PART V

TRANSPORTATION REVENUE OBLIGATIONS

Part V of the 2018 Annual Report provides information about transportation revenue obligations issued by the State of Wisconsin **(State)** in the form of transportation revenue bonds and transportation revenue commercial paper notes. Selected information is provided in this introduction for the convenience of the readers; however, all information presented in this Part V of the 2018 Annual Report should be reviewed to make an informed investment decision.

Total Outstanding Balance (12/15/2018)	$1,768,310,000
Amount Outstanding of Fixed-Rate Obligations	1,725,655,000
Amount Outstanding of Variable-Rate Obligations	42,655,000
Percentage of Outstanding Obligations in form of Variable-Rate Obligations	2.41%
Ratings[(a)] (Fitch/Kroll[(b)]/Moody's/S&P Global Ratings[(c)])	
Bonds	AA+/AAA/Aa2/AA+
Notes	F1+/P-1/A-1+

Authority	State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution, dated June 26, 1986, as amended, and Subchapter II of Chapter 18 and Section 84.59, Wisconsin Statutes.
Trustee/Paying Agent	The Bank of New York Mellon Trust Company, N.A. serves as Trustee for all obligations, as well as Registrar and Paying Agent for the Bonds. U.S. Bank National Association, serves as Issuing and Paying Agent for the Notes.
Security	The Bonds are secured by a first lien pledge of Program Income, the Funds created by the General Resolution, as amended, and any other income of the Program. The Notes are payable from Program Income deposited into the Subordinated Debt Service Fund; this pledge is subordinate to that granted to payment of the Bonds. Program Income includes vehicle Registration Fees authorized under Section 341.25, Wisconsin Statutes (which is a substantial amount of the Program Income) and certain Other Registration-Related Fees added pursuant to 2003 Wisconsin Act 33 (including, but not limited to, vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees).
Audit Report and Financial Statement	APPENDIX A to this Part V of the 2018 Annual Report includes the independent auditor's report and the audited statement of cash receipts and disbursements.

[(a)] The ratings presented are the ratings assigned to the transportation revenue obligations without regard to any bond insurance policy. No information is provided in the 2018 Annual Report about any rating assigned to any transportation revenue obligations based on any bond insurance policy.

[(b)] While the State of Wisconsin applied for and received a rating on the transportation revenue bonds from Kroll Bond Rating Agency, at this time, Kroll has not been requested to rate the Notes for this credit.

[(c)] On November 16, 2018, S&P Global Ratings issued press releases that address the application of their recently-released priority lien criteria to certain credits of U.S. state issuers. The releases indicate that no rating changes are expected for the Bonds.

Contact:	Capital Finance Office Attn: Capital Finance Director
Phone:	(608) 267-0374
Mail:	State of Wisconsin Department of Administration 101 East Wilson Street, FLR 10 P.O. Box 7864 Madison, WI 53707-7864
E-mail:	DOACapitalFinanceOffice@wisconsin.gov
Web site:	doa.wi.gov/capitalfinance

The State of Wisconsin Building Commission (**Building Commission** or **Commission**) supervises all matters concerning the State's issuance of revenue obligations. The Capital Finance Office, which is part of the State of Wisconsin Department of Administration's Division of Executive Budget and Finance, is responsible for managing the State's borrowing programs. Requests for additional information about transportation revenue obligations may be directed to the Capital Finance Office. The law firm of Quarles & Brady LLP has provided bond counsel services in connection with the issuance of the outstanding transportation revenue obligations. The State of Wisconsin Department of Transportation **(DOT** or **Department of Transportation)** is responsible for the planning and completion of major highway projects funded, in part, with the proceeds of transportation revenue obligations.

Transportation revenue obligations have mostly been issued as tax-exempt obligations; however, in the years 2009 and 2010 a total of two series of taxable obligations were issued as "qualified build America bonds" pursuant to the former Section 54AA of the Internal Revenue Code of 1986, as amended **(Code)**.

The 2018 Annual Report includes information and defined terms for different types of securities issued by the State. The context or meaning of a term used in one part of the 2018 Annual Report may differ from that of the same term used in another part, and the total amount shown in a table may vary from the related sum due to rounding. See "GLOSSARY" for the definitions of capitalized terms used in this Part V of the 2018 Annual Report. No information or resource referred to in the 2018 Annual Report is part of the report unless expressly incorporated by reference.

Certain statements in this Part V of the 2018 Annual Report may be forward-looking statements that are based on expectations, estimates, projections, or assumptions. Any forward-looking statements are made as of the date of the 2018 Annual Report, and the State undertakes no obligation to update such statements to reflect subsequent events or circumstances. Actual results could differ materially from the anticipated results.

OUTSTANDING OBLIGATIONS

Table V-1 shows transportation revenue obligations that have outstanding balances as of December 15, 2018 and history of other issuances during the past 20 years.

Table V-1

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

Financing	Date of Financing	Maturity	Amount of Issuance	Amount Outstanding
1998- Series A	8/15/98	1999-2016	$130,590,000	-0-
Series B	10/1/98			
Serial Bonds		2000-17	93,905,000	-0-
Term Bonds		2019	16,095,000	-0-
2000- Series A	9/15/00	2012-21	123,700,000	-0-
2001- Series A	11/15/01	2003-22	140,000,000	-0-
2002- Refunding Series 1	4/15/02	2003-19	241,865,000	-0-
Refunding Series 2	4/15/02			
Serial Bonds		2004-20	39,275,000	-0-
Term Bonds		2022	29,655,000	-0-
Series A	10/15/02	2004-23	200,000,000	-0-
2003- Series A	11/1/03	2005-24	250,000,000	-0-
2004- Refunding Series 1	9/30/04	2005-17	95,905,000	-0-
2005- Series A **(2005 Series A Bonds)**	3/10/05	2006-25	235,585,000	$ 28,575,000 [(a)]
Series B	9/29/05	2007-25	158,400,000	-0-
2007- Series A	3/8/07	2018-27	148,710,000	-0-
2007- Refunding Series 1 **(2007 Series 1 Bonds)**.	3/8/07	2014-22	206,900,000	86,275,000
2008- Series A	8/27/08	2010-29	185,000,000	-0-
2009- Series A	10/1/09	2012-14	17,870,000	-0-
2009- Series B (Taxable) **(2009 Series B Bonds)**	10/1/09			
Serial Bonds		2015-25	87,725,000	7,485,000 [(b)]
Term Bonds		2030	59,405,000	-0- [(b)]
2010- Series A **(2010 Series A Bonds)**	12/9/10	2012-21	76,075,000	8,935,000 [(a)]
Series B (Taxable) **(2010 Series B Bonds)**	12/9/10	2022-31	123,925,000	-0- [(b)]
2012- Series 1 **(2012 Series 1 Bonds)**	4/25/12	2013-32	343,725,000	143,595,000 [(a)]
Series 2 **(2012 Series 2 Bonds)**	6/28/12	2017-24	116,400,000	93,490,000
2013- Series 1 **(2013 Bonds)**	3/6/13	2016,18-21 23-33	259,680,000	158,840,000 [(a)]
2014- Series 1 **(2014 Series 1 Bonds)**	4/23/14	2015-34	339,745,000	77,235,000 [(a)]
Series 2 **(2014 Series 2 Bonds)**	12/10/14	2019-27	94,130,000	94,130,000
2015- Series 1 **(2015 Series 1 Bonds)**	4/30/15	2016-29	207,240,000	154,040,000
Series A **(2015 Series A Bonds)**	12/10/15	2017-36	225,000,000	219,940,000
2017- Series 1 **(2017 Series 1 Bonds)**	5/31/17	2020-37	284,520,000	284,520,000
Series 2 **(2017 Series 2 Bonds)**	12/21/2017	2021-32	368,595,000	368,595,000
Total Fixed-Rate Transportation Revenue				$1,725,655,000
Variable-Rate Transportation Revenue Obligations				
2006 - Commercial Paper Notes, Series A	10/2/06		$ 91,290,000	-0-
2013 - Commercial Paper Notes, Series A	11/5/13		70,025,000	42,655,000
Total Variable-Rate Transportation Revenue Obligations				$ 42,655,000
Total Outstanding Transportation Revenue Obligations				$1,768,310,000

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

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

The 2005 Series A Bonds, 2007 Series 1 Bonds, 2009 Series B Bonds, 2010 Series A Bonds, 2010 Series B Bonds, 2012 Series 1 Bonds, 2012 Series 2 Bonds, 2013 Bonds, 2014 Series 1 Bonds, 2014 Series 2 Bonds, 2015 Series 1 Bonds, 2015 Series A Bonds, 2017 Series 1 Bonds, and 2017 Series 2 Bonds (collectively, **Prior Bonds**), and any additional Bonds issued by the State pursuant to the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations General Resolution, dated June 26, 1986 (**General Resolution**), are referred to collectively as the **Bonds**. See "SECURITY; Sources of Payment".

With the issuance of the 2017 Series 2 Bonds, all of the 2009 Series B Bonds maturing on and after July 1, 2020 and all of the 2010 Series B Bonds maturing on or after July 1, 2022 have been advance refunded through a crossover refunding and will be called on July 1, 2019 and July 1, 2020, respectively. Program Income is responsible for interest payments through the crossover dates and thus requires the 2009 Series B Bonds and the 2010 Series B Bonds to be included as Prior Bonds, even though the outstanding principal of such crossover refunded 2009 Series B Bonds and 2010 Series B Bonds are not included in Table V-1.

The Transportation Revenue Commercial Paper Notes (**Notes**) consist of the Transportation Revenue Commercial Paper Notes of 2013, Series A, issued pursuant to the General Resolution and Transportation Revenue Commercial Paper Note Program Resolution (**Note Program Resolution**), and on parity with any other obligations issued on parity with the Notes, and the pledge granted to the Notes is subordinate to the pledge granted to the Bonds. See "VARIABLE RATE OBLIGATIONS".

The Commission typically adopts Series Resolutions that authorize the issuance of transportation revenue obligations for refunding purposes. This authorization is generally effective for a period of one year from date of adoption. In addition, the Commission has adopted Series Resolutions that authorize the issuance of Bonds to pay for the funding of the Notes; these Series Resolutions are required pursuant to the terms of a credit agreement by which the liquidity facility provider provides a line of credit for liquidity on the Notes, and this authorization is effective for the term of the Notes. The Bonds to refund outstanding Bonds, any Bonds to fund new money purposes, and Bonds to take-out the Notes, when and if issued, are expected to be issued on a parity with the Bonds issued by the State pursuant to the General Resolution. In addition, any Notes issued to fund new money purposes are expected to be issued on a parity with the Notes.

Table V-2 provides a historical view of the amount of outstanding Bonds and Notes as of December 15th for the previous ten years.

Table V-2

HISTORICAL OUTSTANDING TRANSPORTATION REVENUE OBLIGATIONS

Year (December 15)	Outstanding Bonds	Outstanding Notes	Total
2008	$1,511,135,000	$177,618,000	$1,688,753,000
2009	1,596,740,000	162,498,000	1,759,238,000
2010	1,719,545,000	146,593,000	1,866,138,000
2011	1,638,345,000	129,848,000	1,768,193,000
2012	1,693,935,000	112,218,000	1,806,153,000
2013	1,709,235,000	163,668,000	1,872,903,000
2014	1,890,880,000	144,103,000	2,034,983,000
2015	1,989,795,000	117,128,000	2,106,923,000
2016	1,887,400,000	88,723,000	1,976,123,000
2017	1,866,265,000	58,808,000	1,925,073,000

SECURITY

Sources of Payment

The Prior Bonds have been issued on parity with each other. The Prior Bonds and any additional parity Bonds issued by the State pursuant to the General Resolution, are revenue obligations of the State payable solely from the Redemption Fund created by the General Resolution and are secured by a first lien pledge of Program Income, the Funds created by the General Resolution, and any other income of the Program pledged to the payment of interest, principal, and Redemption Price on the Bonds.

Program Income consists mainly of vehicle registration fees authorized under Section 341.25, Wisconsin Statutes**,** including the recently added hybrid-electric fee and electric fee **(Registration Fees)**. Program Income also includes certain other vehicle registration-related fees added pursuant to 2003 Wisconsin Act 33 and a supplement to the General Resolution dated October 15, 2003 **(Other Registration-Related Fees)**. The Other Registration-Related Fees include many types of fees that are enumerated in 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 "OTHER REGISTRATION-RELATED FEES."

All Program Income is collected by the Trustee, or the Department of Transportation as agent of the Trustee, 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.

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 created by the General Resolution. The pledge of such Program Income to payment of the Notes is subordinate to the pledge of Program Income granted to payment of the Bonds. The pledge remains effective until all Bonds and Notes issued under the General Resolution are fully paid in accordance with their terms.

The Bonds are revenue obligations of the State payable solely out of the Redemption Fund. The Notes are revenue obligations of the State payable solely out of the Subordinated Debt Service Fund. The State is not generally liable on the Bonds and Notes, and the Bonds and the Notes are not a debt of the State for any purpose whatsoever.

Program Income Covenant

In the General Resolution, the State has covenanted that it will charge and cause to be deposited with the Trustee sufficient Program Income:

- To pay all interest on and principal of the Bonds as the same become due
- To maintain the Debt Service Reserve Requirement, if any, in the Reserve Fund
- To pay Program Expenses
- To pay principal of and interest on the Notes, as such amounts are deposited into the Subordinated Debt Service Fund
- To maintain the applicable requirements of such other funds and accounts specified under the General Resolution

Program Income received by the Trustee in the Redemption Fund is used in the above order. All Program Income in excess of the amounts needed for such purposes is to be transferred to the Transportation Fund held by the Department of Transportation and becomes free of the lien of the pledge of the General Resolution. DOT uses moneys in the Transportation Fund for many authorized purposes. See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION".

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

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 2010 Series B Bonds (including the portions of those Bonds being refunded by the 2017 Series 2 Bonds), which were designated 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 or Notes. See "OUTSTANDING OBLIGATIONS".

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 or Notes, there is no direct impact on the Bonds or Notes with these direct payments being subject to the mandated across-the-board cuts to the Federal budget for the federal fiscal year that started October 1, 2018. The impact of these cuts for the current federal fiscal year is a 6.2% reduction in the direct payment amount that the State expected to receive. Pursuant to the Budget Control Act of 2011, as amended, the Director of the United States Office of Management and Budget is required to calculate cuts each year through federal fiscal year 2025. Such cuts may be avoided or mitigated if Congress takes action to postpone or change these provisions.

Transportation Fund Constitutional Amendment

A constitutional amendment referendum question was approved in the State's general election on November 4, 2014. The constitutional amendment requires 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 and holders of the Notes) or into the Transportation Fund administered by the Department for the exclusive purpose of funding the State's transportation systems. The constitutional amendment further prohibits any transfers or lapses from this Transportation Fund.

This constitutional amendment has no direct impact on Bondholders and holders of the Notes. 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 and Subordinated Debt Service Fund. After all General Resolution requirements are met, excess Program Income is then transferred to the State's Transportation Fund. See "SECURITY; Program Income Covenant" 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, 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. 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. Since 2003, the State has not specified a Debt Service Reserve Requirement for any Series of Bonds that have been issued. 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.

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. Except in the case of additional Bonds being issued to refund Outstanding Bonds, the Series of 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, which includes the Bonds to be issued. The General Resolution defines Outstanding Bonds, as of any particular date, as all Bonds theretofore and thereupon being delivered except:

- Any Bond canceled by the Trustee, or proven to the satisfaction of the Trustee to have been canceled by the Registrar
- Any Bond deemed to have been defeased pursuant to the General Resolution
- 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

Statutory authority exists for the issuance of a total of $4.055 billion of transportation revenue obligations to finance a portion of major highway projects. Approximately $210 million of legislative authority remains unissued. The issuance of transportation revenue obligations beyond the legislative authorized amount would require additional legislative authorization, which has customarily happened with each biennial budget of the State.

In addition, upon the issuance of additional Bonds the amount on deposit in the Reserve Fund must at least equal the aggregate Debt Service Reserve Requirement. See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION; Additional Bonds" and "Reserve Fund".

