



Washington State
Treasurer
James L. McIntire

Certification of the Debt Limitation of the State of Washington

Fiscal Year 2010

*(Prepared in accordance with the provisions of Article VIII, §1, of the
Washington State Constitution and Chapter 39.42 RCW, as amended)*

Certification of the Debt Limitation

Fiscal Year 2010

Table of Contents

Executive Summary	3
Computation of the Constitutional Debt Service Limitation	4
I. General State Revenues	4
II. Outstanding Debt Subject to the Constitutional Debt Limit – Maximum Annual Debt Service	5
III. Debt Service within Constitutional Debt Limit	7
IV. Estimated Available Debt Capacity	7

Appendix

Tables

- A-1 General State Revenues – Fiscal Years 2007 – 2009
- A-2 Outstanding General Obligation Bonds – Subject to and Excluded from the Constitutional Debt Limit, By Series – Fiscal Years 2009 – 2011
- A-3 Outstanding General Obligation Bonds – Annual Debt Service Fiscal Years 1994 – 2010, Subject to Constitutional Debt Limit and Excluded from the Constitutional Debt Limit
- A-4 Annual Debt Service on Outstanding General Obligation Bonds as of December 31, 2009, Subject to Constitutional Debt Limit and Excluded from the Constitutional Debt Limit

Constitutional Debt Limitation

Executive Summary

The Constitution of the State of Washington limits the amount of state debt that may be incurred by restricting the amount of general state revenues which may be allocated to pay principal and interest on debt subject to these limitations. More specifically, the constitutional debt limitation prohibits the issuance of new debt if the new debt would cause the Maximum Annual Debt Service on all thereafter outstanding debt to exceed nine percent of the arithmetic mean of general state revenues for the preceding three fiscal years. This limitation restricts the incurrence of new debt and not the amount of debt service that may be paid by the state in future years.

The provisions of Article VIII, Section 1, of the State Constitution, and Chapter 39.42 RCW require the State Treasurer to certify the Debt Service Limitation for each fiscal year. In accordance with these provisions, the Debt Service Limitation for FY 2010 is calculated to be \$1,126,656,499.

Constitutional Debt Limitation Not Exceeded

The aggregate debt projected to be contracted by the state as of June 30, 2010 does not exceed that amount for which payments of principal and interest in any fiscal year would require the state to expend more than nine percent of the arithmetic mean of its general state revenues for the three immediately preceding fiscal years. The state's projected Maximum Annual Debt Service as of June 30, 2010, is shown to be \$971,256,899. Thus, as of June 30, 2010, the state's projected Maximum Annual Debt Service is \$155,399,600 less than the Debt Service Limitation.

Estimated Available Debt Capacity

The combined effect of increased issuance, falling revenues and marginally higher interest rates is projected to reduce the state's Estimated Available Debt Capacity from \$2,970 million in FY 2009 to \$1,022 million in FY 2011. Estimated Available Debt Capacity would be reduced to zero in 2012 if the state issues \$1,116 million of new debt during 2012. If Maximum Annual Debt Service is limited to 8.75% of the three-year mean of general state revenues — the assumption currently used for planning purposes — 2012 issuance would be capped at approximately \$697 million.

Computation of the Constitutional Debt Service Limitation

The constitutional debt limitation prohibits the issuance of new debt if the new debt would cause the Maximum Annual Debt Service on all thereafter outstanding debt to exceed nine percent of the arithmetic mean of general state revenues for the preceding three fiscal years. This limitation restricts the incurrence of new debt and not the amount of debt service that may be paid by the state in future years. Section I of this report provides detail on the calculation of the Debt Service Limitation derived from general state revenues. Section II explains the determination of Maximum Annual Debt Service for each year. Section III demonstrates that the state's projected Maximum Annual Debt Service meets the Debt Service Limitation requirement. Section IV estimates the amount of additional debt the state could incur while remaining within the limit.

I. General State Revenues

As defined by the State Constitution, general state revenues include all monies received in the state treasury with the exception of:

1. Fees and revenues derived from the operation of any undertaking, facility, or project;
2. Moneys received as gifts, grants, donations, aid or assistance when the term of the grant or assistance require expenditures to be for a specific purpose;
3. Moneys to be paid into and received from retirement system funds and performance bonds;
4. Moneys to be paid into and received from trust funds including taxes levied for specific purposes and the several permanent and irreducible funds; and
5. Proceeds received from the sale of bonds or other indebtedness.

A three-year rolling average of general state revenues is required for the calculation of the Debt Service Limitation. As shown in Schedule 1, this average declined modestly in 2010, and is expected to decline somewhat further in 2011. Despite the 9.9% expected rebound in 2011 revenues, the 2012 three-year rolling average is expected to be largely unchanged due to declines in prior year revenues. The Debt Service Limitation, or 9% of this average, follows the same pattern.

