

**AGENDA**  
EXECUTIVE FINANCE COMMITTEE  
February 28, 2018 at 1:30 P.M.

**Location:** Treasury Conference Room, KC Admin. Bldg., Room 610 (6<sup>th</sup> Floor)

***Committee Members: Councilmember Dave Uptegrove, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer***

***Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Chief Investment Officer; Christine Denis, Credit Analyst; Manny Cristobal, Financial Accounting Supervisor***

**AGENDA ITEMS**

1. **Action:** Approval of Minutes of the January 24, 2018 Executive Finance Committee meetings (page 2)
2. **Action:** Approval of the “Official Intent” motion concerning the issuance of bonds in an aggregate principal amount of \$134,500,000 to undertake the Georgetown Wet Weather Treatment Station Project. (page 3)  
*Nigel Lewis, Senior Debt Analyst*
3. **Action:** Approval of a reduction in amount withheld for estimated annual investment pool fees from 2.5 basis points to 2.0 basis points. (Pages 4)  
*Mike Smith, Investment Officer*
4. **Briefing:** January 2018 Investment Summary
  - Issuer Diversification , Credit Exposure and Compliance Report (page 5)
  - King County Investment Pool Yield & Duration versus Custom Benchmark (page 6)
  - Detailed Transaction Report - Investment Activity Summary (page 7-8)
  - King County Investment Pool Asset Allocation (page 9)
  - King County Investment Pool Maturity Distribution (page 10)
  - Investment Performance Review & Impaired Pool Summary (pages 11-18)
  - Interest Rate Summary (page 19)*Mike Smith, Chief Investment Officer*
5. **Action:** Committee’s direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

**Staff Recommendation:** Direct the Treasury Section to target the maximum average duration of the King County Investment Pool at the 0.8 to 1.3 year range.

*Mike Smith, Chief Investment Officer*
6. **Briefing:** Interfund Borrowing for January 2018 (Page 20)
  - Interfund Interest Report – County Tier 2 Funds
  - Pooled Tier 1 County Funds with Negative Cash Balances
  - Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest*Bill Forristall, Business & Finance Officer IV*
  - Interfund Loans Among District & Non-County Funds (pages 21-22)
  - Interfund Borrowings – EFC Approved Loans (page 23)*Mike Smith, Chief Investment Officer*

**OTHER BUSINESS**

**ADJOURNMENT**

**MINUTES**  
**EXECUTIVE FINANCE COMMITTEE**  
**January 24, 2018**

The Executive Finance Committee (EFC) Meeting was held January 24, 2018 at 1:35 and adjourned at 2:05 p.m.

<u>Members Present</u>	<u>Others Present</u>	<u>Others Present -</u>	<u>Members Absent</u>
Dwight Dively	Andrew Kim	<u>Continued</u>	Dave Upthegrove
Tom Koney (for Caroline Whalen)	Jenifer Merkel	Mike Smith	Caroline Whalen
Ken Guy	Dan Kaplan, WTD/IPAC	Peggy Pahl	
	John Molloy (by phone)		

**ACTION ITEMS**

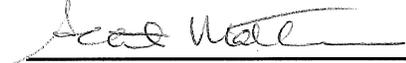
1. **Minutes** – The Committee unanimously approved the Minutes of the December 6, 2017 Executive Finance Committee meeting.
2. **Investment Direction** – The Committee unanimously approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool in the 0.8 to 1.3 year range.

**BRIEFINGS**

1. **Quarterly Review of Investment Pool** – John Molloy of PFM presented the fourth quarter review of the King County Investment Pool. He provided the Committee with an overview of market conditions in the last quarter. In his assessment of the pool's condition, he noted that the pool was in very good shape and that it was in compliance with all policies. He further commented that PFM has never observed the pool to be out of compliance in the many years they have been performing their reviews. The pool's diversification has also continued to expand as the pool has added Supras. He commented that the pool had plenty of liquidity and had very high credit quality. He also mentioned that pool's asset allocation decisions were in line with relative values and that security positions were targeted at in the portions of the yield curve that had good relative value.
2. **December 2017 Investment Summary** – The Committee was provided a summary report showing the pool was in compliance with all its policies, reviewed investment performance, and monthly investment activity. In addition, the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the payments received from the VFNC Trust investment. The Committee was also briefed on the current interest rate and economic environment.
3. **December 2017 Interfund Borrowing** – The Committee was provided a review of both County and non-county interfund borrowing, but not all of the standard reports were available at the time of the meeting due to the year-end closing process.