Forecasted Debt Service Coverage

Table V-3 provides a summary of annual debt service due on the Outstanding Bonds and shows the forecasted coverage of annual debt service on the Outstanding Bonds as of December 15, 2018, based on the Department of Transportation's estimated total Program Income for fiscal years 2019 through 2027. The estimated Program Income includes both Registration Fees and certain Other Registration-Related Fees for this period. See "REGISTRATION FEES; Estimated Future Registration Fees" and "OTHER REGISTRATION-RELATED FEES". There can be no assurance that the following estimates will be realized in the amounts shown.

In addition, Table V-3 also provides the expected amortization of the Outstanding Notes and shows the forecasted coverage of annual debt service on both the Outstanding Bonds and the Outstanding Notes, with the latter reflecting the Subordinated Debt Service Fund Requirement for each respective series of Notes with interest calculated at an assumed interest rate of 5% per annum.

Table V-3

DEBT SERVICE ON OUTSTANDING TRANSPORTATION REVENUE OBLIGATIONS AND ESTIMATED REVENUE COVERAGE

	Estimated Program Income[a]			Outstanding Bonds[b][c][e]				Outstanding Notes[b][c][d][e]				
Maturity (July 1)	Estimated Registration Fees (Millions)	Estimated Certain Other Registration-Related Fees (Millions)	Total Program Income (Millions)	Total Principal	Total Interest	Total Debt Service	Coverage Ratio	Total Principal-Notes	Estimated Total Interest - Notes	Estimated Total Debt Service - Notes	Estimated Total Debt Service - Bonds and Notes	Coverage Ratio
2019	$589.73	$107.21	$696.94	$114,555,000	$87,490,772	$202,045,772	3.45	$7,720,000	$2,132,750	$9,852,750	$211,898,522	3.29
2020	597.15	107.21	704.36	122,805,000	80,568,358	203,373,358	3.46	8,105,000	1,746,750	9,851,750	213,225,108	3.30
2021	604.05	107.21	711.26	133,820,000	73,227,425	207,047,425	3.44	8,510,000	1,341,500	9,851,500	216,898,925	3.28
2022	619.82	107.21	727.03	133,385,000	66,573,325	199,958,325	3.64	8,935,000	916,000	9,851,000	209,809,325	3.47
2023	618.36	107.21	725.57	120,035,000	59,904,075	179,939,075	4.03	9,385,000	469,250	9,854,250	189,793,325	3.82
2024	633.95	107.21	741.16	121,740,000	53,972,325	175,712,325	4.22					
2025	632.30	107.21	739.51	110,180,000	47,885,325	158,065,325	4.68					
2026	647.66	107.21	754.87	98,340,000	42,489,825	140,829,825	5.36					
2027	645.82	107.21	753.03	112,325,000	37,811,125	150,136,125	5.02					
2028				100,040,000	32,194,875	132,234,875						
2029				105,370,000	27,192,875	132,562,875						
2030				97,335,000	21,924,375	119,259,375						
2031				88,615,000	17,057,625	105,672,625						
2032				77,095,000	12,765,925	89,860,925						
2033				66,660,000	9,106,575	75,766,575						
2034				53,995,000	6,033,325	60,028,325						
2035				28,465,000	3,468,000	31,933,000						
2036				29,890,000	2,044,750	31,934,750						
2037				11,005,000	550,250	11,555,250						
				$1,725,655,000	$682,261,130	$2,407,916,130		$42,655,000	$6,606,250	$49,261,250		

(a) The estimated fees for 2018-19 through 2026-27 fiscal years reflect revenue projections completed by the Department in April 2018. Electric vehicle fees are included but the hybrid-electric fees are not included in the revenue projections. Excludes interest earnings.

(b) Pursuant to the General Resolution, the 2009 Series B Bonds and 2010 Series B Bonds that have been crossover refunded will remain outstanding until their respective redemption dates because payment of interest thereon has not been provided. For purposes of this table, the principal of such crossover refunded 2009 Series B Bonds and 2010 Series B Bonds and interest on the 2017 Series 2 Bonds for the portion of such 2017 Series 2 Bonds allocable to the crossover refunded Bonds through their respective first optional redemption date, is not included, and interest on the crossover refunded Bonds is included.

(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 estimated 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". See "Oustanding 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 2027 are not currently available.

The Department of Transportation will monitor Registration Fee and Other Registration-Related Fee revenues as they relate to scheduled debt service payments on the Bonds and payments on the Notes and recommend appropriate adjustments in Registration Fees or Other Registration-Related Fees to the Governor and the Legislature. The State has covenanted in the General Resolution that as long as Bonds and Notes are Outstanding it will charge and cause to be deposited with the Trustee sufficient Program Income, including Registration Fees and Other Registration-Related Fees, to pay principal and interest on such Bonds, as the same become due, to maintain the Reserve Fund at the Debt Service Reserve Requirement, to pay Program Expenses, and to make payments into the Subordinated Debt Service Fund.

Neither the State's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information shown above, nor have they expressed any opinion or any other form of assurance on such information or its achievability and assume no responsibility for and disclaim any association with the prospective financial information.

REGISTRATION FEES

Current Fees and Registered Vehicles

Registration Fees as enumerated under Section 341.25 Wisconsin Statutes are highway user fees collected by the Department of Transportation from owners of most motor vehicles. Table V-4 summarizes the types of major Registration Fees and the specific fee.

Table V-4

REGISTRATION FEES
(Section 341.25, Wisconsin Statutes)

Vehicle	Annual Fee
Automobile	$75
Trucks	Weight-based fee ranging from $75 to $2,560.
Bus	Fee equal to the fee for a truck of the same weight.
Trailer 12,000 lbs. and under	Fee equal to one-half of the fee for a truck of the same weight.
Trailer over 12,000 lbs.	Fee equal to the fee for a truck of the same weight.
Motor Homes	Weight-based fee ranging from $48.50 to $119.50.
Mobile Homes and Camping Trailers	$15
Motorcycle/Moped	$23 biennial fee.
Hybrid-electric Vehicles	$75 in addition to the vehicle type.
Electric Vehicles	$100 in addition to the vehicle type.

Source: Department of Transportation

Table V-5 summarizes the number of motor vehicle registrations in the State, subject to Registration Fees under Section 341.25, Wisconsin Statutes, for the past ten years.

Table V-5

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

Fiscal Year (June 30)	Automobiles[(b)]	Trucks[(c)]	Other Vehicles [(d)]	Total	% Change
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
2015	3.66	1.18	1.27	6.11	2.8
2016	3.69	1.21	1.24	6.14	0.5
2017	3.72	1.24	1.34	6.30	2.6
2018	3.96	1.25	1.16	6.36	1.0

(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, as selected by the registrant.

(c) "Trucks" includes trucks and other vehicles, as selected by the registrant, 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, as selected by the registrant.

Source: Wisconsin Department of Transportation

Table V-6 summarizes the total amount of Registration Fee revenues, under Section 341.25, Wisconsin Statutes, for the past ten years.

Table V-6

ACTUAL REGISTRATION FEE REVENUES
(Amounts in Millions)

Fiscal Year (June 30)	Non-IRP Fees	Pledged IRP Fees	Total	% Change
2009[(a)]	$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
2015	459.5	87.9	547.4	0.6
2016	475.3	90.1	565.4	3.3
2017	475.8	97.3	573.2	1.4
2018	490.7	94.1	584.8	3.4

(a) The increase in fiscal year 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: Wisconsin Department of Transportation

Interstate truck registration revenues are collected through the International Registration Plan (**IRP**) and is a component of Registration Fees. Wisconsin is one of 48 states, the District of Columbia, and ten Canadian provinces that participate in the IRP, which is a multi-state compact for the collecting and sharing of large truck registration fees. Under the IRP, the registration fees on trucks involved in multi-state commercial activity are split between the participating states on the basis of proportionate mileage.

The total amount of Registration Fee revenues for fiscal year 2018 are generated from three broad categories of vehicles:

(1) 57.9% of total revenues generated from registration of passenger vehicles (automobiles, mini-van, conversion vans, and sport-utility vehicles).

(2) 17.5% of total revenues generated from registration of small trucks (8,000 pounds or less gross weight).

(3) 24.6% of total revenues generated from registration of large trucks (over 8,000 pounds gross weight plus IRP vehicles).

The new $100 electric vehicles additional fee has been included in the DOT vehicle registration fee projections. However, complications in assessing the new $75 hybrid-electric vehicle fee has limited the ability to collect the increased revenues, and therefore the hybrid-electric vehicle fee has not been included in the DOT vehicle registration fee projections.

Table V-6 reflects the steady rate of growth that has occurred in non-IRP Registration Fee revenues over the past ten years. Registration Fees were increased ten years ago, which significantly increased the base upon which future increases were based, including:

- $20 increase in the automobile fee.
- Increase in truck fees ranging from $22.50 to $590.
- Increase in various truck and trailer fees ranging from $6.75 to $590.50.

The prior increase in automobile registration fees occurred on October 1, 2003 raising the annual fee from $45 to $55.

Finally, the pattern of Registration Fees being lower in odd-numbered fiscal years reflects, in part, some vehicle types such as motorcycles and mopeds being registered only on a biennial basis. In a period of relatively flat vehicle registrations, the effect of this biennial registration becomes more apparent.

Estimated Future Registration Fees

Future Registration Fee revenues depend on the size of the vehicle fleet in subsequent years and the level of fees imposed on the various vehicle types. The methodology for Registration Fee revenue projections consists of two components:

- Projection of registration by vehicle type by an econometric model developed by DOT, which relates the size of the vehicle fleet to anticipated changes in certain key economic variables
- Application of the relevant registration fee to the projection of registered vehicle type

The Department of Transportation's model has two distinct components:

- Anticipated changes in the size of the State's automobile fleet
- Anticipated changes in the size of the State's truck fleet

The econometric model relates the size of the automobile fleet and truck fleet to the disposable income in the State, the relative price of new autos and light trucks, the level of unemployment, the size of the driving age 18-64 population, historical rates of vehicle scrappage, construction employment in the State, total industrial production and a measure of consumer sentiment. The long-range economic data used in the model are based on the projections published by IHS Global Insight, Inc., as well as the State of Wisconsin Department of Revenue.

Table V-7 summarizes projected Registration Fee revenues pursuant to Section 341.25, Wisconsin Statutes, until fiscal year 2027. These projections were completed by DOT in April 2018.

Table V-7

PROJECTED REGISTRATION FEE REVENUES
(Amounts in Millions)

Fiscal Year (June 30)	Revenues[(a)]	% Change
2019	$589.7	0.74%
2020	597.1	1.24
2021	604.0	1.14
2022	619.8	2.54
2023	618.4	(0.24)
2024	634.0	2.46
2025	632.3	(0.26)
2026	647.7	2.37
2027	645.8	(0.29)

[(a)] Includes both International Registration Plan (IRP) and non-IRP Registration Fees pursuant to Section 341.25, Wisconsin Statutes. Does not include Other Registration-Related Fees, which are addressed later in this Part V of the 2018 Annual Report. Includes projections related to new additional Registration Fees for electric vehicles, but does not include projections related to new additional Registration Fees for hybrid-electric vehicles.

Source: Department of Transportation, April 2018

Neither the State's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information shown above, nor have they expressed any opinion or any other form of assurance on such information or its achievability and assume no responsibility for and disclaim any association with the prospective financial information.

Registration Fee Collection Procedures

Registration Fees are collected throughout the fiscal year. In order to smooth out the Department of Transportation's vehicle registration workload, it has staggered vehicle registrations throughout the year. As a result, in fiscal year 2017-18 the flow of quarterly collections of annual Registration Fee revenues ranged from a low of 21.5% to a high of 27.7%. Any future adjustment of Registration Fees may change the monthly distribution of Registration Fees collected.

The Department of Transportation is the agent of the Trustee with respect to the collection of Registration Fees, pursuant to an agreement between these parties. The non-IRP Registration Fees are collected in a number of ways:

- By mail to a lock-box system operated by U.S. Bank, National Association (**Bank**)
- Over the counter in field registration stations
- By mail to the Department of Transportation's Central office in Madison (**Central Office**)
- At vehicle emission testing stations
- By State auto, light truck, and motorcycle dealers
- Via internet charge card renewal system
- By financial institutions
- By private financial service centers

- By various retailers, such as grocery stores and convenience stores
- By law enforcement agencies
- By municipal and County Clerk offices, as well as some municipal courts

Regardless of the method of collection, all Registration Fees are initially deposited with the Trustee for deposit in the Redemption Fund.

The principal method of collecting non-IRP Registration Fees is registration renewals by mail, which are sent directly to the Bank operating the lock-box system as agent for the Trustee. Under this lock-box system the vehicle owner mails the renewals to the Bank. The renewal includes a check payable to "Registration Fee Trust" and an enclosure with relevant registration information on it. The Bank is to deposit its receipts of Registration Fees daily with the Trustee for deposit in the Redemption Fund.

Over-the-counter collections take place in 79 Division of Motor Vehicle Customer Service Centers (**DMV CSC**) throughout the State. These DMV CSCs collect Registration Fees on behalf of the Trustee, as well as driver license fees, title fees, lien fees, salesman's license fees, permit fees, disabled identification card fees, and various other Department of Transportation charges. The Department of Transportation's financial system is a transaction-based computer system with the field stations linked to the DOT's Central Office by terminal. All transactions are summarized daily and reported to the Central Office. The DMV CSCs deposit their collections in an account in the Trustee's name for deposit in the Redemption Fund.

Collections at the Department of Transportation's Central Office differ from DMV CSC collections in that it is primarily IRP payments and mail applications that are processed. IRP payments consist of checks submitted by individual truck operators, as well as checks generated by other states transmitting IRP payments to the State. Mail applications handled through the Central Office are primarily associated with the registration of vehicles that involve the transfer of ownership. All checks and cash collected through the Central Office are delivered to the Trustee for deposit in the Redemption Fund.

The Department of Transportation has a contract with a vehicle emission contractor to collect Registration Fees at any of the emission testing facilities. Currently, there are around 200 independently owned facilities throughout the seven county emission program area. A registrant may choose to renew their registrations at a testing station. Under this method, the emission testing station is treated like a field registration station with a direct connection to the Central Office's terminal. The vendor retains a service fee charged to registrants who use this option.

Licensed motor vehicle dealers are required by law to process vehicle title and registration transactions for their customers, unless exempted by the Department. The Department of Transportation has a series of contracts with car, light truck, and motorcycle dealers to process vehicle title and registration and transmit such information electronically to it through an interface managed by a third-party vendor. The contracts provide an electronic interface between the Department of Transportation and the dealer's data processing systems. The dealer collects registration and other fees that are electronically transferred daily from their bank accounts to the Department of Transportation by the third-party vendor. The vendor retains a service fee charged to registrants who use this option. In addition, dealers may choose to process title and registration applications electronically through an internet-based system managed by the Department.

Internet charge card renewal is a system available to motorists who prefer to charge their vehicle registration renewals. Under this system, motorists can renew their registrations through the internet. The Department of Transportation has contracted with a banking vendor to handle the interfaces and transmission of data to a credit card processing vendor. The vendor transfers all monies collected from these transactions daily, through a wire transfer to the Department of Transportation's account and then to the Trustee for deposit in the Redemption Fund. The vendor retains a service fee charged to registrants who use this option. Charge cards are also accepted at DMV CSCs. The Department of Transportation has contracted with the same banking vendor and credit card processing vendor to provide the necessary interfaces. The processing vendor charges a service fee and this fee is passed onto customers who use this option.

Financial institutions are required by law to process stand-alone lien add and release transactions electronically for customers, unless exempted by the Department of Transportation. Lenders may use contracted third party vendors or a free electronic interface provided by the Department of Transportation. In addition, the Department of Transportation runs a voluntary program for financial institutions, State agencies, and small businesses to contract in order to process titles and registrations and transmit the information through an electronic interface, provided by a separate vendor, to itself and the approved business. These contracted agents collect registration and other fees that are electronically transferred daily from the financial institution to the Trustee for deposit into the Redemption Fund. The vendor retains a service fee charged to registrants who use this option.

Registrants may renew vehicle registrations at private financial service centers. The Department of Transportation has contracted with a separate vendor to handle the electronic interface and transmission of data. The financial service centers collect Registration Fees that are electronically transferred daily from the center to the Trustee for deposit into the Redemption Fund. The vendor retains a service fee charged to registrants who use this option.

