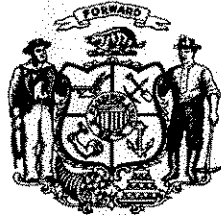


THE STATE OF WISCONSIN

B

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

308-E Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: August 28, 2001

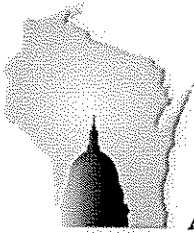
Re: State of Wisconsin General Obligation Loan of 2001, Series A

Attached is a copy of a report from the Department of Administration, pursuant to s. 18.16 (7), Stats. The report specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

October 30, 2001

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
316 South, State Capitol
Madison, WI 53702

The Honorable John Gard, Co-Chair
Joint Committee on Finance
315 North, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

Under the provisions of s. 79.10 (11), each October the Department of Administration must submit to the Joint Committee the department's estimate of the total funds available for distribution under the lottery credit.

The department estimated on October 15 that \$103,663,600 would be available for distribution in December 2001. Ensuing discussions between the Legislative Fiscal Bureau and Department of Revenue staff have produced agreement regarding a revised estimate. Now, the estimated amount available for distribution through the Lottery Credit in December 2001 is \$105,995,600. A more detailed calculation of this estimate is attached for your review.

Following the committee's approval or revision of this estimate, DOA will inform the Department of Revenue of the total amount available for distribution under the lottery credit and DOR will calculate the estimated fair market value necessary to distribute the total amount of revenue available.

Sincerely,

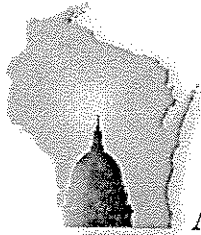

George Lightbourn
Secretary

cc: Members, Joint Committee on Finance
Richard G. Chandler, Secretary of Revenue

Lottery Fund Condition Statement

	Estimate October, 2001 2001-02
Fiscal Year Opening Balance	12,670,500
Operating Revenues	
Ticket Sales	412,008,900
Retailer Fees and Miscellaneous	84,000
Gross Revenues	412,092,900
Expenditures	
Prizes	233,259,900
Basic Retailer Compensation	28,940,600
Vendor Payments	12,584,600
General Program Operations	21,519,600
Appropriation to DOJ Enforcement	285,300
Appropriation to DOR Administration	203,900
Lottery and Gaming Cert - Local Costs	0
Program Reserves	259,400
Total Expenditures	297,053,300
Net Proceeds*	115,039,600
Interest Earnings	2,042,200
Gaming-Related Revenue	1,717,200
Total Available for Tax Relief *	131,469,500
Appropriations for Tax Relief	
Lottery and Gaming Tax Credit	105,995,600
Farmland Tax Relief Credit	17,232,000
Total Appropriations for Tax Relief	123,227,600
Gross Closing Balance	8,241,900
Reserve (2% of Gross Revenues)	8,241,900
Change in Encumbrance Balance	
Net Closing Balance	0

* Opening balance, net proceeds, interest earnings and gaming-related revenue.

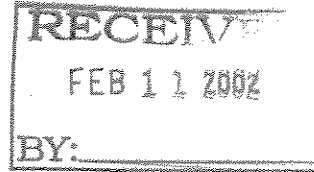


**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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January 31, 2002



The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Members of the Joint Committee on Finance
113 South, State Capitol
Madison, Wisconsin 53702

Dear Senator Burke, Representative Gard, and Members:

In accordance with sec. 16.531(3), Wis. Stats., we are submitting this report on the completed calendar quarter ended December 31, 2001, with an assessment of the condition of the General Fund for the period January 1, 2002 to June 30, 2002.

The cash position of the General Fund at December 31 was \$383.7 million, which is lower than the \$406.2 million projected in our report to you on December 14, 2001. The cash activity for the quarter was as follows:

General Fund Cash Activity
for the Quarter Ended December 31, 2001
(\$ in millions)

Month	Beginning Balance	Receipts	Disbursements
October	\$ 1,290.8	\$ 1,631.9	\$ 1,101.1
November	1,821.6	1,469.5	2,347.4
December	943.7	1,530.6	2,090.6
January	383.7		

At no time during the quarter was it necessary to exercise the authority under sec. 16.53(10)(a), Wis. Stats., pertaining to the delay of payments. However, at various times during the quarter it was necessary to exercise the reallocation authority under sec. 20.002(11)(a), Wis. Stats., for the General Fund and the Agricultural Producer Security Fund.

The following are the preliminary cash forecasts for the six months from January 2002 through June 2002. The forecast has been revised to reflect the Legislative Fiscal Bureau's revenue reestimates of January 16, 2002. The forecast does not, however, incorporate any legislation to correct the resulting General Fund imbalance.

The Honorable Brian Burke
The Honorable John Gard
Members of the Joint Committee on Finance
January 31, 2002
Page 2 of 2

General Fund Cash Forecast
January 2002 - June 2002
(\$ in Millions)

Month	Beginning Balance	Receipts	Disbursements
January	\$ 383.7	\$2,062.7	\$1,242.5
February	1,203.9	1,455.7	1,533.3
March	1,126.3	1,545.4	2,692.2
April	-20.5	1,833.5	1,430.5
May	382.5	1,547.6	1,765.9
June	164.2	2,234.7	2,702.6
July	-303.7		

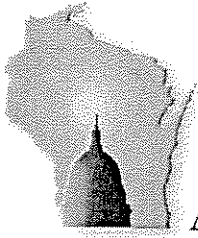
The General Fund will experience low balances during the periods of March 25th through April 21st, May 6th through May 14th, May 31st through June 2nd, and June 17th through June 30th. During these periods, it may become necessary to exercise the authority granted under sec. 20.002(11)(a), Wis. Stats., pertaining to the reallocation of certain eligible surplus moneys.

While the current forecast does not anticipate the need to exercise the authority under sec. 16.53(10)(a), Wis. Stats., to delay payments, it is possible that variances in the timing of receipts and disbursements will require the use of this authority in June when school aid payments are due to be distributed. Under the current forecast, the payment of school aids in June is expected to require the use of approximately 85% of the temporary reallocation authority permitted under sec. 20.002(11)(b)2. and sec. 20.002(11)(b)3., Wis. Stats. If cash balances in June fall sufficiently below the forecast to exhaust the remaining reallocation authority, payment delays may be necessary.

The General Fund's cash forecast will be revised again to reflect any legislation enacted to correct the current General Fund imbalance. Depending on legislative action, the Department of Administration may find it necessary in the next report under sec. 16.531(1), Wis. Stats., to notify the Joint Committee on Finance of an expected need to delay payments under sec. 16.53(10)(a), Wis. Stats., and consequently, to establish a prioritization of payments from the General Fund. The next report under sec. 16.531(1), Wis. Stats., is due March 15th, 2002.

Sincerely,


George Lightbourn
Secretary



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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TTY (608) 267-9629

January 31, 2002

The Honorable Donald J. Schneider
Senate Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53707

The Honorable John A. Scocos
Assembly Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53708

Dear Chief Clerk Schneider and Chief Clerk Scocos:

This report is transmitted as required by sec. 20.002(11)(f), Wis. Stats. (for distribution to the appropriate standing committees under sec. 13.172(3), Wis. Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of December 2001.


On December 3, 2001 the **General Fund** balance was -\$26.8 million. This shortfall continued until December 14, 2001 when the balance reached a positive \$43.1 million. During this period, the **General Fund** balance reached a low of -\$60.4 million on December 13, 2001. The shortfall was due to the difference in the timing of revenues and expenditures.

On December 10, 2001 the **Agricultural Producer Security Fund** balance was -\$109 thousand. This shortfall continued through December 31, 2001 when the balance reached -\$122 thousand. The shortfall was due to the initial start-up of the fund and a delay in the transfer of revenues into the fund. The negative fund cash balance has been resolved in January 2002.

The General Fund and Agricultural Producer Security Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

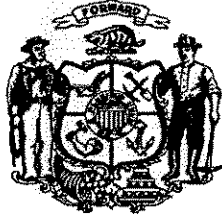
Sincerely,


George Lightbourn
Secretary

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

308-E Capitol
P.O. Box 8952
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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: February 1, 2002

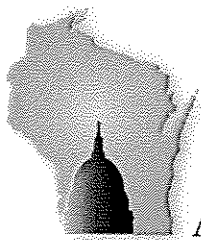
Re: State of Wisconsin General Obligation Extendible
Commercial Paper of 2002, Series A (Notes)

Attached is a copy of a report from the Department of Administration, pursuant to s. 18.16 (7), Stats. The report specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Division of Executive Budget and Finance
Capital Finance Office
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-5355
Fax (608) 266-7645 TTY (608) 261-6630
E-mail: capfin@doa.state.wi.us
www.doa.state.wi.us/debf/scf/index.asp

February 1, 2002

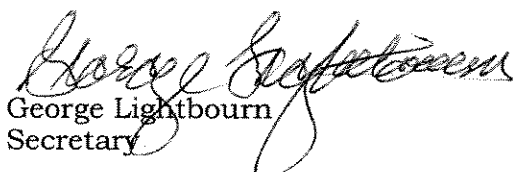
The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702

Dear Senator Burke, Representative Gard and Members:

This report is required by subsection (7) of 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

On June 20, 2001 and August 8, 2001, the Building Commission authorized the issuance of \$41,670,000 State of Wisconsin General Obligation Extendible Municipal Commercial Paper of 2002, Series A (**Notes**). Extendible municipal commercial paper is not sold to underwriters through a public sale; rather it is placed by a remarketing agent or agents on a best efforts basis. Goldman, Sachs & Co. and Merrill Lynch & Co. are the firms selected to initially remarket the Notes. The Department of Commerce does not certify Goldman, Sachs & Co. nor Merrill Lynch & Co. as minority-owned firms.

Sincerely,


George Lightbourn
Secretary



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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TTY (608) 267-9629

February 20, 2002

The Honorable Donald J. Schneider
Senate Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53707

The Honorable John A. Scocos
Assembly Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53708

Dear Chief Clerk Schneider and Chief Clerk Scocos:

This report is transmitted as required by sec. 20.002(11)(f), Wis. Stats. (for distribution to the appropriate standing committees under sec. 13.172(3), Wis. Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of January 2002.

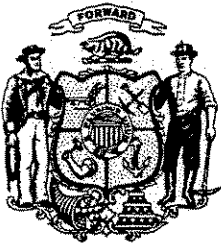
On January 1, 2002 the **Agricultural Producer Security Fund** balance was -\$122 thousand. This shortfall continued until January 4, 2002 when the balance reached a positive \$172 thousand. The shortfall was due to the initial start-up of the fund and a delay in the transfer of revenues into the fund.