**Schedule 1 Computation of Constitutional Debt Service Limitation
Fiscal Years 2009 - 2012**

	General State Revenues		2009	2010	2011	2012
		% Chg				
FY 2005	\$ 9,835,768,591	5.79%				
FY 2006	11,810,920,848	20.08%	\$ 11,810,920,848			
FY 2007 ¹	12,931,687,741	9.49%	12,931,687,741	\$ 12,931,687,741		
FY 2008 ¹	13,074,926,297	1.11%	13,074,926,297	13,074,926,297	\$ 13,074,926,297	
FY 2009 ¹	11,548,602,579	-11.67%		11,548,602,579	11,548,602,579	\$ 11,548,602,579
FY 2010 ²	11,945,959,956	3.44%			11,945,959,956	11,945,959,956
FY 2011 ²	13,127,767,872	9.89%				13,127,767,872
Total			\$ 37,817,534,887	\$ 37,555,216,618	\$ 36,569,488,832	\$ 36,622,330,407
3-year Arithmetic Mean			\$ 12,605,844,962	\$ 12,518,405,539	\$ 12,189,829,611	\$ 12,207,443,469
Debt Service Limitation (9% of 3-Year Mean)			\$ 1,134,526,047	\$ 1,126,656,499	\$ 1,097,084,665	\$ 1,098,669,912

¹ See Appendix A-1 for more detail.

² Estimates from Office of Financial Management based on the February 2010 forecast provided by the Economic and Revenue Forecast Council.

II. Outstanding Debt Subject to the Constitutional Debt Limit – Maximum Annual Debt Service

Historically, state debt has been defined to mean borrowed money payable from taxes. Principal and interest requirements on the following types of state obligations are excluded from the calculation of the constitutional debt limitation:

1. Obligations payable from motor vehicle fuel taxes;
2. Obligations payable from investment revenue of the permanent common school fund;
3. Obligations payable from license fees on motor vehicles;
4. Obligations payable solely from non-tax revenues of public facilities or projects;
5. Certificates of indebtedness issued to meet temporary deficiencies in the State Treasury;
6. Debt approved by the Legislature and a majority of the voters in a general or special election;
7. Debt which has been refunded; and
8. Principal of bond anticipation notes.

The second step of the Debt Limit Calculation requires an estimate of Maximum Annual Debt Service for each fiscal year — the highest value of annual principal and interest payments for bonds outstanding at each fiscal year-end. Schedule 2 presents the annual principal and interest payments on debt outstanding subject to the Constitutional debt limit at fiscal year-end, FY 2009 through FY 2012. As of June 30, 2009 the Maximum Annual Debt Service payment on \$9,582 million of debt subject to this limit is the debt service payment shown for 2010, or approximately \$931 million. Maximum Annual Debt Service for debt

projected to be outstanding at year-end FY 2010 increases to \$971 million and to \$1,098 million by the end of FY 2012.

Schedule 2

Debt Subject to the Constitutional Debt Limit:

Debt Service on Outstanding Bonds

Maximum Annual Debt Service

	2009	2010	2011	2012
Debt Outstanding- Beginning FY	8,737,389,693	9,582,000,115	10,162,712,559	10,834,153,351
Minus Redemptions	415,194,578	443,957,556	453,159,208	470,691,866
Plus New Issuance	1,259,805,000	1,024,670,000 ¹	.....	.....
Plus Projected New Issuance	.....	.....	1,124,600,000 ²	1,116,161,958 ³
Debt Outstanding -End FY	9,582,000,115	10,162,712,559	10,834,153,351	11,479,623,443

	2009	2010	2011	2012
Debt Service				
2009	\$ 869,077,319			
2010	931,728,018	\$ 932,171,285		
2011	900,567,599	971,256,899	\$ 985,445,166	
2012	876,025,694	946,660,346	1,024,869,351	\$ 1,039,044,608
2013	869,688,606	940,425,406	1,019,332,113	1,098,669,912
2014	859,368,574	930,140,900	1,009,047,607	1,088,385,406
2015	870,404,856	939,458,571	1,018,365,278	1,097,703,077
2016	857,811,110	926,854,135	1,005,760,843	1,085,098,642
2017	830,592,986	899,654,116	978,560,823	1,057,898,623
2018	782,106,556	852,751,337	931,658,045	1,010,995,844
2019	742,940,416	813,599,466	892,506,173	971,843,973
2020	707,185,742	777,851,760	856,758,468	936,096,267
2021	649,163,294	719,831,013	798,737,720	878,075,519
2022	627,379,025	698,028,938	776,935,645	856,273,444
2023	602,307,713	672,964,875	751,871,582	831,209,382
2024	576,345,413	646,996,625	725,903,332	805,241,132
2025	526,165,450	599,107,588	678,014,295	757,352,094
2026	486,574,025	559,517,350	638,424,057	717,761,857
2027	444,188,038	518,309,938	597,216,645	676,554,444
2028	401,834,575	476,183,250	555,089,957	634,427,757
2029	375,649,550	449,986,475	528,893,182	608,230,982
2030	327,158,875	401,498,300	480,405,007	559,742,807
2031	276,528,975	351,131,850	430,038,557	509,376,357
2032	239,571,800	314,184,300	393,091,007	472,428,807
2033	185,219,413	259,819,538	338,726,245	418,064,044
2034	88,374,500	162,983,000	241,889,707	321,227,507
2035	.....	74,608,875	153,515,582	232,853,382
2036	.....	.....	78,906,707	158,244,507
	\$ 15,903,958,118	\$ 16,835,976,133	\$ 17,889,963,095	\$ 18,822,800,370