Registrants may also renew vehicle registration at participating retailers, law enforcement agencies, and municipal and County Clerk offices as well as some municipal courts. The Department of Transportation has contracted with a separate vendor to handle the electronic interface and transmission of data. The retailers, law enforcement agencies, and County Clerk offices collect Registration Fees that are electronically transferred daily from the participating agent to the Trustee for deposit into the Redemption Fund. The vendor retains a service fee charged to registrants who use this option.

OTHER REGISTRATION-RELATED FEES

General

Pursuant to provisions of 2003 Wisconsin Act 33 and the supplement to the General Resolution, adopted by the Commission on October 15, 2003, Other Registration-Related Fees are pledged as Program Income. The Other Registration-Related Fees include approximately 60 types of fees that are enumerated in 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.

Vehicle Title Transaction Fees

The Wisconsin Statutes require all motor vehicles and trailers exceeding 3,000 pounds to be titled. Titling occurs prior to vehicle registration and the resulting Certificate of Title is evidence of vehicle ownership. The Department of Transportation issues a title when ownership of the vehicle has been confirmed. This occurs when a vehicle is purchased from a dealer, or when vehicles are transferred between individuals in a non-dealer sale. Titling occurs only when vehicle ownership changes and is not an annual reoccurring fee.

The Certificate of Title document is issued on secured paper stock and contains the following information: name and address of owner, description of vehicle (make, year, color, vehicle type, and vehicle identification number), name of the secured party or lien holder, odometer reading information, and other required information.

The title fees are enumerated in Section 342.14, Wisconsin Statutes and is currently $69.50. The title fee is comprised of two components; $62 title fee and $7.50 supplemental title fee. The $69.50 title fee is paid by the owner when filing an application for first Certificate of Title, and by the buyer when filing an application for Certificate of Title after transfer of ownership of the vehicle. The titling fees are paid to the Department of Transportation at the same time the vehicle is registered. The replacement, or duplicate, title fee is currently $20. Replacement titles are issued for lost, stolen, or mutilated titles.

From fiscal year 2013-14 through fiscal year 2017-18, the Department of Transportation averaged the issuance of approximately 1.5 million titles each year, whereby a title fee was collected. In fiscal year 2017-18, the Department of Transportation issued 1.6 million titles.

Registration and Title Counter Service Fees

Customers have the option of processing their vehicle titling and registration transactions by mail or in person at a DMV CSC. If the transaction is processed at the DMV CSC, the customer is charged an additional fee for that service. The additional fee is intended to recover some of the cost of providing face-to-face service. Before the customer receives the various products, the counter fee, and titling and/or vehicle Registration Fees are collected.

The counter fee is enumerated in Section 341.255, Wisconsin Statutes. For transactions that renew a vehicle registration, the counter fee is $3, however a $5 counter fee is charged for transactions relating to the issuance of a Certificate of Title, issuance of temporary license plates, issuance of temporary or permanent parking permits for disabled persons, transactions involving both titling and registration for the same vehicle, or transactions relating to only vehicle registration (but not renewals).

The average volume of registration renewals for calendar years 2013 through 2017 was 432,765 transactions at the DMV CSCs. The calendar year 2017 volume at the DMV CSC for renewals was 488,589. The average volume of titling, temporary plates, and registrations for calendar years 2013 through 2017 was 1,513,017 transactions at the DMV CSCs. The calendar year 2017 volume at the DMV CSCs for titling, temporary plates and registrations was 1,840,362.

Personalized License Plate Fees

Personalized license plates are license plates whereby the registration number is composed of a maximum set of numbers or letters or both specifically requested by the customer. The personalized license plate is only available for certain vehicle types: automobiles, motorcycles, motor homes, motor trucks with a gross weight of no more than 8,000 pounds, and farm trucks with a gross weight of no more than 12,000 pounds.

During the initial vehicle registration process or any time a registrant desires to change a license plate message, an applicant must complete and return to the Department of Transportation a special application form specifying the desired personalized message and provide two alternate messages. Subject to approval by the Department of Transportation, the customized license plate is then manufactured and sent to the customer.

The personalized license plate fee is enumerated in Section 341.145, Wisconsin Statutes. The $15 annual fee must be submitted with the application and is also due annually at the time of vehicle registration renewals. This fee is in addition to the regular Registration Fees. For motorcycles and farm trucks that receive biennial license plates, the personalized license plate fee is also $15 a year, due with the initial application. The fee to maintain a personalized plate issued on a biennial basis is $30, payable during registration renewal and is in addition to the regular biennial Registration Fee.

The average number of requests for new personalized license plates processed for calendar years 2013 through 2017 was 21,924. The average number of annual personalized license plate registrations during calendar years 2013 through 2017 was 230,097. At the end of calendar year 2017, the State had 231,631 registered personalized license plates.

Actual and Estimated Other Registration-Related Fees

Table V-8 provides further information on the amount of Other Registration–Related Fees described above in "OTHER REGISTRATION-RELATED FEES; General". These amounts include actual collections for the past ten years and projections for the upcoming nine years; the projected Other Registration-Related Fees are for fiscal years 2019 through 2027.

The Other Registration-Related Fees include many types of fees that are enumerated in the Wisconsin Statutes; while all are Program Income, the certain Other Registration-Related Fees outlined by the box in Table V-8 are those fees for which the State is currently providing continuing disclosure. See Table V-3 for the total of Registration Fees and the Other Registration-Related Fees being used for ratings and continuing disclosure.

Table V-8
ACTUAL AND PROJECTED OTHER REGISTRATION-RELATED FEES[a]

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
2009	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[b]	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	97,129,227	7,678,806	104,808,033	14,821,529	119,629,562
2016	99,096,834	8,131,116	107,227,950	15,466,786	122,694,736
2017	102,512,996	8,094,194	110,607,190	15,721,118	126,328,308
2018	101,808,955	8,428,165	110,237,120	15,725,770	125,962,890
2019	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081
2020	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081
2021	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081
2022	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081
2023	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081
2024	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081
2025	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081
2026	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081
2027	99,336,400	7,876,400	107,212,800	15,132,281	122,345,081

(a) Projections provided by the Department of Transportation in April 2018.

(b) Reflects 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.

Source: Wisconsin Department of Transportation.

Neither the State's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information shown above, nor have they expressed any opinion or any other form of assurance on such information or its achievability and assume no responsibility for and disclaim any association with the prospective financial information.

RISK FACTORS

Revenue Obligations

The Bonds are limited obligations of the State, payable from and secured by a first lien pledge of Program Income, the Funds created by the General Resolution, and any other income of the Program. The Notes are limited obligations of the State, payable from Program Income deposited into the Subordinated Debt Service Fund. The pledge of Program Income to the Subordinated Debt Service Fund for the Notes is junior and subordinate to the pledge of Program Income to the payment of the Bonds. See "SECURITY" above.

No representation or assurance can be made that Program Income will be realized in amounts sufficient to pay principal of, and interest on, the Bonds and Notes when due. The Program Income and the other amounts held by the Trustee under the General Resolution, and for the Notes, under the Note Program Resolution, constitute the only property pledged to secure the payment of the Bonds and Notes. No physical collateral secures the payment of the Bonds or Notes. Moreover, in the event the amount of the Program Income is inadequate for payment of the Bonds and Notes, the Trustee cannot compel the State to impose taxes to address such inadequacy.

The amount of Program Income collected is expected to be sufficient to pay debt service on the Bonds and Notes. However, no assurance can be given that such expected results will in fact be achieved, nor can there be any assurance that the sufficiency of historic Program Income collections indicates that future Program Income will similarly be sufficient.

Neither the full faith and credit nor the taxing power of the State or any political subdivision of the State will be pledged to the payment of the principal of, premium, if any, or interest on the Bonds or Notes.

Parity Debt

The Bonds are issued pursuant to the General Resolution on parity with each other and any other obligations to be issued on parity with the Bonds.

The Notes are issued pursuant to the General Resolution, as supplemented by the Note Program Resolution, on a parity with each other and any other obligations to be issued on a parity with the Notes. The pledge of Program Income granted to the Notes is junior and subordinate to the pledge granted to the Bonds.

The State may issue additional Bonds on a parity with existing Bonds, and additional Notes on a parity with existing Notes, under the General Resolution, and with respect to the Notes, the Note Program Resolution, if certain conditions are met. See "SECURITY; Additional Bonds" above. Any such additional Bonds or Notes will be entitled to share ratably with the holders of the Bonds or Notes, respectively, in any moneys realized from the exercise of remedies under the General Resolution and, with respect to the Notes, the Note Program Resolution, in the event of a default.

Impact of General Economic Factors

The amount of Program Income available to be collected depends on economic activity related to the registration of motor vehicles and related fee-generating activities. A reduction in the number of motor vehicle registrations, title transactions and related fee-generating activities could lead to a reduction in the amount of Program Income collected. Various economic, climatic, political, or civil disruptions could affect the State's economy and economic conditions, resulting in reduced Program Income. These include, without limitation, adverse changes in income levels, adverse changes in the availability of financing options for automobile and truck purchases, and fluctuations in the price of oil and gasoline.

Industry Demand Factors

The number of motor vehicle registrations, title transactions and related fee-generating activities depend in large part on demand for and use of automobiles, trucks and other motor vehicles in the State. In addition to adverse general economic factors, longer term trends in automobile, truck and other motor vehicle demand could be adversely affected by various factors, including increased reliance on alternative methods to trucking for business and industrial transport, increased reliance on public transportation, stagnation in or lack of acceptance of new motor vehicle product offerings, demographic changes in the driving age population, and increased alternative transportation options including rideshare services.

Registration Fee Collection Procedures

All Program Income is collected by the Trustee, or the Department of Transportation as agent of the Trustee, and deposited outside the State Treasury in an account with the Trustee defined as the Redemption Fund. Disruptions with respect to the collection of Program Income could adversely affect the Bonds and Notes.

Potential Future Reduction of Registration Fees and Other Registration-Related Fees

Registration Fees and Other Registration-Related Fees may be reduced by Legislative decisions, which may be influenced by many factors. While under the General Resolution the State has pledged and agreed that the State will not limit or alter the ability of the State to fulfill the terms of its agreements with respect to the Bonds and Notes, or impair the rights and remedies of holders of the Bonds and Notes, and has covenanted that it will charge sufficient Program Income to pay principal and interest on the Bonds and Notes, no guarantee can be made that the Legislature will not reduce the Registration Fees or Other Registration-Related Fees pledged to the Bonds and Notes. While a failure to make payments of the principal of, and premium, if any, and interest on, any of the Bonds or Notes could hinder the State's subsequent access to the capital markets, it should not be assumed that the Legislature would regard that possible consequence to be a compelling reason to raise fees needed for those payments.

Future occurrences could adversely affect legislative support for the current level of the Registration Fee and Other Registration-Related Fees. Political factors may also come to bear on such fees.

Future Changes in Law

Future changes in applicable law by the Legislature could be adverse to holders of the Bonds and Notes. Legislative changes relating to the amount and timing of vehicle registration and related fees and collection procedures could lead to a reduction in or delay in receipt of Program Income. State law also allows for consideration of constitutional amendment referendum questions, which occurred for the Transportation Fund as recently as November 2014.

Liquidity Facility Risk for Notes

In order to provide liquidity for the payment of the principal of and interest on maturing Notes, the Note Program Resolution requires a liquidity facility. The State has obtained a Credit Agreement from the Liquidity Facility Provider in satisfaction of this requirement.

The ability of the Liquidity Facility Provider to honor draws on the Credit Agreement is based solely on the Liquidity Facility Provider's general credit. Declines and disruptions in the financial markets may adversely affect the municipal bond market and banking business, and may adversely affect the financial condition of financial institutions including the Liquidity Facility Provider, weakening its credit status as reflected in its credit ratings.

The Credit Agreement will not, and is not intended to, protect holders of the Notes from events affecting the Liquidity Facility Provider or its creditworthiness, including, without limitation, the insolvency of the Liquidity Facility Provider. No claim may be asserted for federal deposit insurance against the Federal Deposit Insurance Corporation in respect to the Notes or the Credit Agreement, and owners of the Notes should not assume any such insurance coverage is available with respect to the Notes or the Credit Agreement. If an event of termination or event of suspension occurs under the Credit Agreement, the obligation of the Liquidity Facility Provider will immediately and automatically terminate or suspend, without notice or demand and without payment of any Notes.

The Credit Agreement is subject to renewal or replacement from time-to-time. There can be no guarantee that the Credit Agreement will be renewed or replaced in the future, and failure to renew or replace the Credit Agreement may adversely affect the Notes. Any substitute liquidity facility may have covenants, events of default, conditions to borrowing, and other provisions different from the current Credit Agreement, and the Notes are not required to be tendered in connection with delivery of such substitute liquidity facility, as long as it meets the requirements of the Note Program Resolution. See "VARIABLE RATE OBLIGATIONS; Liquidity Facility" below.

Issuance of Additional Bonds to Fund Notes

The Commission has adopted Series Resolutions authorizing the issuance of Bonds to pay for the funding of the Notes. The State's ability to issue such Bonds, if necessary, will depend on the State's future market access for such Bonds and general market conditions, and no assurance can be given that such Bonds can be successfully marketed in the future.

Tax Matters

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on obligations of the nature of the Bonds and Notes. The State cannot predict whether and in what form any such proposal might be enacted or how such proposals, if enacted, would apply to the Bonds or Notes. A change in the federal tax status of Bonds or Notes issued on a tax-exempt basis may cause the value of such Bonds or Notes to fall. In addition, interest on such Bonds or Notes could become includible in gross income for federal income tax purposes as a result of future acts or omissions of the State.

A defeasance of any Bonds issued on a taxable basis may cause recognition of a gain or loss, for federal tax purposes, at the time of defeasance. Owners of such Bonds should consult their tax advisors regarding the tax consequences of any defeasance of such Bonds.

PROJECTS

Security on the Bonds or Notes is not dependent upon projects built with Bond or Note proceeds.

Bond and Note proceeds are used to finance a portion of major highway projects enumerated in the Wisconsin Statutes for construction. Major highway projects address long-term solutions to the most serious deficiencies on highly traveled segments of the highway system. A major highway project is defined as a project which has either (i) a total cost greater than $91 million or (ii) a total cost of more than $36 million and which involves one or more of the following:

- Constructing a new highway 2.5 miles or more in length
- Reconstructing or reconditioning 2.5 miles or more of an existing highway
- Adding one or more lanes, 5 miles or more in length to an existing highway
- Improving 10 miles or more of existing multi-lane divided highway to freeway standards
- Total cost of $75 million, has been approved for construction by the Transportation Projects Commission, but does not address any of the above specific mileage threshold requirements.

All state highway improvement projects, including authorized major highway projects, are scheduled in the Department of Transportation's six-year highway improvement program. The six-year program, updated on a biennial basis, serves as a basic tool for the Department of Transportation's long-term improvement plans and construction programs.

Construction of major highway projects uses moneys from the following sources:

- Bond or Note proceeds
- Federal aid
- Moneys in the Transportation Fund which may be appropriated for such purposes

The Transportation Projects Commission approves major construction projects for enumeration. Major highway projects must be enumerated prior to construction. The Department of Transportation is actively working on 13 major highway projects with an estimated cost to complete of $1.378 billion in 2018 dollars. See "SECURITY; Additional Bonds".

Requests for additional information about the major highway projects funded or to be funded with proceeds of transportation revenue obligations may be directed as follows:

Contact:	Wisconsin Department of Transportation Attn: Office of Policy, Finance and Improvement
Phone:	(608) 264-9522
Mail:	4822 Madison Yards Way P.O. Box 7910 Madison, WI 53707-7910
E-mail:	tricia2.etzler@dot.wi.gov
Web site:	www.dot.wi.gov

VARIABLE RATE OBLIGATIONS

The State has issued, and there currently remains outstanding, transportation revenue commercial paper notes, or Notes.

General

The State has currently appointed, J.P. Morgan Securities LLC, and Morgan Stanley & Co. LLC to serve as **Dealers** and U.S. Bank National Association, as successor to Deutsche Bank Trust Company Americas, to serve as **Issuing and Paying Agent** for the Notes. The Depository Trust Company (**DTC**) serves as **Depository** for the Notes.

The State has obtained a **Liquidity Facility** in the form of a line of credit, which is provided for in the Second Amended and Restated Credit Agreement, dated as of April 20, 2016 (**Credit Agreement)** between the State and State Street Bank and Trust Company (**Liquidity Facility Provider**) which provides a current commitment of $63 million. Table V-9 details the remaining series of Notes, the date of initial issuance, the principal amount initially issued, and the principal amount outstanding as of December 15, 2018.