The Agricultural Producer Security Fund shortfall was not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,


George Lightbourn
Secretary



State of Wisconsin Investment Board

MAILING ADDRESS
PO BOX 7842
MADISON, WI 53707-7842

121 EAST WILSON ST
MADISON, WI 53702
(608) 266-2381
FAX: (608) 266-2436

March 3, 2002

Senator Gary George, Co-Chair
Joint Committee on Audit
PO Box 7882
Madison, WI 53707

Representative Joe Leibham, Co-Chair
Joint Committee on Audit
PO Box 8952
Madison, WI 53708

Dear Senator George and Representative Leibham:

In a recent performance evaluation of the Investment Board, the Legislative Audit Bureau (LAB) compared returns of the Fixed Retirement Fund to those of nine other state public pension funds. As of June 30, 2000, the Fixed Fund's five- and ten-year returns ranked below those of other funds. Our one-year return ranked third.

We recently surveyed the same funds again. SWIB's recent performance has continued to improve. For the year ending December 31, 2001, the one-year return for Fixed Fund ranked first among the LAB survey group.

Fund	One-Year Gross Return (12/31/01)
SWIB Fixed Fund	-2.3%
Texas Teachers	-4.9
Washington Investment Board	-5.2
Florida Retirement System*	-5.8
Pennsylvania Public Schools	-5.9
New York State Teachers*	-6.0
California Public Employees	-6.0
Minnesota Combined*	-6.0
Virginia Retirement System*	-7.7
New Jersey Division of Investments	-7.8

*Net of fees. Gross returns not available

The improvement in ranking of the Fixed Fund's one-year return is encouraging. In our response to LAB's earlier survey, we cautioned that this type of comparison provides a limited picture of relative performance. We continue to hold that view. We are working to develop more complete measures of relative performance that take into account risk, fund liabilities and other factors.

Our annual goals and strategies report to you will provide more detailed information about how the Fixed Fund's returns were achieved and risks taken. Our goal is to use that and other information to develop a better gauge for how the Fixed Fund is performing relative to its peers.

Sincerely,

Patricia Lipton
Executive Director

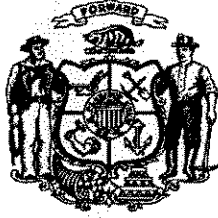
cc: Members, Joint Committee on Audit

Janice Mueller, State Auditor

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

308-E Capitol
P.O. Box 8952
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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: March 8, 2002

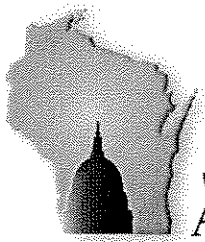
Re: General Obligation Bonds of 2002, Series A

Attached is a copy of a report from the Department of Administration. The report is pursuant to s. 18.16 (7), Stats., and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
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March 8, 2002

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702

Dear Senator Burke, Representative Gard and Members:

This report is required by subsection (7) of 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

On August 8, 2001 and January 16, 2002, the Building Commission approved authorizing resolutions that provided for the sale of \$112,280,000 State of Wisconsin General Obligation Bonds of 2002, Series A (**Bonds**). Pursuant to these authorizations, the Capital Finance Director conducted a public sale on February 26, 2002 for the Bonds. This was a public sale conducted pursuant to Subchapter I of Chapter 18. The attached Official Notice of Sale, dated February 15, 2002, set the terms and conditions of the sale and was available to all potential bidders.

The State received six bids for the Bonds. The Capital Finance Director awarded the Bonds based on the lowest true interest cost rate to the State. The successful underwriters were a syndicate managed by UBS PaineWebber. A list of the syndicate members is attached. Since the Department of Commerce does not certify any of the syndicate members as being a minority-owned firm, there is no participation by minority-owned firms in the underwriting of the Bonds.

Underwriting participation by minority owned firms is encouraged. There is a section "Minority Participation" in the Official Notice of Sale and the attached list of certified minority owned firms was included in the bidding materials.

Results of bond issues that comply with subsections (2) to (5) of 18.16, Wisconsin Statutes are not required to be reported to the Joint Committee on Finance. The State is currently completing the negotiated sale of \$75,000,000 of General Obligation Refunding Bonds of 2002, Series 1 (**Refunding Bonds**). The only two underwriters in the joint account for the Refunding Bonds are both certified by the Department of Commerce as a minority owned-firm, which means that minority-owned firms will underwrite 100% of the pending Refunding Bond issue.

Sincerely,


George Lightbourn
Secretary

Enc.

\$112,280,000
State of Wisconsin General Obligation Bonds of 2002, Series A

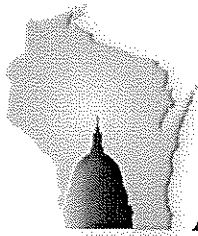
Underwriting Syndicate

Underwriters:

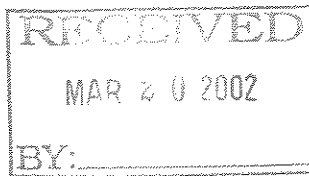
Book Running Manager:
UBS PaineWebber Inc.

Members:

Salomon Smith Barney Inc.
First Albany Corporation
Axelrod Associates, Inc.
William Blair & Company, L.L.C.
A.G. Edwards & Sons, Inc.
Isaak Bond Investments, Inc.
Morgan Keegan & Co., Inc.
Northern Trust Securities, Inc.
Raymond James & Associates
Harris Trust and Savings Bank
McDonald Investments, Inc.



WISCONSIN DEPARTMENT OF
ADMINISTRATION



SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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TTY (608) 267-9629

March 15, 2002

Mr. Donald J. Schneider
Senate Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53702

Mr. Patrick Fuller
Assembly Deputy Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53702

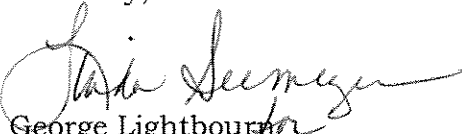
Dear Chief Clerk Schneider and Deputy Chief Clerk Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of February 2002.

On February 25, 2002, the **Wisconsin Health Education Loan Repayment Fund** balance was minus \$1,000. This shortfall continued until February 26, 2002, when the balance reached a positive \$11,000. The Wisconsin Health Education Loan Repayment Fund shortfall was not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,

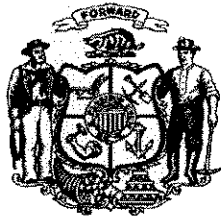

George Lightbourn
Secretary

g. Lightbourn

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

308-E Capitol
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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: March 22, 2002

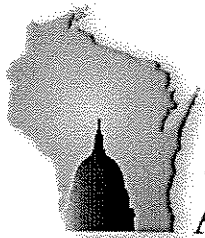
Re: General Obligation Bonds of 2002, Series B (Taxable)

Attached is a copy of a report from the Department of Administration, pursuant to s. 18.16 (7), Stats. The report specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Division of Executive Budget and Finance
Capital Finance Office
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Madison, WI 53707-7864
Voice (608) 266-5355
Fax (608) 266-7645 TTY (608) 261-6630
E-mail: capfin@doa.state.wi.us
www.doa.state.wi.us/debf/scf/index.asp

March 22, 2002

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702

Dear Senator Burke, Representative Gard and Members:

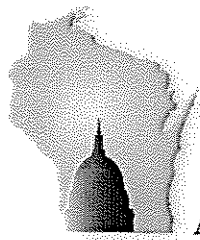
This report is required by subsection (7) of Section 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

On August 8, 2001, the Building Commission approved a resolution that provides authorization for the sale of \$15,000,000 State of Wisconsin General Obligation Bonds of 2002, Series B (Taxable) (**Bonds**). Pursuant to this authorizing resolution, the Capital Finance Director has sold these Bonds directly to the State of Wisconsin Board of Commissioners of Public Lands. This was a private sale conducted pursuant to subsection (7) of Section 18.06 of the Wisconsin Statutes.

Since the Bonds are being sold directly to the State of Wisconsin Board of Commissioners of Public Lands, and without the participation of underwriters, compliance with subsections (2) to (5) of Section 18.16 of the Wisconsin Statutes is not possible.

Sincerely,


George Lightbourn
Secretary



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

April 30, 2002

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Members of the Joint Committee on Finance
113 South, State Capitol
Madison, Wisconsin 53702

Dear Senator Burke, Representative Gard, and Members:

Due to the absence of a final budget repair bill, the state continues to face a possible cash flow crisis that could force the proration of payments, including school aids and aids to other local governments. As highlighted in my letter of March 15, 2002, this is the first time since 1983 that a distinct possibility of payment delays exists.

While we continue to urge the Legislature to conclude its duties, it is my statutory obligation to alert you of the dangers that inaction may create. This letter is submitted in accordance with s. 16.531(3), Wisconsin Statutes, to report on the completed calendar quarter ended March 31, 2002, and to provide an assessment of the condition of the General Fund for the period April 1, 2002 to September 30, 2002.

Projection of the general fund's cash balances through this period shows that unless the budget deficit is addressed, cash flow concerns will exist not only when June school aids are paid, but also throughout the July-September period.

Report on the Quarter Ending March 31, 2002

The cash position of the General Fund at March 31 was -\$231.2 million, which is lower than the -\$177.7 million projected in our report to you on March 15, 2002. The cash activity for the quarter was as follows:

General Fund Cash Activity
for the Quarter Ended March 31, 2002

(\$ in millions)

Month	Beginning Balance	Lowest Intramonth Balance	Receipts	Disbursements
January	\$ 383.7	\$ 383.7	\$ 2,014.6	\$ 1,293.6
February	1,104.7	883.7	1,570.1	1,705.7
March	969.1	-280.0	1,530.5	2,730.8
April	-231.2			

The Honorable Brian Burke
The Honorable John Gard
Members of the Joint Committee on Finance
April 30, 2002
Page 2 of 4

At no time during the quarter was it necessary to exercise the authority under s. 16.53(10)(a), Wisconsin Statutes, pertaining to the delay of payments. However, at various times during the quarter it was necessary to exercise the reallocation authority under s. 20.002(11)(a), Wisconsin Statutes, for the General Fund, the Agricultural Producer Security Fund and the Wisconsin Health Education Loan Repayment Fund.

Forecast through September

The state's general fund ordinarily incurs temporary deficits due to timing differences between when revenues are received and when expenditures are incurred. To accommodate these differences, the general fund is authorized under s. 20.002(11), Wisconsin Statutes, to temporarily borrow surplus balances from other funds. Based on current estimates, the general fund may borrow up to an estimated \$569 million in FY02 and \$587 million in FY03. For periods not to exceed 30 consecutive days, the general fund may borrow an additional amount for a total borrowing authority of up to an estimated \$910 million in FY02 and \$940 million in FY03.

Without the passage of legislation to correct the budget deficit, the general fund's cash needs may exceed these borrowing limits. If this occurs, the provision under s. 16.53(10)(a) of the Wisconsin Statutes, which allows for the proration of payments may need to be invoked. If proration becomes necessary, it will be conducted as set forth in my letter of March 15th, 2002.

