,559,466
July, 2012	$ 35,599,010	$ 4,057,299	$ 39,656,309		$ 7,720,538	$ 724,447	$ 48,101,294	$ 1,149,353	$ 49,250,647
August, 2012	33,938,958	3,574,597	37,513,555		8,595,253	735,658	46,844,466	1,194,876	48,039,342
September, 2012	30,692,015	4,496,932	35,188,947		6,975,595	597,335	42,761,877	1,075,736	43,837,613
October, 2012	31,358,951	7,279,975	38,638,926		7,296,179	640,439	46,575,544	1,144,523	47,720,067
November, 2012	41,234,782	4,691,992	45,926,774		6,600,599	545,156	53,072,529	1,032,860	54,105,389
December, 2012	44,702,513	5,903,168	50,605,681		5,748,147	479,856	56,833,684	882,653	57,716,337
January, 2013	40,822,754	7,766,124	48,588,878		6,546,970	603,021	55,738,869	1,054,290	56,793,159
February, 2013	30,912,409	7,718,773	38,631,182		6,201,958	542,122	45,375,262	890,520	46,265,782
March, 2013	38,387,827	8,592,874	46,980,701		7,538,466	659,042	55,178,209	1,148,337	56,326,546
April, 2013	39,872,937	19,397,754	59,270,691		8,554,254	725,055	68,550,000	1,278,896	69,828,896
May, 2013	36,883,772	4,570,150	41,453,922		8,642,341	744,496	50,840,759	1,237,984	52,078,743
June, 2013	35,681,444	4,698,348	40,379,792		8,075,499	653,804	49,109,095	1,150,787	50,259,882
TOTAL for the Year ended June 30, 2013	$ 440,087,372	$ 82,747,986	$ 522,835,358	$ 671,217	$ 88,495,799	$ 7,650,431	$ 619,652,805	$ 13,240,815	$ 632,893,620

(1) This is the amount of Program Revenue for which the State has undertaken to provide continuing disclosure and the amount of Program Revenue that will be used for determining the debt service coverage ratio and the additional bonds test.

(2) IRP - The International Registration Plan is a multi-state compact for collecting and sharing large truck registration fees. Under the IRP, the registration fees on trucks involved in multi-state commercial activity are collected by the state in which the company is headquartered and are split between the participating states on the basis of proportionate mileage.

(3) Interest Earnings as of June 30, 2013, have been restated to report only investment income; premiums paid and discounts earned on investments redeemed during the year are now excluded.

Source: Wisconsin Department of Transportation

Unaudited Information

WISCONSIN DEPARTMENT OF TRANSPORTATION
COMMERCIAL PAPER PROGRAM

Schedule of Motor Vehicle Registration and Registration-Related Fees--Cash Basis (Unaudited)
For the Years Ended June 30, 2014 and 2013

	2014	2013
Total Program Revenues	$ 661,559,466	$ 632,893,620
Less: Interest Earnings on 341.25 Revenues	(2,837,276)	(671,217)
Motor Vehicle Registration and Related Fees Collected	$ 658,722,190	$ 632,222,403
Less:		
Motor Vehicle Registration and Related Fees Retained by Trustee for Revenue Bond Program	(194,747,937)	(182,236,197)
Motor Vehicle Registration and Related Fees Available for Transportation Fund	(442,957,329)	(431,378,852)
Motor Vehicle Registration and Related Fees Retained by Trustee for Commercial Paper Program	$ 21,016,924	$ 18,607,354

Note: The Commercial Paper Program is subordinate to the pledge of Program Income for payment of Revenue Bond obligations. Program Income in excess of the amounts needed for the Commercial Paper or Revenue Bond Programs is transferred to the State Transportation Fund.

Interest Earnings on 341.25 Revenues as of June 30, 2013, have been restated to report only investment income; premiums paid and discounts earned on investments redeemed during the year are now excluded.

Source: Wisconsin Department of Transportation

APPENDIX B

INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin **(State)** contained in Part II of the State of Wisconsin Continuing Disclosure Annual Report, dated December 27, 2013 **(2013 Annual Report)**, which can be obtained as described below. This Appendix also includes any updates, or makes changes or additions, to the information presented in Part II of the 2013 Annual Report, including, but not limited to:

- Annual Fiscal Report (budgetary basis), dated October 15, 2014, for the 2013-14 fiscal year, including summary of actual General Fund tax collections for the 2013-14 fiscal year.
- Information included in the Legislative Fiscal Bureau **(LFB)** memorandum dated January 16, 2014 **(January 2014 LFB Memorandum)**.
- General Fund information for the 2013-14 fiscal year through June 30, 2014 and General Fund information for the 2014-15 fiscal year through September 30, 2014, which are both presented on either a cash basis or an agency-recorded basis.

Part II of the 2013 Annual Report contains general information about the State. More specifically, that part presents information about the following matters:

- State's revenue and expenditures
- State's operations, financial procedures, accounting, and financial reporting
- Organization of, and services provided by, the State
- Budget process and fiscal controls
- State budget (including results of fiscal year 2012-13 and State budget for the 2013-15 biennium)
- Potential effects of litigation
- State obligations
- Employee pension funds and other post-employment benefits
- State Investment Board
- Statistical information about the State's population, income, and employment

Included as APPENDIX A to Part II of the 2013 Annual Report are the audited general purpose external financial statements for the fiscal year ending June 30, 2013, prepared in conformity with generally accepted accounting principles **(GAAP)** for governments as prescribed by the Government Accounting Standards Board, and the independent auditor's report provided by the State Auditor.

The 2013 Annual Report was filed with the Municipal Securities Rulemaking Board **(MSRB)** through its Electronic Municipal Market Access **(EMMA)** system, and also is available from the part of the Capital Finance Office web site called "Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin." The Capital Finance Office web site is located at the following address:

www.doa.wi.gov/capitalfinance

Copies of the 2013 Annual Report may also be obtained from:

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

The State has independently provided, starting in July 2001, monthly reports on general fund financial information. These monthly reports are not required by any of the State's undertakings to provide information concerning the State's securities. These monthly reports are available on the State's Capital Finance Office web site that is listed above and also filed as additional voluntary information with the MSRB through its EMMA system; however, such reports are not incorporated by reference into this Official Statement or Part II of the 2013 Annual Report. The State is not obligated to provide such monthly reports at any time in the future.

After publication and filing of the 2013 Annual Report, certain changes or events have occurred that affect items discussed in the 2013 Annual Report. Listed below, by reference to particular sections of Part II of the 2013 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes or additions have not been filed with the MSRB. However, the State has filed, and expects to continue to file, informational notices with the MSRB, some of which may be notices that are not required to be filed under the State's undertakings.

This Official Statement may include changes or additions that were released after the date of the Preliminary Official Statement (October 28, 2014). Any such change or addition is identified accordingly.

State Budget; Budget for 2013-15 Biennium (Part II; Pages 32-33). Update with the following information. Information about the upcoming November 20, 2014 report was not included in the Preliminary Official Statement (dated October 28, 2014).

2014-15 Fiscal Year Update/November 20, 2014 Department of Administration Report

By November 20, 2014, the Wisconsin Department of Administration **(DOA)** is required by Wisconsin Statutes to provide a report that is expected to include an updated General Fund condition statement for the 2014-15 fiscal year, based, in part, on the Wisconsin Department of Revenue **(DOR)** projections of General Fund tax revenues for the 2014-15 fiscal year. This report is also expected to include a summary of agency budget requests for the next two fiscal years (2015-16 and 2016-17). When the report is available, the State intends to file it with the MSRB through its EMMA system.

2013-14 Fiscal Year Results

The 2013-14 fiscal year ended June 30, 2014 and the State's Annual Fiscal Report (budgetary basis) for that fiscal year was published on October 15, 2014. It reports the State ended the 2013-14 fiscal year on a statutory and unaudited basis with an undesignated balance of $516.9 million. This amount is $118.4 million more than the projected ending balance for that fiscal year in the 2013-15 biennial budget bill (2013 Wisconsin Act 20), but $142.4 million less than the projected ending balance that was approved on May 6, 2014 by the Legislature's Joint Committee on Finance **(JCF)**. The May 6, 2014 action of JCF reflected all enacted bills from the 2013 legislative session along with all actions of JCF through May 5, 2014. The State did not issue any operating notes during the 2013-14 fiscal year. The Annual Fiscal Report (budgetary basis) is available from the MSRB through its EMMA system and from the State as provided on page B-1.

The table on the following page includes the final General Fund condition statement for the 2013-14 fiscal year and projected General Fund condition statement for the 2014-15 fiscal year (as approved on May 6, 2014 by JCF). The table also includes, for comparison, the estimated General Fund condition statements from the 2013-15 biennial budget (2013 Wisconsin Act 20).

May 2014 General Fund Condition Statement

On May 6, 2014, JCF approved a General Fund condition statement that reflected all enacted bills from the 2013 legislative session along with all actions of JCF through May 5, 2014. This General Fund condition statement showed projected gross ending balances at the end of the 2013-14 fiscal year of $724.3 million and at the end of the 2014-15 fiscal year of $165.3 million. These amounts were $173 million less and $877 million less, respectively, than the projected General Fund condition statement balances included in the January 2014 LFB Memorandum and reflected (i) adjustments on or after April 1, 2014 by the Wisconsin Department of Revenue **(DOR)** to the individual income tax withholding tables to reflect the recent changes in tax rates and tax brackets, and (ii) legislation enacted on March 24, 2014 that reduced certain General Fund taxes and made appropriations to reduce property taxes and provide additional funding for the Wisconsin Department of Workforce Development.

ACTUAL AND PROJECTED GENERAL FUND CONDITION STATEMENTS
2013-14 AND 2014-15 FISCAL YEARS
(in Millions)

	FY14 (Actual)			FY15 (Projected)	
	2013-2015 Biennial Budget	Legislature's JCF May 2014	Annual Fiscal Report Oct. 2014	2013-2015 Biennial Budget	Legislature's JCF May 2014
Revenues					
Opening Balance	$ 669.6	$ 759.2	$ 759.2	$ 463.5	$ 724.3[a]
Prior Year Designation			18.7		
Taxes	14,013.5	14,229.3	13,948.1	14,517.5	14,724.6
Department Revenues					
Tribal Gaming	26.3	23.7		27.0	23.5
Other	590.1	576.9	587.2	534.2	535.2
Total Available	15,299.5	15,589.1	15,313.3	15,542.3	16,007.7
Appropriations					
Gross Appropriations	14,977.1	15,013.5	15,043.2	15,433.4	15,883.1
2013 Wisconsin Act 9	9.2			10.6	
Transfers to Other Funds	66.2	65.8	40.4	143.8	143.8
Compensation Reserves	78.8	78.8	57.8	133.1	133.1
Less: Lapses	(295.3)	(293.7)	(345.2)	(334.9)	(317.7)
Net Appropriations	14,835.9	14,864.8	14,796.4	15,386.0	15,842.3
Balances					
Gross Balance	463.5	724.3	516.9	156.3	165.3
Less: Req. Statutory Balance	(65.0)	(65.0)	n/a	(65.0)	(65.0)
Net Balance, June 30	$ 398.5	$ 659.3	$ 516.9	$ 91.3	$ 100.3

[a] Does not reflect the actual ending balance of $516.9 for the 2013-14 fiscal year, as included in the Annual Fiscal Report (budgetary basis), dated October 15, 2014.

Withholding Table Changes

The Governor directed DOR to adjust the individual income tax withholding tables on or after April 1, 2014 to reflect changes due to the indexing of individual income tax provisions and recent changes in tax rates and tax brackets. These adjustments did not change the total amount of General Fund tax revenues that are due, but the adjustments will have a one-time budgetary impact in the fiscal years 2013-14 and 2014-15 due to timing differences between the State's tax year and fiscal year. At that time, it was estimated that individual income tax collections would be reduced by $156 million in the 2013-14 fiscal year and by $166 million in the 2014-15 fiscal year.