Table V-9

SUMMARY OF OUTSTANDING TRANSPORTATION REVENUE NOTES
(December 15, 2018)

Series Designation	Date of Initial Issuance	Initial Principal Amount	Outstanding Principal Amount
2013 Series A	November 5, 2013	$70,025,000	$ 42,655,000
	Total		$ 42,655,000

Additional Notes may be issued pursuant to action of the Commission subject to meeting certain conditions as described in the Note Program Resolution, such as an additional bonds test. In addition, the aggregate principal amount of Notes outstanding, plus the interest to accrue on such Notes to maturity, plus the aggregate principal amount of all outstanding Advances made by the Liquidity Facility Provider, may not exceed the commitment amount of the Liquidity Facility.

Description of the Notes

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

The Notes are not callable prior to maturity.

Each Note will mature from 1 to 270 days from its issue date but no Note may be issued with a maturity date later than two (2) business days prior to the expiration date of the Liquidity Facility.

Each Note will bear interest from its date of issuance, at the rate determined at the date of issuance, payable at maturity. Interest is computed on the basis of a year having 365 or 366 days and the actual number of days elapsed. The interest rate on the Notes cannot exceed 12% per annum. Payment of each Note will be made to the Depository and then distributed by the Depository.

Liquidity Facility

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

Pursuant to the Credit Agreement, the Liquidity Facility Provider is obligated, subject to certain conditions, to make advances from a line of credit (**Advances)** from time to time on any business day during the term of the Credit Agreement, which Advances may only be used to provide funds to pay the principal of and interest on the Notes on the maturity date thereof to the extent that proceeds of roll-over Notes, or other moneys on deposit in the **Note Fund** held by the Issuing and Paying Agent for the Notes, are not available. The aggregate principal amount of all Advances made on any date may not exceed the outstanding commitment amount under the Credit Agreement (currently $63 million), as such amount may be increased or decreased from time to time. The Note Program Resolution requires that the commitment amount cannot be less than the sum of the outstanding Notes, plus the interest to accrue on such Notes to maturity, plus the aggregate principal amount of all outstanding Advances provided by the Liquidity Facility Provider.

If the amounts on deposit in the Note Fund are insufficient for payment of principal or interest on the Notes when due, then the Issuing and Paying Agent shall make a draw on the line of credit under the Credit Agreement to provide money for such payment. The obligation of the Liquidity Facility Provider to make advances when a draw is made is subject to certain conditions and may be terminated or be suspended immediately without notice or demand and without payment of Notes outstanding upon the occurrence of certain events.

The Credit Agreement currently terminates on April 20, 2019. The Credit Agreement provides that the termination date may be extended, if the parties agree. Alternatively, the State is permitted to replace the Credit Agreement with another comparable agreement or agreements with any other liquidity facility provider provided that such substitution meets all required qualifications set forth in the Note Program Resolution, including, but not limited to, written evidence from each rating agency (two at a minimum) which, at the request of the State, is then rating the Notes and which is then also rating the provider (or its guarantor) of the proposed substitute liquidity facility to the effect that the substitution of the Liquidity Facility will not by itself result in a withdrawal, suspension, or reduction of its ratings of the Notes from those which then prevail.

The State has delivered a promissory note **(Promissory Note)** to the Liquidity Facility Provider evidencing its obligation to repay all Advances. The Promissory Note ranks equally with the Notes and is payable solely from Program Income deposited into the Subordinated Debt Service Fund, as provided for in the resolutions authorizing the Notes. Likewise, a new Promissory Note would be issued to the provider of any substituted Liquidity Facility. Any such substituted Liquidity Facility Agreement may have covenants, events of default, conditions to borrowing and other provisions different from those referred to above for the existing Liquidity Facility, and the Notes are not required to be tendered in connection with the delivery of such substitute Liquidity Facility, as long as it meets the requirements of the Note Program Resolution.

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

Investors should obtain and review a copy of the Credit Agreement in order to understand all of the terms and provisions of the document. A copy of the Credit Agreement can be obtained from the State at the address included on the first page of this Part V of the 2018 Annual Report.

Description of the Liquidity Facility Provider

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

State Street Bank and Trust Company **(Bank)** is a wholly-owned subsidiary of State Street Corporation **(Corporation)**. The Corporation (NYSE: STT) provides financial services to institutional investors, including investment servicing, investment management and investment research and trading. With $33.12 trillion in assets under custody and administration and $2.78 trillion in assets under management as of December 31, 2017, the Corporation operates in more than 100 geographic markets worldwide. As of December 31, 2017, the Corporation had consolidated total assets of $238.43 billion, consolidated total deposits (including deposits in non-U.S. offices) of $184.90 billion, total investment securities of $97.58 billion, total loans and leases, net of unearned income and allowance for loan losses, of $23.24 billion, and total shareholders' equity of $22.32 billion.

The Bank's Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices Only -- FFIEC 031 **(Call Reports)** through December 31, 2017 have been submitted through the Federal Financial Institutions Examination Council and provided to the Board of Governors of the Federal Reserve System, the primary U.S. federal banking agency responsible for regulating the Corporation and the Bank. Publicly available portions of those Call Reports, and future Call Reports so submitted by the Bank, are available on the Federal Deposit Insurance Corporation's website at www.fdic.gov. The Call Reports are prepared in conformity with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles.

Additional financial and other information related to the Corporation and the Bank, including the Corporation's Annual Report on Form 10-K for the year ended December 31, 2017 and additional annual, quarterly and current reports subsequently filed or furnished by the Corporation with the U.S. Securities and Exchange Commission **(SEC)**, can be accessed free of charge on the SEC's website at www.sec.gov. The above website is not incorporated by reference into this Part V of the 2018 Annual Report.

Any statement contained in any document referred to above shall be deemed to be modified or superseded for purposes of this Part V of the 2018 Annual Report to the extent that a statement contained herein or in any subsequently submitted, filed, or furnished document that also is referred to above modifies or supersedes such statement. The delivery hereof shall not create any implication that there has been no change in the affairs of State Street since the date hereof, or that information contained or referred to is correct as of any time subsequent to that date.

A copy of any or all of the publicly available documents referred to above, other than exhibits to such documents, may be obtained without charge on written request to Investor Relations, State Street Corporation, One Lincoln Street, Boston, Massachusetts 02111, telephone number 617-786-3000.

The Credit Agreement is an obligation solely of State Street and is not an obligation of, or otherwise guaranteed by, the Corporation or any of its affiliates (other than State Street). Neither State Street nor its affiliates make any representation as to the contents of this Part V of the 2018 Annual Report (except as to this section), the suitability of the Notes for any investor, the feasibility or performance of any project, or compliance with any securities or tax laws or regulations.

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

The General Resolution contains various covenants and security provisions, certain of which are summarized below. In general, this Section does not summarize any provisions of the Series Resolutions. Reference should be made to the General Resolution for a full and complete statement of its provisions. A copy of the General Resolution or any Series Resolution may be obtained by contacting the State at the address provided in the introduction to this Part V of the 2018 Annual Report.

Resolution to Constitute Contract

The provisions of the General Resolution shall be a part of the contract of the State with the holders of Bonds and shall be deemed to be and shall constitute a contract among the State, the Trustee and the holders from time to time of the Bonds and shall be for the equal benefit, protection and security of the holders of any and all of such Bonds.

Provisions for Issuance of Bonds

The General Resolution authorizes Bonds of a Series to be issued from time to time in accordance with the terms of the General Resolution without limitation as to amount except as provided by law. Bonds shall be issued pursuant to authorization by a Series Resolution containing the provisions specified by the General Resolution. Following issuance of the initial Series of Bonds, the Commission must determine that the additional obligations test set forth in the General Resolution is met prior to issuing Bonds for other than refunding purposes. The Bonds of a Series may be authenticated and delivered only upon receipt by the Trustee of, among other things:

- A Bond Counsel's opinion to the effect, among other things, that the Bonds of such Series have been duly and validly authorized and issued in accordance with the Wisconsin Constitution and the Wisconsin Statutes and in accordance with the General Resolution; and,
- The proceeds of the Bonds of such Series to be deposited with the Trustee pursuant to the General Resolution.

Additional Bonds

Following the initial issuance of Bonds, the State will not create or permit the creation of, or issue any obligations or create any indebtedness which shall be secured by a superior or equal charge and lien on the Program Income, except that additional Series of Bonds may be issued from time to time subsequent to the issuance of the initial Series of Bonds on a parity with the Bonds of such initial Series of Bonds and secured by an equal charge and lien on the Program Income. However, no additional Series of Bonds shall be issued subsequent to the initial Series of Bonds unless:

- The principal amount of the additional Bonds together with the principal amount of the Outstanding Bonds will not exceed in aggregate principal amount any limitation thereon imposed by law;
- Except in the case of refunding Bonds, there shall be filed with the Trustee a Certificate of an Authorized Officer of the Commission and the Department of Transportation stating that Program Income, including interest earnings on amounts deposited in the Funds or Accounts held by the Trustee and available for debt service, for any twelve (12) consecutive calendar months of the preceding eighteen (18) calendar months, was equal to at least 2.25 times the maximum aggregate Principal Requirement and Interest Requirement for any Fiscal Year for all Outstanding Bonds (the General Resolution defines Outstanding Bonds to include the Bonds being issued upon the delivery of such Certificate);
- Upon the issuance and delivery of the additional Bonds, the amount credited to the Reserve Fund shall be at least equal to the Debt Service Reserve Requirement immediately after issuance; and
- All requirements with respect to adoption of Series Resolutions and conditions precedent to delivery of Bonds set forth in the General Resolution have been complied with.

Refunding Bonds

The State may issue refunding Bonds of one or more Series to refund any Outstanding Bonds of one or more Series whether by payment at maturity or by redemption. Refunding Bonds shall be issued pursuant to and in accordance with the provisions of a Series Resolution authorizing such refunding Bonds.

Application of Bond Proceeds

The proceeds of sale of a Series of Bonds shall be deposited as follows:

- To the Principal and Interest Account of the Redemption Fund, the amount of any accrued interest on the Series of Bonds to their date of delivery;
- To the Principal and Interest Account of the Redemption Fund, the amount of any premium determined by the applicable Series Resolution, or specified in a certificate of an authorized officer of the Commission;
- To the Principal and Interest Account of the Redemption Fund, the proceeds of any Series of refunding Bonds to the extent provided in the applicable Series Resolution;
- To the Reserve Fund, the amount specified in the Series Resolution as necessary to establish or increase the amount set aside therein to the Debt Service Reserve Requirement;
- To any other Fund or Account to the extent permitted by the Revenue Obligations Act and provided for by a Series Resolution; and
- To the Program Capital Fund, the balance of the proceeds of any Series of Bonds, which shall be allocated:
  (a) to the Capitalized Interest Account, the amount of capitalized interest, if any, determined by the applicable Series Resolution to be deposited; and
  (b) to the Program Account, the balance of the proceeds of any Series of Bonds.

Establishment of Funds

All Program Income and other moneys or securities held by the Trustee pursuant to the General Resolution are revenues of the Trustee and are revenues outside of the State Treasury which shall be held in trust and applied only in accordance with the provisions of the General Resolution. The General Resolution establishes and creates the following trust funds that are to be held by the Trustee:

- Program Capital Fund, which consists of a Capitalized Interest Account and a Program Account;
- Redemption Fund, which consists of a Principal and Interest Account and a Program Income Account;
- Reserve Fund; and
- Program Expense Fund.

The General Resolution authorizes the creation of other Funds and Accounts for a particular Series of Bonds by the applicable Series Resolution.

Capitalized Interest Account

Amounts in the Capitalized Interest Account, if any, shall be transferred to the Principal and Interest Account of the Redemption Fund to be used for payment of capitalized interest on the Bonds in accordance with the schedule set forth in a Series Resolution or in a Certificate of an Authorized Officer of the Building Commission delivered to the Trustee. Amounts in the Capitalized Interest Account shall also be transferred to the Principal and Interest Account of the Redemption Fund for redemption of Bonds (1) upon receipt by the Trustee of a Certificate of an Authorized Officer of the Building Commission stating that such redemption is necessary for compliance with the covenants contained in the General Resolution concerning tax exemption of the interest on certain of the Bonds, and (2) in accordance with the provisions of the terms of a Series Resolution with respect to the Series of Bonds authorized by such Series Resolution.

Program Account

Amounts in the Program Account shall be used solely for the following purposes:

- Paying the Costs of Issuance;
- Financing Projects in accordance with the Act and the General Resolution; and
- Transfers to the Principal and Interest Account of the Redemption Fund to pay interest on the principal of or Redemption Price of Outstanding Bonds (a) upon receipt by the Trustee of a Certificate of an Authorized Officer of the Building Commission stating that such redemption is necessary for compliance with the covenants contained in the General Resolution concerning tax exemption of the interest on certain of the Bonds, (b) in accordance with the provisions of the terms of a Series Resolution, and (c) upon receipt by the Trustee of a Certificate of an Authorized Officer of the Building Commission stating that there are no further Projects to be funded from the Program Account.

Redemption Fund

There shall be deposited into the Principal and Interest Account of the Redemption Fund from the proceeds of the sale of the Bonds, immediately upon receipt thereof, an amount equal to the accrued interest and any premium (if so specified in a certificate of an authorized officer of the Commission) paid upon the sale of the Bonds and the proceeds of any Series of refunding Bonds. All Program Income shall be deposited promptly with the Trustee (or with national banking associations, state banks or trust companies acting as agents of the Trustee for transfer daily to the Trustee) and such amounts shall be deposited in the Program Income Account of the Redemption Fund. There shall also be deposited in the Program Income Account of the Redemption Fund any other amounts required or permitted to be deposited therein pursuant to the General Resolution or a Series Resolution.

The amounts deposited in the Principal and Interest Account of the Redemption Fund from the proceeds of a Series of Bonds representing accrued interest and any specified premium shall be set aside and applied to the payment of interest on the next succeeding Interest Payment Date and any additional Interest Payment Dates specified in the Series Resolution or a Certificate of an Authorized Officer of the Building Commission.

The amounts deposited in the Principal and Interest Account of the Redemption Fund from the proceeds of a Series of refunding Bonds shall be applied to the payment or redemption of Bonds as provided in the Series Resolution.

Commencing on the date of issuance of the Bonds and continuing each succeeding business day until the amounts required in (1) through (5) of this paragraph are deposited and thereafter on each Redemption Fund Deposit Day (the 1st day of January, April, July, and October), and continuing each succeeding business day until the amounts required in (1) through (5) of this paragraph are deposited, the Trustee shall immediately transfer aside from the amounts deposited in the Program Income Account, in the following order of priority:

(1) To the Principal and Interest Account, after giving effect to:

  (a) amounts to be available from accrued interest and premium, if specified, and in the Capitalized Interest Account, and

  (b) any balance in the Principal and Interest Account on each Redemption Fund Deposit Day, and

  (c) amounts transferred from the Reserve Fund, and

  (d) amounts transferred from the Program Expense Fund, an amount equal to the Interest Requirement with respect to Outstanding Bonds;

(2) To the Principal and Interest Account, after giving effect to any balance in the Principal and Interest Account in excess of the Interest Requirement an amount equal to the Principal Requirement on the Outstanding Bonds;

(3) To the Reserve Fund, an amount equal to any deficiency in the Reserve Fund;

(4) To the Program Expense Fund created in the General Resolution, an amount equal to any unfunded portion of the Program Expenses payable over the next three months according to the General Resolution; and

(5) To the Subordinated Debt Service Fund created for the Notes, an amount equal to the Subordinated Debt Service Fund Requirement.

Immediately upon meeting the requirements set forth above, amounts in the Program Income Account of the Redemption Fund, including any interest earned thereon, in excess of the amounts required to be set aside above, shall be paid by the Trustee to the State Treasury for deposit into the Transportation Fund free and clear of the lien of the General Resolution in accordance with the Revenue Obligations Act and the Act.

To the extent not otherwise provided for in the Series Resolution applicable to any Series of Bonds, on the first day of each Fiscal Year and prior to any of the transfers by the Trustee that day specified above, all amounts in the Principal and Interest Account shall be paid by the Trustee to the State Treasury for deposit into the Transportation Fund free and clear of the lien of the General Resolution in accordance with the Revenue Obligations Act and the Act.