While the forecast below does not immediately signal the need the prorate payments, only a small change in realized or projected balances would be necessary to require this cash management action.

The following chart displays the preliminary cash forecasts through September 2002. The forecast reflects the following:

- The Legislative Fiscal Bureau's revenue reestimates of January 16, 2002.
- Lack of legislation to correct the general fund deficit.
- No operating note proceeds during FY03. The state may not be able to utilize operating notes as a cash management tool unless a plan is enacted to correct the general fund deficit.

The Honorable Brian Burke
 The Honorable John Gard
 Members of the Joint Committee on Finance
 April 30, 2002
 Page 3 of 4

General Fund Cash Forecast
April 2002 - September 2002
 (\$ in Millions)

Month	Beginning Balance	Lowest Intramonth Balance	Receipts	Disbursements
April	\$ -231.2	\$ -384.8	\$1,833.5	\$1,409.8
May	192.5	-139.2	1,661.2	1,720.9
June	132.8	-806.8	2,276.3	2,681.9
July	-272.8	-806.2	1,500.5	1,927.2
August	-699.5	-841.0	1,385.2	1,083.2
September	-397.5	-773.0	1,821.8	1,666.4
October	-242.1			

The General Fund will experience low balances during the periods of April 1st through April 24th, April 30th through May 22nd, May 31st through June 2nd, and June 17th through September 30th. During these periods, it may become necessary to exercise the authority granted under s. 20.002(11)(a), Wisconsin Statutes, pertaining to the reallocation of certain eligible surplus moneys.

While the current forecast does not explicitly anticipate the need to exercise the authority under s. 16.53(10)(a), Wisconsin Statutes, to delay payments, it is possible that variances in the timing of receipts and disbursements will require the use of this authority at the following times:

- In June when school aid payments are due to be distributed. Under the current forecast, the payment of school aids in June is expected to require the use of approximately 89% of the temporary reallocation authority.
- In July or August following the payment of the school levy credit, delayed school aids and shared revenue. Low balance forecasts for these months indicate the possible necessity of using approximately 86% of the temporary reallocation authority in July and 89% of this authority in August.
- In August prior to the receipt of sales tax revenues. During the period from July 22nd to August 19th, the general fund will utilize its additional borrowing authority for an expected 29 of a maximum 30 days.

If cash balances during any of these periods fall below the forecast to exhaust the remaining reallocation authority, payment delays may be necessary.

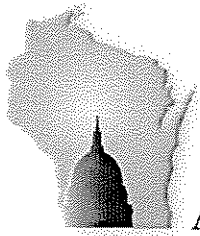
The Honorable Brian Burke
The Honorable John Gard
Members of the Joint Committee on Finance
April 30, 2002
Page 4 of 4

Continuing Efforts

We will continue to track cash flow projections and inform you of changes. The General Fund's cash forecast will be revised to reflect any legislation enacted to correct the current General Fund imbalance. Depending on legislative action, the Department of Administration may find it necessary in the next report under s. 16.531(1), Wisconsin Statutes, to notify the Joint Committee on Finance of an expected need to delay payments under s. 16.53(10)(a), Wisconsin Statutes, and consequently, to establish a prioritization of payments from the General Fund. The next report under s. 16.531(1), Wisconsin Statutes, is due June 14th, 2002.

Sincerely,


George Lightbourn
Secretary



WISCONSIN DEPARTMENT OF
ADMINISTRATION

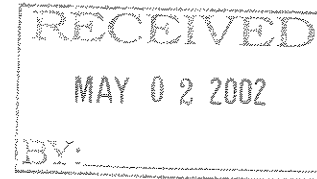
SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

April 30, 2002

The Honorable Donald J. Schneider
Senate Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53707



The Honorable Patrick Fuller
Assembly Deputy Chief Clerk
1 East Main Street, Suite 402
Madison, WI 53708

Dear Chief Clerk Schneider and Deputy Chief Clerk Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of March 2002.

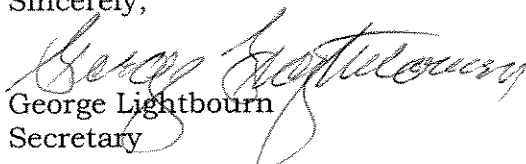
On March 25, 2002 the **General Fund** balance was -\$80.6 million. This shortfall continued through March 31, 2002 when the balance reached -\$231.2 million. The shortfall was due to the difference in the timing of revenues and expenditures, in combination with the overall budget shortfall.

On March 26, 2002 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$2 thousand. This shortfall continued through March 31, 2002 when the balance reached -\$3 thousand. The shortfall was due to the difference in the timing of revenues and expenditures.

The General Fund and the Wisconsin Health Education Loan Repayment Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

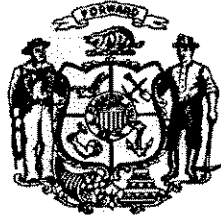
Sincerely,


George Lightbourn
Secretary

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

308-E Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: May 13, 2002

Re: Clean Water Revenue Bonds 2002, Series 1

Attached is a copy of a report from the Department of Administration. The report is pursuant to s. 18.64 (7), Stats., and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

May 13, 2002

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702

Dear Senator Burke, Representative Gard and Members:

This report is required by subsection (7) of 18.64 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

On January 16, 2002, the Building Commission approved an authorizing resolution that provided for the sale of \$100,000,000 State of Wisconsin Clean Water Revenue Bonds, 2002 Series 1. Pursuant to this authorization, the Capital Finance Director conducted a public sale on April 23, 2002 for the Bonds. This was a public sale conducted pursuant to Subchapter II of Chapter 18. The attached Official Notice of Sale, dated April 12, 2002, set the terms and conditions of the sale and was available to all potential bidders.

The State received eight bids for the Bonds. The Capital Finance Director awarded the Bonds based on the lowest true interest cost rate to the State. The successful underwriters were a syndicate managed by Morgan Stanley & Co. Incorporated. A list of the syndicate members is attached. Since the Department of Commerce does not certify any of the syndicate members as being a minority-owned firm, there is no participation by minority-owned firms in the underwriting of the Bonds.

Underwriting participation by minority owned firms is encouraged. There is a section "Minority Participation" in the Official Notice of Sale and the attached list of certified minority owned firms was included in the bidding materials.

Sincerely,

George Lightbourn
Secretary

Enc.

\$100,000,000
State of Wisconsin Clean Water Revenue Bonds, 2002 Series 1

Underwriting Syndicate

Underwriters:

Book Running Manager:
Morgan Stanley & Co. Incorporated

Members:

J.P. Morgan Securities Inc.
Lehman Brothers

OFFICIAL NOTICE OF SALE

\$100,000,000

STATE OF WISCONSIN

CLEAN WATER REVENUE BONDS, 2002 SERIES 1

SEALED PROPOSALS AND ELECTRONIC PROPOSALS will be received by the Capital Finance Director, acting on behalf of the State of Wisconsin Building Commission (Commission), at the Reception Area, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin, until 10:00 a.m. (Central Time) on April 23, 2002, when they will be publicly opened and read, for the purchase of \$100,000,000 State of Wisconsin Clean Water Revenue Bonds, 2002 Series 1 (2002 Series 1 Bonds) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area. Electronic proposals must be submitted through Bloomberg Services or Dalcomp/Parity (Approved Providers). Sealed proposals will be opened, electronic proposals retrieved, and all proposals publicly announced in the Reception Area shortly after the deadline for proposals.

Terms of 2002 Series 1 Bonds. The 2002 Series 1 Bonds will be dated May 1, 2002, and will be payable as to principal either through serial maturities or redemption from mandatory sinking fund payments (as specified by the successful bidder) on June 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2003	\$2,750,000	2013	\$4,565,000
2004	2,955,000	2014	4,795,000
2005	3,105,000	2015	5,030,000
2006	3,255,000	2016	5,280,000
2007	3,420,000	2017	5,540,000
2008	3,585,000	2018	5,815,000
2009	3,765,000	2019	6,105,000
2010	3,950,000	2020	6,405,000
2011	4,145,000	2021	6,720,000
2012	4,350,000	2022	7,055,000
		2023	7,410,000

Each bid must specify whether the principal amount of the 2002 Series 1 Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond. The mandatory sinking fund payments of each term bond shall be on one or more consecutive annual payment dates immediately preceding the maturity date of such term bond. Term bonds may be created with a final maturity either before or after June 1, 2012; however, no term bond designated to mature on and after June 1, 2013 may contain any sinking fund payments before June 1, 2012. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of 2002 Series 1 Bonds listed in the table above as payable in that year. The same interest rate specified for the nominal maturity of a term bond must also be specified for all mandatory sinking fund payments of such term bond.

The 2002 Series 1 Bonds will bear interest, payable on December 1, 2002 and semiannually thereafter on the first day of June and December, at such rate or rates per annum as are designated by the successful bidder in its bid. Interest on the 2002 Series 1 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption. The 2002 Series 1 Bonds maturing in the years 2003 to 2012, inclusive, are not subject to optional redemption. The 2002 Series 1 Bonds maturing on or after June 1, 2013 are subject to redemption at the option of the Commission on June 1, 2012 or any date thereafter, in whole or in part, in integral multiples of \$5,000. In the event of partial redemption, the Commission shall direct the maturity or maturities and the amount thereof so to be redeemed. The redemption price for 2002 Series 1 Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the 2002 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The 2002 Series 1 Bonds of certain maturities will be subject to mandatory redemption prior to their respective stated maturity dates, in part, from mandatory sinking fund

payments, to the extent the successful bidder so specifies in its bid. In such event, the redemption price shall be equal to 100% of the principal amount of the 2002 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

Book-Entry. The 2002 Series 1 Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (DTC). DTC will act as securities depository of the 2002 Series 1 Bonds. A single bond certificate for each separate maturity will be issued to DTC and immobilized in its custody. Individual purchases will be made in book-entry-only form pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the 2002 Series 1 Bonds purchased. The bond certificates will be deposited with DTC as a condition of the closing. See "CLOSING AND DELIVERY". U.S. Bank National Association, as successor to Firststar Trust Company, Milwaukee, Wisconsin (Trustee) will make payments of principal and interest on the 2002 Series 1 Bonds on the dates set forth above, to DTC or its nominee as registered owner of the 2002 Series 1 Bonds in same-day funds. Transfer of payments to participants of DTC will be the responsibility of DTC; transfer of said payments to beneficial owners by DTC participants will be the responsibility of the participants and other nominees of beneficial owners all as required by rules and procedures of DTC and the participants. No assurance can be given by the State of Wisconsin (State) or the Trustee that DTC, its participants, and other nominees of beneficial owners will make prompt transfer of the payments. The State and the Trustee assume no liability for failures of DTC, its participants or other nominees to promptly transfer said payments to beneficial owners of the 2002 Series 1 Bonds.