¹ As of March 8, 2010

² 2011 Projected New Issuance is a portion of authorized debt based on the estimated demand for bond proceeds. See Table A2 in Appendix.

³ 2012 projected new issuance represents the maximum amount of debt that could be issued in 2012 based on current revenue and interest rates.

III. Debt Service within Constitutional Debt Limit

Schedule 3 combines general state revenue and debt service figures from the two previous schedules to demonstrate that Maximum Annual Debt Service projected for fiscal years 2010 and 2011 does not exceed the Debt Service Limitation for each year derived from general state revenues (see Line 3).

Schedule 3 Constitutional Debt Limit and Estimated Debt Capacity

	2009	2010	2011	2012
1. Debt Service Limitation (9% of 3-Yr Mean)	\$ 1,134,526,047	\$ 1,126,656,499	\$ 1,097,084,665	\$ 1,098,669,912
2. Maximum Annual Debt Service	<u>931,728,018</u>	<u>971,256,899</u>	<u>1,024,869,351</u>	<u>1,098,669,912</u>
3. Difference (Line 1 minus Line 2)	\$ 202,798,029	\$ 155,399,600	\$ 72,215,314	\$ 0
4. Estimated Available Debt Capacity	\$ 2,970,334,194	\$ 2,266,818,150	\$ 1,022,918,784	\$ 0
Assuming 25-year level debt service payment equal to Difference (Line 3) at True Interest Cost (TIC) ¹ of:	4.62%	4.66%	4.95%	5.08%

¹ True interest cost is based on Global Insights estimate of the Bond Buyer Index as provided by the Economic and Revenue Forecast Council.

IV. Estimated Available Debt Capacity

To estimate Available Debt Capacity in any year, we estimate the par amount of twenty five year debt that could be serviced with annual payments equal to the Difference (Schedule 3, Line 3) noted in that year. Using this methodology, Available Debt Capacity as of June 30, 2010, is estimated to be \$2,266 million and decline to \$1,022 million as of June 30, 2011. Based on current revenue and interest rate projections, Available Debt Capacity would be exhausted in 2012 if the state were to issue approximately \$1,116 million of new debt during 2012, resulting in Maximum Annual Debt Service of \$1,098 million. If Maximum Annual Debt Service is limited to 8.75% of the three-year mean of general state revenues — the assumption currently used for planning purposes — 2012 issuance would be capped at approximately \$697 million.

Impact of Debt Issuance

Debt issued in any one year diminishes additional capacity in subsequent years. Annual estimates of Available Debt Capacity shown above are not additive.

Impact of Revenue Change

The \$2,267 million capacity estimate for 2010 does not mean that the state could issue this amount before the end of 2010 and necessarily remain within the debt limitation in future years. Further declines in projected general state revenues would further diminish capacity going forward.

Impact of Interest Rate Change

Much of recent state debt has been issued in a historically low-interest-rate environment. Future increases in interest rates in 2011 would similarly diminish Available Debt Capacity.