Special Session Legislation – January 2014

On January 23, 2014, the Governor called the Wisconsin State Legislature **(Legislature)** into special session to address proposed legislation to reduce certain General Fund taxes and property taxes and to provide additional funding for the Department of Workforce Development. On March 24, 2014, the Governor signed this legislation into law, including changes the Legislature made subsequent to introduction (2013 Wisconsin Act 145). As a result of this act, it was projected that the General Fund ending balance would be reduced by approximately $14 million in the 2013-14 fiscal year and by approximately $523 million in the 2014-15 fiscal year.

An additional provision of 2013 Wisconsin Act 145 suspends the statutory provisions requiring transfers from the General Fund to the Budget Stabilization Fund for the 2013-14 and 2014-15 fiscal years. The suspended provisions would have required, in the event general purpose revenues exceed the original budget estimates, that 50% of general purpose revenues in excess of the original budget estimates be transferred to the Budget Stabilization Fund.

State Budget; Revenue Projections for 2013-15 Biennium (Part II; Pages 33-35). Update with the following information. Information about the upcoming November 20, 2014 report was not included in the Preliminary Official Statement (dated October 28, 2014).

2014-15 Fiscal Year Update/November 20, 2014 Department of Administration Report

By November 20, 2014, DOA is required by Wisconsin Statutes to provide a report that, if it follows the format of previous such reports, will include updated DOR projections of General Fund tax revenues for the 2014-15 fiscal year and initial projections of General Fund tax revenues for the 2015-16 and 2016-17 fiscal years. When the report is available, the State intends to file it with the MSRB through its EMMA system.

2013-14 Fiscal Year Results

The State's Annual Fiscal Report included the ending general fund balance for the 2013-14 fiscal year (unaudited, budgetary basis) and was released on October 15, 2014. The Annual Fiscal Report also included final General Fund tax collections for the 2013-14 fiscal year. These General Fund tax revenue collections, on a budgetary basis, were $13.948 billion, compared to $14.086 billion for the 2012-13 fiscal year. This is a decrease of approximately $138 million, or 1.0%, from the collections for the 2012-13 fiscal year, and approximately $281.2 million less than the projections for the 2013-14 fiscal year previously made with approval of the General Fund condition statements on May 6, 2014 by JCF.

The table on the following page includes a summary of the final General Fund tax revenues for the 2013-14 fiscal year and a summary of the projected General Fund tax revenues for the 2014-15 fiscal year. The following table also includes, for comparison, actual General Fund tax collections for the 2012-13 fiscal year, projected General Fund tax collections from DOR, as included in November 20, 2012 report from the Wisconsin Department of Administration **(DOA)**, projections from the 2013-15 biennial budget (2013 Wisconsin Act 20), and projections approved by JCF on May 6, 2014.

Preliminary 2013-14 Fiscal Year General Fund Tax Collections

On August 28, 2014, DOR released preliminary general purpose revenue tax collections for the 2013-14 fiscal year, which on a budgetary basis were about $13.948 billion, or $137.5 million less than collections in the 2012-13 fiscal year (or down 1.0%) and approximately $281.2 million less than the projected tax revenue estimates that JCF approved on May 6, 2014.

ACTUAL AND ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS
2013-14 AND 2014-15 FISCAL YEARS

(in Millions)

		2013-14 Fiscal Year				2014-15 Fiscal Year		
	2012-13 Actual	DOR Nov. 2012	Budget 2013 Act 20	JCF May 2014	2013-14 Actual	DOR Nov. 2012	Budget 2013 Act 20	JCF May 2014
Individual Income	$ 7,496.9	$ 7,459.2	$ 7,295.3	$ 7,240.0	$ 7,061.4	$7,803.6	$ 7,651.0	$ 7,514.1
Sales and Use	4,410.1	4,533.1	4,497.6	4,639.7	4,628.3	4,656.7	4,607.2	4,808.4
Corp. Income & Franchise	925.4	897.6	961.8	1,064.9	967.2	887.1	993.8	1,099.9
Public Utility	341.2	373.0	358.3	353.7	361.0	373.8	355.9	358.3
Excise								
Cigarettes	569.2	572.8	551.2	575.0	573.0	566.9	541.4	570.0
Liquor & Wine	48.3	71.3	64.7	47.7	49.0	74.6	66.7	69.8
Tobacco Products	63.0	49.4	50.5	67.7	67.7	51.4	51.5	48.3
Beer	9.0	9.3	9.1	9.0	9.0	9.2	9.0	8.9
Estate[a]	0.3	94.0	0.0	0.0	0.0	125.0	0.0	0.0
Insurance Company	159.3	157.5	160.0	164.0	165.8	168.2	168.0	172.0
Miscellaneous Taxes	62.9	63.0	65.0	67.8	65.8	66.0	73.0	74.9
TOTAL	$14,085.6	$14,280.2	$14,013.5	$14,229.3	$13,948.1	$14,782.5	$14,517.5	$14,724.6

[a] The November 20, 2012 report from DOA assumed federal and state law as of November 20, 2012. Subsequent to that report, Congress took actions that had the effect of keeping the State's estate tax from being reactivated commencing January 1, 2013.

May 2014 General Fund Condition Statement

The General Fund condition statement approved by JCF on May 6, 2014 included total General Fund tax revenues of $14.229 billion for the 2013-14 fiscal year and $14.725 billion for the 2014-15 fiscal year. These amounts are $171 million less and $302 million less, respectively, than the projected General Fund tax revenues included in the January 2014 LFB Memorandum. See "State Budget; Budget for 2013-15 Biennium" on the previous pages for discussion of events that occurred subsequent to the January 2014 LFB Memorandum.

January 2014 LFB Memorandum

On January 16, 2014, LFB released a memorandum that includes estimated General Fund tax revenues and an updated General Fund condition statement for each fiscal year of the 2013-15 biennium. The estimated General Fund tax revenues included in the January 2014 LFB Memorandum were $14.400 billion for the 2013-14 fiscal year, or an increase of $314 million (or 2.2%) from collections in the 2012-13 fiscal year and an increase of $386 million from the projections resulting from the 2013-15 biennial budget (2013 Wisconsin Act 20). In addition, the estimated General Fund tax revenues were $15.017 billion for the 2014-15 fiscal year, or an increase of $617 million (or 4.3%) from the estimated collections for the 2014-15 fiscal year and an increase of $500 million from projections in the 2013-15 biennial budget (2013 Wisconsin Act 20).

A complete copy of the January 2014 LFB Memorandum is included as part of this Official Statement at the end of this Appendix B. In addition, the State has filed the January 2014 LFB Memorandum with the MSRB through its EMMA system, and a copy is available at any of the addresses included on page B-1.

State Budget; Potential Effect of Litigation (Part II, Pages 35-38). Update with the following information:

2011 Wisconsin Act 10

On April 19, 2014, the United States Court of Appeals for the Seventh Circuit denied the plaintiff's appeal in the matter of *Laborers Local 236 v. Walker,* and upheld the District Court's dismissal of the case. The plaintiffs' petition for rehearing was denied on May 22, 2014 and the plaintiffs did not file a petition for certiorari review by the United States Supreme Court.

Talgo Train Disputes

On April 30, 2014, the Wisconsin Claims Board denied, without hearing, the claim filed by Talgo, Inc.

State Obligations; Employee Pension Funds (Part II; Pages 67-69). Update with the following information. Information about the contribution rates for calendar year 2015 was not included in the Preliminary Official Statement (dated October 28, 2014).

The State is part of the Wisconsin Retirement System **(WRS)**, which is a hybrid pension plan with separate individual accounts maintained for all participants. Market-related risks are generally mitigated by (1) regular changes in active employee contributions based on actuarial costs and (2) adjustment of benefits based on investment performance.

Annual annuity adjustments for calendar year 2014 were announced by WRS on February 27, 2014, and include an increase of 4.7% for retirees in the WRS Core Retirement Trust. On June 26, 2014, the Employee Trust Funds Board approved employee and employer contribution rates for calendar year 2015, which reflect decreases from rates in calendar year 2014. For the general employees classification, which includes teachers, the employee and employer contribution rate is 6.8%, down from the 7.0% rate in calendar year 2014.

General Fund Information; General Fund Cash Flow (Part II; Pages 44-55). The following tables provide updates and additions to various tables containing General Fund information for the 2013-14 and 2014-15 fiscal years, which are presented on either a cash basis or an agency-recorded basis. Unless otherwise noted, the tables for the 2013-14 fiscal year contain information through June 30, 2014 and the tables for the 2014-15 fiscal year include information through September 30, 2014 and projected General Fund information (cash basis) for the remainder of the 2014-15 fiscal year. Data through September 30, 2014 for the following tables was released after the date of the Preliminary Official Statement for the 2014 Series 2 Bonds (October 28, 2014).

The results, projections, and estimates in most of the following tables reflect the budget bill for the 2013-15 biennium (2013 Wisconsin Act 20), estimated General Fund tax collections included in the January 2014 LFB Memorandum, the impacts of withholding table changes that DOR made on or after April 1, 2014, and the General Fund tax cuts and other provisions included in legislation signed into law on March 24, 2014 (2013 Wisconsin Act 145).

The comparison of monthly General Fund information that is presented on a cash basis has many inherent problems. Unforeseen events or variations from underlying assumptions may cause a decrease or increase in receipts and disbursements from those projected for any specific month. The following tables may show negative balances on a cash basis. The State can have a negative cash balance at the end of a fiscal year.

The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect and may also temporarily reallocate for a period of up to 30 days an additional amount up to 3% of the general-purpose revenue appropriations then in effect.

If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

Table II-11; General Fund Cash Flow (Part II; Page 47). Replace with the following updated tables.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2013 TO JUNE 30, 2014[(a)]

(Amounts in Thousands)

	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014
BALANCES[(a)(b)]												
Beginning Balance	$ 1,826,568	$ 959,259	$ 1,096,352	$ 1,976,298	$ 2,590,295	$ 2,201,088	$ 1,864,661	$ 2,979,454	$ 2,935,550	$ 2,069,416	$ 2,118,974	$ 2,061,910
Ending Balance[(c)]	959,259	1,096,352	1,976,298	2,590,295	2,201,088	1,864,661	2,979,454	2,935,550	2,069,416	2,118,974	2,061,910	1,500,597
Lowest Daily Balance [(c)]	694,591	676,990	966,197	1,868,597	1,998,057	1,262,328	1,864,661	2,806,521	1,882,177	1,645,586	1,717,531	1,133,149
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 800,065	$ 413,410	$ 976,828	$ 723,133	$ 435,536	$ 752,680	$ 1,180,995	$ 625,797	$ 693,891	$ 1,201,831	$ 379,615	$ 909,960
Sales & Use	442,317	428,431	435,847	436,335	409,206	383,195	458,960	340,073	335,240	398,904	382,512	439,663
Corporate Income	37,868	48,418	190,960	36,606	26,352	195,992	30,561	31,183	219,543	61,822	26,936	169,725
Public Utility	176	60	88	5,262	184,696	26	2	497	161	10,846	162,538	753
Excise	56,370	65,737	67,173	57,873	64,181	54,638	61,346	50,976	46,127	54,990	56,611	55,485
Insurance	98	605	14,360	21	848	13,946	13,017	24,196	8,895	13,471	727	14,940
Subtotal Tax Receipts	$ 1,336,894	$ 956,661	$ 1,685,256	$ 1,259,230	$ 1,120,819	$ 1,400,477	$ 1,744,881	$ 1,072,722	$ 1,303,857	$ 1,741,864	$ 1,008,939	$ 1,590,526
NON-TAX RECEIPTS												
Federal	$ 781,233	$ 612,092	$ 1,111,835	$ 650,079	$ 658,618	$ 588,090	$ 970,331	$ 899,924	$ 699,022	$ 650,876	$ 762,356	$ 737,302
Other & Transfers	494,089	373,600	504,906	450,276	307,748	413,827	364,213	522,286	382,748	375,235	336,037	508,429
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,275,322	$ 985,692	$ 1,616,741	$ 1,100,355	$ 966,366	$ 1,001,917	$ 1,334,544	$ 1,422,210	$ 1,081,770	$ 1,026,111	$ 1,098,393	$ 1,245,731
TOTAL RECEIPTS	$ 2,612,216	$ 1,942,353	$ 3,301,997	$ 2,359,585	$ 2,087,185	$ 2,402,394	$ 3,079,425	$ 2,494,932	$ 2,385,627	$ 2,767,975	$ 2,107,332	$ 2,836,257
DISBURSEMENTS												
Local Aids	$ 1,478,783	$ 156,058	$ 796,300	$ 89,769	$ 872,236	$ 1,243,073	$ 166,773	$ 232,529	$ 1,310,166	$ 108,012	$ 102,723	$ 1,844,516
Income Maintenance	904,094	601,507	644,906	637,506	633,143	664,655	735,599	671,530	682,516	658,660	649,558	468,763
Payroll and Related	328,217	404,239	307,347	417,135	509,656	358,394	482,768	454,378	274,595	396,327	490,662	355,915
Tax Refunds	74,881	90,418	65,640	106,962	77,263	139,348	62,638	695,610	611,462	588,864	178,386	148,255
Debt Service	258,604	-	-	125,675	-	-	-	-	-	571,692	162,744	-
Miscellaneous	434,946	553,038	607,858	368,540	384,094	333,352	516,854	484,789	373,022	394,862	580,323	580,121
Note Repayment	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	$ 3,479,525	$ 1,805,260	$ 2,422,051	$ 1,745,587	$ 2,476,392	$ 2,738,822	$ 1,964,632	$ 2,538,836	$ 3,251,761	$ 2,718,417	$ 2,164,396	$ 3,397,570