Payment of Bonds

The Trustee is required to pay to the Registrar and Paying Agent for the Bonds on or before each Interest Payment Date, (1) the amount equal to interest due on the Outstanding Bonds on such date, (2) the amount equal to the principal amount of Outstanding Bonds maturing on such date and (3) the amount equal to the Redemption Price of any Outstanding Bonds to be redeemed on such date, and in each such case, such amounts shall be applied by such Registrar and Paying Agent to such payments.

There shall be deposited in the Principal and Interest Account of the Redemption Fund any amounts which are required to be deposited therein pursuant to the General Resolution, a Series Resolution and any other amounts available therefor and determined by the Building Commission to be deposited therein for the purpose of redeeming Bonds. Subject to the provisions of the respective Series of Bonds and to the provisions of the respective resolutions authorizing the issuance thereof and authorizing the issuance of refunding Bonds, all amounts deposited in the Principal and Interest Account of the Redemption Fund in accordance with the provisions described in this paragraph shall be set aside and applied to the payment, purchase or redemption of Bonds.

Purchase of Bonds

Except as may be otherwise provided in connection with the issuance of refunding Bonds, at any time prior to the 45th day upon which Bonds are to be paid or redeemed from the amounts described in the preceding paragraph, the Trustee may upon receipt of written instructions signed by an Authorized Officer of the Building Commission apply such amounts to the purchase of any of the Bonds which may be paid or redeemed by application of amounts on deposit in the Principal and Interest Account of the Redemption Fund. The Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner as the Building Commission shall direct. The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond purchased shall not exceed the principal amount of such Bond or the Redemption Price of such Bond on the next Redemption Date for such Bond.

Program Expense Fund

On the 1st day of January, April, July, and October, the Trustee shall immediately transfer amounts on deposit in the Program Income Account to the Program Expense Fund for the purpose of paying Program Expenses for the succeeding three months as set forth in the annual budget prepared by the Department of Transportation, but only upon a Certificate of an Authorized Officer of the Department of Transportation, stating that the amounts are required and have been or will be expended for purposes for and to which the Program Expense Fund may be used and applied.

Reserve Fund

If on any Interest Payment Date, Principal Installment Date, or Redemption Date for the Bonds, the amount in the Principal and Interest Account of the Redemption Fund shall be less than the amount required for the payment of interest, principal or Redemption Price on Outstanding Bonds on such date, the Trustee shall apply assets in the Reserve Fund to the extent necessary to make good the deficiency.

In the event there is a deficiency in the Reserve Fund, it shall be made up from the Redemption Fund after both the Interest Requirement and the Principal Requirement with respect to Outstanding Bonds have been met. Monies flow to the Redemption Fund commencing on the date of issuance of a Series of Bonds or on a Redemption Fund Deposit Day, whichever is earlier.

On the first day of each Fiscal Year or on the maturity or redemption date of any Bonds, income and earnings from Investment Obligations in the Reserve Fund shall be transferred to the Principal and Interest Account to the extent such transfer will not reduce the amount in the Reserve Fund below an amount equal to the Debt Service Reserve Requirement.

Investments and Deposits

Subject to instructions from time to time received from an Authorized Officer of the Building Commission and to the provisions of the General Resolution, monies in any Fund or Account shall be continuously invested and reinvested or deposited and redeposited by the Trustee in the highest yield Investment Obligations that may be reasonably known to the Trustee to the extent the same are authorized by the applicable Series Resolution and at the time legal for investment of funds under the Act, the Revenue Obligations Act and other applicable law. Investments shall be made with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds.

Investment Obligations purchased as an investment of moneys in any Fund or Account held by the Trustee under the provisions of the General Resolution shall be deemed at all times to be part of such Fund or Account but the income or interest earned and gains realized from Investment Obligations held by the Reserve Fund and Program Expense Fund in excess of the requirements of said Funds shall be transferred to the Principal and Interest Account on the first day of each Fiscal Year or on the maturity or redemption date of any Bonds.

The Trustee shall sell at the best price obtainable, or present for redemption or exchange, any Investment Obligations purchased by it pursuant to the General Resolution whenever it shall be necessary in order to provide moneys to meet any payments or transfers from the Fund or Account for which such investment was made.

In computing the amount in the Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at par if purchased at par value or at amortized value if purchased at other than par value. Valuation shall be made on the 20th day of each March, June, September and December and as otherwise required under the General Resolution and on any particular date shall not include the amount of interest then earned or accrued to such date on any deposit or investment.

The Trustee shall invest and reinvest the moneys in any Fund or Account in available Investment Obligations so that the maturity date or date of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which monies are needed to be so expended.

Investment Obligations means any of the investments described under "GLOSSARY".

Powers as to Bonds and Pledge

The State covenants that it is duly authorized pursuant to law to authorize and issue the Bonds and to adopt the General Resolution and to pledge the Program Income purported to be pledged by the General Resolution in the manner and to the extent provided in the General Resolution.

Payment Covenant

The State covenants that it will duly and punctually pay or cause to be paid, but solely from sources as provided in the General Resolution, the principal and Redemption Price of every Bond and the interest thereon, on the dates and at the places and in the manner stated in the Bonds according to the true intent and meaning thereof.

Tax Covenants

The State and the Trustee shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

The State and the Trustee shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the State to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code.

The State and the Trustee shall not permit at any time or times any proceeds of any Bonds or any other funds of the State to be used, directly or indirectly, in a manner which would result in the exclusion of any Bond from the treatment afforded by Section 103 of the Code, as from time to time amended, by reason of the classification of such Bond as a "private activity bond" within the meaning of Section 141 of the Code.

The State reserves the right to elect to issue Bonds, the interest on which is not exempt from federal income taxation, if such election is made prior to the issuance of such Bonds, and the covenants as to tax exemption shall not apply to such Bonds.

Funds and Reports

The Department of Transportation covenants that it will keep, or cause to be kept and maintained proper books of account relating to the Program and within 120 days after the end of each Fiscal Year shall cause such books of account to be audited by an Accountant. A copy of each audit report, annual balance sheet and income and expense statement showing in reasonable detail the financial condition of the Program (including a schedule of monthly Program Income) as of the close of each Fiscal Year, and summarizing in reasonable detail the income and expenses for such year, including the transaction relating to the Funds, shall be filed promptly with the Trustee and shall be available for inspection by any Bondholder. See "AUDITED FINANCIAL STATEMENTS" in APPENDIX A.

Budgets

The Department of Transportation must file an annual budget broken down on a quarterly basis covering the fiscal operations of the Program for the succeeding Fiscal Year not later than the first day of each Fiscal Year with the Trustee. The annual budget shall at least set forth for such Fiscal Year the estimated Program Income, the debt service due and payable or estimated to become due and payable during such Fiscal Year and estimated Program Expenses. The Department of Transportation may at any time file with the Trustee an amended annual budget for the remainder of the then current Fiscal Year in the manner provided for the filing of the annual budget. Copies of the annual budget as then amended and in effect shall be made available by the Trustee during normal business hours in the Trustee's office for inspection by any Bondholder.

The Program

The State covenants from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the Revenue Obligations Act, the provisions of the General Resolution and sound banking practices and principles to:

- Use and apply the proceeds of the Bonds, to the extent not reasonably or otherwise required for other purposes of the Program, to finance Projects, pursuant to the Act, the Revenue Obligations Act and the General Resolution;
- Do all such acts and things as shall be necessary to charge and cause to be deposited with the Trustee Program Income sufficient to pay interest and principal and redemption premium on all Outstanding Bonds, to maintain the Debt Service Reserve Requirement in the Reserve Fund, to maintain any Credit Support and Liquidity Fund Requirement provided for in a Series Resolution, to pay Program Expenses; and maintain any Subordinated Debt Service Fund Requirement provided for in a Series Resolution.

Power of Amendment

The Building Commission may, from time to time and without the consent and concurrence of any holder of any Bond, adopt a Supplemental Resolution modifying or amending the General Resolution if the modification or amendment does not adversely affect the rights of the holders of the Outstanding Bonds.

Any modification of or amendment to the General Resolution which does affect the rights and obligations of the State and of the holders of the Bonds, in any particular, may be made by a Supplemental Resolution with the written consent given as provided in the General Resolution, (1) of the holders of at least two-thirds in principal amount of the Outstanding Bonds at the time such consent is given, (2) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (3) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the holders of at least two-thirds in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given. If any such modification or amendment will not take effect so long as any Bonds of any specified maturity remain Outstanding, however, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the General Resolution or Series Resolution. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the holders of which is required to effect any such modification or amendment.

Events of Default

It is an Event of Default if:

(1) Payment of any installment of interest on the Outstanding Bonds shall not be made after the same shall become due;

(2) Payment of the principal of, Redemption Price or any Sinking Fund Installment on any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same shall become due; or

(3) The State shall fail or refuse to comply with the provisions of the General Resolution including replenishment of the Reserve Fund, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained in the General Resolution or in any Supplemental or Series Resolution or the Bonds, and such failure, refusal or default shall continue for a period of thirty (30) days after written notice thereof by the Trustee or the holders of not less than 25% in principal amount of the Outstanding Bonds.

Remedies

Upon the happening and continuance of any Event of Default specified in clauses (1) and (2) under Events of Default above, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in clause (3) under Events of Default above, the Trustee may proceed and, upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds, shall proceed, in its own name, subject to the General Resolution, to protect and enforce the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights: (a) by mandamus or other suit, action, or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the State to charge and cause to be deposited with the Trustee sufficient Program Income and to require the State to carry out the covenants and agreements with Bondholders and to perform its duties under the Act, the Revenue Obligations Act and the General Resolution; (b) by bringing suit upon the Bonds; (c) by action or suit in equity, to require the State to account as if it were the trustee of an express trust for the holders of the Bonds; (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; (e) by declaring all Bonds due and payable, and if all defaults shall be cured, then, with written consent of the holders of not less than 25% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences; or (f) in the event that all Bonds are declared due and payable, by selling Investment Obligations.

Before declaring the principal of Bonds due and payable upon an Event of Default, the Trustee shall first give thirty (30) days notice in writing to the Governor and Attorney General of the State.

Priority of Bonds After Default

In the event that upon the happening and continuance of an Event of Default, the Funds or Accounts held by the Trustee, Registrar and Paying Agent are insufficient for the payment of interest, principal or Redemption Price then due on the Bonds, such Funds or Accounts (other than portions of Funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other monies received or collected by the Trustee acting pursuant to the Act, the Revenue Obligations Act and the General Resolution, after making provisions for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the holders of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or the Registrar and Paying Agent in the performance of their respective duties under the General Resolution, are to be applied as follows:

(1) If the principal of all of the Bonds has not become or been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order or maturity of such installments, and, if the amount available is not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference.

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(2) If the principal of all of the Bonds has become or been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Limitation on Rights of Bondholders

No individual Bondholder shall have any right to initiate legal proceedings to enforce rights under the General Resolution unless such holder shall have given to the Trustee written notice of the Event of

Default or breach of duty on account of which such proceeding is to be taken, and unless the holders of not less than 25% in principal amount of the Outstanding Bonds have made written request of the Trustee after the right to exercise such right of action has occurred, and shall have afforded the Trustee a reasonable opportunity either to exercise the powers granted to it under the General Resolution or under the law or to institute such proceedings in its name and unless, also, there has been offered to the Trustee reasonable security and indemnity against costs, expenses and liabilities and the Trustee has refused or neglected to comply with such request within a reasonable time. No provision in the General Resolution on defaults and remedies affects or impairs the right of any Bondholder to enforce the payment of the principal of and interest on his Bonds, or the obligation of the State to pay the same from the source, at the time and place specified in said Bond.

Compensation of Fiduciaries

Each Fiduciary is entitled to such fees and reimbursement as shall be established in an agreement between the Commission and such Fiduciary by the Trustee from the Program Expense Fund (except that the agreement for Registrar shall be between the Secretary of Administration and the Registrar). Each Fiduciary shall have a lien for such fees and reimbursement on any and all Funds at any time held by it under the General Resolution.

Removal of Trustee

The Trustee is required to be removed if so requested by the holders of a majority in principal amount of the Outstanding Bonds excluding any Bonds held by or for the account of the State. The State may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as the State may determine in its sole discretion. In either such event, a successor is required to be appointed.

Defeasance

If the State shall pay or cause to be paid to the holders of the Bonds, the principal and interest and Redemption Price to become due thereon, at the times and in the manner stipulated therein and in the General Resolution, then the pledge of Program Income and other monies, securities and funds thereby pledged and all other rights granted thereby shall be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which monies have been set aside and shall be held in trust by Fiduciaries (through deposit by the State of funds for such payment or redemption or otherwise) shall, at the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. Any Bonds shall, prior to maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect so expressed if:

- In case any of the Bonds to be redeemed on any date prior to their maturity, the State has given to the Trustee in form satisfactory to it, irrevocable instructions to publish, as provided in the General Resolution, notice of redemption on said date of such Bonds;
- There has been deposited with the Trustee either monies in an amount which are sufficient, or Investment Obligations which are direct obligations of or obligations guaranteed by the United States of America or other obligations, the payment of which is provided for by an irrevocable escrow deposit invested in direct obligations of the United States of America, the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal of, Redemption Price and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be; or
- In the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the State has given the Trustee, in form satisfactory to it, irrevocable instructions to publish, as soon as practicable, at least once in an Authorized Newspaper a notice to the holders of such Bonds that the deposit required above has been made with the Trustee and that said

Bonds are deemed to have been paid and stating such maturity or Redemption Date upon which monies are to be available for the payment of the principal of and Redemption Price on said Bonds.

Neither the Investment Obligations nor the monies so deposited with the Trustee nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than (and shall be held in trust for) the payment of the principal of, Redemption Price and interest on said Bonds, but any cash received from such principal or interest payments on such Investment Obligations deposited with the Trustee, if not then needed for such purpose may, to the extent practicable and legally permitted, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal of, Redemption Price and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestments may be paid over to the State, as received by the Trustee, free and clear of any trust, lien or pledge.

GLOSSARY

This Glossary includes definitions from the General Resolution and the Series Resolutions that apply to capitalized terms used in Part V of the 2018 Annual Report.

Accountant means such reputable and experienced independent certified public accountant or firm of independent certified public accountants of nationally recognized standing as may be selected by the Department of Transportation and be satisfactory to the Trustee which may be the accountant or firm of accountants who regularly audit the books and accounts of the Department.

Act means Section 84.59, Wisconsin Statutes.

Authorized Newspaper means either The Wall Street Journal or The Bond Buyer, or such other financial newspaper or financial journal of general circulation, printed in the English language and customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, in the Borough of Manhattan, City and State of New York.

Authorized Officer when used with reference to the Department of Transportation means the Secretary or other person designated from time to time by the Secretary, and when used with reference to the Commission, means the Chairperson of the Commission or other person designated from time to time by the Chairperson of the Commission and, in the case of any act to be performed or duty to be discharged, any other member, staff, officer or employee of the foregoing Department of Transportation or Commission then authorized to perform such act or discharge such duty.

Bond or **Bonds** means any bond or any other evidence of revenue obligation authorized under the General Resolution and issued pursuant to a Series Resolution.

Bond Counsel's Opinion means an opinion executed by the Attorney General of Wisconsin or an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the State.

Bondholder and the term **Holder** or **holder** means the registered owner of any Outstanding Bond or Bonds, if registered to a particular person or persons, or the holder of any Outstanding Bond or Bonds in bearer form or registered as to principal only, or his duly authorized attorney in fact, representative or assigns.

2005 Series A Bonds means the State of Wisconsin Transportation Revenue Bonds, 2005 Series A, issued on March 10, 2005.

2007 Series 1 Bonds means the State of Wisconsin Transportation Revenue Refunding Bonds, 2007 Series 1, issued on March 8, 2007.

2009 Series B Bonds means the State of Wisconsin Transportation Revenue Bonds, 2009 Series B (Taxable), issued on October 1, 2009.

2010 Series A Bonds means the State of Wisconsin Transportation Revenue Bonds, 2010 Series A, issued on December 9, 2010.

2010 Series B Bonds means the State of Wisconsin Transportation Revenue Bonds, 2010 Series B (Taxable), issued on December 9, 2010.