Appendix

General State Revenues -- Fiscal Years 2007-2009

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Total Revenue Deposited in State Treasury	\$ 44,947,161,474	\$ 46,280,685,803	\$ 47,124,138,660
Less Funds & Accounts Eliminated in Accordance with Article VIII, § 1 (c):			
Special Revenue Funds	\$ 6,469,848,692	\$ 6,410,111,225	\$ 5,513,954,126
Debt Service Funds	1,186,264,063	467,953,936	403,660,053
Capital Projects Funds	1,097,937,273	1,224,792,814	1,342,232,043
Permanent Funds	(12,922,010)	(8,964,974)	(5,873,106)
Enterprise Funds	4,145,812,710	4,092,929,669	4,250,176,027
Internal Service Funds	192,601,991	210,533,155	209,941,522
Private Purpose Funds	-	1,542,474	-
Pension Trust Funds	4,223,840,925	5,023,201,441	5,669,977,840
Agency Funds	6,672,459,797	7,386,858,054	7,450,912,158
Total Deductions	\$ 23,975,843,441	\$ 24,808,957,792	\$ 24,834,980,662
Total General Fund Cash Deposited	\$ 20,971,318,033	\$ 21,471,728,011	\$ 22,289,157,998
Adjustments to General Fund Cash Deposits:			
Less: General Fund deposits other than Cash Revenue	\$ (1,444,425,368)	\$ (2,691,099,809)	\$ (1,406,190,668)
Add: General Fund prior biennium accruals collected	-	2,281,160,448	-
Less: Washington State Lottery cash revenue adjustments	-	(11,091,970)	-
Add: Washington State Lottery cash revenue adjustments	-	-	9,101,732
Less: Department of Revenue cash revenue adjustments	-	(67,566,085)	(34,857,282)
Add: Department of Revenue cash revenue adjustments	127,017,469	-	-
Less: Department of Licensing cash revenue adjustments	(39,884)	-	-
Total Adjustments to General Fund Cash Deposits	\$ (1,317,447,782)	\$ (488,597,416)	\$ (1,431,946,219)
Total General Fund Cash Revenue	\$ 19,653,870,251	\$ 20,983,130,595	\$ 20,857,211,779
Elimination of Cash Deposited in Basic General Fund in Accordance with Revenue Exclusion in Article VIII § 1 (c) (2):			
Federal Grants-in-Aid	\$ 5,103,375,519	\$ 6,223,884,284	\$ 6,650,497,297
Federal Revenue - Pass Through	15,885,512	13,545,184	12,327,664
Contributions, Grants & Private/Local	173,112,223	181,614,939	195,582,416
Grants Repayments	67,131	74,715	67,585
Energy Facility Application & Monitoring Fees	4,668,406	3,971,944	3,293,790
Indirect Cost Reimbursements	1,600,143	2,213,364	2,170,202
Total Eliminations -- Article VIII § 1 (c) (2)	\$ 5,298,708,932	\$ 6,425,304,428	\$ 6,863,938,953

(Continued on next page)

General State Revenues -- Fiscal Years 2007-2009

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Elimination of Distributions and Dedicated Revenues Deposited in Basic General Fund In Accordance With Attorney General Opinions Dated 12/18/72 and 11/23/77 to the State Treasurer:			
Property Tax	\$ 1,439,728,699	\$ 1,489,465,523	\$ 1,529,047,410
Liquor Profits	53,038,179	42,055,971	41,748,150
Crime Laboratory Analysis Fee	302,613	304,093	305,453
Trans. from Timber Tax Dis. Acc.-Support for Comm Schools	8,040,379	7,281,215	5,377,503
Public Utility District Excise Tax Dedicated	13,754,049	14,417,469	14,698,282
Total Distributions & Dedicated Revenues	\$ 1,514,863,920	\$ 1,553,524,271	\$ 1,591,176,797
Adjustments:			
Property Tax transferred to Student Achievement Acct ⁽³⁾	\$ -	\$ -	\$ (218,000,000)
Budget Stabilization Account Transfer	-	-	(284,955,184)
Emergency Reserve Account Transfer	155,782,000	66,763,070	-
Water Quality Account Transfer	319,000	12,200,000	7,851,000
Health Services Account Transfer	-	-	(39,896,905)
Public Employees and Retirees Insurance Transfer	(50,000,000)	-	-
State Convention and Trade Center Account Transfer	-	-	(52,000,000)
Education Legacy Trust Account Transfer	-	-	(67,000,000)
Local Toxics Control Account Transfer	-	-	(75,000,000)
Education Savings Account Transfer	-	-	(44,143,821)
Various Other Transfers	8,264,298	17,089,609	(59,691,275)
Nonrevenue Sources	(22,974,955)	(25,428,278)	(20,657,265)
Total Adjustments	\$ 91,390,343	\$ 70,624,402	\$ (853,493,450)
General State Revenues - Constitutional⁽¹⁾⁽²⁾	\$ 12,931,687,741	\$ 13,074,926,297	\$ 11,548,602,579

⁽¹⁾ As defined by Article VIII § 1 (c).

⁽²⁾ Chapter 500, Laws of 2009 (SSB 5537) repealed RCW 39.42.060, statutory debt limit. Effective: 7/1/2009.

⁽³⁾ Pursuant to RCW 84.52.065, Property Taxes are designated for the support of common schools, therefore excluded from constitutional general state revenues.