(a) The results in this table reflect the budget bill for the 2013-15 biennium (2013 Wisconsin Act 20), the General Fund tax revenues included in the January 2014 LFB Memorandum, the withholding table changes that DOR made on or after April 1, 2014, and the General Fund tax cuts and other provisions included in legislation signed into law on March 24, 2014 (2013 Wisconsin Act 145). This table does not include any temporary reallocations of cash.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The ending monthly balances of designated funds ranged from $1.2 billion to $1.9 billion during the 2012-13 fiscal year and from $1.2 billion to $1.9 billion for the 2013-14 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds were expected to average approximately $25 million during the 2013-14 fiscal year.

(c) While no negative cash positions were projected or occurred, the Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. For the 2013-14 fiscal year, the Secretary of Administration could have temporarily reallocated cash in other funds to the General Fund in an amount up to 9% of the total general-purpose revenue appropriations then in effect with an additional amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation in the 2013-14 fiscal year could have been approximately $1.351 billion and $450 million, respectively. If the amount available for temporary reallocation to the General Fund were not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2014 TO SEPTEMBER 30, 2014
PROJECTED GENERAL FUND CASH FLOW; OCTOBER 1, 2014 TO JUNE 30, 2015[a]

(Amounts in Thousands)

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015
BALANCES[a][b]												
Beginning Balance	$ 1,500,597	$ 621,109	$ 756,170	$ 1,729,087	$ 2,154,251	$ 1,874,377	$ 1,318,882	$ 2,197,488	$ 1,915,871	$ 1,234,426	$ 1,390,347	$ 1,677,728
Ending Balance[c]	621,109	756,170	1,729,087	2,154,251	1,874,377	1,318,882	2,197,488	1,915,871	1,234,426	1,390,347	1,677,728	1,188,585
Lowest Daily Balance [c]	474,074	404,168	756,170	1,419,254	1,731,035	547,213	1,260,261	1,915,871	1,137,026	1,132,336	967,621	594,694
RECEIPTS												
TAX RECEIPTS												
Individual Income	$ 626,833	$ 390,635	$ 915,187	$ 716,478	$ 430,146	$ 747,133	$ 1,020,118	$ 620,031	$ 837,501	$ 1,190,765	$ 374,735	$ 902,951
Sales & Use	462,971	453,323	455,697	442,516	427,963	395,913	476,269	354,571	350,897	415,829	415,559	445,900
Corporate Income	52,188	37,424	211,697	39,274	28,741	185,033	45,520	31,976	231,694	69,473	28,379	188,226
Public Utility	130	-	120	5,330	187,098	26	2	503	163	10,987	164,652	764
Excise	67,966	60,757	64,696	54,648	61,884	57,060	56,647	48,239	47,964	54,235	56,164	61,127
Insurance	1,680	4,088	12,290	22	889	14,626	13,652	25,376	9,329	14,128	763	15,668
Subtotal Tax Receipts	$ 1,211,768	$ 946,227	$ 1,659,687	$ 1,258,268	$ 1,136,721	$ 1,399,791	$ 1,612,208	$ 1,080,696	$ 1,477,548	$ 1,755,417	$ 1,040,252	$ 1,614,636
NON-TAX RECEIPTS												
Federal	$ 810,205	$ 834,417	$ 968,988	$ 694,744	$ 715,016	$ 660,332	$ 1,028,128	$ 896,136	$ 745,782	$ 723,735	$ 766,872	$ 669,170
Other & Transfers	501,229	144,917	681,077	539,554	292,071	381,636	349,137	556,528	415,008	382,282	377,352	488,300
Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Tax Receipts	$ 1,311,434	$ 979,334	$ 1,650,065	$ 1,234,298	$ 1,007,087	$ 1,041,968	$ 1,377,265	$ 1,452,664	$ 1,160,790	$ 1,106,017	$ 1,144,224	$ 1,157,470
TOTAL RECEIPTS	$ 2,523,202	$ 1,925,561	$ 3,309,752	$ 2,492,566	$ 2,143,808	$ 2,441,759	$ 2,989,473	$ 2,533,360	$ 2,638,338	$ 2,861,434	$ 2,184,476	$ 2,772,106
DISBURSEMENTS												
Local Aids	$ 1,441,859	$ 150,140	$ 753,269	$ 113,061	$ 895,128	$ 1,294,841	$ 183,215	$ 654,941	$ 1,378,921	$ 110,320	$ 155,788	$ 1,863,487
Income Maintenance	883,285	628,138	674,194	736,357	678,791	741,626	778,857	689,290	698,463	742,885	643,826	303,112
Payroll and Related	277,483	399,958	274,523	608,719	292,950	451,379	514,601	402,317	312,888	546,854	375,614	480,969
Tax Refunds	94,130	95,975	81,377	90,391	75,558	118,899	89,464	559,963	505,496	440,600	133,733	108,239
Debt Service	238,014	-	-	127,843	5,564	258	-	5,564	-	425,194	99,444	257
Miscellaneous	467,919	516,289	553,472	391,030	475,691	390,252	544,730	502,902	424,015	439,660	488,690	505,185
Note Repayment	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	$ 3,402,690	$ 1,790,500	$ 2,336,835	$ 2,067,401	$ 2,423,682	$ 2,997,255	$ 2,110,867	$ 2,814,977	$ 3,319,783	$ 2,705,513	$ 1,897,095	$ 3,261,249

(a) The results, projections, or estimates in this table reflect the budget bill for the 2013-15 biennium (2013 Wisconsin Act 20), the estimated General Fund tax revenues included in the January 2014 LFB Memorandum, the withholding table changes that DOR made on or after April 1, 2014, and the General Fund tax cuts and other provisions included in legislation signed into law on March 24, 2014 (2013 Wisconsin Act 145). This table does not include any temporary reallocations of cash.

(b) The General Fund cash balances presented in this schedule are not based on generally accepted accounting principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The ending monthly balances of designated funds ranged from $1.2 billion to $1.9 billion during the 2012-13 fiscal year, ranged from $1.2 billion to $1.9 billion during the 2013-14 fiscal year, and are expected to range from $1.1 billion to $1.8 billion for the 2014-15 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average approximately $25 million during the 2014-15 fiscal year.

(c) While no negative cash positions are currently projected, the Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. For the 2014-15 fiscal year, the Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the total general-purpose revenue appropriations then in effect with an additional amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation in the 2014-15 fiscal year are approximately $1.429 billion and $477 million, respectively. If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

Table II-12; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 49). Replace with the following updated tables.

2013-14 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR[(a)]
(Cash Basis)
As of June 30, 2014
(Amounts in Thousands)

	FY13 through June 2013	FY14 through June 2014				
	Actual	Actual[(b)]	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY13 Actual to FY14 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 9,088,555	$ 9,093,741	$ 9,397,335	$ (303,594)	$ (303,594)	$ 5,186
Sales	4,712,541	4,890,683	4,899,227	(8,544)	(8,544)	178,142
Corporate Income	1,069,597	1,075,966	1,198,239	(122,273)	(122,273)	6,369
Public Utility	346,665	365,105	347,183	17,922	17,922	18,440
Excise	703,357	691,507	710,547	(19,040)	(19,040)	(11,850)
Insurance	105,541	105,124	116,334	(11,210)	(11,210)	(417)
Total Tax Receipts	$ 16,026,256	$ 16,222,126	$ 16,668,865	$ (446,739)	$ (446,739)	$ 195,870
Non-Tax Receipts						
Federal	$ 8,742,948	$ 9,121,758	$ 8,878,408	$ 243,350	$ 243,350	$ 378,810
Other and Transfers	5,240,928	5,033,394	5,106,044	(72,650)	(72,650)	(207,534)
Note Proceeds	-	-	-	-	-	-
Total Non-Tax Receipts	$ 13,983,876	$ 14,155,152	$ 13,984,452	$ 170,700	$ 170,700	$ 171,276
TOTAL RECEIPTS	$ 30,010,132	$ 30,377,278	$ 30,653,317	$ (276,039)	$ (276,039)	$ 367,146
DISBURSEMENTS						
Local Aids	$ 8,424,268	$ 8,400,938	$ 8,726,830	$ 325,892	$ 325,892	$ (23,330)
Income Maintenance	7,625,418	7,952,437	7,908,290	(44,147)	(44,147)	327,019
Payroll & Related	4,629,974	4,779,633	4,817,029	37,396	37,396	149,659
Tax Refunds	2,595,362	2,839,727	2,965,758	126,031	126,031	244,365
Debt Service	939,185	1,118,715	1,023,719	(94,996)	(94,996)	179,530
Miscellaneous	4,944,309	5,611,799	5,645,146	33,347	33,347	667,490
Note Repayment	-	-	-	-	-	-
TOTAL DISBURSEMENTS	$ 29,158,516	$ 30,703,249	$ 31,086,772	$ 383,523	$ 383,523	$ 1,544,733
2013-14 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 107,484	$ 107,484	

(a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.

(b) The results, projections, and estimates in this table for the 2013-14 fiscal year reflect the budget bill for the 2013-15 biennium (2013 Wisconsin Act 20), estimated General Fund tax revenues included in the January 2014 LFB Memorandum, impacts of withholding table changes that DOR made on or after April 1, 2014, and the General Fund tax cuts and other provisions included in legislation signed into law on March 24, 2014 (2013 Wisconsin Act 145).

(c) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed, which may result in large variances. This column includes adjustments to the variances, if any, to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration

2014-15 FISCAL YEAR
GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR[(a)]
(Cash Basis)
As of September 30, 2014
(Amounts in Thousands)

	FY14 through September 2013	FY15 through September 2014				
	Actual	Actual[(b)]	Estimate[(b)]	Variance	Adjusted Variance[(c)]	Difference FY14 Actual to FY15 Actual
RECEIPTS						
Tax Receipts						
Individual Income	$ 2,190,303	$ 1,932,655	$ 2,021,520	$ (88,865)	$ (88,865)	$ (257,648)
Sales	1,306,595	1,371,991	1,349,721	22,270	22,270	65,396
Corporate Income	277,246	301,309	263,010	38,299	38,299	24,063
Public Utility	324	250	328	(78)	(78)	(74)
Excise	189,280	193,419	191,166	2,253	2,253	4,139
Insurance	15,063	18,058	15,799	2,259	2,259	2,995
Total Tax Receipts	$ 3,978,811	$ 3,817,682	$ 3,841,544	$ (23,862)	$ (23,862)	$ (161,129)
Non-Tax Receipts						
Federal	$ 2,505,160	$ 2,613,610	$ 2,515,566	$ 98,044	$ 98,044	$ 108,450
Other and Transfers	1,372,595	1,327,223	1,197,530	129,693	129,693	(45,372)
Note Proceeds	-	-	-	-	-	-
Total Non-Tax Receipts	$ 3,877,755	$ 3,940,833	$ 3,713,096	$ 227,737	$ 227,737	$ 63,078
TOTAL RECEIPTS	$ 7,856,566	$ 7,758,515	$ 7,554,640	$ 203,875	$ 203,875	$ (98,051)
DISBURSEMENTS						
Local Aids	$ 2,431,141	$ 2,345,268	$ 2,367,616	$ 22,348	$ 22,348	$ (85,873)
Income Maintenance	2,150,507	2,185,617	2,351,553	165,936	165,936	35,110
Payroll & Related	1,039,803	992,503	1,024,667	32,164	32,164	(47,300)
Tax Refunds	230,939	271,482	195,386	(76,096)	(76,096)	40,543
Debt Service	258,604	238,014	244,810	6,796	6,796	(20,590)
Miscellaneous	1,595,842	1,497,141	1,610,760	113,619	113,619	(98,701)
Note Repayment	-	-	-	-	-	-
TOTAL DISBURSEMENTS	$ 7,706,836	$ 7,530,025	$ 7,794,792	$ 264,767	$ 264,767	$ (176,811)
2014-15 FISCAL YEAR VARIANCE YEAR-TO-DATE				$ 468,642	$ 468,642	

(a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.