Notice to Securities Depository. Notices, if any, given by the State and Trustee to the securities depository are redistributed in the same manner as are payments. The State and Trustee assume no liability for the failure of the securities depository, its participants or other nominees of beneficial owners to promptly transfer said notices to the beneficial owners of the 2002 Series 1 Bonds. The State and Trustee are not responsible for supervising the activities or reviewing the records of the securities depository or its direct and indirect participants.

Successor to Securities Depository. In the event that the relationship with the current securities depository is terminated and the Commission does not appoint a successor securities depository, the Commission will prepare, authenticate and deliver, at its expense, fully registered certificated bonds in the denominations of \$5,000 or any integral multiple thereof, in the aggregate principal amount of 2002 Series 1 Bonds of the same maturities and interest rates then outstanding, to the beneficial owners of the 2002 Series 1 Bonds as identified to the Commission by the securities depository and its participants.

Purpose and Pledge. The 2002 Series 1 Bonds are issued and secured under the Clean Water Revenue Bond General Resolution (General Resolution) adopted on March 7, 1991 by the Commission. The proceeds of the 2002 Series 1 Bonds will be used to make loans to municipalities in the State primarily for the construction or improvement of their wastewater treatment facilities, to make deposits in the Loan Credit Reserve Fund established under the General Resolution, and to pay for costs of issuance. The 2002 Series 1 Bonds, together with any parity bonds previously or hereafter issued, are special obligations of the State secured by and payable from (1) repayment of leveraged loans made to municipalities, (2) amounts in a Loan Fund, Loan Credit Reserve Fund, and a Subsidy Fund (which holds general obligations of the State), each established by the General Resolution, and (3) all other Pledged Receipts, all as described in the Official Statement.

Based on cash flow calculations as of December 31, 2001, there is one entity that is currently the source of more than 20 percent of the cash flow servicing the Outstanding Bonds. This is the Milwaukee Metropolitan Sewerage District, which has issued Municipal Obligations to evidence repayment of Loans.

Minority Participation. It is the policy of the Commission to endeavor to ensure that 6% of the 2002 Series 1 Bonds are underwritten by firms that are certified by the State as being minority owned. The Commission urges prospective bidders to obtain from the Commission a list of firms so certified and to include such firms in their bidding group. The Commission further encourages certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority-owned firms that are not yet certified by the State and wish to be, may contact the Wisconsin Department of Commerce, Bureau of Minority Business Development at 608.267.9550.

Offering of Securities. The State offers to sell these securities by competitive bid. In the jurisdictions of Georgia, Illinois, Louisiana, Nebraska, New York, North Dakota, and Vermont, the State's offer is limited to the following: brokers, dealers, banks, savings institutions, trust companies, insurance companies, investment companies as defined

in the Investment Company Act of 1940, pension or profit sharing trusts, and other financial institutions, whether the purchaser is acting for itself or in a fiduciary capacity.

Insurance on 2002 Series 1 Bonds. If the successful bidder obtains a bond insurance policy or a commitment for a policy for the 2002 Series 1 Bonds, by or on behalf of it or any other member of its underwriting group, the purchase of any such insurance policy or the issuance of any such commitment will be at the sole option and expense of the successful bidder. The successful bidder will be responsible for working with the Commission in making sure that disclosure information is provided about the bond insurer (for example, through a wrapper to the Official Statement). The successful bidder will also be responsible for the payment of any rating agency fees (other than the rating agency fees for the underlying rating on the 2002 Series 1 Bonds) and the costs of providing disclosure information about the bond insurer.

The successful bidder will be required, as a condition for delivery of the 2002 Series 1 Bonds, to certify the amount of the premium and that this premium will be less than the present value of the interest expected to be saved as a result of such insurance. Failure of the bond insurer to issue its policy shall not constitute a failure on the part of the Commission to perform in accordance with the terms of this Official Note of Sale or the bid.

Electronic Bidding. Bidders who intend to submit electronic proposals must submit a signed Agreement About Use of Electronic Bidding Service Provider to the Capital Finance Director prior to the bid opening. The Commission assumes no responsibility or liability for bids submitted through an Approved Provider. If any provisions in this Official Notice of Sale conflict with information provided by an Approved Provider, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Bloomberg Services
Bloomberg Business Park
100 Business Park Road.
Skillman, NJ 08588-3629
New Issues Desk, 609.279.3250

Dalcomp/Parity
i-deal LLC
395 Hudson Street, FLR 3
New York, NY 10014
Cheryl Horowitz, 212.806.3898

Official Bid Form, Bidding Requirements, and Award. Sealed proposals must be made using the Official Bid Form, and all electronic proposals shall be deemed to incorporate the provisions of the Official Bid Form. The 2002 Series 1 Bonds will be awarded at the lowest true interest cost rate to the State. The true interest cost rate for each bid will be determined on the basis of present value by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to May 1, 2002 and to the price bid. In the event two or more bids specify the same lowest true interest cost rate, then the award will be made to the bidder with the lowest true interest cost rate and the largest minority-owned firm participation, or if such bidders have an equal amount of minority-owned participation, then selection for award will be made among such bidders by the Capital Finance Director by lot.

Each bid shall indicate an interest rate for each maturity and a purchase price for the 2002 Series 1 Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all the 2002 Series 1 Bonds and may be for any purchase price not less than 99% of the par amount of the 2002 Series 1 Bonds (\$99,000,000) nor greater than 102% of the par amount of the 2002 Series 1 Bonds (\$103,000,000). There shall be only one interest rate per maturity. The 2002 Series 1 Bonds maturing on and after June 1, 2013 may not have an initial offering price less than 98.5% of par. The Capital Finance Director, acting on behalf of the Commission, may waive any informality or irregularity in any bid or condition of this Official Notice of Sale and reject any or all bids.

No later than one-half hour after verbal notification of being the apparent high bidder, the bidder must communicate the "when, as, and if issued" offering prices of all 2002 Series 1 Bonds to the Capital Finance Office. In the interest of price transparency in the market, the State encourages the successful bidder to promptly disseminate the initial offering prices for all 2002 Series 1 Bonds.

Bid Deposit. A certified, official, or cashier's check must be provided, or a financial surety bond submitted, for each bid, payable to the order of the State of Wisconsin, in the amount of \$2,000,000. If a check is provided, it must accompany the bid. If a financial surety bond is submitted, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin and acceptable to the Capital Finance Director, and such bond must be submitted to the Capital Finance Office prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is assured by such bond. Each bidder submitting a financial surety bond should determine for itself that the financial surety bond is submitted prior to the bidding deadline. If the bid is awarded to

a bidder that has submitted a financial surety bond, the bidder is required to provide the good-faith deposit in immediately available funds not later than 1:30 p.m. (Central Time) on April 24, 2002. A claim may be made under the financial surety bond in the event that the good-faith deposit is not timely. Bids shall be enclosed in a sealed envelope marked on the outside, in substance, *Bid for Wisconsin Clean Water Revenue Bonds, 2002 Series 1*.

Good-Faith Deposit. The good-faith deposit of the successful bidder will be cashed. All checks of unsuccessful bidders will be returned immediately upon award of the 2002 Series 1 Bonds. No interest will be allowed on the amount of the good-faith deposit. The proceeds of the good-faith deposit of the successful bidder will be applied to the purchase price of the 2002 Series 1 Bonds. In the event that the successful bidder should fail to take up and pay for the 2002 Series 1 Bonds in compliance with the terms of its bid, the Commission, at its option, may retain the good-faith deposit as liquidated damages or, at its further option, may retain the good-faith deposit as partial payment of actual damages or as security for any other remedy available to the Commission. The amount of the good-faith deposit is to be returned to the successful bidder on the failure of the Commission to perform in accordance with the terms of this Official Notice of Sale and the bid. All bids shall remain firm for five hours after the time specified for the opening of bids, and an award of the 2002 Series 1 Bonds, or rejection of all bids, will be made by the Capital Finance Director within said period of time.

Certification of Price. The successful bidder shall certify, prior to delivery of the 2002 Series 1 Bonds, the "issue price" of the 2002 Series 1 Bonds awarded to such bidder as defined in Section 1274 of the Internal Revenue Code of 1986, as amended.

Closing and Delivery. The closing will be at a mutually agreeable location at or about 9:30 a.m. (Eastern Time) on or about May 14, 2002. No later than the day prior to this closing, the 2002 Series 1 Bonds will be delivered through the Trustee to DTC using DTC's Fast Automated Securities Transfer (FAST) System. Payment for the 2002 Series 1 Bonds must be made by wire in immediately available funds for credit to the Trustee at said date and time. Should delivery be delayed beyond 45 days from the date of sale for any reason beyond the control of the State except failure of performance by the successful bidder, the State may cancel the award or the successful bidder may demand return of its good-faith deposit and thereafter its interest in and liability for the 2002 Series 1 Bonds will cease.

Bond Opinion. The legality of the 2002 Series 1 Bonds will be approved by Michael Best & Friedrich LLP, Bond Counsel, whose unqualified approving opinion will be furnished to the successful bidder without cost upon the delivery of the 2002 Series 1 Bonds. There will also be furnished upon the delivery of the 2002 Series 1 Bonds the usual closing papers, including a certificate stating that there is no litigation pending or threatened affecting the validity of or security for the 2002 Series 1 Bonds, and a certificate to the effect that the Official Statement prepared in connection with the sale of the 2002 Series 1 Bonds, as of the date of the Official Statement and as of the date of delivery of the 2002 Series 1 Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Tax Exemption. Under existing law interest on the 2002 Series 1 Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Continuing Disclosure. In order to assist bidders in complying with Section (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, the State has executed a Master Agreement on Continuing Disclosure and Addendum Describing Annual Report for Clean Water Revenue Bonds and will execute a Supplemental Agreement specifically for the 2002 Series 1 Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents are available to prospective bidders and will be included in the closing papers.

CUSIP Numbers. The 2002 Series 1 Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of the 2002 Series 1 Bonds, and any error or omission with respect thereto shall not constitute cause for refusal by the purchaser to accept delivery of and pay for the 2002 Series 1 Bonds in accordance with the terms of the purchaser's bid.

Bidding Documents. The Preliminary Official Statement, which is available electronically at the web site shown below, and is in a form which the Commission "deems final" as of April 12, 2002 for purposes of Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 but is subject to revision, amendment and completion in a final official statement as defined in Section (e)(3) of such rule. The Preliminary Official Statement, Official Bid

Form, Agreement About Use of Electronic Bidding Service Provider, and Continuing Disclosure Documents may be obtained from the Capital Finance Office web site at the following address:

www.doa.state.wi.us/debf/capfin/pos.asp

Paper copies of these documents may be obtained from the Capital Finance Office, Department of Administration, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin 53702, 608.266.2305, 608.267.7399, 608.267.0374, or capfin@doa.state.wi.us.