A-2 Outstanding General Obligation Bonds Subject to and Excluded From the Constitutional Debt Limit

Fiscal Years 2009-2011

	6/30/2009	6/30/2010	6/30/2011
Subject to Debt Limit			
GO CSB, Series 1989 (Zero Coupon Bonds)	\$ 5,906,611	\$ 3,710,536	\$ 2,458,736
VP GO Bonds, Series 1990A	47,805,000	40,915,000	33,810,000
GO Bonds, Series AT-5 (Zero-Coupon Bonds)	3,257,790	2,356,220	1,515,432
GO CSB, Series 1990 (Zero-Coupon Bonds)	1,619,360	780,864	1,945,650
GO CSB, Series 1991 (Zero-Coupon Bonds)	4,891,015	3,442,150	89,095,000
GO Bonds, Series 1992A and Series AT-6 (Convention and Trade Center)	26,505,000	13,685,000	.....
VP GO Bonds, Series 1992B and AT-7	114,335,000	102,115,000	.....
VP GO Bonds, Series 1993A	59,320,000	45,800,000	31,445,000
VP GO Refunding Bonds, Series R-93A	21,690,000	8,400,000	.....
GO CSB, Series 1992 (Zero-Coupon Bonds)	6,986,207	5,990,047	4,887,764
VP GO Bonds, Series 1993B	128,675,000	117,160,000	105,020,000
VP GO Refunding Bonds, Series R-93B	67,305,000	59,325,000	50,875,000
GO CSB, Series 1993 (Zero-Coupon Bonds)	5,620,468	5,092,922	4,441,658
GO CSB, Series 1994 (Zero-Coupon Bonds)	10,419,945	8,646,609	7,371,196
GO CSB, Series 1995 CSB (Zero-Coupon Bonds)	3,842,012	3,491,270	2,789,098
Adj Rate GO Bonds, Series VR-96A	69,800,000	65,700,000	58,900,000
Adj Rate GO Bonds, Series VR-96B	69,800,000	65,700,000	58,900,000
GO CSB, Series 1996 (Zero Cpn Bonds)	13,335,240	11,795,475	10,782,350
GO Ref Bonds, Series R-97A (Trade & Conv Cntr Zero Coupon)	25,026,467	25,026,467	25,026,467
VP GO Bds, Series 1998C	179,380,000	171,150,000	162,500,000
VP GO Bds, Series 1999A	144,045,000	.....	.....
VP G.O. Refunding Bonds, Series R-99A	54,940,000	.....	.....
VP GO Bds, Series 1999B	227,540,000	.....	.....
VP GO Bds, Series 2000A	7,795,000	.....	.....
VP GO Bds, Series 2000B	7,870,000	.....	.....
VP GO Bds, Series 2001A	19,085,000	9,785,000	.....
G.O. Refunding Bonds, Series R-2001T	1,265,000	1,075,000	875,000
VP GO Bds, Series 2001C	241,400,000	9,930,000	.....
VP G.O. Refunding Bonds, Series R-2001A	38,760,000	7,905,000	5,160,000
VP GO Bds, Series 2002A	279,550,000	269,605,000	259,220,000
VP GO Bonds, Series 2002B	210,090,000	202,880,000	195,310,000
VP GO Bonds, Series 2003A	156,985,000	151,670,000	146,145,000
VP GO Refunding Bonds, Series R-2003A	428,975,000	403,280,000	376,555,000
VP GO Bonds, Series 2003D	164,120,000	158,740,000	153,140,000
VP GO Refunding Bonds, Series R-2003C	32,555,000	20,785,000	8,380,000
VP GO Bonds, Series 2004A	236,660,000	229,130,000	221,370,000
VP GO Refunding Bonds, Series R-2004A	102,560,000	95,955,000	89,075,000
VP GO Bonds, Series 2004D	377,620,000	365,375,000	352,770,000
VP GO Refunding Bonds, Series R-2004C	99,320,000	92,955,000	86,280,000
VP GO Bonds, Series 2005A	348,705,000	348,340,000	338,990,000
GO Bds (State Housing Trust Fund), Series 2005T (Taxable)	10,705,000	1,080,000	.....
VP GO Bonds, Series 2005D	285,695,000	277,335,000	268,685,000
VP GO Refunding Bonds, Series R-2005A	317,765,000	309,880,000	293,390,000