2012 Series 1 Bonds means the State of Wisconsin Transportation Revenue Bonds, 2012 Series 1, issued on April 25, 2012.

2012 Series 2 Bonds means the State of Wisconsin Transportation Revenue Bonds, 2012 Series 2, issued on June 28, 2012.

2013 Bonds means the State of Wisconsin Transportation Revenue Bonds, 2013 Series 1, issued on March 6, 2013.

2014 Series 1 Bonds means the State of Wisconsin Transportation Revenue Bonds, 2014 Series 1, issued on April 23, 2014.

2014 Series 2 Bonds means the State of Wisconsin Transportation Revenue Refunding Bonds, 2014 Series 2, issued on December 10, 2014.

2015 Series 1 Bonds means the State of Wisconsin Transportation Revenue Refunding Bonds, 2015 Series 1, issued on April 30, 2015.

2015 Series A Bonds mean the State of Wisconsin Transportation Revenue Bonds, 2015 Series A, issued on December 10, 2015.

2017 Series 1 Bonds mean the State of Wisconsin Transportation Revenue Bonds, 2017 Series 1, issued on May 31, 2017.

2017 Series 2 Bonds mean the State of Wisconsin Transportation Revenue Refunding Bonds, 2017 Series 2, issued on December 21, 2017.

Building Commission or **Commission** means the State of Wisconsin Building Commission established and existing pursuant to Section 13.48, Wisconsin Statutes, and any successor thereto to whom the powers and duties granted to or imposed by the General Resolution shall be given by law.

Capitalized Interest Account shall mean the account established by Section 402 of the General Resolution.

Certificate means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the General Resolution, or (ii) the report of an Accountant as to audit or other procedures called for by the General Resolution.

Code means the Internal Revenue Service Code of 1986, as amended.

Costs of Issuance means all items of expense, directly or indirectly payable or reimbursable by or to the State which are related to the authorization, sale, credit support, liquidity or issuance of Bonds.

Credit Support and Liquidity Fund Requirement means as of any date of calculation, an amount equal to the aggregate Credit Support and Liquidity Fund Requirements for each Series of Outstanding Bonds as specified with respect to each such Series in the applicable Series Resolution.

Debt Service Requirement means as of any particular date of calculation, the aggregate Interest Requirement and Principal Requirement for Outstanding Bonds as specified in each Series Resolution authorizing the issuance of a Series of Bonds.

Debt Service Reserve Requirement means, as of any particular date of computation, an amount equal to the aggregate of the amounts specified in each Series Resolution authorizing the issuance of a Series of Bonds (any of which are Outstanding on the date of computation) as the amount to be the Debt Service Reserve Requirement, provided that, with respect to any Series of Bonds, in lieu of a deposit to the Reserve Fund of an amount equal to the applicable Series Debt Service Reserve Requirement, the State may provide for a letter of credit, municipal bond insurance policy, surety bond or other type of agreement or arrangement with an entity having, at the time of entering into such agreement or arrangement, a credit rating equal to or greater than the Bonds which provides for the availability, at the times required pursuant to the provisions of any Series Resolution, of an amount at least equal to such Series Debt Service Reserve Requirement and such method of funding shall be deemed to satisfy all provisions of the Series Resolution with respect to the Debt Service Reserve Requirement and the amount required to be on deposit in the Reserve Fund with respect to such Series of Bonds.

Department of Transportation or **Department** or **DOT** means the State of Wisconsin Department of Transportation established and existing pursuant to Section 15.46, Wisconsin Statutes, and any successor thereto to which the powers and duties granted to or imposed by the General Resolution shall be given by law.

Fiduciary means the Trustee, the Registrar and any Paying Agent, or any or all of them as may be appropriate.

Fiscal Year means the annual period beginning on July 1st of each year and ending on June 30th of the following year.

Fund means one or more, as the case may be, of the funds or accounts created and established pursuant to the General Resolution.

General Resolution means the General Resolution as the same may from time to time be amended, modified or supplemented by a Supplemental Resolution.

Interest Payment Dates means any date on which is due the payment of interest on any Series of Bonds as specified in each Series Resolution authorizing the issuance of the Series of Bonds.

Interest Requirement means as of any particular date of calculation, the amount equal to any unpaid interest then due, plus an amount to the interest accruing or payable during the period between the date of calculation and the next Redemption Fund Deposit Day with respect to each Series of Outstanding Bonds.

Investment Obligations means and includes any of the following obligations to the extent the same are at the time legal for investment of funds of the State under the Act, the Revenue Obligations Act, or under other applicable law:

1. Direct obligations of or obligations guaranteed by the United States of America;
2. Obligations the payment of principal and interest on which, by act of Congress or in the opinion of the Attorney General of the United States in office at the time such obligations were issued, are unconditionally guaranteed by the United States of America;
3. Bonds, debentures, notes, participation certificates or other similar evidences of indebtedness issued by any of the following: Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, the Federal Financing Bank, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Export Import Bank of the United States, Student Loan Marketing Association, Farmer's Home Administration, Government National Mortgage Association, Small Business Administration, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of Congress of the United States as an agency or instrumentality thereof or sponsored thereby (including but not limited to the fully guaranteed portion of an obligation partially guaranteed by

any of the foregoing, if the State's ownership of such portion is acknowledged in writing by an officer of the guaranteeing agency or instrumentality);

4. Public Housing Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;
5. Obligations of any state within the United States or of any political subdivision of any state, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency;
6. Bankers acceptances drawn on and accepted by banks (including the Trustee and Paying Agent) and certificates of deposit by banks (including the Trustee and Paying Agent), with a combined capital and surplus aggregating at least $100,000,000 and securities of which are currently rated within the two highest rating categories assigned by a nationally recognized rating agency, or the international branches or banking subsidiaries thereof;
7. Interest-bearing time deposits, or certificates of deposit of a bank (including the Trustee and Paying Agent) or trust company, continuously secured and collateralized by obligations of the type described in clauses (1), (2), (3) and (4) hereof, having a market value at least equal at all times to the amount of such deposit or certificate, to the extent such deposit or certificate is not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or any successors thereto;
8. Commercial paper given the highest rating by S&P Global Ratings and Moody's Investors Service at the time of such investments;
9. Investment agreements with banks or bank holding companies the senior long-term debt securities of which are rated within the two highest categories by a nationally recognized rating agency and which have a capital and surplus of at least $100,000,000;
10. Repurchase agreements, with banks or other financial institutions (including the Trustee and Paying Agent) (**Repurchaser**) provided that each such repurchase agreement (a) is in a commercially reasonable form and is for a commercially reasonable period, and (b) result in transfer to the Trustee of legal and equitable title to, or the granting to the Trustee of a prior perfected security interest in, identified obligations referred to in clauses (1), (2), (3) and (4) above which are free and clear of any claims by third parties and are segregated in a custodial or trust account held either by the Trustee or by a third party (other than the Repurchaser) as the agency solely of, or in trust solely for the benefit of the Trustee, provided that obligations acquired pursuant to such repurchase agreements shall be valued at the lower of the then current market value of such obligations or the repurchase prices thereof set forth in the applicable repurchase agreement, such investments shall be made so as to mature on or prior to the date or dates that the Trustee anticipates that moneys therefrom be required;
11. Shares of beneficial interests in an investment fund or trust substantially all of whose assets consist of those identified obligations referred to in clauses (1) and (2) above; and
12. Any short term government fund whose assets consist of those identified obligations referred to in clauses (1), (2), (3), (4) and (10) above.

Notes or Commercial Paper Notes means the State of Wisconsin Transportation Revenue Commercial Paper Notes of 2013, Series A and any other obligations issued on parity with such notes pursuant to the Note Program Resolution.

Note Program Resolution means the Transportation Revenue Commercial Paper Note Program Resolution, dated April 23, 1997.

Outstanding, when used with reference to Bonds and as of any particular date, describes all Bonds that have been delivered and are expected to be delivered except (a) any Bond cancelled by the Trustee, or proven to the satisfaction of the Trustee to have been cancelled by the Registrar, at or before said date, (b) any Bond deemed to have been paid in accordance with the provisions of Section 1201 of the General Resolution, and (c) 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.

Paying Agent for the payment of the principal of, Redemption Price and interest on the Bonds of a particular Series means the Treasurer or any bank or trust company designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in the General Resolution.

Principal and Interest Account means the account established by Section 502 of the General Resolution.

Principal Installment means (a) the principal amount of Outstanding Bonds that mature on a single future date, and (b) the amount of any Sinking Fund Installment required to be paid on a single future date.

Principal Installment Dates means any dates designated in a Series Resolution as a day a Principal Installment is to be paid.

Principal Requirement means, as of any particular date of calculation, the amount of money equal to any unpaid Principal Installment then due with respect to each Series of Outstanding Bonds and the amount of the next succeeding Principal Installment divided by the number of Redemption Fund Deposit Days prior to the next Principal Installment Date with respect to each Series of Outstanding Bonds.

Program means the State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligations Program financed under the Act, the Revenue Obligations Act and the General Resolution in accordance with any other enactment of the State which may hereafter specify an extension, expansion, addition or improvement of and for said Program pursuant to the Act, the Revenue Obligations Act and the General Resolution but not financed under the provisions of any other bond resolution or indenture of trust.

Program Account means the account so designated by Section 402 of the General Resolution.

Program Capital Fund means the Fund that is established and created by Section 402 of the General Resolution and pursuant to Section 18.57 of the Revenue Obligations Act.

Program Expense Fund means the Fund that is established and created by Section 514 of the General Resolution.

Program Expenses means the reasonable and proper costs and expenses of the Department of Transportation for the operation and maintenance of the Program, including, without limitation, the administrative expenses allocable to the Program and the fees and expenses of the Trustee and the Paying Agents and Registrars of the Bonds.

Program Income means moneys derived under Sections 341.25, 341.09(2)(d), (2m)(a)1., (4), and (7), 341.14(2), (2m), (6)(d), (6m)(a), (6r)(b)2., (6w), and (8), 341.145(3), 341.16(1)(a) and (b), (2), and (2m), 341.17(8), 341.19(1)(a), 341.255(1), (2)(a), (b), and (c), (4), and (5), 341.26(1), (2), (2m)(am)and(b), (3), (3m), (4), (5), and (7), 341.264(1), 341.265(1), 341.266(2)(b) and (3), 341.268(2)(b) and (3), 341.30(3), 341.305(3), 341.308(3), 341.36(1) and (1m), 341.51(2), and 342.14, except Section 342.14(lr), of the Wisconsin Statutes or any other moneys that the State is authorized to pledge, which is to be deposited by the Department of Transportation under Section 18.562(3) and (5) of the Revenue Obligations Act in a separate and distinct fund outside of the State Treasury in an account maintained by the Trustee as the Redemption Fund and all interest earned or gain realized from the investment of amounts in said fund.

Program Income Account means the account established by Section 502 of the General Resolution.

Projects means the projects authorized under the Act and funded with proceeds of Bonds authorized by one or more Series Resolutions.

Redemption Date means the date upon which Bonds are to be called for redemption.

Redemption Fund means the Fund that is established and created by Section 502 of the General Resolution pursuant to Section 18.562(3) of the Revenue Obligations Act.

Redemption Fund Deposit Day means January 1st, April 1st, July 1st, and October 1st of each Fiscal Year.

Redemption Price when used with respect to a Bond or portion thereof, means the principal amount of such Bond or portion plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms pursuant to the General Resolution and to the Series Resolution.

Registrar means, with respect to Bonds of a particular Series, the Treasurer or any person with whom he has contracted with for the performance of any of his functions under Section 18.10(5) and (7), Wisconsin Statutes.

Reserve Fund means the Fund that is established and created by Section 508 of the General Resolution pursuant to Section 18.562 of the Revenue Obligations Act.

Revenue Obligations Act means Subchapter II of Chapter 18 of the Wisconsin Statutes, as amended.

Secretary means the Secretary of the Department of Transportation or any other officer, board, body, commission or agency succeeding to the powers, duties and functions thereof.

Serial Bonds means the Bonds so designated in a Series Resolution.

Series, when used with respect to less than all of the Bonds, means and refers to all of the Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the General Resolution or a Series Resolution.

Series Resolution means any resolution adopted by the Commission pursuant to and in accordance with the terms of Article II of the General Resolution, providing for the issuance of a particular Series of Bonds.

Sinking Fund Installment means the amount of money unconditionally required by or pursuant to a Series Resolution to be paid toward the retirement of any particular Term Bonds prior to their respective stated maturities.

State means the State of Wisconsin, including the Commission, or Department of Transportation, as the case may be, acting on behalf of the State pursuant to the Act or the Revenue Obligations Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of any of the foregoing.

Statutes means the Wisconsin Statutes.

Subordinated Debt Service Fund means an account established in Section 5.1 of 1997 State of Wisconsin Building Commission Resolution 7, adopted by the Commission on April 23, 1997, as amended, pursuant to Section 714(C) of the General Resolution, and pledged to the payment of the Commercial Paper Notes.

Subordinated Debt Service Fund Requirement means, as of any date of calculation, an amount equal to the aggregate Subordinated Debt Service Fund Requirements for each Subordinated Indebtedness Series of Outstanding Bonds (or Commercial Paper Notes) as specified with respect to each such Series in the applicable Series Resolution.

Subordinated Indebtedness means a Series of Bonds issued pursuant to Section 714 (C) of the General Resolution, and includes the Commercial Paper Notes.

Supplemental Resolution means any resolution adopted by the Commission pursuant to and in accordance with the terms of Article VIII of the General Resolution amending or supplementing the provisions of the General Resolution as originally adopted or as amended or supplemented prior to the amending or supplementing affected by the particular Supplemental Resolution.

Term Bonds means the Bonds so designated in a Series Resolution.

Transportation Fund means the fund established in Section 25.40, Wisconsin Statutes.

Treasurer means the State Treasurer or any other officer, board, body, commission or agency succeeding to any of the powers, duties and functions thereof.

Trustee means The Bank of New York Mellon Trust Company, N.A., as trustee appointed by or pursuant to Section 1101 of the General Resolution, and its successor or successors and any other corporation or association that may at any time be substituted in its place pursuant to the General Resolution.

APPENDIX A

AUDITED FINANCIAL STATEMENTS

The following are the independent auditor's report and audited statement of cash receipts and disbursements for the years ended June 30, 2018 and June 30, 2017, for the Transportation Revenue Bond Program, and includes the Independent Auditors' Report, dated November 2, 2018, together with unaudited information pertaining to the Program Income. Any web sites listed in the independent auditor's report and audited statement of cash receipts and disbursements are not incorporated by reference into this Part V of the 2018 Annual Report.

{This page number is the last sequential page number of the 2018 Annual Report to be used in Part V of the 2018 Annual Report. The following uses page numbers from the independent auditor's reports, audited statements of cash receipts and disbursements, and unaudited supplementary information pertaining to Program Income. The sequential page numbers for the 2018 Annual Report continue in Part VI.}

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

Statements of Cash Receipts and Disbursements
for the Fiscal Years Ended June 30, 2018 and 2017
with Independent Auditors' Report

Schenck

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

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Independent auditors' report

To the Wisconsin Department of Transportation
State of Wisconsin
Madison, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of cash receipts and disbursements of the Wisconsin Transportation Revenue Obligation Program (the "Program"), for the fiscal years ended June 30, 2018 and 2017, and the related notes to the financial statements which collectively comprise the Program's statements of cash receipts and disbursements as listed in the table of contents.

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 controls 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 an opinion 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 auditors consider 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 opinion.

