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Fellow Washingtonians,

I am pleased to report on the operations of the Office of the State Treasurer. This month's report highlights activities of the debt management division in the fiscal year ending June 2012. This division manages the state's bond, certificate of participation, and school bond guarantee programs.

The Office of the State Treasurer entered the financial market five times during fiscal year 2012 on behalf of the State Finance Committee. Issuance included \$1.31 billion various purpose general obligation and motor vehicle fuel tax general obligation bonds, as well as \$518.8 million triple pledge bonds (bonds first payable from toll revenue, then from state excise taxes on motor vehicle and special fuels, and then supported by the general obligation pledge) and \$500.4 million Federal Grant Anticipation Revenue (GARVEE) Bonds to provide funding for state-wide capital and transportation projects. For the first time in many years, Washington residents were given priority on sales of certain general obligation bonds. An additional \$1.51 billion general obligation refunding bonds were sold to refinance outstanding debt, providing debt service savings on a present value basis in excess of \$206.7 million. Approximately \$80 million certificates of participation were issued for state agencies or on behalf of local governments across the state. As of June 30, 2012, outstanding Washington state bond indebtedness totaled \$18.4 billion.

Through the School Bond Guarantee Program, the Office of the State Treasurer provided credit support for 65 bond sales of the state's school districts which totaled nearly \$1.18 billion (including refunding bonds).

As of June 30, 2012, the state of Washington's general obligation debt was rated Aa1 by Moody's Investor Service, AA+ by Fitch Investors Service and AA+ by Standard & Poor's Ratings (S&P).

Sincerely,



James L. McIntire
Washington State Treasurer