	6/30/2009	6/30/2010	6/30/2011
Subject to Debt Limit (continued)			
VP GO Refunding Bonds, Series R-2006A	447,935,000	442,365,000	427,090,000
VP GO Bonds, Series 2006A	229,885,000	229,885,000	229,885,000
GO Bonds, Series 2006T (Taxable)	44,475,000	37,260,000	29,690,000
VP GO Bonds, Series 2006D	218,905,000	213,145,000	207,125,000
VP GO Bonds, Series 2007A	333,165,000	333,165,000	333,165,000
GO Bonds, Series 2007T (Taxable)	55,605,000	46,740,000	37,345,000
VP GO Refunding Bonds, Series R-2007A	273,570,000	250,900,000	226,915,000
VP GO Bonds, Series 2007C	350,285,000	341,830,000	332,950,000
VP GO Bonds, Series 2007F	244,635,000	239,025,000	233,155,000
VP GO Refunding Bonds, Series R-2007C	359,715,000	347,680,000	335,000,000
VP GO Bonds, Series 2008A	512,905,000	512,905,000	512,905,000
GO Bonds, Series 2008T (Taxable)	58,280,000	45,895,000	32,805,000
VP GO Bonds, Series 2008C	533,310,000	521,325,000	508,740,000
VP GO Bonds, Series 2009A	482,640,000	482,640,000	482,640,000
GO Bonds, Series 2009T (Taxable)	70,585,000	58,235,000	45,395,000
VP GO Bonds, Series 2009C	265,195,000	259,730,000	253,710,000
VP GO Bonds, Series 2009E	441,385,000	427,275,000	417,405,000
VP GO Refunding Bonds, Series R-2010A	.....	376,570,000	359,775,000
VP GO Bonds, Series 2010A	.....	291,015,000	291,015,000
GO Bonds, Series 2010T (Taxable)	.....	64,905,000	56,350,000
VP GO Bonds, Series 2010C	.....	229,970,000	225,245,000
VP GO Refunding Bonds, Series R-2010B	.....	215,500,000	215,500,000
VP GO Bonds, Series 2010E	.....	478,765,000	468,640,000
	\$ 9,582,040,109	\$ 10,162,752,918	\$ 9,709,594,075
Projected Issuance After March 1, 2010			
1989/1990 State Bond Authorization (Subject)	.....	.....	1,620,000
2006 State Bond Autho -- Columbia River Basin Water	.....	.....	14,095,000
2006 State Bond Autho -- Hood Canal Aquatic Rehab Prog	.....	.....	1,910,000
2003 Multimodal Account (VP GO Reimb-DOT)	.....	.....	20,125,000
2007 State Bond Authorization	.....	.....	36,720,000
2009 State Bond Authorization -- Taxable	.....	.....	110,985,000
2009 State Bond Authorization	.....	.....	939,145,000
Total Subject to the Debt Limit	\$ 9,582,040,109	\$ 10,162,752,918	\$ 10,834,194,075

	6/30/2009	6/30/2010	6/30/2011
Excluded From the Debt Limit			
MVFT GO Bonds, III-G and EE-1	\$ 11,555,000	\$ 10,410,000	\$ 9,190,000
MVFT GO Bonds, Series III-H	1,605,000	1,240,000	850,000
MVFT GO Bonds, Series DD-12 and Series CC-9	7,730,000	7,040,000	6,310,000
MVFT GO Refunding Bonds, Series R-93C	1,605,000	825,000	.....
GO Bonds, Series 1999S-1 Stadium	47,505,000	42,375,000	36,735,000
GO Bonds, Series 1999S-2 Stadium	19,709,417	19,709,417	19,709,417
GO Bonds, Series 1999S-3 Stadium	11,697,483	11,697,483	11,697,483
MVFT GO Bds, Series 2000C	840,000	.....	.....
GO Bonds, Series 2000S-4	82,370,000	71,795,000	60,175,000
GO Bonds, Series 2000S-5	70,497,819	70,497,819	70,497,819
MVFT GO Bds, Series 2001B	2,160,000	1,105,000	.....
MVFT GO Bds, Series 2001D	135,455,000	5,580,000	.....
VP G.O. Refunding Bonds, Series R-2001A	3,515,000	.....	.....
MVFT G.O. Refunding Bonds, Series R-2001B	11,890,000	.....	.....
MVFT GO Bonds, Series 2002C	278,935,000	269,155,000	258,925,000
MVFT GO Bonds, Series 2003B	119,135,000	115,150,000	111,000,000
MVFT GO Bonds, Series 2003C	152,250,397	145,451,504	137,673,416
MVFT GO Refunding Bonds, Series R-2003B	53,005,000	49,320,000	45,455,000
MVFT GO bonds, Series 2003E	23,780,000	23,000,000	22,190,000
MVFT GO bonds, Series 2003F	72,145,940	68,797,282	65,022,706
MVFT GO Bonds, Series 2004B	174,405,000	168,855,000	163,135,000
MVFT GO Bonds, Series 2004C	105,753,971	100,764,565	95,143,645
MVFT GO Refunding Bonds, Series R-2004B	47,240,000	44,230,000	41,095,000
MVFT GO Bonds, Series 2004E	50,800,000	49,150,000	47,455,000
MVFT GO Bonds, Series 2004F	86,683,935	82,769,521	78,302,395
MVFT GO Refunding Bonds, Series R-2004D	133,075,000	124,505,000	115,540,000
MVFT GO Bonds, Series 2005B	157,600,000	153,205,000	148,630,000
MVFT GO Bonds, Series 2005C	54,709,514	54,709,514	51,697,894
MVFT GO Bonds, Series 2005E	75,940,000	73,720,000	71,420,000
MVFT GO Bonds, Series 2005F	41,467,221	37,114,080	35,189,112
MVFT GO Refunding Bonds, Series R-2005B	85,785,000	81,730,000	76,630,000
MVFT GO Bonds, Series 2006B	183,515,000	178,650,000	173,585,000
MVFT GO Bonds, Series 2006C	55,000,000	55,000,000	55,000,000
MVFT GO Bonds, Series 2006E	241,160,000	234,815,000	228,180,000
MVFT GO Bonds, Series 2006F	55,001,856	53,196,385	50,404,349
MVFT GO Bonds, Series 2007B	168,625,000	164,620,000	160,410,000
MVFT GO Refunding Bonds, Series R-2007B	54,330,000	49,415,000	44,285,000
MVFT GO Bonds, Series 2007D	383,290,000	374,040,000	364,330,000
MVFT GO Bonds, Series 2007E	16,180,976	16,180,976	16,180,976
MVFT GO Refunding Bonds, Series R-2007D	69,710,000	66,260,000	62,670,000
MVFT GO Bonds, Series 2008B	379,280,000	371,165,000	362,635,000
MVFT GO Bonds, Series 2008D	366,120,000	357,890,000	349,255,000
VP GO Bonds, Series 2009A	9,865,000	9,865,000	9,865,000