Final Official Statements. The Commission will furnish to the successful bidder, without cost, up to 1,000 copies of the final Official Statement within seven business days after the award of the 2002 Series 1 Bonds.

Dated: April 12, 2002

Frank R. Hoadley
Capital Finance Director

**MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE
March 5, 2002**

Note: The following list of minority-owned underwriting firms is provided for the information of potential bidders on the Bonds and does not constitute a part of the Official Notice of Sale. Minority participation in bids is strongly encouraged by the State but is not a requirement for submitting a bid.

Mr Michael Yap
Americal Securities Inc
290 7th Ave
San Francisco CA 94118
415-666-0633

Mr Elton Johnson Jr
Amerivet Securities Inc
PO Box 1074
Inglewood CA 90308
310-641-6284

Ms Caridad Ingco
AMI Risk Consultants Inc
11410 N Kendall Dr #208
Miami FL 33176-1031
305-273-1589

Ms Andrea Nembhard
Andrea & Associates
2606 W Silver Spring Dr
Glendale WI 53209
414-463-8000

Ms Ceyenna Bennett
Apex Securities Inc
333 Clay St Ste 1310
Houston TX 77002
713-650-1122

Ms Benita Pierce
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Mr Sano Shimoda
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925-253-9520

Mr Charles W Johnson
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Mr Bufus Outlaw
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215-546-2300

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Cabrera Capital Markets Inc
208 S LaSalle St Ste 1230
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312-236-8888

Ms Katherine Jennings
Carnegie Morgan Partners LLC
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Ewing Capital Inc
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Mr Eric H Pookrum
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Suitland MD 20746-1376
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Mr Ronald Jackson
Jackson Partners & Assoc Inc
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Jackson Securities Inc
100 Peachtree St NW Ste 2250
Atlanta GA 30303-1912
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Mr DuBois Cox
May Davis Group
2 N Charles St Ste 840
Baltimore MD 21202
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MEGA Marketing
4222 W Capitol Dr
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CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE
March 5, 2002 Continued

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Montrose Securities Intrntl
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Mr Neil Lieberman
MR Beal & Company
67 Wall St
New York NY 10005
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Mr Randolph T Myricks
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5630 W Fond Du Lac Ave
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215-569-0274

Mr George W Graham
Ramirez & Co Inc
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Sturdivant & Co Inc
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Mr Kevin Cross
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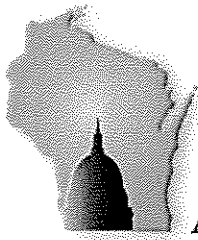
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Mr Matthew Greene
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212-797-2660



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
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May 13, 2002

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702

Dear Senator Burke, Representative Gard and Members:

This report is required by subsection (7) of 18.64 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

On January 16, 2002, the Building Commission approved an authorizing resolution that provided for the sale of \$100,000,000 State of Wisconsin Clean Water Revenue Bonds, 2002 Series 1. Pursuant to this authorization, the Capital Finance Director conducted a public sale on April 23, 2002 for the Bonds. This was a public sale conducted pursuant to Subchapter II of Chapter 18. The attached Official Notice of Sale, dated April 12, 2002, set the terms and conditions of the sale and was available to all potential bidders.

The State received eight bids for the Bonds. The Capital Finance Director awarded the Bonds based on the lowest true interest cost rate to the State. The successful underwriters were a syndicate managed by Morgan Stanley & Co. Incorporated. A list of the syndicate members is attached. Since the Department of Commerce does not certify any of the syndicate members as being a minority-owned firm, there is no participation by minority-owned firms in the underwriting of the Bonds.

Underwriting participation by minority owned firms is encouraged. There is a section "Minority Participation" in the Official Notice of Sale and the attached list of certified minority owned firms was included in the bidding materials.

Sincerely,


George Lightbourn
Secretary

Enc.

\$100,000,000
State of Wisconsin Clean Water Revenue Bonds, 2002 Series 1

Underwriting Syndicate

Underwriters:

Book Running Manager:
Morgan Stanley & Co. Incorporated

Members:

J.P. Morgan Securities Inc.
Lehman Brothers

OFFICIAL NOTICE OF SALE

\$100,000,000

STATE OF WISCONSIN CLEAN WATER REVENUE BONDS, 2002 SERIES 1

SEALED PROPOSALS AND ELECTRONIC PROPOSALS will be received by the Capital Finance Director, acting on behalf of the State of Wisconsin Building Commission (**Commission**), at the Reception Area, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin, until 10:00 a.m. (Central Time) on April 23, 2002, when they will be publicly opened and read, for the purchase of \$100,000,000 State of Wisconsin Clean Water Revenue Bonds, 2002 Series 1 (**2002 Series 1 Bonds**) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area. Electronic proposals must be submitted through Bloomberg Services or Dalcomp/Parity (**Approved Providers**). Sealed proposals will be opened, electronic proposals retrieved, and all proposals publicly announced in the Reception Area shortly after the deadline for proposals.

Terms of 2002 Series 1 Bonds. The 2002 Series 1 Bonds will be dated May 1, 2002, and will be payable as to principal either through serial maturities or redemption from mandatory sinking fund payments (as specified by the successful bidder) on June 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2003	\$2,750,000	2013	\$4,565,000
2004	2,955,000	2014	4,795,000
2005	3,105,000	2015	5,030,000
2006	3,255,000	2016	5,280,000
2007	3,420,000	2017	5,540,000
2008	3,585,000	2018	5,815,000
2009	3,765,000	2019	6,105,000
2010	3,950,000	2020	6,405,000
2011	4,145,000	2021	6,720,000
2012	4,350,000	2022	7,055,000
		2023	7,410,000

Each bid must specify whether the principal amount of the 2002 Series 1 Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond. The mandatory sinking fund payments of each term bond shall be on one or more consecutive annual payment dates immediately preceding the maturity date of such term bond. Term bonds may be created with a final maturity either before or after June 1, 2012; however, no term bond designated to mature on and after June 1, 2013 may contain any sinking fund payments before June 1, 2012. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of 2002 Series 1 Bonds listed in the table above as payable in that year. The same interest rate specified for the nominal maturity of a term bond must also be specified for all mandatory sinking fund payments of such term bond.

The 2002 Series 1 Bonds will bear interest, payable on December 1, 2002 and semiannually thereafter on the first day of June and December, at such rate or rates per annum as are designated by the successful bidder in its bid. Interest on the 2002 Series 1 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption. The 2002 Series 1 Bonds maturing in the years 2003 to 2012, inclusive, are not subject to optional redemption. The 2002 Series 1 Bonds maturing on or after June 1, 2013 are subject to redemption at the option of the Commission on June 1, 2012 or any date thereafter, in whole or in part, in integral multiples of \$5,000. In the event of partial redemption, the Commission shall direct the maturity or maturities and the amount thereof so to be redeemed. The redemption price for 2002 Series 1 Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the 2002 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The 2002 Series 1 Bonds of certain maturities will be subject to mandatory redemption prior to their respective stated maturity dates, in part, from mandatory sinking fund

payments, to the extent the successful bidder so specifies in its bid. In such event, the redemption price shall be equal to 100% of the principal amount of the 2002 Series 1 Bonds so redeemed, plus accrued interest to the date of redemption.

Book-Entry. The 2002 Series 1 Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (DTC). DTC will act as securities depository of the 2002 Series 1 Bonds. A single bond certificate for each separate maturity will be issued to DTC and immobilized in its custody. Individual purchases will be made in book-entry-only form pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the 2002 Series 1 Bonds purchased. The bond certificates will be deposited with DTC as a condition of the closing. See "CLOSING AND DELIVERY". U.S. Bank National Association, as successor to Firststar Trust Company, Milwaukee, Wisconsin (Trustee) will make payments of principal and interest on the 2002 Series 1 Bonds on the dates set forth above, to DTC or its nominee as registered owner of the 2002 Series 1 Bonds in same-day funds. Transfer of payments to participants of DTC will be the responsibility of DTC; transfer of said payments to beneficial owners by DTC participants will be the responsibility of the participants and other nominees of beneficial owners all as required by rules and procedures of DTC and the participants. No assurance can be given by the State of Wisconsin (State) or the Trustee that DTC, its participants, and other nominees of beneficial owners will make prompt transfer of the payments. The State and the Trustee assume no liability for failures of DTC, its participants or other nominees to promptly transfer said payments to beneficial owners of the 2002 Series 1 Bonds.

Notice to Securities Depository. Notices, if any, given by the State and Trustee to the securities depository are redistributed in the same manner as are payments. The State and Trustee assume no liability for the failure of the securities depository, its participants or other nominees of beneficial owners to promptly transfer said notices to the beneficial owners of the 2002 Series 1 Bonds. The State and Trustee are not responsible for supervising the activities or reviewing the records of the securities depository or its direct and indirect participants.

Successor to Securities Depository. In the event that the relationship with the current securities depository is terminated and the Commission does not appoint a successor securities depository, the Commission will prepare, authenticate and deliver, at its expense, fully registered certificated bonds in the denominations of \$5,000 or any integral multiple thereof, in the aggregate principal amount of 2002 Series 1 Bonds of the same maturities and interest rates then outstanding, to the beneficial owners of the 2002 Series 1 Bonds as identified to the Commission by the securities depository and its participants.

Purpose and Pledge. The 2002 Series 1 Bonds are issued and secured under the Clean Water Revenue Bond General Resolution (General Resolution) adopted on March 7, 1991 by the Commission. The proceeds of the 2002 Series 1 Bonds will be used to make loans to municipalities in the State primarily for the construction or improvement of their wastewater treatment facilities, to make deposits in the Loan Credit Reserve Fund established under the General Resolution, and to pay for costs of issuance. The 2002 Series 1 Bonds, together with any parity bonds previously or hereafter issued, are special obligations of the State secured by and payable from (1) repayment of leveraged loans made to municipalities, (2) amounts in a Loan Fund, Loan Credit Reserve Fund, and a Subsidy Fund (which holds general obligations of the State), each established by the General Resolution, and (3) all other Pledged Receipts, all as described in the Official Statement.

Based on cash flow calculations as of December 31, 2001, there is one entity that is currently the source of more than 20 percent of the cash flow servicing the Outstanding Bonds. This is the Milwaukee Metropolitan Sewerage District, which has issued Municipal Obligations to evidence repayment of Loans.

Minority Participation. It is the policy of the Commission to endeavor to ensure that 6% of the 2002 Series 1 Bonds are underwritten by firms that are certified by the State as being minority owned. The Commission urges prospective bidders to obtain from the Commission a list of firms so certified and to include such firms in their bidding group. The Commission further encourages certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority-owned firms that are not yet certified by the State and wish to be, may contact the Wisconsin Department of Commerce, Bureau of Minority Business Development at 608.267.9550.