OPINION

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 Transportation Revenue Obligation Program for the years ended June 30, 2018 and 2017, 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

Required Supplementary Information

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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other 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 is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

The schedule of program revenue on page 33 has 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 the schedule.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2018 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
November 2, 2018

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	FY 2018	FY 2017
CASH AND INVESTMENTS, BEGINNING OF FISCAL YEAR	$ 381,321,811	$ 333,230,461
RECEIPTS:		
Motor vehicle registration fees retained by Trustee	213,374,263	227,316,107
Investment income	1,221,935	1,658,283
Revenue bond proceeds - par value	-	95,975,000
Revenue bond proceeds - accrued interest and original issuance premium, net of underwriter's discount	-	15,223,530
Revenue refunding bond proceeds - par value	368,595,000	188,545,000
Revenue refunding bond proceeds - accrued interest and original issuance premium, net of underwriter's discount	71,871,519	38,066,007
Total receipts	655,062,717	566,783,928
DISBURSEMENTS:		
Revenue Bond DS - interest	90,186,703	96,418,536
Revenue Bond DS - principal	103,350,000	102,395,000
Defeasance of debt - payment to current bondholders	29,980,000	-
Program expenses	416,395	699,387
Commercial Paper DS - interest	728,780	641,154
Commercial Paper DS - principal	29,915,000	28,405,000
Net premium paid/(discount earned) on investments	(826,373)	1,464,449
Highway program expenditures	66,121,734	88,014,672
Bond issuance costs	1,387,335	121,862
Defeasance of debt - purchase of securities for escrow account	191,268,351	200,532,518
Total disbursements	512,527,925	518,692,578
CASH AND INVESTMENTS, END OF FISCAL YEAR	$ 523,856,603	$ 381,321,811
Cash and investments reserved for debt service	$ 415,062,833	$ 207,384,255
Cash and investments reserved for program expenses	177,027	178,996
Cash and investments reserved for highway expenditures	108,616,743	173,758,559
	$ 523,856,603	$ 381,321,811

See notes to statements of cash receipts and disbursements.

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

1. NATURE OF PROGRAM

The State of Wisconsin Transportation Facilities and Highway Projects Revenue Obligation Program (the "Program") originated in June 1986 pursuant to the adoption of the General Resolution, as amended, by the State of Wisconsin Building Commission (the "Building Commission"). The Program provides financing for the construction, maintenance and repair of certain major highway projects and administrative facilities. The program is currently authorized to issue the following revenue obligations:

Transportation Revenue Bonds (the "Revenue Bonds") issued for the Program are pursuant to the General Resolution. The Program has issued, and may issue in the future, Revenue Bonds that are revenue obligations of the State, payable solely from the Redemption Fund created by the General Resolution.

The Commercial Paper Notes (the "CP Notes") originated in April 1997 pursuant to the adoption of a Program Resolution, as amended, by the Building Commission. The Program has issued, and may issue in the future, CP Notes that are revenue obligations of the State, payable solely from the Subordinated Debt Service Fund created by the General Resolution.

All Revenue Bonds and CP Notes are issued pursuant to Subchapter II of Chapter 18 of the Wisconsin Statutes, as amended and a General Resolution and Series Resolutions adopted by the Building Commission. The Department has statutory authority (as amended) as of June 30, 2018, to issue a total of $4,055,372,900 of revenue obligations (excluding refunding Revenue Bonds), in order to partially finance the costs of the authorized projects. Projects are also funded, in part, with proceeds from State of Wisconsin ("State") general obligation debt, federal aid and other money in the State Transportation Fund. Of that statutory amount, the Program has authority to issue CP notes in an aggregate outstanding principal amount not to exceed $275,000,000. As of June 30, 2018, The Wisconsin Department of Transportation (the "Department") has remaining statutory authority to issue $210,205,980 of additional revenue obligations.

Receipts provided from motor 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") are used to service borrowing obligations, with debt service for Revenue Bonds having a first lien pledge of receipts and debt service for CP Notes having a subordinate pledge of receipts. 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 Revenue Bonds as they become due, to pay program expenses, to maintain the Debt Service reserve requirement, and to pay principal and interest on CP Notes. Remaining Program Income is transferred to the Department free of the lien pledge of the General Resolution.

The Department is responsible for managing the construction projects and the collection of motor vehicle registration fees and certain other vehicle registration-related fees.

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 Bonds. The Bonds series which are currently active include: 2005 Series A, 2007 Series 1, 2008 Series A, 2009 Series B (Taxable), 2010 Series A, 2010 Series B (Taxable), 2012 Series 1, 2012 Series 2, 2013 Series 1, 2014 Series 1, 2014 Series 2, 2015 Series 1, 2015 Series A, 2017 Series 1, 2017 Series 2, and CP Notes: 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, the determination of the debt service reserve requirements (see Note 6) and the procedure to be followed for the redemption of the Bonds and CP 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.

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.

Revenue (or Refunding) Bond Proceeds - Bonds 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.

Revenue Bond Debt Service - Principal and Interest - Debt service payments on Bonds are recorded when paid.

Defeasance of debt – Represents the amount due on 7/1/18 for bond issuance 2017-1.

Program Expenses - Represents payments for program expenses.

Commercial Paper (Subordinated) Debt Service - Principal and Interest - Debt service payments on CP Notes are recorded when paid. CP Notes payable that mature and are replaced with new CP 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Bond Issuance Costs - Costs associated with issuing Revenue Bonds and CP Notes, such as legal, financial advisor and accounting fees, are recorded when paid. For Revenue 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 obligations and recording of the proceeds.

Defeasance of Debt – Revenue Bonds are periodically retired before their maturity by the Program. In a current refunding, a disbursement is recorded when the refunded Revenue Bonds are paid, which may differ from when the refunding Revenue Bond proceeds are received. In an advance refunding, a disbursement is recorded at the settlement of the refunding Revenue Bonds when the payment to an escrow account occurs and the Program has defeased its obligation. The refunded Revenue Bonds are fully retired at a later date using the investments in the escrow account.

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 S&P Global Ratings 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.

During fiscal years 2018 and 2017, the Program's assets were held in deposit accounts or invested in a money market fund, U.S. Treasury 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, which approximates fair value.

3. CASH AND INVESTMENTS (Continued)

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

	June 30, 2018		June 30, 2017	
Investments	**Cost**	**Fair Value**	**Cost**	**Fair Value**
Bank of New York Cash	$ 454	$ 454	$ 297,606	$ 297,606
Bank of New York Cash Reserve (deposit account)	33,728,498	33,728,498	119,070,592	119,070,592
Escrow - Treasury Securities - State and Local Government Series	248,301,050	248,301,050	-	-
Money Market Funds:				
• Dreyfus Treasury Cash Management	185,577	185,577	59,854,508	59,854,508
• Fidelity Institutional - Treasury Portfolio	558,511	558,511	1,166,018	1,166,018
• Goldman Sachs Financial Sq Funds	-	-	104,322	104,322
Federal Agency Securities:				
• Freddie Mac Discount Notes	-	-	33,312,654	33,431,000
• Federal Home Loan Bank Discount Notes	24,899,875	25,057,000	56,722,773	56,807,001
• Federal National Mortgage Association Discount Notes	-	-	-	-
• United States Treasury Note/Bond	216,182,638	216,227,888	110,793,338	110,789,843
Total	$523,856,603	$524,058,978	$381,321,811	$381,520,890

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 S&P Global Ratings, Moody's Investors Service, Inc., and Fitch Ratings. As of June 30, 2018, the deposit account was rated Aa1 by Moody's and AA- by S&P and Fitch. S&P's rating for U.S. government securities was AA+. All remaining investments were rated AAA.

3. CASH AND INVESTMENTS (Continued)

- 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 investment requirements. As of June 30, 2018, 12 percent of the Program's assets were held in a deposit account - 87.5 percent of the Program's assets were invested in federal agency securities and 0.5 percent in money market funds; however, this fund solely invests in U.S. government securities.

- Interest rate risk involves the potential price fluctuations in a bond that are caused by changes in the general level of interest rates. Generally, the longer the maturity on an investment, the greater the sensitivity of its fair value to changes in market interest rates. The current portfolio has minimal interest rate risk as the longest maturity is July 2, 2018.

- 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, 2018.

Fair Value Measurements

The Program categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs.

The Program has the following Level 1 fair value measurements as of June 30, 2018:

	June 30, 2018	June 30, 2017
Investments		
Federal Home Loan Bank		
Discount Notes	$ 25,057,000	$ 56,807,001
Freddie Mac Discount Notes	-	33,431,000
United States Treasury Note/Bond	216,227,888	110,789,843
Total investments by fair value level	$ 241,284,888	$ 201,027,844

Treasury Securities – State and Local Government Series of $248,301,050 represent special purpose securities issued by the Department of the Treasury with fixed yields to allow the Program to escrow resources for the future retirement of defeased revenue bonds. The securities are valued at cost, as the securities are held to maturity in accordance with the requirements of the escrow and no market exists for these securities.

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

4. BONDS

Revenue Bonds are collateralized by a first lien pledge of Program Income. The State is not generally liable on the Revenue Bonds nor are the projects financed by the Revenue Bonds pledged as collateral.

A summary of the revenue obligations in the form of Revenue Bonds outstanding as of June 30, 2018 and 2017 is as follows:

	2018	2017
Transportation Revenue Bonds, 2005 Series A, fixed interest rate of 5.0% interest payable semiannually, annual principal payments of variable amounts through 2020	$ 28,575,000	$ 28,575,000
Transportation Revenue Refunding Bonds, 2007 Series 1, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2020	136,455,000	189,235,000
Transportation Revenue Bonds, 2008 Series A, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2018	-	16,140,000
Transportation Revenue Bonds, 2009 Series B (Taxable), varying interest rates from 4.44% to 4.54%, interest payable semiannually, annual principal payments of variable amounts through 2019 (1)	127,245,000	134,125,000
Transportation Revenue Bonds, 2010 Series A, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2020	8,935,000	21,165,000
Transportation Revenue Bonds, 2010 Series B (Taxable), varying interest rates from 4.7% to 6.0%, interest payable semiannually, annual principal payments of variable amounts through 2020 (2)	123,925,000	123,925,000
Transportation Revenue Bonds, 2012 Series 1, varying interest rates from 3.5% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2024	150,435,000	207,040,000
Transportation Revenue Bonds, 2012 Series 2, varying interest rates from 4.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2024	105,065,000	116,400,000

(1) $112,595,000 refinanced through a crossover refunding

(2) $123,925,000 refinanced through a crossover refunding

4. BONDS (Continued)

	2018	2017
Transportation Revenue Bonds, 2013 Series 1, varying interest rates from 4.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2033	169,515,000	207,375,000
Transportation Revenue Bonds, 2014 Series 1, varying interest rates from 4.5% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2034	79,065,000	162,280,000
Transportation Revenue Bonds, 2014 Series 2, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2027	94,130,000	94,130,000
Transportation Revenue Bonds, 2015 Series 1, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2029	166,430,000	189,685,000
Transportation Revenue Bonds, 2015 Series A, varying interest rates from 3.0% to 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2036	222,520,000	225,000,000
Transportation Revenue Bonds, 2017 Series 1, fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2037	284,520,000	284,520,000
Transportation Revenue Bonds, 2017 Series 2 fixed interest rate of 5.0%, interest payable semiannually, annual principal payments of variable amounts through 2032	368,595,000	-
Total principal amount of Bonds outstanding at June 30	2,065,410,000	1,999,595,000
Less: current maturities	103,235,000	133,330,000
Principal of Bonds outstanding at June 30 due beyond one year	$ 1,962,175,000	$ 1,866,265,000

Resources for the retirement of Bonds outstanding as of June 30 will be provided by the following sources:

	2018	2017
Available bond proceeds for:		
Current refunding	$ -	$ 29,980,000
Crossover refunding	236,520,000	-
Program income	1,828,890,000	1,969,615,000
Total principal amount of Bonds outstanding at June 30	$ 2,065,410,000	$ 1,999,595,000

4. BONDS (Continued)

Additional series of obligations may be issued on par with the Revenue 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 Revenue Bonds.

Future maturities of Revenue Bonds payable as of June 30, 2018 are as follows:

Fiscal Year Ending June 30,	
2019	$ 103,235,000
2020	227,150,000
2021	246,730,000
2022	133,820,000
2023 – 2027	583,680,000
2028 – 2032	503,685,000
2033 – 2037	256,105,000
2038	11,005,000
	$2,065,410,000

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 $4.5 million subsidy for interest due January 1 and July 1, 2018, was received and deposited in the State Transportation Fund. The subsidy was reduced by $322,775 as required by the Budget Control Act of 2011 (federal budget sequestration).

Crossover Refunding

During 2017, the Program refunded the 2020 through 2030 maturities from the 2009 Series B and 2022 through 2031 maturities of the 2010 Series B Bonds totaling $236,520,000 by issuing $368,595,000 of Transportation Revenue Bonds, 2017 Series 2. Proceeds of $248,301,500 from the Transportation Revenue Bonds, 2017 Series 2 were used to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources to retire $21,423,431 of interest due on the 2017 Series 2 Bonds through July 1, 2020, 2009 Series B principal of $112,595,000 on July 1, 2019 (the crossover date for the 2009 Series B Bonds), and 2010 Series B principal of $123,925,000 on July 1, 2020 (the crossover date for the 2010 Series B Bonds). Because the Program continues to be responsible for interest payments on the 2009 Series B and 2010 Series B Bonds through the crossover dates, the Program recorded the irrevocable trust assets of $248,301,500 as assets restricted for debt service, and both the 2009 Series B, 2010 Series B and 2017 Series 2 Bonds are included as revenues bonds payable of the Program and included in the above future maturities of the Revenue Bond until their respective crossover dates.

The following is a summary of the principal amounts called and the related crossover date of the Bonds at June 30, 2018.

Series	Maturity	Principal Amount	Crossover and Redemption Date	Redemption Price
2009 Series B	July 1, 2020	$7,825,000		
	July 1, 2021	8,200,000		
	July 1, 2022	8,600,000		
	July 1, 2023	9,040,000		
	July 1, 2024	9,510,000		
	July 1, 2025	10,015,000		
	July 1, 2030	59,405,000	July 1, 2019	Par
		112,595,000		
2010 Series B	July 1, 2022	9,850,000		
	July 1, 2023	10,345,000		
	July 1, 2024	10,865,000		
	July 1, 2025	11,405,000		
	July 1, 2026	11,975,000		
	July 1, 2027	12,575,000		
	July 1, 2028	13,205,000		
	July 1, 2029	13,865,000		
	July 1, 2030	14,555,000		
	July 1, 2031	15,285,000	July 1, 2020	Par
		123,925,000		
		$236,520,000		

5. DEFEASED REVENUE BONDS

From time to time, the Program issues 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 an escrow agent 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 (including the crossover refunding, as discussed in Note 4) during the fiscal years ended June 30, 2018 and 2017 follows:

Refunding Issue	Debt Service Savings	Economic Gain
2017 Series 2 (FY18)	$ 22,488,365	$ 21,283,133
2017 Series 1 (FY17)	$ 13,145,714	$ 12,547,708

Defeased Revenue Bonds, totaling $561.9 million as of June 30, 2018, 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, 2018.

5. DEFEASED REVENUE BONDS (Continued)

The Bonds defeased by 2014 Series 2 that have not been redeemed were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2008 Series A	July 1, 2019	$8,680,000		
	July 1, 2020	9,115,000		
	July 1, 2021	9,570,000		
	July 1, 2022	10,045,000		
	July 1, 2023	10,550,000		
	July 1, 2024	11,075,000		
	July 1, 2025	11,630,000		
	July 1, 2026	12,210,000	July 1, 2018	Par
		$82,875,000		

The Bonds defeased by 2015 Series 1 that have not been redeemed were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2008 Series A	July 1, 2027	$12,825,000		
	July 1, 2028	13,465,000		
	July 1, 2029	14,140,000	July 1, 2018	Par
		40,430,000		
2014 Series 1	July 1, 2021	13,285,000		
	July 1, 2022	15,115,000		
	July 1, 2023	15,870,000		
	July 1, 2024	16,665,000		
	July 1, 2025	17,495,000		
	July 1, 2026	18,375,000	July 1, 2019	Par
		96,805,000		
		$137,235,000		

The Bonds defeased by 2017 Series 1 that have not been redeemed were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2010 Series A	July 1, 2018	$8,105,000		
	July 1, 2019	4,000,000		
	July 1, 2021	9,385,000	July 1, 2020	Par
		21,490,000		

5. DEFEASED REVENUE BONDS (Continued)

2012 Series 1	July 1, 2023	8,675,000		
	July 1, 2024	9,105,000		
	July 1, 2025	9,560,000		
	July 1, 2026	10,040,000		
	July 1, 2027	10,540,000		
	July 1, 2028	11,070,000	July 1, 2022	Par
		58,990,000		
2013 Series 1	July 1, 2024	9,880,000		
	July 1, 2025	10,375,000		
	July 1, 2026	10,895,000		
	July 1, 2027	11,440,000	July 1, 2023	Par
		42,590,000		
2014 Series 1	July 1, 2020	9,715,000	July 1, 2019	
	July 1, 2027	19,285,000	July 1, 2022	
	July 1, 2028	20,255,000	July 1, 2022	Par
		49,255,000		
		$172,325,000		

The Bonds defeased by 2017 Series 2 that have not been redeemed were as follows:

Series	Maturity	Principal Amount	Redemption Date	Redemption Price
2008 Series A	July 1, 2018	$8,265,000	July 1, 2018	Par
2010 Series A	July 1, 2018	4,510,000	July 1, 2019	Par
2012 Series 1	July 1, 2029	11,620,000		
	July 1, 2030	12,205,000		
	July 1, 2031	12,815,000		
	July 1, 2032	13,455,000	July 1, 2022	Par
		50,095,000		
2013 Series 1	July 1, 2028	12,010,000		
	July 1, 2029	12,610,000		
	July 1, 2030	13,240,000	July 1, 2023	Par
		37,860,000		
2014 Series 1	July 1, 2019	1,670,000		
	July 1, 2029	21,270,000		
	July 1, 2030	22,330,000		
	July 1, 2031	23,450,000	July 1, 2022	Par
		68,720,000		
		$169,450,000		

Total defeased Revenue Bonds outstanding
at June 30, 2018: $561,885,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

6. DEBT SERVICE RESERVE FUND REQUIREMENT

The General Resolution creates a Reserve Fund for the Revenue Bonds; however, the balance as of June 30, 2018 is zero. The State, pursuant to each Series Resolution, specifies the Debt Service Reserve Requirement ("DSRR"), if any, for each series of Bonds. The individual DSRRs for each series of outstanding obligations are combined to determine the aggregate DSRR for the Reserve Fund. If all of the obligations cease to be outstanding, then the aggregate DSRR is reduced by the individual DSRR attributable to that obligation. Since 2003, the State has not specified a DSRR for any obligation that has been issued. Furthermore, the State does not currently expect to specify a DSRR for any future Series of additional Bonds; however, the State reserves the right to change its practice and specify a DSRR for any future series of additional obligations.