	6/30/2009	6/30/2010	6/30/2011
Excluded From the Debt Limit (continued)			
MVFT GO Bonds, Series 2009B	260,000,000	254,190,000	248,140,000
VP GO Bonds, Series 2009C	4,805,000	4,705,000	4,595,000
MVFT GO Bonds, Series 2009D	130,000,000	127,320,000	124,370,000
MVFT GO Bonds, Series 2009F	38,225,000	37,000,000	36,145,000
VP GO Bonds, Series 2010A	.....	7,785,000	7,785,000
MVFT GO Bonds, Series 2010B	.....	401,410,000	392,785,000
MVFT GO Bonds, Series 2010D (Taxable BABs -- Direct Payment)	.....	503,365,000	503,365,000
MVFT GO Refunding Bonds, Series R-2010C	.....	121,235,000	121,235,000
VP GO Bonds, Series 2010E	.....	9,185,000	8,985,000
	<u>\$ 4,535,993,522</u>	<u>\$ 5,281,233,904</u>	<u>\$ 5,103,914,937</u>
Projected Sales after March 9, 2010			
Skills Center	.....	.....	67,515,000
Referendum 49 Bonds	.....	60,360,000	112,875,000
2003 Transportation (Nickel Account)	.....	216,300,000	402,731,000
2005 Transportation Partnership	.....	417,505,000	800,762,000
Special Category C Account	.....	14,085,000	13,778,000
	<u>.....</u>	<u>.....</u>	<u>.....</u>
Total Excluded From the Debt Limit	<u>\$ 4,535,993,522</u>	<u>\$ 5,989,483,904</u>	<u>\$ 6,501,575,937</u>
Total General Obligation Debt Outstanding	<u>\$ 14,118,033,631</u>	<u>\$ 16,152,236,822</u>	<u>\$ 17,335,770,012</u>

Outstanding General Obligation Bonds Annual Debt Service FY 1994 -- 2010

Subject to the Constitutional Debt Limit and Excluded from the Constitutional Debt Limit

Fiscal Year	Debt Service Subject to the Constitutional Debt Limitation	Debt Service Excluded from the Constitutional Debt Limitation					Total Excluded	Total Debt Service
		Voter Approved		Motor Vehicle Fuel Tax	Other			
		General	Stadium					
1994	385,667,459	27,105,077	-	102,685,227	4,691,640	134,481,944	520,149,403	
1995	427,683,603	19,463,998	-	101,449,111	4,689,185	125,602,293	553,285,897	
1996	559,471,495	9,300,455	-	18,189,644	1,225,350	28,715,449	588,186,944	
1997	501,104,117	6,373,728	-	112,613,507	1,228,050	120,215,285	621,319,402	
1998	541,691,516	4,148,995	-	119,453,694	1,226,200	124,828,889	666,520,405	
1999	577,300,147	1,071,350	-	121,439,352	1,224,800	123,735,502	701,035,649	
2000	616,034,042	1,076,650	2,180,846	121,856,473	1,228,500	126,342,469	742,376,510	
2001	659,686,021	1,075,000	12,286,759	123,193,882	-	136,555,641	796,241,661	
2002	665,459,374	15,129,980	12,839,479	136,442,538	-	164,411,997	829,871,371	
2003	654,428,357	21,028,236	14,179,919	150,573,692	-	185,781,846	840,210,203	
2004	647,031,984	20,294,563	14,946,931	151,350,727	-	186,592,221	833,624,205	
2005	697,336,591	19,723,138	15,521,281	166,686,143	-	201,930,562	899,267,152	
2006	722,670,315	19,612,500	16,191,781	182,838,933	-	218,643,214	941,313,530	
2007	762,523,983	19,484,575	16,863,950	215,643,430	-	251,991,955	1,014,515,938	
2008	808,118,702	19,581,550	17,629,675	260,963,798	-	298,175,023	1,106,293,725	
2009	872,693,651	16,947,631	21,844,913	318,691,323	216,482	357,700,349	1,230,394,000	
2010	882,754,574	3,611,663	22,708,163	327,188,923	493,250	354,001,998	1,236,756,573	