(b) The results, projections, and estimates in this table for the 2014-15 fiscal year reflect the budget bill for the 2013-15 biennium (2013 Wisconsin Act 20), estimated General Fund tax revenues included in the January 2014 LFB Memorandum, impacts of withholding table changes that DOR made on or after April 1, 2014, and the General Fund tax cuts and other provisions included in legislation signed into law on March 24, 2014 (2013 Wisconsin Act 145).

(c) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed, which may result in large variances. This column includes adjustments to the variances, if any, to more accurately reflect the variance between the estimated and actual amounts.

Source: Wisconsin Department of Administration

Table II-13; General Fund Monthly Cash Position (Part II; Page 50). Replace with the following updated table.

GENERAL FUND MONTHLY CASH POSITION[(a)]
July 1, 2012 through September 30, 2014 – Actual
October 1, 2014 through June 30, 2015 – Estimated[(b)]
(Amounts in Thousands)

	Starting Date	Starting Balance	Receipts[(c)]	Disbursements[(c)]
2012	July	$ 974,952 [(d)]	$ 2,520,484	$ 3,324,432
	August	171,004 [(d)]	2,062,401	1,768,434
	September	464,971	2,652,821	2,118,851
	October	998,941	2,612,683	1,734,916
	November	1,876,708	2,140,854	2,586,604
	December	1,430,959	2,274,768	2,744,918
2013	January	960,809	3,049,021	1,815,467
	February	2,194,363	2,440,117	2,299,291
	March	2,335,189	2,273,592	3,182,972
	April	1,425,809	3,275,565	2,513,625
	May	2,187,749	2,309,395	2,038,569
	June	2,458,575	2,398,430	3,030,437
	July	1,826,568	2,612,216	3,479,525
	August	959,259	1,942,353	1,805,260
	September	1,096,352	3,301,997	2,422,051
	October	1,976,298	2,359,585	1,745,587
	November	2,590,296	2,087,185	2,476,392
	December	2,201,089	2,402,394	2,738,822
2014	January	1,864,661	3,079,425	1,964,632
	February	2,979,454	2,494,932	2,538,836
	March	2,935,550	2,385,627	3,251,761
	April	2,069,416	2,767,975	2,718,417
	May	2,118,974	2,107,332	2,164,396
	June	2,061,910	2,836,257	3,397,570
	July	1,500,597	2,523,202	3,402,690
	August	621,109	1,925,561	1,790,500
	September	756,170	3,309,752	2,336,835
	October	1,729,087	2,492,566	2,067,401
	November	2,154,252	2,143,808	2,423,682
	December	1,874,378	2,441,759	2,997,255
2015	January	1,318,882	2,989,473	2,110,867
	February	2,197,488	2,533,360	2,814,977
	March	1,915,871	2,638,338	3,319,783
	April	1,234,426	2,861,434	2,705,513
	May	1,390,347	2,184,476	1,897,095
	June	1,677,728	2,772,106	3,261,249

(a) The General Fund balances presented in this table are not based on generally accepted accounting principles (GAAP).
(b) The results, projections, or estimates in this table for the 2013-14 and the 2014-15 fiscal years reflect the budget bill for the 2013-15 biennium, estimated General Fund tax revenues included in the January 2014 LFB Memorandum, impacts of withholding table changes that DOR made on or after April 1, 2014, and the General Fund tax cuts and other provisions included in legislation signed into law on March 24, 2014 (2013 Wisconsin Act 145).
(c) Operating notes have not been issued for the 2012-13, 2013-14, or 2014-15 fiscal years.
(d) At some period during this month, the General Fund was in a negative cash position. The Wisconsin Statutes provide certain administrative remedies for periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund up to 9% of the total general purpose revenue appropriations then in effect. For the 2013-14 fiscal year this amount was $1.351 billion and for the 2014-15 fiscal year this amount is projected to be $1.429 billion. In addition, the Secretary of Administration may also temporarily reallocate an additional amount of up to 3% of total general purpose revenue appropriations for a period of up to 30 days. For the 2013-14 fiscal year, this amount was $450 million, and for the 2014-15 fiscal year this amount is projected to be $477 million. If the amount available for temporary reallocation to the General Fund is insufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.

Source: Wisconsin Department of Administration

Table II-14; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 51). Replace with the following updated table.

CASH BALANCES IN FUNDS AVAILABLE FOR TEMPORARY REALLOCATION[(a)]
July 31, 2012 to September 30, 2014 – Actual
October 31, 2014 to June 30, 2015 – Estimated
(Amounts in Millions)

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool **(LGIP)**, and the second table does include LGIP balances. Though the LGIP is available for temporary reallocation, funds in the LGIP are deposited and withdrawn by local units of government and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of $2.113 billion during November 2011 to a high of $3.464 billion during February 2013. The Secretary of Administration may not exercise the authority to make temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which the temporary reallocation would be made.

Available Balances; Does Not Include Balances in the LGIP

Month (Last Day)	2012	2013	2014	2015
January		$ 1,549	$ 1,465	$ 1,465
February		1,601	1,518	1,518
March		1,688	1,534	1,534
April		1,708	1,644	1,644
May		1,721	1,620	1,289
June		1,677	1,533	1,427
July	$ 1,460	1,557	1,396	
August	1,498	1,569	1,311	
September	1,569	1,616	1,373	
October	1,341	1,419	1,419	
November	1,388	1,454	1,454	
December	1,487	1,518	1,518	

Available Balances; Includes Balances in the LGIP

Month (Last Day)	2012	2013	2014	2015
January		$ 5,017	$ 4,586	$ 4,586
February		5,051	4,642	4,642
March		5,250	4,884	4,884
April		4,999	4,605	4,605
May		4,577	4,173	4,173
June		4,427	4,012	4,035
July	$ 4,620	4,865	4,588	
August	4,176	4,283	3,879	
September	3,998	4,005	3,821	
October	3,529	3,615	3,615	
November	3,527	3,614	3,614	
December	4,174	4,255	4,255	

[(a)] The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and temporary reallocations were made from such fund.

Source: Wisconsin Department of Administration

Table II-15; General Fund Recorded Revenues (Part II; Page 53). Replace with the following updated tables.

2013-14 FISCAL YEAR
GENERAL FUND RECORDED REVENUES[(a)]
(Agency-Recorded Basis)
July 1, 2013 to June 30, 2014 Compared With Previous Year

	Annual Fiscal Report Revenues 2012-13 Fiscal Year[(b)]	Projected Revenues 2013-14 Fiscal Year[(c)]	Recorded Revenues July 1, 2012 to June 30, 2013[(d)]	Recorded Revenues July 1, 2013 to June 30, 2014[(e)]
Individual Income Tax	$ 7,496,854,000	$ 7,295,261,000	$ 7,496,973,342	$ 7,061,389,669
General Sales and Use Tax	4,410,130,000	4,497,640,000	4,410,129,770	4,628,337,935
Corporate Franchise and Income Tax	925,383,000	961,805,000	925,383,342	967,184,149
Public Utility Taxes	341,256,000	358,292,000	341,256,519	360,967,550
Excise Taxes	689,464,000	675,500,000	689,463,769	698,686,674
Inheritance Taxes	305,000	-	304,551	(77,722)
Insurance Company Taxes	159,277,000	160,000,000	159,276,691	165,764,951
Miscellaneous Taxes	62,958,000	65,000,000	85,023,559	95,919,109
SUBTOTAL	14,085,627,000	14,013,498,000	14,107,811,543	13,978,172,315
Federal and Other Inter-Governmental Revenues[(f)]	10,082,914,000	8,811,039,400	10,084,172,024	10,168,393,627
Dedicated and Other Revenues[(g)]	5,266,640,000	6,062,187,900	5,484,227,049	5,893,245,945
TOTAL	$ 29,435,181,000	$ 28,886,725,300	$ 29,676,210,616	$ 30,039,811,887

(a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2012-13 fiscal year, dated October 15, 2013.

(c) The results, projections, or estimates included in this table on an agency-recorded basis reflect the 2013-15 biennial budget (2013 Wisconsin Act 20) and the estimated General Fund tax revenue collections included in a memorandum from LFB dated May 9, 2013. The results, projections, or estimates in this table do not reflect the estimated General Fund tax revenues included in the January 2014 LFB Memorandum, the impacts of withholding table changes that DOR made on or after April 1, 2014, or the General Fund tax cuts and other provisions included in legislation signed into law on March 24, 2014 (2013 Wisconsin Act 145).

(d) The amounts shown are 2012-13 fiscal year revenues as recorded by all State agencies. The amounts shown include revenues for the 2012-13 fiscal year that were recorded by State agencies during the months of July and August, 2013. There may be differences between the tax revenues shown in this table and those reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report only includes general purpose revenues or taxes that are actually collected by DOR.

(e) The amounts shown are 2013-14 fiscal year general purpose revenues and program revenue taxes collected across all State agencies. The amounts shown include revenues for the 2013-14 fiscal year that were recorded by State agencies during the months of July and August, 2014. There may be differences between the tax revenues shown in this table and those reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report only includes general purpose revenues or taxes that are actually collected by DOR.

(f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

(g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration

2014-15 FISCAL YEAR
GENERAL FUND RECORDED REVENUES[a]
(Agency-Recorded Basis)
July 1, 2014 to September 30, 2014 Compared With Previous Year

	Annual Fiscal Report Revenues 2013-14 Fiscal Year[b]	Projected Revenues 2014-15 Fiscal Year[c]	Recorded Revenues July 1, 2013 to September 30, 2013[d]	Recorded Revenues July 1, 2014 to September 30, 2014[e]
Individual Income Tax	$ 7,061,390,000	$ 7,514,100,000	$ 1,599,430,063	$ 1,503,629,331
General Sales and Use Tax	4,628,338,000	4,808,400,000	809,833,851	849,657,887
Corporate Franchise and Income Tax	967,184,000	1,099,900,000	235,932,952	233,759,751
Public Utility Taxes	360,967,000	358,300,000	146,156	119,785
Excise Taxes	698,687,000	697,000,000	133,804,448	127,975,456
Inheritance Taxes	(78,000)	-	234	(106,641)
Insurance Company Taxes	165,765,000	172,000,000	24,891,664	29,127,211
Miscellaneous Taxes	65,848,000	74,900,000	16,558,761	16,169,557
SUBTOTAL.........................	13,948,101,000	14,724,600,000	2,820,598,129	2,760,332,337
Federal and Other Inter-Governmental Revenues[f]	10,168,393,000	10,022,639,400	2,513,635,926	2,572,796,396
Dedicated and Other Revenues[g]	5,649,427,000	4,773,215,600	1,440,843,976	1,562,660,502
TOTAL................................	$ 29,765,921,000	$ 29,520,455,000	$ 6,775,078,031	$ 6,895,789,235

(a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2013-14 fiscal year, dated October 15, 2014.