7. CP NOTES

The CP Notes are revenue obligations of the State, payable solely from the Subordinated Debt Service Fund (see Note 8). The State is not generally liable on the CP Notes, nor are the projects financed by the CP Notes pledged as collateral.

A summary of the revenue obligations issued in the form of CP Notes outstanding as of June 30, 2018 and 2017 is as follows:

	2018	2017
Commercial Paper Notes of 1997, Series A	$ 8,803,000	$ 20,458,000
Commercial Paper Notes of 2006, Series A	-	11,260,000
Commercial Paper Notes of 2013, Series A	50,005,000	57,005,000
Total CP Notes Payable as of June 30	$ 58,808,000	$ 88,723,000

The CP Notes consist of interest-bearing obligations issued in initial denominations of $100,000 and additional increments of $1,000 above $100,000. The CP 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.

To assure the timely payment of principal and interest on the CP Notes, the State has entered into a Second Amended and Restated Credit Agreement, dated April 20, 2016, (the liquidity facility agreement) with State Street Bank and Trust Company (the "Credit Agreement"). As of June 30, 2018, the commitment amount is $63,000,000, an amount not less than CP note principal outstanding at that time. (Effective November 13, 2017) This Credit Agreement expires April 20, 2019, but may be extended upon agreement of both parties. The Credit Agreement describes events which, if they occur, would cause early termination.

The CP Notes will mature no later than 270 days from the date of issuance provided that a liquidity facility agreement is in effect. No CP 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 CP Notes will be paid at maturity and the CP Notes are not callable prior to maturity. The State expects to pay the principal on the CP Notes with the proceeds of additional notes until the State provides

7. CP NOTES (Continued)

permanent financing through the issuance of long-term obligations. Each CP Note bears interest from its date of issuance, at the rate determined on the date of issuance (which may not exceed 12% per annum).

As of June 30, 2018, the CP Notes of 1997, Series A had a maturity date of September 6, 2018 and a weighted average interest rate of 1.35%. The CP Notes of 2013, Series A had maturities ranging from August 2 to September 7, 2018 and a weighted average interest rate of 1.4108%.

As of June 30, 2017, the CP Notes of 1997, Series A had maturities ranging from July 6 to August 3, 2017 and a weighted average interest rate of .8983%. The CP Notes of 2006, Series A had maturities of July 6, 2017 with a weighted average interest rate of .8758%. The CP Notes of 2013, Series A had maturities ranging from July 6 to July 11, 2017 and for a weighted average interest rate of 0.9582%.

8. 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 CP Notes from Program Income deposited into this fund. The pledge of such Program Income to make payments for CP Notes is subordinate to the pledge of Program Income payments for outstanding Bonds.

9. 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 Bond and CP Note expenses of the trustee, audit fees and other direct expenses of the Program.

SUPPLEMENTARY INFORMATION

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

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

FOR THE YEAR ENDED JUNE 30, 2018

	July 2017	October 2017	January 2018	April 2018	Total
Program Expense	$ 134,000	$ 120,000	$ 108,000	$ 51,000	$ 413,000
2005 Series A	354,852	357,188	357,188	357,188	1,426,416
2007 Series 1	14,146,360	14,250,688	10,118,188	14,250,688	52,765,924
2008 Series A	2,144,288	2,169,563	-	-	4,313,851
2009 Series B (Taxable)	3,469,719	3,502,694	3,502,694	3,502,694	13,977,801
2010 Series A	141,231	168,063	111,688	111,688	532,670
2010 Series B (Taxable)	1,693,097	1,704,171	1,704,171	1,704,171	6,805,610
2012 Series 1	4,167,121	4,207,250	3,581,063	3,581,063	15,536,497
2012 Series 2	4,126,792	4,170,138	4,170,138	4,170,138	16,637,206
2013 Series 1	5,100,053	5,118,600	4,645,350	4,645,350	19,509,353
2014 Series 1	2,148,793	2,208,269	1,349,269	1,349,269	7,055,600
2014 Series 2	1,168,989	1,176,625	1,176,625	1,176,625	4,698,864
2015 Series 1	5,092,106	5,177,875	5,177,875	5,177,875	20,625,731
2015 Series A	3,314,207	3,338,550	3,338,550	3,338,550	13,329,857
2017 Series 1	4,169,008	4,169,008	3,556,500	3,556,500	15,451,016
2017 Series 2	-	-	2,116,191	2,116,191	4,232,382
1997 Series A CP	2,165,452	2,200,750	2,200,750	-	6,566,952
2006 Series A CP	(34,048)	-	-	2,200,750	2,166,702
2013 Series A CP	1,816,330	1,837,500	1,837,500	1,837,500	7,328,830
Total	$ 55,318,351	$ 55,876,932	$ 49,051,740	$ 53,127,240	$ 213,374,263

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2005 SERIES A
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2020	5.00	$ 28,575,000
		$ 28,575,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2007 SERIES 1
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal	
2018	5.00	$	50,180,000
2019	5.00		52,735,000
2020	5.00		33,540,000
		$	136,455,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2009 SERIES B (TAXABLE)
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2018	4.44	$ 7,165,000
2019	4.54	7,485,000
2019 [1]	Various	112,595,000
		$ 127,245,000

[1] Funds held in escrow for retirement

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2010 SERIES A
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2020	5.00	$ 8,935,000
		$ 8,935,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2010 SERIES B (TAXABLE)
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2020 [1]	Various	$ 123,925,000
		$ 123,925,000

[1] Funds held in escrow for retirement

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2012 SERIES 1
JUNE 30, 2018

Maturity July 1,	Rate (%)		Principal
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		30,370,000
2024	5.00		17,350,000
		$	150,435,000

(3) $2,500,000 at 3.50% and $5,030,000 at 5.00%

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2012 SERIES 2
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
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
		$ 105,065,000

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

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2013 SERIES 1
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
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	16,055,000
2025	5.00	32,160,000
2026	5.00	16,080,000
2031	4.00	13,905,000
2032	4.50	14,460,000
2033	4.00 & 5.00 (6)	15,110,000
		$ 169,515,000

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

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2014 SERIES 1
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2018	5.00	$ 1,830,000
2032	4.50	24,620,000
2033	4.50	25,730,000
2034	4.50	26,885,000
		$ 79,065,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2014 SERIES 2
JUNE 30, 2018

Maturity July 1,	Rate (%)		Principal
2019	5.00	$	8,040,000
2020	5.00		8,440,000
2021	5.00		8,860,000
2022	5.00		9,300,000
2023	5.00		9,770,000
2024	5.00		10,255,000
2025	5.00		10,770,000
2026	5.00		11,305,000
2027	5.00		17,390,000
		$	94,130,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2015 SERIES 1
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2018	5.00	$ 12,390,000
2019	5.00	13,105,000
2021	5.00	26,605,000
2022	5.00	13,940,000
2023	5.00	14,640,000
2024	5.00	15,370,000
2025	5.00	16,135,000
2026	5.00	16,950,000
2027	5.00	11,830,000
2028	5.00	12,420,000
2029	5.00	13,045,000
		$ 166,430,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2015 SERIES A
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2018	5.00	$ 2,580,000
2019	5.00	2,685,000
2020	5.00	2,790,000
2021	5.00	2,930,000
2022	5.00	9,805,000
2023	5.00	10,295,000
2024	5.00	10,805,000
2025	4.00	11,350,000
2026	3.00	11,915,000
2027	5.00	12,510,000
2028	5.00	13,135,000
2029	5.00	13,795,000
2030	5.00	14,485,000
2031	5.00	15,205,000
2032	5.00	15,970,000
2033	5.00	16,765,000
2034	5.00	17,605,000
2035	5.00	18,485,000
2036	5.00	19,410,000
		$ 222,520,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2017 SERIES 1
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2020	5.00	$ 8,355,000
2021	5.00	23,870,000
2022	5.00	15,210,000
2023	5.00	8,675,000
2024	5.00	18,985,000
2025	5.00	19,935,000
2026	5.00	20,935,000
2027	5.00	48,015,000
2028	5.00	38,415,000
2029	5.00	7,450,000
2030	5.00	7,820,000
2031	5.00	8,210,000
2032	5.00	8,620,000
2033	5.00	9,055,000
2034	5.00	9,505,000
2035	5.00	9,980,000
2036	5.00	10,480,000
2037	5.00	11,005,000
		$ 284,520,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - BONDS OUTSTANDING - 2017 SERIES 2
JUNE 30, 2018

Maturity July 1,	Rate (%)	Principal
2021	5.00	$ 5,970,000
2022	5.00	16,225,000
2023	5.00	17,365,000
2024	5.00	18,570,000
2025	5.00	19,830,000
2026	5.00	21,155,000
2027	5.00	22,580,000
2028	5.00	36,070,000
2029	5.00	71,080,000
2030	5.00	75,030,000
2031	5.00	51,295,000
2032	5.00	13,425,000
		$ 368,595,000
Total Bonds Outstanding		$ 2,065,410,000

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

SUPPLEMENTARY INFORMATION - CP NOTES OUTSTANDING - JUNE 30, 2018

1997 SERIES A

Maturity July 1,	Rate (%)*	Principal
2018	VR	$ 8,803,000
		$ 8,803,000

2013 SERIES A

Maturity July 1,	Rate (%)*	Principal
2018	VR	$ 7,350,000
2019	VR	7,720,000
2020	VR	8,105,000
2021	VR	8,510,000
2022	VR	8,935,000
2023	VR	9,385,000
		$ 50,005,000

Total CP Notes Outstanding	$ 58,808,000
Total Revenue Obligations Outstanding	$ 2,124,218,000

*The CP Notes will mature no later than 270 days from the date of issuance provided that a liquidity facility agreement is in effect. The State expects to pay the principal on the CP Notes with the proceeds of additional CP Notes until the State provides permanent financing through the issuance of long-term Bonds or funds deposited in the Subordinate Debt Service Fund. Each CP Note bears interest from its date of issuance, at the rate determined on the date of issuance(which may not exceed 12% per annum).

UNAUDITED INFORMATION

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

Unaudited Information

WISCONSIN TRANSPORTATION REVENUE OBLIGATION PROGRAM

Schedule of Program Revenue (Unaudited)
For the Fiscal Years Ended June 30, 2018 and 2017

Date	Section 341.25 Registration Fees: Registration Non-IRP	Section 341.25 Registration Fees: IRP Revenues (2)	Section 341.25 Registration Fees: Subtotal	Title Transaction Fees	Counter Service Fees and Personalized License Plates	Subtotal (1)	Other Miscellaneous Vehicle Registration & Related Fees	Total Program Revenues
July, 2017	$ 37,016,177	$ 4,519,883	$ 41,536,060	$ 8,265,608	$ 722,365	$ 50,524,033	$ 1,347,505	$ 51,871,538
August, 2017	37,195,109	4,798,388	41,993,497	9,725,800	787,008	52,506,305	1,446,133	53,952,438
September, 2017	33,285,937	5,815,175	39,101,112	8,416,868	638,859	48,156,839	1,300,060	49,456,899
October, 2017	35,592,330	7,667,015	43,259,345	8,948,897	684,467	52,892,709	1,333,460	54,226,169
November, 2017	47,176,952	5,836,102	53,013,054	8,126,476	583,385	61,722,915	1,287,832	63,010,747
December, 2017	55,630,717	7,822,026	63,452,744	7,139,470	555,969	71,148,183	1,143,273	72,291,457
January, 2018	41,289,357	6,285,011	47,574,368	7,480,750	617,152	55,672,270	1,225,207	56,897,477
February, 2018	33,550,593	8,560,034	42,110,627	6,604,424	580,628	49,295,678	1,047,633	50,343,312
March, 2018	47,500,269	10,878,478	58,378,747	9,363,755	866,671	68,609,174	1,461,483	70,070,657
April, 2018	39,921,868	13,822,709	53,744,577	8,565,151	767,945	63,077,673	1,346,542	64,424,215
May, 2018	43,232,833	11,555,109	54,787,942	9,728,115	870,957	65,387,014	1,572,015	66,959,029
June, 2018	39,254,620	6,584,861	45,839,481	9,443,641	752,759	56,035,881	1,214,625	57,250,506
TOTAL for Fiscal Year ended June 30, 2018	$ 490,646,763	$ 94,144,790	$ 584,791,553	$ 101,808,955	$ 8,428,165	$ 695,028,674	$ 15,725,770	$ 710,754,444

Date	Section 341.25 Registration Fees: Registration Non-IRP	Section 341.25 Registration Fees: IRP Revenues (2)	Section 341.25 Registration Fees: Subtotal	Title Transaction Fees	Counter Service Fees and Personalized License Plates	Subtotal (1)	Other Miscellaneous Vehicle Registration & Related Fees	Total Program Revenues
July, 2016	$ 35,433,617	$ 4,344,496	$ 39,778,113	$ 8,151,659	$ 690,558	$ 48,620,330	$ 1,286,000	$ 49,906,329
August, 2016	37,264,174	4,342,738	41,606,912	9,507,568	743,298	51,857,779	1,431,713	53,289,491
September, 2016	34,018,007	5,938,960	39,956,967	8,933,051	675,000	49,565,018	1,349,429	50,914,447
October, 2016	33,939,275	6,585,008	40,524,283	8,140,326	622,997	49,287,606	1,259,295	50,546,901
November, 2016	43,465,955	5,625,103	49,091,058	7,822,231	571,026	57,484,314	1,289,030	58,773,344
December, 2016	56,333,585	8,059,619	64,393,204	7,666,484	557,097	72,616,785	1,134,390	73,751,175
January, 2017	38,428,483	6,599,583	45,028,066	7,095,725	568,211	52,692,002	1,128,772	53,820,773
February, 2017	33,068,159	9,458,355	42,526,514	6,923,036	579,514	50,029,064	1,099,226	51,128,290
March, 2017	44,405,063	7,985,543	52,390,606	9,751,108	785,914	62,927,628	1,453,794	64,381,422
April, 2017	39,663,560	12,074,803	51,738,362	8,810,522	752,586	61,301,470	1,358,514	62,659,984
May, 2017	40,384,728	19,466,766	59,851,495	9,987,534	790,621	70,629,650	1,478,945	72,108,594
June, 2017	39,438,419	6,860,352	46,298,771	9,723,752	757,372	56,779,895	1,452,012	58,231,907
TOTAL for Fiscal Year ended June 30, 2017	$ 475,843,027	$ 97,341,325	$ 573,184,352	$ 102,512,996	$ 8,094,194	$ 683,791,542	$ 15,721,118	$ 699,512,660

(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.