Offering of Securities. The State offers to sell these securities by competitive bid. In the jurisdictions of Georgia, Illinois, Louisiana, Nebraska, New York, North Dakota, and Vermont, the State's offer is limited to the following: brokers, dealers, banks, savings institutions, trust companies, insurance companies, investment companies as defined

in the Investment Company Act of 1940, pension or profit sharing trusts, and other financial institutions, whether the purchaser is acting for itself or in a fiduciary capacity.

Insurance on 2002 Series 1 Bonds. If the successful bidder obtains a bond insurance policy or a commitment for a policy for the 2002 Series 1 Bonds, by or on behalf of it or any other member of its underwriting group, the purchase of any such insurance policy or the issuance of any such commitment will be at the sole option and expense of the successful bidder. The successful bidder will be responsible for working with the Commission in making sure that disclosure information is provided about the bond insurer (for example, through a wrapper to the Official Statement). The successful bidder will also be responsible for the payment of any rating agency fees (other than the rating agency fees for the underlying rating on the 2002 Series 1 Bonds) and the costs of providing disclosure information about the bond insurer.

The successful bidder will be required, as a condition for delivery of the 2002 Series 1 Bonds, to certify the amount of the premium and that this premium will be less than the present value of the interest expected to be saved as a result of such insurance. Failure of the bond insurer to issue its policy shall not constitute a failure on the part of the Commission to perform in accordance with the terms of this Official Note of Sale or the bid.

Electronic Bidding. Bidders who intend to submit electronic proposals must submit a signed Agreement About Use of Electronic Bidding Service Provider to the Capital Finance Director prior to the bid opening. The Commission assumes no responsibility or liability for bids submitted through an Approved Provider. If any provisions in this Official Notice of Sale conflict with information provided by an Approved Provider, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Bloomberg Services

Bloomberg Business Park
100 Business Park Road.
Skillman, NJ 08588-3629
New Issues Desk, 609.279.3250

Dalcomp/Parity

i-deal LLC
395 Hudson Street, FLR 3
New York, NY 10014
Cheryl Horowitz, 212.806.3898

Official Bid Form, Bidding Requirements, and Award. Sealed proposals must be made using the Official Bid Form, and all electronic proposals shall be deemed to incorporate the provisions of the Official Bid Form. The 2002 Series 1 Bonds will be awarded at the lowest true interest cost rate to the State. The true interest cost rate for each bid will be determined on the basis of present value by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to May 1, 2002 and to the price bid. In the event two or more bids specify the same lowest true interest cost rate, then the award will be made to the bidder with the lowest true interest cost rate and the largest minority-owned firm participation, or if such bidders have an equal amount of minority-owned participation, then selection for award will be made among such bidders by the Capital Finance Director by lot.

Each bid shall indicate an interest rate for each maturity and a purchase price for the 2002 Series 1 Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all the 2002 Series 1 Bonds and may be for any purchase price not less than 99% of the par amount of the 2002 Series 1 Bonds (\$99,000,000) nor greater than 103% of the par amount of the 2002 Series 1 Bonds (\$103,000,000). There shall be only one interest rate per maturity. The 2002 Series 1 Bonds maturing on and after June 1, 2013 may not have an initial offering price less than 98.5% of par. The Capital Finance Director, acting on behalf of the Commission, may waive any informality or irregularity in any bid or condition of this Official Notice of Sale and reject any or all bids.

No later than one-half hour after verbal notification of being the apparent high bidder, the bidder must communicate the "when, as, and if issued" offering prices of all 2002 Series 1 Bonds to the Capital Finance Office. In the interest of price transparency in the market, the State encourages the successful bidder to promptly disseminate the initial offering prices for all 2002 Series 1 Bonds.

Bid Deposit. A certified, official, or cashier's check must be provided, or a financial surety bond submitted, for each bid, payable to the order of the State of Wisconsin, in the amount of \$2,000,000. If a check is provided, it must accompany the bid. If a financial surety bond is submitted, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin and acceptable to the Capital Finance Director, and such bond must be submitted to the Capital Finance Office prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is assured by such bond. Each bidder submitting a financial surety bond should determine for itself that the financial surety bond is submitted prior to the bidding deadline. If the bid is awarded to

a bidder that has submitted a financial surety bond, the bidder is required to provide the good-faith deposit in immediately available funds not later than 1:30 p.m. (Central Time) on April 24, 2002. A claim may be made under the financial surety bond in the event that the good-faith deposit is not timely. Bids shall be enclosed in a sealed envelope marked on the outside, in substance, *Bid for Wisconsin Clean Water Revenue Bonds, 2002 Series 1*.

Good-Faith Deposit. The good-faith deposit of the successful bidder will be cashed. All checks of unsuccessful bidders will be returned immediately upon award of the 2002 Series 1 Bonds. No interest will be allowed on the amount of the good-faith deposit. The proceeds of the good-faith deposit of the successful bidder will be applied to the purchase price of the 2002 Series 1 Bonds. In the event that the successful bidder should fail to take up and pay for the 2002 Series 1 Bonds in compliance with the terms of its bid, the Commission, at its option, may retain the good-faith deposit as liquidated damages or, at its further option, may retain the good-faith deposit as partial payment of actual damages or as security for any other remedy available to the Commission. The amount of the good-faith deposit is to be returned to the successful bidder on the failure of the Commission to perform in accordance with the terms of this Official Notice of Sale and the bid. All bids shall remain firm for five hours after the time specified for the opening of bids, and an award of the 2002 Series 1 Bonds, or rejection of all bids, will be made by the Capital Finance Director within said period of time.

Certification of Price. The successful bidder shall certify, prior to delivery of the 2002 Series 1 Bonds, the "issue price" of the 2002 Series 1 Bonds awarded to such bidder as defined in Section 1274 of the Internal Revenue Code of 1986, as amended.

Closing and Delivery. The closing will be at a mutually agreeable location at or about 9:30 a.m. (Eastern Time) on or about May 14, 2002. No later than the day prior to this closing, the 2002 Series 1 Bonds will be delivered through the Trustee to DTC using DTC's Fast Automated Securities Transfer (FAST) System. Payment for the 2002 Series 1 Bonds must be made by wire in immediately available funds for credit to the Trustee at said date and time. Should delivery be delayed beyond 45 days from the date of sale for any reason beyond the control of the State except failure of performance by the successful bidder, the State may cancel the award or the successful bidder may demand return of its good-faith deposit and thereafter its interest in and liability for the 2002 Series 1 Bonds will cease.

Bond Opinion. The legality of the 2002 Series 1 Bonds will be approved by Michael Best & Friedrich LLP, Bond Counsel, whose unqualified approving opinion will be furnished to the successful bidder without cost upon the delivery of the 2002 Series 1 Bonds. There will also be furnished upon the delivery of the 2002 Series 1 Bonds the usual closing papers, including a certificate stating that there is no litigation pending or threatened affecting the validity of or security for the 2002 Series 1 Bonds, and a certificate to the effect that the Official Statement prepared in connection with the sale of the 2002 Series 1 Bonds, as of the date of the Official Statement and as of the date of delivery of the 2002 Series 1 Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Tax Exemption. Under existing law interest on the 2002 Series 1 Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Continuing Disclosure. In order to assist bidders in complying with Section (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, the State has executed a Master Agreement on Continuing Disclosure and Addendum Describing Annual Report for Clean Water Revenue Bonds and will execute a Supplemental Agreement specifically for the 2002 Series 1 Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents are available to prospective bidders and will be included in the closing papers.

CUSIP Numbers. The 2002 Series 1 Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of the 2002 Series 1 Bonds, and any error or omission with respect thereto shall not constitute cause for refusal by the purchaser to accept delivery of and pay for the 2002 Series 1 Bonds in accordance with the terms of the purchaser's bid.

Bidding Documents. The Preliminary Official Statement, which is available electronically at the web site shown below, and is in a form which the Commission "deems final" as of April 12, 2002 for purposes of Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 but is subject to revision, amendment and completion in a final official statement as defined in Section (e)(3) of such rule. The Preliminary Official Statement, Official Bid

Form, Agreement About Use of Electronic Bidding Service Provider, and Continuing Disclosure Documents may be obtained from the Capital Finance Office web site at the following address:

www.doa.state.wi.us/debf/capfin/pos.asp

Paper copies of these documents may be obtained from the Capital Finance Office, Department of Administration, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin 53702, 608.266.2305, 608.267.7399, 608.267.0374, or capfin@doa.state.wi.us.

Final Official Statements. The Commission will furnish to the successful bidder, without cost, up to 1,000 copies of the final Official Statement within seven business days after the award of the 2002 Series 1 Bonds.

Dated: April 12, 2002

Frank R. Hoadley
Capital Finance Director

**MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE**

March 5, 2002

Note: The following list of minority-owned underwriting firms is provided for the information of potential bidders on the Bonds and does not constitute a part of the Official Notice of Sale. Minority participation in bids is strongly encouraged by the State but is not a requirement for submitting a bid.

Mr Michael Yap
Americal Securities Inc
290 7th Ave
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415-666-0633

Mr Elton Johnson Jr
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310-641-6284

Ms Caridad Ingco
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305-273-1589

Ms Andrea Nembhard
Andrea & Associates
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414-463-8000

Ms Ceyenna Bennett
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March 5, 2002 Continued

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New York NY 10006
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San Francisco CA 94108-2408
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Chicago IL 60602
312-759-0400

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Plaza 1000 at Main St Ste 200
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The Malachi Group Inc
12 Piedmont Center Ste 410
Atlanta GA 30305
404-237-3031

Mr Christopher J Williams
The Williams Capital Group LP
650 Fifth Ave Fl 10
New York NY 10019
212-830-4500

Ms Lehong Tran
Tran Financial Network
5618 Independence Rd
Racine WI 53406
414-550-7095

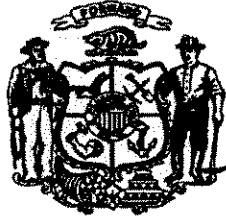
Mr Hugo I Loyo
TransferNet USA/MEX Inc
2040 W Wisconsin Ave
Milwaukee WI 53233
414-933-2359

Mr Matthew Greene
Utendahl Capital Partners LP
30 Broad St Fl 31
New York NY 10004
212-797-2660

THE STATE OF WISCONSIN

**SENATE CHAIR
BRIAN BURKE**

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



**ASSEMBLY CHAIR
JOHN GARD**

308-E Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: June 7, 2002

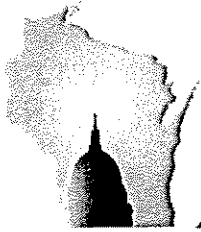
Re: General Obligation Bonds of 2002, Series D (Taxable)
General Obligation Bonds of 2002, Series C

Attached are copies of two reports from the Department of Administration, pursuant to s. 18.16 (7), Stats. The reports specify the reasons for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

The reports are being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

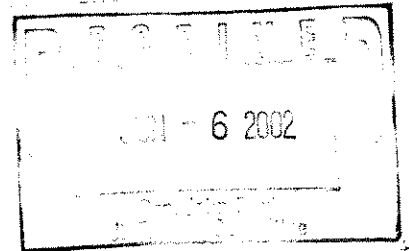
SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Division of Executive Budget and Finance
Capital Finance Office
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-5355
Fax (608) 266-7645 TTY (608) 261-6630
E-mail: capfin@doa.state.wi.us
www.doa.state.wi.us/debf/scf/index.asp

June 6, 2002

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702




Dear Senator Burke, Representative Gard and Members:

This report is required by subsection (7) of Section 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

On March 20, 2002, the Building Commission approved a resolution that provides authorization for the sale of \$20,000,000 State of Wisconsin General Obligation Bonds of 2002, Series D (Taxable) (**Bonds**). Pursuant to this authorizing resolution, the Capital Finance Director has sold these Bonds directly to the State of Wisconsin Board of Commissioners of Public Lands. This was a private sale conducted pursuant to subsection (7) of Section 18.06 of the Wisconsin Statutes.