(c) The results, projections, or estimates included in this table on an agency-recorded basis reflect the 2013-15 biennial budget (2013 Wisconsin Act 20), the estimated General Fund tax revenues included in the January 2014 LFB Memorandum, the impacts of withholding table changes that DOR made on or after April 1, 2014, and the General Fund tax cuts and other provisions included in legislation signed into law on March 24, 2014 (2013 Wisconsin Act 145).

(d) The amounts shown are 2013-14 fiscal year revenues as recorded by all State agencies. There may be differences between the tax revenues shown in this table and those reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report only includes general purpose revenues or taxes that are actually collected by DOR.

(e) The amounts shown are 2014-15 fiscal year general purpose revenues and program revenue taxes collected across all State agencies. There may be differences between the tax revenues shown in this table and those reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report only includes general purpose revenues or taxes that are actually collected by DOR.

(f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

(g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration

Table II-16; General Fund Recorded Expenditures by Function (Part II; Page 55). Replace with the following updated tables.

2013-14 FISCAL YEAR
GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[a]
(Agency-Recorded Basis)
July 1, 2013 to June 30, 2014 Compared With Previous Year

	Annual Fiscal Report Expenditures 2012–13 Fiscal Year[b]	Appropriations 2013–14 Fiscal Year[c]	Recorded Expenditures July 1, 2012 to June 30, 2013[d]	Recorded Expenditures July 1, 2013 to June 30, 2014[e]
Commerce	$ 205,290,000	$ 226,725,400	$ 207,342,228	$ 197,230,979
Education	11,998,243,000	12,298,789,500	11,997,456,128	12,451,421,123
Environmental Resources	388,797,000	436,812,300	386,714,922	434,226,738
Human Relations & Resources	12,402,984,000	12,197,504,300	12,436,229,225	13,384,219,969
General Executive	970,600,000	1,134,338,100	1,016,971,358	1,001,832,709
Judicial	127,454,000	135,758,400	127,453,467	126,672,416
Legislative	64,552,000	75,067,400	64,552,205	65,525,903
General Appropriations	2,242,825,000	2,381,729,900	2,242,824,158	2,296,866,923
TOTAL	$ 28,400,745,000	$ 28,886,725,300	$ 28,479,543,691	$ 29,957,996,760

(a) The expenditures in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2012-13 fiscal year, dated October 15, 2013.

(c) The results and estimates included in this table reflect the 2013-15 biennial budget (2013 Wisconsin Act 20).

(d) The amounts shown are 2012-13 fiscal year expenditures as recorded by all State agencies. The amounts shown include expenditures for the 2012-13 fiscal year that were recorded by State agencies during the months of July and August, 2013.

(e) The amounts shown are 2013-14 fiscal year expenditures as recorded by all State agencies. The amounts shown include expenditures for the 2013-14 fiscal year that were recorded by State agencies during the months of July and August, 2014.

Source: Wisconsin Department of Administration

2014-15 FISCAL YEAR
GENERAL FUND RECORDED EXPENDITURES BY FUNCTION[(a)]
(Agency-Recorded Basis)
July 1, 2014 to September 30, 2014 Compared With Previous Year

	Annual Fiscal Report Expenditures 2013–14 Fiscal Year[(b)]	Appropriations 2014–15 Fiscal Year[(c)]	Recorded Expenditures July 1, 2013 to September 30, 2013[(d)]	Recorded Expenditures July 1, 2014 to September 30, 2014[(e)]
Commerce	$ 197,230,000	$ 227,465,900	$ 45,332,627	$ 51,204,605
Education	12,451,421,000	12,993,697,600	2,614,553,824	2,647,585,507
Environmental Resources	434,226,000	395,938,000	21,629,991	24,922,230
Human Relations & Resources	13,384,219,000	12,754,047,600	3,290,645,262	3,578,066,838
General Executive	1,001,832,000	1,123,118,300	404,522,440	382,717,502
Judicial	126,672,000	135,823,100	34,040,602	32,828,226
Legislative	65,525,000	74,923,700	11,406,401	11,362,811
General Appropriations	2,296,866,000	2,374,477,200	1,168,235,557	1,181,802,723
TOTAL	$ 29,957,991,000	$ 30,079,491,400	$ 7,590,366,704	$ 7,910,490,442

(a) The expenditures in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2013-14 fiscal year, dated October 15, 2014.

(c) The results and estimates included in this table reflect the 2013-15 biennial budget (2013 Wisconsin Act 20) and provisions of other enacted legislation through 2013 Wisconsin Act 380.

(d) The amounts shown are 2013-14 fiscal year expenditures as recorded by all State agencies.

(e) The amounts shown are 2014-15 fiscal year expenditures as recorded by all State agencies.

Source: Wisconsin Department of Administration

Table II-28; State Assessment (Equalized Value) of Taxable Property (Part II; Page 81). Replace with the following updated table.

STATE ASSESSMENT
(EQUALIZED VALUE)
OF TAXABLE PROPERTY

Calendar Year	Value of Taxable Property	Rate of Increase (Decrease)
2005	$427,933,562,000	—
2006	468,983,199,800	9.6%
2007	497,920,348,700	6.2
2008	514,393,963,700	3.3
2009	511,911,983,100	(0.5)
2010	495,904,192,300	(3.1)
2011	486,864,232,800	(1.8)
2012	471,092,529,200	(3.2)
2013	467,502,564,000	(0.8)
2014	479,479,968,800	2.6

Source: Department of Revenue

Statistical Information; Table II-39; Unemployment Rate Comparison (Part II; Page 88). Replace with the following updated table.

UNEMPLOYMENT RATE COMPARISON(a)
By Month 2009 to 2014
By Quarter 2005 to 2008

	2014		2013		2012		2011		2010		2009	
	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.	Wis.	U.S.
January......	6.7	7.0	8.0	8.5	7.7	8.8	8.5	9.8	10.0	10.6	7.8	8.5
February....	7.0	7.0	8.2	8.1	8.0	8.7	8.7	9.5	10.3	10.4	8.9	8.9
March........	6.7	6.8	7.7	7.6	7.7	8.4	8.4	9.2	10.1	10.2	9.5	9.0
April..........	5.9	5.9	7.2	7.1	6.8	7.7	7.6	8.7	8.8	9.5	8.9	8.6
May...........	5.5	6.1	6.7	7.3	6.7	7.9	7.3	8.7	8.3	9.3	8.8	9.1
June...........	6.0	6.3	7.0	7.8	7.4	8.4	8.0	9.3	8.5	9.6	9.4	9.7
July............	5.8	6.5	6.8	7.7	7.2	8.6	7.6	9.3	8.2	9.7	9.1	9.7
August.......	5.1	6.3	6.2	7.3	6.8	8.2	7.4	9.1	8.0	9.5	8.9	9.6
September .	4.7	5.7	5.9	7.0	6.1	7.6	6.9	8.8	7.3	9.2	8.3	9.5
October			5.7	7.0	5.9	7.5	6.6	8.5	7.2	9.0	8.2	9.5
November .			5.8	6.6	6.2	7.4	6.7	8.2	7.5	9.3	8.3	9.4
December..			5.8	6.5	6.6	7.6	6.7	8.3	7.4	9.1	8.8	9.7
Annual Average.....			6.8	7.4	6.9	8.1	7.5	8.9	8.5	9.6	8.7	9.3

2008 Quarters		WI	U.S.	2007 Quarters		WI	U.S.
I	....	5.1	5.3	I	....	5.6	4.8
II	....	4.4	5.2	II	....	4.9	4.4
III	....	4.5	6.0	III	....	4.5	4.7
IV	....	5.3	6.6	IV	....	4.1	4.6

2006 Quarters		WI	U.S.	2005 Quarters		WI	U.S.
I	....	5.4	5.0	I	....	5.7	5.6
II	....	4.7	4.6	II	....	4.8	5.0
III	....	4.4	4.7	III	....	4.4	5.0
IV	....	4.2	4.2	IV	....	4.3	4.7

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State of Wisconsin

January 16, 2014

Representative John Nygren, Assembly Chair
Senator Alberta Darling, Senate Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

Dear Representative Nygren and Senator Darling:

Early each year, this office conducts a review of the status of the state's general fund and presents its findings to the Legislature. In even-numbered years, the analysis includes an examination of economic forecasts and tax collection and expenditure data of the current fiscal year, and projections for each fiscal year of the current biennium. We have now completed that review.

Based upon our analysis, we project the closing, gross general fund balance at the end of this biennium (June 30, 2015) to be $1,041.6 million. This is $911.9 million above the $129.7 million balance that was estimated prior to our review. The estimated $129.7 million balance includes all bills enacted to date in this legislative session (through 2013 Act 116).

The additional $911.9 million is the net result of: (1) an $892.7 million increase in estimated tax collections; (2) an $18.4 million decrease in departmental revenues; (3) a $21.6 million decrease in sum sufficient appropriation expenditures; and (4) a $16.0 million increase in estimated lapses to the general fund.

The following table reflects the general fund condition statement, which incorporates our revenue and expenditure projections.

TABLE 1

2013-15 General Fund Condition Statement

	2013-14	2014-15
Revenues		
Opening Balance, July 1	$759,205,000	$896,858,900
Taxes	14,399,900,000	15,017,200,000
Departmental Revenues		
Tribal Gaming	23,703,600	23,533,600
Other	576,818,000	535,113,000
Total Available	$15,759,626,600	$16,472,705,500
Appropriations, Transfers, and Reserves		
Gross Appropriations	$15,026,592,200	$15,513,263,600
Sum Sufficient Reestimates	-5,001,900	-16,615,800
Transfers to:		
Transportation Fund	60,877,000	143,837,100
Veterans Trust Fund	5,300,000	0
Compensation Reserves	78,752,200	133,056,500
Less Lapses	-303,751,800	-342,485,700
Net Appropriations	$14,862,767,700	$15,431,055,700
Balance		
Gross Balance	$896,858,900	$1,041,649,800
Required Statutory Balance	-65,000,000	-65,000,000
Net Balance, June 30	$831,858,900	$976,649,800

The biennial change in departmental revenues is estimated to be -$18.4 million. Although there are a number of adjustments to departmental revenues, there are two items that contribute to most of the reduction. First, estimated tobacco settlement revenues have been reduced by $13.3 million in 2013-14, primarily due to litigation that will likely not be resolved in that fiscal year. Second, tribal gaming revenues have been reduced by $6.0 million to reflect a decline in amounts generated under the gaming compacts.

Net appropriations are projected to decrease by a net of $37.6 million. Significant factors in this estimate include a reduction in homestead tax credits for the biennium (-$23.3 million) and earned income tax credits (-$8.2 million). In addition, it is projected that cigarette and tobacco product tax refunds will increase by $9.1 million in 2013-14 due to a delayed payment from the prior year. Debt service is projected to be $19.5 million lower than previously anticipated.

The following additional points should be noted about the condition statement of Table 1. First, it incorporates the fiscal effects of all bills enacted to date in this legislative session (through 2013 Act 116). Second, it does not reflect the impact of any bills that are pending before the Legislature that have not yet been enacted.

Finally, it does not reflect any appropriation change to the medical assistance (MA) program. The Department of Health Services (DHS) is required to submit quarterly reports to the Joint Committee on Finance on the fiscal status of the medical assistance program. In the December 30, 2013, report, DHS projected that the MA biennial general fund appropriation of $4.8 billion could potentially face a $92.6 million shortfall in the 2013-15 biennium. Much of this is due to a reduction in the 2015 federal matching rate from the preliminary estimate of 59.19% to 58.27%. This downward revision would result in a loss of approximately $52 million in federal MA matching funds in 2014-15. Through the Department's quarterly reports, the Legislature will be able to monitor the fiscal status of the program and react to any modifications, if necessary, prior to the conclusion of the biennium.

Budget Stabilization Fund

Under s. 16.518 of the statutes, half of any excess of actual general fund tax revenues in a fiscal year over the amount included in the biennial budget act must be deposited into the budget stabilization fund after the close of that fiscal year. Currently, the budget stabilization fund has a balance of $279.3 million.