A-4

Annual Debt Service on Outstanding General Obligation Bonds as of December 31, 2009

Subject to the Constitutional Debt Limit and Excluded from the Constitutional Debt Limit

Fiscal Year	Debt Service Subject to the Constitutional Debt Limitation	Debt Service Excluded from the Constitutional Debt Limitation					Total Debt Service
		Voter Approved		Motor Vehicle Fuel Tax	Other	Total Excluded	
		General	Stadium				
2010	\$ 933,262,938	\$ 3,611,663	\$ 22,708,163	\$ 354,069,397	\$ 1,029,431	\$ 381,418,653	\$ 1,314,681,591
2011	937,923,158	0	23,477,913	388,233,009	1,222,500	412,933,421	1,350,856,579
2012	913,379,146	0	24,336,813	384,178,769	1,223,100	409,738,681	1,323,117,827
2013	907,140,706	0	25,202,950	386,381,756	1,223,500	412,808,206	1,319,948,912
2014	896,859,200	0	26,158,213	395,030,278	1,222,500	422,410,991	1,319,270,191
2015	906,177,371	0	27,021,875	393,683,482	1,465,000	422,170,357	1,328,347,727
2016	893,582,435	0	38,297,500	402,121,341	1,509,500	441,928,341	1,335,510,776
2017	866,376,916	0	54,640,000	411,049,424	1,506,875	467,196,299	1,333,573,215
2018	819,480,887	0	57,055,000	407,860,596	1,776,250	466,691,846	1,286,172,733
2019	780,324,016	0	55,895,000	409,883,454	1,773,825	467,552,279	1,247,876,295
2020	744,566,810	0	58,505,000	408,232,591	1,774,500	468,512,091	1,213,078,902
2021	686,549,063	0	34,135,000	414,422,017	1,781,500	450,338,517	1,136,887,579
2022	664,748,738	0	0	413,726,435	1,781,125	415,507,560	1,080,256,298
2023	639,687,175	0	0	401,882,692	1,773,500	403,656,192	1,043,343,367
2024	613,714,175	0	0	399,567,570	1,778,625	401,346,195	1,015,060,370
2025	565,830,638	0	0	398,143,334	1,786,000	399,929,334	965,759,972
2026	526,237,900	0	0	395,424,546	1,785,375	397,209,921	923,447,821
2027	484,819,288	0	0	381,864,680	1,782,000	383,646,680	868,465,967
2028	442,468,200	0	0	359,163,406	1,775,875	360,939,281	803,407,481
2029	416,270,925	0	0	347,595,587	1,781,750	349,377,337	765,648,262
2030	367,784,750	0	0	328,838,450	1,784,125	330,622,575	698,407,325
2031	317,152,100	0	0	223,822,813	1,782,875	225,605,688	542,757,788
2032	280,205,800	0	0	191,493,486	1,778,250	193,271,736	473,477,536
2033	225,848,788	0	0	150,424,125	1,784,875	152,209,000	378,057,787
2034	129,009,500	0	0	97,133,434	1,777,250	98,910,684	227,920,184
2035	40,636,125	0	0	66,525,184	650,875	67,176,059	107,812,184
2036	0	0	0	37,910,342	0	37,910,342	37,910,342
2037	0	0	0	37,335,966	0	37,335,966	37,335,966
2038	0	0	0	36,745,340	0	36,745,340	36,745,340
2039	0	0	0	36,126,272	0	36,126,272	36,126,272
2040	0	0	0	35,486,569	0	35,486,569	35,486,569
Total	\$ 16,000,036,745	\$ 3,611,663	\$ 447,433,425	\$ 9,094,356,342	\$ 41,310,981	\$ 9,586,712,411	\$ 25,586,749,156