**OTHER BUSINESS**

None

  
\_\_\_\_\_  
Scott Matheson, Treasury Manager

EXECUTIVE FINANCE COMMITTEE  
“OFFICIAL INTENT” REIMBURSEMENT MOTION

King County, Washington (the “County”) has determined to undertake the Georgetown Wet Weather Treatment Station Project (the “Project”).

The County reasonably expects to incur indebtedness and to issue bonds in a maximum aggregate principal amount of \$134,500,000 (the “Obligations”) to obtain financing for all or a portion of the costs of the Project and, prior to the issuance of the Obligations, to fund all or a portion of the costs of the Project from existing fund balance or through one or more interfund loans.

NOW THEREFORE, on motion duly made and adopted, the Executive Finance Committee declares it to be the official intent of the County, for the purpose of complying with the applicable provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder with respect to qualification of reimbursement allocations as expenditures of Obligation proceeds, that capital expenditures in furtherance of the Project made by the County from existing fund balance or interfund loans obtained prior to the issuance of the Obligations are made with the intent that such expenditures shall be reimbursed from the proceeds of the Obligations, when issued.

## Proposal to Reduce the Pool’s Administrative Fee

### Background

The King County Investment Pool’s (KCIP) policy is to collect a monthly administrative fee from pool participants, and after a year concludes, we rebate the surplus between the amount collected and the actual expenses. Currently the KCIP administrative fee is set at 2.5 basis points, or 0.025%. This rate has been in place since August 2014, when the Executive Finance Committee lowered it from 3.5 basis points.

Table 1 shows the calculation of the rebate for 2015 to 2016 and an estimate of the likely rebate for 2017.

Table 1

	2015 Actual	2016 Actual	2017 Estimate
Admin. Fee Collected @ 2.5 Bps	\$1,396,927	\$1,535,033	\$1,673,000
Pool Expenses	\$704,226	\$697,945	\$725,000
Rebate to Participants	\$692,701	\$837,088	\$948,000

Table 1 shows that while the KCIP’s expenses have been stable, the fee collected has increased each year. This is directly related to the fact that the average balance of the KCIP has been consistently growing; for the last five years the annual growth rate has been over 7%.

Given the growth of the rebate, we evaluated what the rebate might look like for 2018 under three proposed fee levels:

Option 1	2.5 Basis Points (No Change)
Option 2	2.0 Basis Points
Option 3	1.5 Basis Points

With the conservative assumption that the balance of the KCIP would remain stable in 2018, the impact on the rebate is shown in Table 2.

Table 2

	Option 1 2.5 Basis Points	Option 2 2.0 Basis Points	Option 3 1.5 Basis Points
Est. Admin. Fee 2018	\$1,665,000	\$1,332,000	\$999,000
Est. Pool Expenses 2018	\$800,000	\$800,000	\$800,000
Estimated Rebate for 2018	\$865,000	\$532,000	\$199,000

We reviewed this analysis with the Investment Pool Advisory Committee (IPAC) members at the last meeting, and the consensus at the IPAC meeting was that Option 2 was the proposal that they would like the EFC to consider. IPAC felt that Option 2 reduces the size of rebate, while ensuring that there would be a reasonable cushion between the fees collected and the projected expenses of the KCIP.

### Recommendation

The investment team also believes this is a reasonable plan and recommends that the EFC consider reducing the fee from 2.5 to 2.0 basis points, effective for the February 2018 KCIP distribution.