The following chart shows general fund taxes included in the 2013-15 biennial budget (2013 Act 20) and the projections of this analysis.

	2013-14	2014-15
January 16 Estimate	$14,399,900,000	$15,017,200,000
2013 Act 20	14,013,498,000	14,517,548,000
Difference	$386,402,000	$499,652,000

As the chart indicates, the tax estimates of this analysis exceed those of the biennial budget act by $386,402,000 in 2013-14 and $499,652,000 in 2014-15. Thus, if taxes are not modified and actual collections are the same as the estimated amounts, $193,201,000 ($386,402,000 x .50) would be transferred to the budget stabilization fund at the end of the 2013-14 fiscal year and $249,826,000 ($499,652,000 x .50) would be transferred at the close of 2014-15. The biennial total of the transfer under this scenario would be $443,027,000.

Section 16.518 further states that if a transfer to the budget stabilization fund would reduce the balance in the general fund below the required statutory reserve, then the transfer must be reduced as needed to maintain the required statutory reserve in the general fund. Currently, the statutory reserve is set at $65 million, annually. For example, if the gross balance in the general fund at the end of a fiscal year was $100 million, the most that could be transferred to the budget stabilization fund would be $35 million.

Transportation Fund

In addition to the previous discussion of the state's general fund and budget stabilization fund, the following information is provided on the condition of the state transportation fund.

Upon passage of the 2013-15 biennial budget act (Act 20), the biennium-ending balance in the transportation fund was estimated at $1.8 million. The Department of Transportation has recently completed a reestimate of transportation fund revenues. Based on our review of these estimates, the biennium-ending balance is now projected to be $84.6 million. Although the economic variables used to project future revenues have not changed substantially from earlier estimates, actual revenue collections from the motor fuel tax and vehicle registration fees during the first few months of the biennium are somewhat higher than the Act 20 forecast. The Department's new estimate projects that revenue will continue to build on these early collections, accounting for the higher biennium-ending forecast balance. The new estimated balance is equal to 2.2% of gross transportation fund revenues.

Although the transportation fund is projected to have a higher biennium-ending balance, there are several issues that could affect future decisions with respect to transportation finance. First, the amount of the state's federal highway aid remains uncertain for future fiscal years. Federal highway trust fund collections have been and continue to be below annual program outlays. In several recent years, Congress has supplemented trust fund revenues with federal general fund revenues to maintain a stable highway aid program. It is unclear, however, if additional transfers (or other measures, such as a federal fuel tax increase) will be approved in the future. Congress may decide, instead, to reduce highway aid to the states. In this event, Wisconsin may need to reduce funding for programs that use federal highway aid, or supplement those programs with additional state funds.

Second, while the transportation fund is projected to have a positive, biennium-ending budgetary balance, the fund faces a structural imbalance heading into the 2015-17 biennium. In 2014-15 (the base year), total revenues, net of revenue bond debt service, are $11.4 million above total transportation fund expenditures. However, of the 2014-15 revenue total, $123.5 million is provided with one-time transfers from other funds ($107.5 million from the general fund and $16.0 million from the petroleum inspection fund). Without the one-time transfer revenues, base expenditures exceed base revenues by $112.0 million annually. Therefore, over the 2015-17 biennium revenues would have to grow by $224.0 million to fund expenditures at the 2014-15, base-year level.

In addition, other factors will increase current law expenditure commitments in the 2015-17 biennium. First, Act 20 provided a 4% increase in calendar year 2015 for the mass transit assistance and general transportation aid programs. Since only a portion of the 2015 aid increase, in both programs, is funded in 2014-15, an additional funding increase would be required in subsequent fiscal years to fully fund the increase. For the general transportation aid program, an additional increase of $9.0 million will be required in 2015-16 (or $18.0 million over the biennium if the 2015 aid level is continued), while in the mass transit assistance program, an additional increase of $3.2 million will be required in 2015-16 (or $6.4 million over the biennium). Assuming that the 2015 aid level is fully funded and that level is maintained, these commitments add $24.4 million to the structural imbalance.

Further, growth in transportation fund debt service, on currently-authorized bonds, will further increase 2015-17 expenditures. Typically, the full, annualized debt service on bonds authorized in one biennium is not paid until the following biennium. Based on current bond issuance assumptions, the Department of Transportation estimates that debt service on currently-authorized bonds will grow by $41.9 million in 2015-16 and by $45.9 million in 2016-17, above the 2014-15 base, for a biennial total of $87.8 million.

Finally, the calculations described above do not include the impact of any other costs that the state may incur in the 2015-17 biennium in excess of the 2014-15 appropriation base. Notably, the Department of Transportation estimates that continuing work on the Zoo Interchange and Hoan Bridge projects in Milwaukee County will cost $957 million in the 2015-17 biennium. By comparison, the 2014-15 base appropriation for the southeast Wisconsin freeway megaprojects program is $86 million.

General Fund Taxes

The following section presents information regarding general fund taxes for the 2013-15 biennium, including a discussion of the national economic forecast and general fund tax revenue estimates for fiscal years 2013-14 and 2014-15.

National Economic Review and Forecast. This office first prepared revenue estimates for the 2013-15 biennium in January, 2013, based on IHS Global Insight, Inc.'s January, 2013, forecast for the U.S. economy. That forecast predicted economic growth in 2013 would slow, primarily due to the expiration of the 2% payroll tax cut and increased taxes on high earners included in the American Taxpayer Relief Act of 2012. Under that forecast, Global Insight had made assumptions regarding federal fiscal policy that sequestration cuts would not occur in 2013 and, instead, those cuts would be replaced with a combination of increases in income taxes on high earners and cuts to Medicare, Medicaid, Social Security, and nondefense discretionary spending. Under these assumptions, real gross domestic product (GDP) growth was expected to increase by 1.7% in 2013, 2.7% in 2014, and 3.4% in 2015. The primary downside risks to the forecast included U.S. policymakers cutting defense and nondefense spending further than was scheduled to take effect under sequestration, an intensification of recession in Europe, and slower than expected growth in China and other emerging markets.

In May, 2013, this office raised its revenue estimates for individual income taxes and corporate income and franchise taxes in 2012-13 and the 2013-15 biennium. The upward revision was primarily based on stronger than expected tax collections through April, 2013. One-time payments of corporate dividends and gains on asset sales that were accelerated into 2012 in anticipation of changes in federal individual income tax rates contributed to increased income tax collections during 2012-13. The revisions also incorporated Global Insight's May, 2013, forecast for the U.S. economy. Real GDP growth had been slightly increased from the January estimates to 1.8% in 2013, 2.8% in 2014, and 3.2% in 2015. The forecast assumed that federal sequestration cuts would stay in place until September 30, 2013, and would be replaced by a combination of tax increases and cuts to entitlement programs beginning in 2014. The primary downside risk to the forecast remained the same as it had been in the January, 2013, forecast.

According to Global Insight's latest analysis (January, 2014), 2013 real GDP growth was 1.9%, which was slightly higher than the May estimate of 1.8% despite previously unanticipated fiscal austerity constraints. The May forecast had not anticipated that the sequestration cuts would remain in place through the end of 2013, nor had the May forecast anticipated the three-week federal government shutdown, which was estimated to subtract 0.3 percentage points from fourth-quarter U.S. economic growth. Under the current forecast, Global Insight estimates that expiration of the accelerated depreciation allowance at the end of 2013 encouraged some firms to accelerate capital spending into the fourth quarter of 2013 from 2014.

Two strong areas of growth in 2013 were sales of light vehicles and residential housing starts, which grew at rates of 7.7% and 18.9%, respectively. Growth in light vehicle sales was below 2012's rate of 13.4%, but remained historically high. Growth in light vehicle sales is expected to moderate from that pace to 2.9% in 2014 and 2.0% in 2015. While housing starts have shown strong year-over-year growth in 2013 (931,000 units) and strong growth of 28.0% in 2012, it should be noted that the number of housing starts remains more than 55% below the peak level of 2,073,000 units in 2005. Although housing starts are not expected to return to the 2005 level for at least the next 10 years, housing is expected to be a strong, positive contributor to economic growth with double digit growth in starts projected for 2014 and 2015. Among other housing indicators, sales of new and existing homes grew 9.8% in 2013, the average price of an existing home increased 9.1%, and the average price of a new home increased 11.0%.

Average nonfarm payroll levels increased 2.195 million in 2013, with private sector payrolls increasing 2.253 million, offsetting the 58,000 decline in government jobs. Last year concluded the third year in a row where private sector payrolls have increased, while government jobs have declined. Employment growth in 2013 was 219,000 higher than Global Insight's May estimated 2.034 million increase in total nonfarm payrolls. The average unemployment rate for 2013 was 7.4%, lower than the May estimate of 7.6%. While higher than expected employment gains helped lower the average annual unemployment rate, increased numbers of workers exiting the workforce since the May forecast has had a greater impact on lowering the unemployment rate.

In the January forecast, Global Insight expects continued moderate growth based on sound economic fundamentals for the U.S. economy, with real GDP increasing 2.7% in 2014 and 3.2% in 2015. The forecast is based on the following key assumptions. First, the discretionary spending levels agreed upon in the recently negotiated federal Bipartisan Budget Act will be kept in place during 2014. Second, emergency unemployment benefits will not be extended in 2014, reducing 2014 real GDP growth by between 0.1 and 0.2 percentage points. Third, the Federal Reserve will continue tapering the amount of long-term securities purchases by an additional $10 billion per month following each Fed meeting, ending its purchases of long-term securities during the fourth quarter of 2014. Fourth, the inflation-adjusted, trade-weighted value of the U.S. dollar is expected to fall 3.7% over the next ten years against major trading partners and to fall 23.8% against other trading partners. Fifth, real GDP growth is expected to average 2.0%, annually, among major-currency trading partners and 4.5%, annually, among other important trading partners over the next ten years. Sixth, Brent spot prices for crude oil are expected to average between $99 and $108 per barrel over the next five years, overall demand for oil is expected to grow 1.4% in 2014, and annual oil demand growth is expected to average 0.8% over the next ten years as a result of successful energy conservation efforts.

GDP. Real (inflation adjusted) GDP is now projected to grow 2.7% in 2014 and 3.2% in 2015. These estimates are similar to Global Insight's May, 2013, forecast, in which real GDP had been expected to increase by 2.8% and 3.2% in 2014 and 2015, respectively. The expectations for nominal (current dollar) GDP growth are slightly lower in 2014 and higher in 2015 compared to the May estimates, changing from 4.7% and 4.8% in 2014 and 2015, respectively, to 4.3% and 5.0%. Overall, Global Insight's January forecast maintains similar expectations for U.S. economic growth in 2014 and 2015 as in its May forecast, but projects slightly slower growth in the first year and stronger growth in the second year.

Consumer Prices. The Consumer Price Index (CPI) is expected to rise by 1.4% in 2014 and 1.8% in 2015, with declining energy prices offsetting increases in the cost of other goods and services. These estimates are similar to Global Insight's May, 2013, forecast for CPI, though slightly lower in the first year and higher in the second year. Declining energy prices were somewhat offset by higher prices for other items over the forecast period. Core inflation, which excludes food and energy costs, is expected to increase faster than overall CPI at rates of 1.9% in 2014 and 2.0% in 2015 (which is similar to the May estimates).

Monetary Policy. The U.S. Federal Reserve maintained very accommodative monetary policy through 2013. The Fed made outright long-term Treasury purchases of $45 billion per month and purchased mortgage-backed securities at a rate of $40 billion per month. The Fed's purchase of $85 billion per month in long-term securities was an attempt to keep downward pressure on interest rates and support the economic recovery. At the Fed's December 17-18 meeting, the Fed noted that labor market risks had diminished and announced that it would reduce long-term securities purchases by $10 billion per month, as compared to its current pace of purchases. Global Insight predicts that the Fed will continue reducing long-term securities purchases by an additional $10 billion per month following each of the upcoming Federal Reserve meetings, and the Fed will end making long-term monthly securities purchases during 2014. This forecast is in line with Global Insight's May, 2013, assumptions.