Since the Bonds are being sold directly to the State of Wisconsin Board of Commissioners of Public Lands, and without the participation of underwriters, compliance with subsections (2) to (5) of Section 18.16 of the Wisconsin Statutes is not possible.

Sincerely,


George Lightbourn
Secretary



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

June 6, 2002

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Joint Committee on Finance
Madison, WI 53702

Dear Senator Burke, Representative Gard and Members:

This report is required by subsection (7) of 18.16 of the Wisconsin Statutes and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issue of debt.

On June 28, 2000 and April 17, 2002, the Building Commission approved authorizing resolutions that provided for the sale of \$143,545,000 State of Wisconsin General Obligation Bonds of 2002, Series C (**Bonds**). Pursuant to these authorizations, the Capital Finance Director conducted a public sale on May 29, 2002 for the Bonds. This was a public sale conducted pursuant to Subchapter I of Chapter 18. The attached Official Notice of Sale, dated May 17, 2002, set the terms and conditions of the sale and was available to all potential bidders. The State received four bids for the Bonds.

The Capital Finance Director awarded the Bonds based on the lowest true interest cost rate to the State. The successful underwriters were a syndicate managed by Bear, Stearns & Co. Inc. A list of the syndicate members is attached. There are three firms in the syndicate that are certified by the Department of Commerce as a minority owned-firm. The participation of these minority-owned firms is 2.09% of the total Bond issue.

Underwriting participation by minority owned firms is encouraged. There is a section "Minority Participation" in the Official Notice of Sale and a list of certified minority owned firms, which includes address, phone number, and contact person, was included in the bidding materials made available to each prospective bidder.

Sincerely,


George Lightbourn
Secretary

Enc.

\$143,545,000
State of Wisconsin General Obligation Bonds of 2002, Series C

Underwriting Syndicate

Underwriters:

Book Running Manager:
Bear, Stearns & Co. Inc.

Members:

Morgan Stanley
J.P. Morgan Securities, Inc.
Banc of America Securities LLC
Fidelity Capital Markets
Robert W. Baird & Co., Inc.
M.R. Beal & Company
Jackson Securities Inc.
Kirlin Securities, Inc.
Ramirez & Co., Inc.

In Association With:

RBC Dain Rauscher Inc.
ABN Amro Financial Services Inc.
Griffin, Kubik, Stephens & Thompson, Inc.
Stifel, Nicolaus & Company, Incorporated
CIBC World Markets
Commerce Capital Markets, Inc.
Prudential Securities
Advest, Inc.
The GMS Group L.L.C.
Howe Barnes Investments, Inc.

OFFICIAL NOTICE OF SALE

\$143,545,000

STATE OF WISCONSIN

GENERAL OBLIGATION BONDS OF 2002, SERIES C

SEALED AND ELECTRONIC PROPOSALS will be received by the Capital Finance Director, acting on behalf of the State of Wisconsin Building Commission (**Commission**), at the Reception Area, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin, until 10:00 a.m. (Central Time) on May 29, 2002, when they will be publicly opened and read, for the purchase of \$143,545,000 State of Wisconsin General Obligation Bonds of 2002, Series C (**Bonds**) on the terms and conditions stated below. Sealed proposals must be delivered to the Reception Area. Electronic proposals must be submitted through Bloomberg Services or Dalcomp/Parity (**Approved Providers**). Sealed proposals will be opened, electronic proposals retrieved, and all proposals publicly announced in the Reception Area shortly after the deadline for proposals.

Terms of Bonds. The Bonds will be dated June 1, 2002, and will be payable as to principal either through serial maturities or redemption from mandatory sinking fund payments (as specified by the successful bidder) on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2003	\$ 4,985,000	2013	\$ 6,730,000
2004	5,240,000	2014	7,070,000
2005	5,505,000	2015	7,425,000
2006	5,780,000	2016	7,805,000
2007	6,060,000	2017	8,205,000
2008	5,790,000	2018	8,625,000
2009	6,080,000	2019	9,070,000
2010	6,385,000	2020	9,535,000
2011	6,705,000	2021	10,015,000
2012	8,525,000	2022	8,010,000

Each bid must specify whether the principal amount of the Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond. The mandatory sinking fund payments of each term bond shall be on one or more consecutive annual payment dates immediately preceding the maturity date of such term bond. Term bonds may be created with a final maturity either before or after May 1, 2013; however, no term bonds designated to mature on and after May 1, 2013 may contain any sinking fund payments before May 1, 2012. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of Bonds listed in the table above as payable in that year. The same interest rate specified for the nominal maturity of a term bond must also be specified for all mandatory sinking fund payments of such term bond.

The Bonds will bear interest, payable on November 1, 2002 and semiannually thereafter on the first day of May and November, at such rate or rates per annum as are designated by the successful bidder in its bid. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption. The Bonds maturing in the years 2003 to 2012, inclusive, are not subject to optional redemption. The Bonds maturing on or after May 1, 2013 are subject to redemption at the option of the Commission on May 1, 2012 or any date thereafter, in whole or in part, in integral multiples of \$5,000. In the event of partial redemption, the Commission shall direct the maturity or maturities and the amount thereof so to be redeemed. The redemption price for Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the Bonds so redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Bonds of certain maturities will be subject to mandatory redemption prior to their respective stated maturity dates, in part, from mandatory sinking fund payments, to the extent the

successful bidder so specifies in its bid. In such event, the redemption price shall be equal to 100% of the principal amount of the Bonds so redeemed, plus accrued interest to the date of redemption.

Book-Entry. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (DTC). DTC will act as securities depository of the Bonds. A single Bond certificate for each separate maturity will be issued to DTC and immobilized in its custody. Individual purchases will be made in book-entry-only form pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The Bond certificates will be deposited with DTC as a condition of the closing. The State of Wisconsin (State) will make payments of principal and interest on the Bonds on the dates set forth above, to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of payments to participants of DTC will be the responsibility of DTC; transfer of payments to beneficial owners by DTC participants will be the responsibility of the participants and other nominees of beneficial owners, all as required by rules and procedures of DTC and the participants. No assurance can be given by the State that DTC, its participants, and other nominees of beneficial owners will make prompt transfer of the payments. The State assumes no liability for failures of DTC, its participants, or other nominees to promptly transfer payments to beneficial owners of the Bonds.

Notice to Securities Depository. Notices, if any, given by the State to the securities depository are redistributed in the same manner as are payments. The State assumes no liability for the failure of the securities depository, its participants, or other nominees of beneficial owners to promptly transfer said notices to the beneficial owners of the Bonds. The State is not responsible for supervising the activities or reviewing the records of the securities depository or its direct and indirect participants.

Successor to Securities Depository. In the event that the relationship with the current securities depository is terminated and the Commission does not appoint a successor securities depository, the Commission will prepare, authenticate, and deliver, at its expense, fully registered certificated Bonds in the denominations of \$5,000 or any integral multiple thereof, in the aggregate principal amount of Bonds of the same maturities and interest rates then outstanding, to the beneficial owners of the Bonds as identified to the Commission by the securities depository and its participants.

Purpose and Pledge. The Bonds will be issued to finance the cost of governmental purposes and to fund a portion of previously issued general obligation extendible municipal commercial paper. The Bonds will be issued pursuant to Chapter 18 of the Wisconsin Statutes and resolutions adopted by the Commission on June 28, 2000 and April 17, 2002. The Bonds will be direct and general obligations of the State. The full faith, credit, and taxing power of the State will be irrevocably pledged to the payment of the principal of and interest on the Bonds, and there will be irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for the payment of the principal of and interest on the Bonds.

Minority Participation. It is the policy of the Commission to endeavor to ensure that 6% of the Bonds are underwritten by firms that are certified by the State as being minority owned. The Commission urges prospective bidders to obtain from the Commission a list of firms so certified and to include such firms in their bidding group. The Commission further encourages certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority-owned firms that are not yet certified by the State and wish to be, may contact the Wisconsin Department of Commerce, Bureau of Minority Business Development at 608.267.9550.

Offering of Securities. The State offers to sell these securities by competitive bid. In the jurisdictions of Georgia, Illinois, Louisiana, Nebraska, New York, North Dakota, and Vermont, the State's offer is limited to the following: brokers, dealers, banks, savings institutions, trust companies, insurance companies, investment companies, pension or profit sharing trusts, and other financial institutions.

Insurance on Bonds. If the successful bidder obtains a bond insurance policy or a commitment for a policy for the Bonds, by or on behalf of it or any other member of its underwriting group, the purchase of any such insurance policy or the issuance of any such commitment will be at the sole option and expense of the successful bidder. The successful bidder will be responsible for working with the Commission in making sure that disclosure information is provided about the bond insurer (for example, through a wrapper to the Official Statement). The successful bidder will also be responsible for the payment of any rating agency fees (other than the rating agency fees for the underlying rating on the Bonds) and the costs of providing disclosure information about the bond insurer.

The successful bidder will be required, as a condition for delivery of the Bonds, to certify the amount of the insurance premium and that this premium will be less than the present value of the interest expected to be saved as a

result of such insurance. Failure of the bond insurer to issue its policy shall not constitute a failure on the part of the Commission to perform in accordance with the terms of this Official Notice of Sale or the bid.

