



MICHAEL J. MURPHY
State Treasurer

State of Washington
Office of the Treasurer

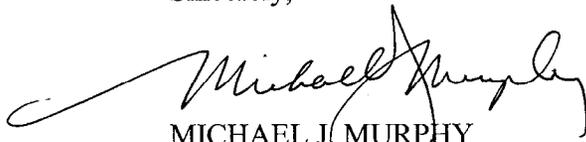
This report, prepared in accordance with RCW 43.08.150, details the operations of the Office of the State Treasurer during June 2007. In this month's report we feature the state's debt management program, which includes the state's bond, certificate of participation, and school bond guarantee programs.

The State Finance Committee, composed of the governor, lieutenant governor, and state treasurer, the latter being designated by law as chairman, entered the financial market four times during fiscal year 2007, with a total issuance of \$2.45 billion in general obligation and motor vehicle fuel tax general obligation bonds. As of June 30, 2007, outstanding Washington state bond indebtedness totaled \$11.67 billion. In addition to debt owed, as of June 30, 2007 there remains \$10.80 billion that is authorized but not issued.

The State Finance Committee took advantage of the historical low interest rates during the fiscal year 2007 to refund outstanding bonds. The fiscal year 2007 refundings involved the sale of \$834.700 million general obligation refunding bonds. True interest costs on the refunding bonds ranged from 4.02 percent to 4.13 percent. Gross or nominal savings over the life of the refunded bonds was \$70.20 million and present value savings were \$55.57 million.

As of June 30, 2007, the state of Washington's general obligation debt was rated Aa1 by Moody's Investor Service, AA by Fitch Ratings and AA by Standard & Poor's Rating Group (S & P).

Sincerely,



MICHAEL J. MURPHY
STATE TREASURER