The Fed maintained historically low short-term interest rates during 2013 by keeping the target range for the federal funds rate between 0.0% and 0.25%. The Fed did not mention at its December 17-18 meeting when the first interest hike might occur. Global Insight expects that the Fed will first increase interest rates in 2015, which is the same assumption as in Global Insight's May, 2013, forecast.

Personal Consumption. Nominal personal consumption expenditures increased by an estimated 3.2% in 2013, slightly higher than the 3.1% increase projected in the May, 2013, forecast. Purchases of consumer durable goods, which are generally subject to the state sales tax, increased by 5.4%, led by 9.8% growth in expenditures for used motor vehicles. Purchases of services, which are generally not subject to sales tax, increased by 3.1%. Under the latest forecast, personal consumption is expected to grow by 3.9% in 2014 and 4.6% in 2015, with strong, broad-based gains in durable goods and slower growth in purchases of nondurable goods. These projections are slightly lower in 2014 and higher in 2015 than Global Insight's May, 2013, projections of 4.0% and 4.1%, respectively.

Employment. In the most recent employment report, it was estimated that the U.S. economy created only 74,000 jobs in December. However, bad weather prevented 273,000 workers from being able to get to their jobs, which was nearly twice as many workers as historically report being unable to get to work due to weather in December. Assuming weather was the primary factor behind this poor jobs report, Global Insight anticipates that U.S. job creation will rebound in the coming months. U.S. job creation averaged 183,000 per month over the course of 2013. Despite the December report, Global Insight expects non-farm payrolls to improve from growth of 2.2 million in 2013 to growth of 2.3 million jobs in 2014 and 2.8 million in 2015. In addition, the forecast calls for small government job gains over the next two years, as compared to the previous four years of government job losses. These estimates are slightly higher than Global Insight's May, 2013, forecast.

The national unemployment rate, which is a function of both the number of jobs and the number of labor market participants, is expected to decline at a faster rate than was anticipated in the May forecast. The average annual unemployment rate for 2013 was 7.4%, as compared to the 7.6% forecast in May. In the December report, the monthly seasonal adjusted unemployment rate dropped from 7.0% in November to 6.7%, as a significant number of workers exited the labor force. The average annual unemployment rate is expected to continue to drop to 6.5% in 2014 and 5.9% in 2015.

Housing. Residential construction activity improved in 2013 and is expected to continue strong growth over the next two years. Housing starts finished 2013 up 18.9%; however, this is lower than Global Insight's May forecast of 26.3% growth for the year. In 2014 and 2015, housing starts are expected to grow 24.8% and 26.9%, respectively, which are similar to Global Insight's May estimates.

Sales of existing homes grew at 9.1% in 2013, which is higher than Global Insight's May forecast of 8.5%. Existing home sales are expected to increase by 4.8% in 2014 and 8.5% in 2015, which is lower in the first year and higher in the second year compared to Global Insight's May forecast of 11.9% and 6.9%, respectively. The average price of an existing home is expected to grow more slowly over the forecast period, decelerating from 9.1% growth in 2013 to estimated growth of 4.5% in 2014 and 0.1% in 2015, which are lower than Global Insight's May forecast of 5.0% and 1.9%, respectively.

Corporate Profits. Economic profits increased 5.0% in 2013, and are expected to continue relatively strong growth over 2014 and 2015 at rates of 6.3% and 4.3%, respectively. These estimates are higher than the May forecast, which had projected growth of 0.8% in 2013, 4.2% in 2014, and 2.3% in 2015. Similarly, before-tax book profits finished 2013 up 3.7%, and are expected to increase 14.2% in 2014 and 0.8% in 2015. These estimates are higher than the May estimates of a 1.6% contraction in 2013, 12.9% growth in 2014 and a 1.5% contraction in 2015. The large growth rate in 2014 is due, in part, to the expiration of federal bonus depreciation provisions after 2013.

Business Investment. Business investment in equipment grew at a rate of 3.4% in 2013, and is expected to grow 7.0% in 2014, and 9.2% in 2015. These estimates are lower than Global Insight's May forecast in 2013 and 2014, which called for growth of 6.3% and 8.2%, respectively, but is higher than May's estimated growth of 7.7% in 2015.

Intellectual property investment for software, which is another indicator of business investment, is expected to follow a similar pattern, with growth of 4.8% in 2013, and expected growth of 6.2% in 2014 and 7.5% in 2015. Software investment showed a similar deviation from the May forecast as investment in equipment had.

Business investment in nonresidential structures is expected to show year-over-year gains, finishing 2013 up 4.3%, and is expected to increase by 5.4% in 2014 and 6.2% in 2015. These estimates are lower than Global Insight's May forecast, which had called for growth of 4.7% in 2013, 7.6% in 2014, and 9.4% in 2015.

The projections outlined above and summarized in Table 2 reflect Global Insight's January, 2014, "baseline" forecast for the U.S. economy. Global Insight also prepares "pessimistic" and "optimistic" scenarios. Under the pessimistic scenario, given a 20% chance of occurring, U.S. economic growth stalls following: (a) a significant fiscal tightening in discretionary federal government spending during 2014, which leads to a fall in private-sector confidence and stock prices; (b) additional fiscal tightening in the European Union and slower growth in emerging markets, which reduces international appetite for U.S. imports; and (c) lower employment and wage gains leading to lower housing starts and home sales. Under this scenario, Global Insight expects that the Fed would expand its purchases of long-term securities and keep the federal funds rate at historically low levels until late 2017. Real GDP growth estimates would be reduced to 0.9% in 2014 and 2.0% in 2015, and unemployment rates would remain elevated, at 7.4% in 2014 and 7.2% 2015.

In the optimistic scenario, to which Global Insight also assigns a 20% probability, markets respond favorably to: (a) the U.S. government easily passing a debt-ceiling limit increase; (b) Congress negotiating a long-term deficit reduction program, which includes lower entitlement spending and revenue raising tax reform; (c) global growth accelerating, increasing demand for U.S. imports; and (d) an improving labor market adding 330,000 jobs per month by mid-2014. Under this scenario, the Federal Reserve would respond by increasing interest rates in the third quarter of 2014, five quarters sooner than under the baseline forecast, following stronger than expected improvements in the job market and increased pressure on consumer prices. The optimistic scenario projects higher real GDP growth of 4.3% in 2014 and 4.2% in 2015, with the unemployment rate falling to 5.7% and 4.6%, respectively.

TABLE 2

Summary of National Economic Indicators
IHS Global Insight, Inc., Baseline Forecast, January, 2014
($ in Billions)

	2012	2013	2014	2015
Nominal Gross Domestic Product	$16,244.6	$16,792.3	$17,507.9	$18,375.4
Percent Change	4.6%	3.4%	4.3%	5.0%
Real Gross Domestic Product	$15,470.7	$15,761.3	$16,182.8	$16,708.5
Percent Change	2.8%	1.9%	2.7%	3.2%
Consumer Prices (Percent Change)	2.1%	1.5%	1.4%	1.8%
Personal Income	$13,743.8	$14,138.2	$14,785.6	$15,527.3
Percent Change	4.2%	2.9%	4.6%	5.0%
Personal Consumption Expenditures	$11,149.6	$11,501.4	$11,953.7	$12,497.9
Percent Change	4.1%	3.2%	3.9%	4.6%
Economic Profits	$2,009.5	$2,110.5	$2,243.6	$2,340.3
Percent Change	7.0%	5.0%	6.3%	4.3%
Unemployment Rate	8.1%	7.4%	6.5%	5.9%
Total Non-Farm Payrolls (Millions)	133.737	135.932	138.258	141.012
Percent Change	1.7%	1.6%	1.7%	2.0%
Light Vehicle Sales (Millions of Units)	14.44	15.56	16.01	16.42
Percent Change	13.4%	7.7%	2.9%	2.5%
Sales of New and Existing Homes (Millions)	5.029	5.520	5.891	6.508
Percent Change	9.7%	9.8%	6.7%	10.5%
Housing Starts (Millions of Units)	0.783	0.931	1.162	1.475
Percent Change	28.0%	18.9%	24.8%	26.9%

General Fund Tax Projections. Table 3 shows revised general fund tax revenue estimates for the 2013-15 biennium. The estimates are based on Global Insight's January, 2014, forecast of the U.S. economy and incorporate the impact of all tax law changes enacted to date.

TABLE 3

Projected General Fund Tax Collections
($ Millions)

	2012-13 Actual	Previous Estimates 2013-14	Previous Estimates 2014-15	Revised Estimates January, 2014 2013-14	Revised Estimates January, 2014 2014-15
Individual Income	$7,496.9	$7,294.8	$7,650.1	$7,410.0	$7,800.0
General Sales and Use	4,410.1	4,497.6	4,607.2	4,640.0	4,815.0
Corporate Income and Franchise	925.4	961.0	989.6	1,065.0	1,100.0
Public Utility	341.2	358.3	355.9	353.7	358.3
Excise					
Cigarette	569.2	551.2	541.4	575.0	570.0
Tobacco Products	63.0	64.7	66.7	67.7	69.8
Liquor and Wine	48.3	50.5	51.5	47.7	48.3
Beer	9.0	9.1	9.0	9.0	8.9
Insurance Company	159.3	160.0	167.8	164.0	172.0
Miscellaneous Taxes	63.2	65.0	73.0	67.8	74.9
Total	$14,085.6	$14,012.2	$14,512.2	$14,399.9	$15,017.2
Change from Prior Year		-$73.4	$500.0	$314.3	$617.3
Percent Change		-0.5%	3.6%	2.2%	4.3%

As shown in the table, total general fund taxes are estimated at $14,399.9 million in 2013-14 and $15,017.2 million in 2014-15. These amounts are higher than the previous estimates by $387.7 million in the first year and $505.0 million in the second year. The biennial increase is $892.7 million, or 3.1%. The estimates for each of the three major taxes, and the cigarette tax, have been increased significantly, primarily based on strong year-to-date collections data. Smaller adjustments have been made to the estimates for the other taxes.

Individual Income Tax. State individual income tax revenues were $7,496.9 million in 2012-13 and are currently estimated at $7,410.0 million in 2013-14 and $7,800.0 million in 2014-15. Relative to the previous figures, the current estimates are higher by $115.2 million in the first year and $149.9 million in the second year. On a year-to-year basis, the current estimates reflect a decrease of 1.2% for 2013-14 and an increase of 5.3% for 2014-15. The revised estimates incorporate a number of law changes estimated to reduce revenues by approximately $350 million in 2013-14 and $385 million in 2014-15. The most significant law change is the income tax rate reductions and bracket reconfiguration enacted as part of 2013 Wisconsin Act 20. Those changes are estimated to reduce collections by $328 million in 2013-14 and $320 million in 2014-15. Act 20 contained a number of other provisions intended to simplify the state's income tax system, but they have a less significant fiscal impact.

Based on preliminary collection information through December, 2013, individual income tax revenues for the current fiscal year are 4.7% higher than such revenues through the same period in 2012-13. However, taxpayers have not adjusted their withholding payments to reflect the law changes noted above, and this will result in higher refunds and lower tax payments in the coming months.

General Sales and Use Tax. In 2012-13, state sales and use tax collections were $4,410.1 million, which was 2.8% higher than the prior year. Sales tax collections through December, 2013, are 7.9% higher than the same period in 2012-13. Accounting for law changes and a one-time tax refund paid in August of 2012, adjusted year-to-date sales tax collections are 6.8% above the same period in 2012-13. State sales and use tax revenues are currently estimated at $4,640.0 million in 2013-14 and $4,815.0 million in 2014-15, which represents increased revenue of 5.2% in the first year and 3.8% in the second year. These estimates are $142.4 million higher in the first year and $207.8 million higher in the second year than the previous estimates. The increased estimates are based on: (a) higher than anticipated year-to-date growth in tax collections; (b) increased growth projected for 2014-15 for taxable personal consumption expenditures in Global Insight's forecast; and (c) enhanced sales and use tax collections from Amazon.com agreeing to collect Wisconsin sales and use taxes beginning November, 2013 (the Department of Revenue estimates state tax revenue increases of $28 million annually resulting from this agreement).