Electronic Bidding. Bidders who intend to submit electronic proposals must submit a signed Agreement About Use of Electronic Bidding Service Provider to the Capital Finance Director prior to the bid opening. The Commission assumes no responsibility or liability for bids submitted through an Approved Provider. If any provisions in this Official Notice of Sale conflict with information provided by an Approved Provider, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

- Bloomberg Services
Bloomberg Business Park
100 Business Park Road
Skillman, NJ 08588-3629
New Issues Desk, 609.279.3250
- Dalcomp/Parity
i-Deal LLC
395 Hudson Street, FLR 3
New York, NY 10014
Cheryl Horowitz, 212.806.3898

Official Bid Form and Award. Sealed proposals must be made using the Official Bid Form, and all electronic proposals shall be deemed to incorporate the provisions of the Official Bid Form. The Bonds will be awarded at the lowest true interest cost rate to the State. The true interest cost rate for each bid will be determined on the basis of present value by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to June 1, 2002 and to the price bid. In the event two or more bids specify the same lowest true interest cost rate, then the award will be made to the bidder with the lowest true interest cost rate and the largest minority-owned firm participation, or if such bidders have an equal amount of minority-owned participation, then selection for award will be made among such bidders by the Capital Finance Director by lot.

Each bid shall indicate an interest rate for each maturity and a purchase price for the Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all the Bonds and may be for any purchase price not less than 98.5% of the par amount of the Bonds (\$141,391,825.00) nor greater than 104% of the par amount of the Bonds (\$149,286,800.00). There shall be only one interest rate per maturity. The Bonds maturing on or after May 1, 2013 may not have an initial offering price less than 98.5% of par. The Capital Finance Director, acting on behalf of the Commission, may waive any informality or irregularity in any bid or condition of this Official Notice of Sale and reject any or all bids.

No later than one-half hour after verbal notification of being the apparent high bidder, the bidder must communicate the "when, as, and if issued" offering prices of all Bonds to the Capital Finance Office. In the interest of price transparency in the market, the State encourages the successful bidder to promptly disseminate the initial offering prices for all Bonds.

Bid Deposit. A certified, official, or cashier's check must be provided, or a financial surety bond submitted, for each bid, payable to the order of the State of Wisconsin, in the amount of \$2,870,000. If a check is provided, it must accompany the bid. If a financial surety bond is submitted, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin and acceptable to the Capital Finance Director, and such bond must be submitted to the Capital Finance Office prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is assured by such bond. Each bidder submitting a financial surety bond should determine for itself that the financial surety bond is submitted prior to the bidding deadline. If the bid is awarded to a bidder that has submitted a financial surety bond, the bidder is required to provide the good-faith deposit in immediately available funds not later than 1:30 p.m. (Central Time) on May 30, 2002. A claim may be made under the financial surety bond in the event that the good-faith deposit is not timely. Bids shall be enclosed in a sealed envelope marked on the outside, in substance, *Bid for State of Wisconsin General Obligation Bonds of 2002, Series C.*

Good-Faith Deposit. The good-faith deposit of the successful bidder will be cashed. All checks of unsuccessful bidders will be returned immediately upon award of the Bonds. No interest will be allowed on the amount of the good-faith deposit. The proceeds of the good-faith deposit of the successful bidder will be applied to the purchase price of the Bonds. In the event that the successful bidder should fail to take up and pay for the Bonds in compliance with the terms of its bid, the Commission, at its option, may retain the good-faith deposit as liquidated damages or, at its further option, may retain the good-faith deposit as partial payment of actual damages or as security for any other remedy available to the Commission. The amount of the good-faith deposit is to be returned to the successful bidder on the failure of the Commission to perform in accordance with the terms of this Official Notice of Sale and the bid. All bids shall remain firm for five hours after the time bids are received for the Bonds, and an award of the Bonds, or rejection of all bids, will be made by the Capital Finance Director within said period of time.

Certification of Price. The successful bidder shall certify, prior to delivery of the Bonds, the "issue price" of the Bonds awarded to such bidder as defined in Section 1274 of the Internal Revenue Code of 1986, as amended.

Closing and Delivery. The closing will be at a mutually agreeable location, at or about 9:30 a.m. (Eastern Time), on or about June 12, 2002. The Bonds will be delivered to DTC no later than the day prior to the closing. Payment for the Bonds must be made by wire in immediately available funds for credit at U.S. Bank National Association at said date and time. Should delivery be delayed beyond 45 days from the date of sale for any reason beyond the control of the State except failure of performance by the successful bidder, the State may cancel the award or the successful bidder may demand return of its good-faith deposit and thereafter its interest in and liability for the Bonds will cease.

Bond Opinion. The legality of the Bonds will be approved by Foley & Lardner, bond counsel, whose unqualified approving opinion will be furnished to the successful bidder without cost upon the delivery of the Bonds. There will also be furnished upon the delivery of the Bonds the usual closing papers, including a certificate stating that there is no litigation pending or threatened affecting the validity of or security for the Bonds and a certificate to the effect that the Official Statement prepared in connection with the sale of the Bonds, as of the date of the Official Statement and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Tax Exemption. Under existing law interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Continuing Disclosure. In order to assist bidders in complying with Section (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, the State has executed a Master Agreement on Continuing Disclosure and an Addendum Describing Annual Report for General Obligations and will execute a Supplemental Agreement specifically for the Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents are available to prospective bidders and will be included in the closing papers.

CUSIP Numbers. The Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of the Bonds, and any error or omission with respect thereto shall not constitute cause for refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of the purchaser's bid.

Bidding Documents. The Preliminary Official Statement, which is available electronically at the web site shown below, is in a form which the State deems final as of May 17, 2002, except for the omission of information described in Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934 but is subject to revision, amendment, and completion in a final official statement. The Preliminary Official Statement, Official Bid Form, Agreement About Use of Electronic Bidding Service Provider, and Continuing Disclosure Documents may be obtained from the Capital Finance Office web site at the following address:

www.doa.state.wi.us/debf/capfin/pos.asp

Paper copies of these documents may be obtained from the Capital Finance Office, Department of Administration, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin 53702, 608.266.2305, 608.267.7399, 608.267.0374, or capfin@doa.state.wi.us.

Final Official Statements. The Commission will furnish to the successful bidder, without cost, up to 1,000 copies of the final Official Statement within seven business days after the award of the Bonds.

Dated: May 17, 2002

Frank R. Hoadley
Capital Finance Director

**MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE**

March 5, 2002

Note: The following list of minority-owned underwriting firms is provided for the information of potential bidders on the Bonds and does not constitute a part of the Official Notice of Sale. Minority participation in bids is strongly encouraged by the State but is not a requirement for submitting a bid.

Mr Michael Yap
Americal Securities Inc
290 7th Ave
San Francisco CA 94118
415-666-0633

Mr Elton Johnson Jr
Amerivet Securities Inc
PO Box 1074
Inglewood CA 90308
310-641-6284

Ms Caridad Ingco
AMI Risk Consultants Inc
11410 N Kendall Dr #208
Miami FL 33176-1031
305-273-1589

Ms Andrea Nembhard
Andrea & Associates
2606 W Silver Spring Dr
Glendale WI 53209
414-463-8000

Ms Ceyenna Bennett
Apex Securities Inc
333 Clay St Ste 1310
Houston TX 77002
713-650-1122

Ms Benita Pierce
B Pierce & Co Inc
12 Greene St #3
New York NY 10013
212-219-1114

Mr Sano Shimoda
Bio Science Securities Inc
2 Theatre Sq #210
Orinda CA 94563-3346
925-253-9520

Mr Charles W Johnson
Blaylock & Partners LP
609 5th Ave
New York NY 10017
888-738-6633

Mr Bufus Outlaw
Boe Securities
225 S 15th St Ste 928
Philadelphia PA 19102
215-546-2300

Mr Martin Cabrera Jr
Cabrera Capital Markets Inc
208 S LaSalle St Ste 1230
Chicago IL 60604
312-236-8888

Ms Katherine Jennings
Carnegie Morgan Partners LLC
535 Griswold St Fl 25
Detroit MI 48226
313-965-0080

Mr Samuel D Ewing Jr
Ewing Capital Inc
6630 16th St NW
Washington DC 20012
202-829-9450

Mr Claude Gregory
Financial & Realty Services LLC
8720 Georgia Ave Ste 1005
Silver Spring MD 20910
301-650-9112

Ms Sherlin Lee
First Honolulu Securities Inc
900 Fort St #950
Honolulu HI 96813
808-523-9422

Mr Dale R Gilliam
GBG Inc
1930 N Martin Luther King Dr
Milwaukee WI 53212
414-264-1400

Ms Lenda P Washington
GRW Capital Corp
1004 Sixth St NW
Washington DC 20001
202-628-7090

Ms Laura J Janus
HCM Investments Inc
35 W Wacker Dr #3260
Chicago IL 60601-1614
312-553-1000

Mr Louis A Holland
Holland Capital Mgmt LP
35 W Wacker Dr Ste 3260
Chicago IL 60601
312-553-1000

Mr Eric H Pookrum
INNOVA Securities Inc
3703 Woodsman Court
Suitland MD 20746-1376
301-967-7368

Mr Ronald Jackson
Jackson Partners & Assoc Inc
381 Park Ave S #621
New York NY 10016
800-932-9863

Ms Millicent E Counts
Jackson Securities Inc
100 Peachtree St NW Ste 2250
Atlanta GA 30303-1912
404-522-5766

Mr John Hsu
John Hsu Capital Group Inc
767 3rd Ave Fl 18
New York NY 10017-2023
212-223-7515

Ms Deloris Sims
Legacy Bancorp Inc
2102 W Fond Du Lac Ave
Milwaukee WI 53206-1533
414-343-6900

Mr Albert Grace Jr
Loop Capital Markets LLC
175 W Jackson Ste A635
Chicago IL 60604
312-913-4905

Ms Patricia Winans
MAGNA Securities Corp
60 E 42nd St Ste 2530
New York NY 10065
212-547-3740

Mr DuBois Cox
May Davis Group
2 N Charles St Ste 840
Baltimore MD 21202
410-244-5922

Mr Julius Joseph
MEGA Marketing
4222 W Capitol Dr
Milwaukee WI 53216
614-442-5500

MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE
March 5, 2002 Continued

Mr Philip Y Leung
Montrose Securities Intrnl
44 Montgomery St Ste 3350
San Francisco CA 94104
415-399-9955

Mr Neil Lieberman
MR Beal & Company
67 Wall St
New York NY 10005
212-983-3930

Mr Randolph T Myricks
North Milwaukee Bancshares Inc
5630 W Fond Du Lac Ave
Milwaukee WI 53216
414-466-2344

Mr Randolph T Myricks
North Milwaukee State Bank
5630 W Fond Du Lac Ave
Milwaukee WI 53216
414-466-2344x128

Mr David Ormes
Ormes Capital Markets Inc
55 Broadway Fl 10
New York NY 10006
212-361-1320

Mr Miguel Uria
Oro Financial Inc
4037 Tulane Ave #100
New Orleans LA 70119-6829
504-482-4116

Mr Malcolm Pryor
Pryor Counts & Co Inc
1515 Market St #819
Philadelphia PA 19102
215-569-0274

Mr George W Graham
Ramirez & Co Inc
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Mr Eric L Small
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