Corporate Income and Franchise Tax. Corporate income and franchise taxes were $925.4 million in 2012-13. Corporate income/franchise tax revenues are projected to be $1,065.0 million in 2013-14, and $1,100.0 million in 2014-15. These amounts represent an annual increase of 15.1% in 2013-14, and 3.3% in 2014-15. The new estimates are higher than prior estimates by $104.0 million in 2013-14, and $110.4 million in 2014-15.

The new estimates reflect year-to-date corporate income and franchise tax collections, which are approximately 25% higher than a year ago. In addition, the outlook for corporate earnings is positive. Corporate profits are forecast to increase in 2014 and 2015, with economic profits projected to increase 6.3% in 2013-14, and 4.3% in 2014-15. Consumer confidence has improved with both the Conference Board Consumer Confidence and University of Michigan Consumer Sentiment indexes increasing. Real disposable income is forecast to increase 3.3% in 2014, and 3.5% in 2015, and consumer purchases of durable goods are projected to increase 5.1% in 2014, and 5.2% in 2015. The improving economy is also expected to signal to businesses that it is time to expand. Companies have substantial amounts of cash on hand, profits are strong, and interest rates are low. Investment in equipment is projected to increase 7.0% in 2014 and 9.2% in 2015. Also, industrial production is forecast to grow at a faster rate than 2013, in both 2014 and 2015, and manufacturing output is projected to improve in both years as well.

The corporate income and franchise tax estimates have been adjusted to reflect the effect of certain law changes, including allowing combined group members to share pre-2009 net business losses, increasing the total credit limit for the economic development tax credit, and the phase-in the manufacturing and agriculture tax credit, that are effective for fiscal years 2013-14 and 2014-15. In addition, the estimates have been adjusted to reflect certain law changes related to tax enforcement activities by the Department of Revenue, including the reduction in the interest rate on tax refunds.

Public Utility Taxes. Public utility tax revenues were $341.2 million in 2012-13, and are currently projected at $353.7 million in 2013-14 and $358.3 million in 2014-15. Compared to the previous estimates, these figures are $4.6 million lower in 2013-14 and $2.4 million higher in 2014-15. Utility tax collections are currently expected to increase by 3.7% in 2013-14 and 1.3% in 2014-15. Private light, heat, and power companies are the largest taxpayer group, comprising 65% of estimated public utility taxes for the 2013-15 biennium. Collections from these companies totaled $226.1 million in 2012-13, and are estimated to increase to $226.8 million (0.3%) in 2013-14 and $234.8 million (3.5%) in 2014-15.

Excise Taxes. General fund excise taxes are imposed on cigarettes, other tobacco products, liquor (including wine and hard cider), and beer. Total excise tax revenues were $689.5 million in 2012-13. Excise tax revenues are currently estimated at $699.4 million in 2013-14 and $697.0 million in 2014-15, which represents increased revenue of $23.9 million in the first year and $28.4 million in the second year compared to the prior estimates. Excise tax revenues have been increased largely due to higher year-to-date cigarette tax collections, which represent 82% of total estimated excise tax revenues.

Cigarette tax revenues were $569.2 million in 2012-13, which was 3.2% lower than the previous year. Cigarette tax collections are currently estimated at $575.0 million in 2013-14 and $570.0 million in 2014-15, which represents increased revenue of 1.0% in the first year and reduced revenue of 0.9% in the second year. Compared to the previous estimates, these amounts are $23.8 million higher in the first year and $28.6 million higher in the second year, primarily due to higher than expected year-to-date collections. Minnesota enacted a significant cigarette tax rate increase on July 1, 2013, resulting in its current rate of $3.432 per pack (which is higher than Wisconsin's tax rate of $2.52 per pack). It is believed that higher year-to-date tax collections are, in part, due to consumers living along the state border purchasing cigarettes in Wisconsin, rather than in Minnesota, in response to that state's tax increase.

Insurance Premiums Taxes. Insurance premiums taxes were $159.3 million in 2012-13. Premiums tax collections are projected to be $164.0 million in 2013-14, and $172.0 million in 2014-15. The estimates are higher than prior estimates by $4.0 million in 2013-14, and $4.3 million in 2014-15. The estimate for 2013-14 is based on year-to-date premiums tax collections, which are 3.7% higher than 2012-13 collections. The estimate for 2014-15 reflects industry forecasts of moderate growth in sales, premiums, and profits.

Miscellaneous Taxes. Miscellaneous taxes include the real estate transfer fee (RETF), municipal and circuit court-related fees, a small amount from the occupational tax on coal, and some estate tax revenue from ongoing lawsuit settlements. Miscellaneous tax revenues were $63.2 million in 2012-13, and are estimated at $67.8 million in 2013-14 and $74.9 million in 2014-15. These estimates are higher than the previous estimates by $2.8 million in 2013-14 and $1.9 million in 2014-15. The increase in estimated revenue is due primarily to higher than expected year-to-date RETF collections.

This office will continue to monitor state revenues and expenditures and new economic forecasts, and notify you and your colleagues of any further adjustments that may be necessary.

Sincerely,

Bob

Robert Wm. Lang
Director

RWL/sas
cc: Members, Wisconsin Legislature

APPENDIX C

FORM OF BOND COUNSEL OPINION

Upon delivery of the 2014 Series 2 Bonds, Quarles & Brady, LLP, Milwaukee, Wisconsin expects to deliver to the State a legal opinion in substantially the following form:

[Letterhead of Quarles & Brady LLP]

State of Wisconsin Building Commission
101 East Wilson Street, 7th Floor
Madison, WI 53702

RE: $94,130,000 State of Wisconsin **(State)**
Transportation Revenue Refunding Bonds, 2014 Series 2
dated December 10, 2014 **(2014 Series 2 Bonds)**

We have acted as bond counsel to the State in connection with the issuance of the 2014 Series 2 Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including a certified copy of the transcript of proceedings of record of the State of Wisconsin Building Commission **(Commission)** preliminary to and in connection with the issuance of the 2014 Series 2 Bonds.

The 2014 Series 2 Bonds have been authorized and issued pursuant to Subchapter II of Chapter 18 **(Revenue Obligations Act)** and Section 84.59 **(Act)** of the Wisconsin Statutes as now in force; the resolution of the Commission adopted June 26, 1986, entitled "1986 State of Wisconsin Building Commission Resolution 9, State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution" **(General Resolution)**, as amended and supplemented by certain resolutions of the Commission adopted March 19, 1998, August 9, 2000, and October 15, 2003 (collectively, **Amending Resolutions)**; and the resolution of the Commission adopted December 11, 2013, and the determinations of the Capital Finance Director made thereunder in the report to the Commission, dated December 9, 2014 (collectively, **Series Resolution)** (hereafter, the General Resolution, as amended by the Amending Resolutions, shall be referred to as the **General Resolution** and the General Resolution and the Series Resolution shall be referred to collectively as the **Resolutions**).

The 2014 Series 2 Bonds are issued on a parity with certain outstanding transportation revenue bonds **(Prior Bonds)**, and are issued on a basis senior to certain outstanding transportation revenue commercial paper notes. The 2014 Series 2 Bonds are issued to pay the costs of refunding certain outstanding Prior Bonds.

Pursuant to the Revenue Obligations Act, the Act and the General Resolution, the State, acting through the Commission, is authorized to issue transportation revenue bonds in addition to, but on a parity with the Prior Bonds and the 2014 Series 2 Bonds.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

We have examined a sample of the 2014 Series 2 Bonds and find the same to be in proper form.

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

(1) The State has valid right and lawful authority to finance transportation facilities and major highway projects by the adoption of the Resolutions, to perform its obligations under the terms and conditions of the Resolutions, and to issue the 2014 Series 2 Bonds.

(2) The Resolutions have been duly and lawfully adopted by the Commission, are in full force and effect, and constitute valid and binding obligations of the State enforceable upon the State in accordance with their terms.

(3) The 2014 Series 2 Bonds are valid and binding revenue bonds of the State secured by a pledge in the manner and to the extent set forth in the General Resolution and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Resolution on a parity with the Prior Bonds. The General Resolution creates the valid pledge which it purports to create of the Program Income (as defined in the General Resolution) and of monies and securities on deposit in any of the Funds (as defined in the General Resolution) established under the General Resolution, including the investments, if any, thereof, subject to the application thereof to the purposes and on the conditions permitted by the General Resolution.

(4) The 2014 Series 2 Bonds have been lawfully authorized and issued in accordance with the Constitution and statutes of the State, including the Revenue Obligations Act and the Act and in accordance with the Resolutions.

(5) The 2014 Series 2 Bonds do not constitute a debt or grant or loan of credit of the State, and the State shall not be generally liable thereon, nor shall the 2014 Series 2 Bonds be payable out of any funds other than those provided therefor pursuant to the Resolutions and the Act. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal or the interest on the 2014 Series 2 Bonds.

(6) The interest on the 2014 Series 2 Bonds (including any original issue discount properly allocable to the owners thereof) is excludable for federal income tax purposes from the gross income of the owners of the 2014 Series 2 Bonds. The interest on the 2014 Series 2 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended **(Code)** on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations the interest on the 2014 Series 2 Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the 2014 Series 2 Bonds in order for interest on the 2014 Series 2 Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the 2014 Series 2 Bonds to be included in gross income retroactively to the date of issuance of the 2014 Series 2 Bonds. The State has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the State comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the 2014 Series 2 Bonds.

In rendering our opinion regarding exemption from present federal income taxes, we have relied on the report of Robert Thomas CPA, LLC, as to the yield on the 2014 Series 2 Bonds and investments relative to the refunding transaction.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the 2014 Series 2 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the 2014 Series 2 Bonds other than as expressly set forth herein.

Except as expressly set forth in (3) above regarding the priority of the 2014 Series 2 Bonds with respect to other obligations of the State under the Act, we express no opinion regarding the perfection or priority of the lien on Program Income or other Funds established under the General Resolution.

The rights of the owners of the 2014 Series 2 Bonds and the enforceability of the 2014 Series 2 Bonds and the Resolutions may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights and may be also subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

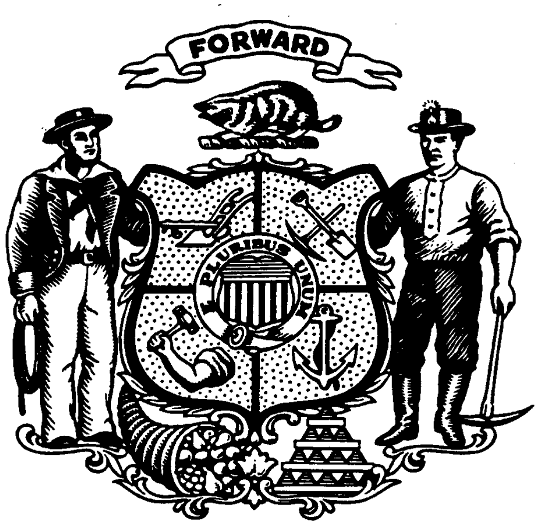
QUARLES & BRADY LLP

APPENDIX D

OUTSTANDING BONDS
REFUNDED BY THE 2014 SERIES 2 BONDS

Series	Principal Amount	Interest Rate	Maturity Date	CUSIP[(a)]	Call Date	Call Price
2007 Series A	$ 18,340,000	4.25%	7/1/2027	977123 WA2	7/1/2015	100%
2008 Series A	$ 8,680,000	5.00%	7/1/2019	977123 XM5	7/1/2018	100%
	9,115,000	5.00	7/1/2020	977123 XN3	7/1/2018	100
	9,570,000	5.00	7/1/2021	977123 XP8	7/1/2018	100
	10,045,000	5.00	7/1/2022	977123 XQ6	7/1/2018	100
	10,550,000	5.00	7/1/2023	977123 XR4	7/1/2018	100
	11,075,000	5.00	7/1/2024	977123 XS2	7/1/2018	100
	11,630,000	5.00	7/1/2025	977123 XT0	7/1/2018	100
	12,210,000	5.00	7/1/2026	977123 XU7	7/1/2018	100
	$ 101,215,000					

(a) The CUSIP number for each refunded bond has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers.


FORWARD
E PLURIBUS UNUM