**KING COUNTY INVESTMENT POOL**  
**ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT**  
1/31/2018

***The investment pool complies with all constraints listed in Schedule 1 of the investment policy***

	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings		Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's		
<b>U.S. TREASURIES</b>		<b>100%</b>	<b>NONE</b>			<b>NONE</b>	<b>5 Years</b>
U.S. T-Bills or T-Notes	\$2,454,260,866.63	37.3%	In Compliance	AA+	Aaa	In Compliance	In Compliance
<b>GOVERNMENTAL AGENCIES</b>		<b>100%</b>	<b>35% per agency across investment type</b>			<b>NONE</b>	<b>5 Years</b>
Federal Farm Credit Bank (FFCB)	\$557,583,386.06	8.5%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	\$493,237,867.78	7.5%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal National Mortgage Association (FNMA)	\$380,232,783.92	5.8%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Bank (FHLB)	\$261,306,530.40	4.0%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Inter-American Dev Bank (IADB)	\$169,605,918.96	2.6%	In Compliance	AAA	Aaa	In Compliance	In Compliance
International Bank for Recon & Dev (IBRD)	\$148,937,108.85	2.3%	In Compliance	AAA	Aaa	In Compliance	In Compliance
European Bank for Recon & Dev (EBRD)	\$61,941,635.82	0.9%	In Compliance	AAA	Aaa	In Compliance	In Compliance
Asian Development Bank (ASIA)	\$49,947,134.00	0.8%	In Compliance	AAA	Aaa	In Compliance	In Compliance
<b>U.S. AGENCY MORTGAGE BACKED SECURITIES</b>		<b>Not to exceed 25%</b>	<b>35% per agency</b>			<b>NONE</b>	<b>5 Year Average Live</b>
CMO Agencies FNMA	\$4,705,738.78	0.1%	In Compliance	AA+	Aaa	In Compliance	In Compliance
<b>MUNICIPAL BONDS - GENERAL OBLIGATIONS</b>		<b>Not to exceed 20%</b>	<b>Not to exceed 5%</b>			<b>A or better</b>	<b>5 Years</b>
		0.0%	In Compliance				
<b>REPURCHASE AGREEMENTS</b>		<b>100.0%</b>	<b>Not to exceed 25% per dealer</b>			<b>A1/P1<sup>(1) (2)</sup></b>	<b>60 Days</b>
Wells Fargo Securities, Inc. Tri-party Repo	\$225,000,000.00	3.4%	In Compliance	A-1+	N/A	In Compliance	In Compliance
<b>REVERSE REPURCHASE AGREEMENTS</b>		<b>Not to exceed 20%</b>	<b>Not to exceed 5% per dealer</b>			<b>A1/P1<sup>(1)</sup></b>	<b>6 Months</b>
		0.0%	In Compliance				
<b>LOCAL GOVERNMENT INVESTMENT POOL</b>		<b>Not to exceed 25%</b>	<b>State of WA LGIP only</b>			<b>NONE</b>	<b>N/A</b>
Washington State Treasurer's LGIP	\$416,138,506.05	6.3%	In Compliance	N/A	N/A		
<b>BANKER'S ACCEPTANCES</b>		<b>Not to exceed 25%</b>	<b>5% per issuer across investment type</b>			<b>A1/P1<sup>(3)</sup></b>	<b>180 Days</b>
		0.0%	In Compliance				
<b>OVERNIGHT DEPOSITS</b>		<b>100%</b>	<b>NONE</b>			<b>COLLATERALIZED</b>	
	\$26,215,419.59	0.4%					
<b>CERTIFICATES OF DEPOSIT</b>		<b>Not to exceed 25%</b>	<b>5% per issuer across investment type</b>			<b>NONE</b>	<b>1 Year</b>
		0.0%	In Compliance				
<b>COMMERCIAL PAPER</b>		<b>Not to exceed 25% combined with Corp Notes</b>	<b>5% per issuer across investment type</b>			<b>A1/P1, If &gt;100 days A or better<sup>(3)</sup></b>	<b>270 Days</b>
WALT DISNEY CO	\$99,984,750.00	4.1%	In Compliance	A-1+	P-1	In Compliance	In Compliance
PROCTER & GAMBLE	\$50,000,000.00	1.5%	In Compliance	A-1+	P-1	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$49,986,680.55	0.8%	In Compliance	A-1	P-1	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$46,985,273.33	0.7%	In Compliance	A-1	P-1	In Compliance	In Compliance
APPLE INC	\$24,953,722.22	0.4%	In Compliance	A-1+	P-1	In Compliance	In Compliance
<b>CORPORATE NOTES</b>		<b>Not to exceed 25% combined with CP</b>	<b>5% per issuer across investment type</b>			<b>A or better<sup>(3)</sup></b>	<b>5 Years</b>
ROYAL BANK OF CANADA *	\$140,097,406.54	16.0%	In Compliance	AA-	A1	In Compliance	In Compliance
TORONTO DOMINION	\$138,402,909.18	2.1%	In Compliance	AA-	Aa2	In Compliance	In Compliance
MICROSOFT	\$119,729,965.07	1.8%	In Compliance	AAA	Aaa	In Compliance	In Compliance
US BANK N.A.	\$105,006,429.06	1.6%	In Compliance	AA-	A1	In Compliance	In Compliance
PNC BANK	\$94,722,691.59	1.4%	In Compliance	A	A2	In Compliance	In Compliance
BANK OF MONTREAL	\$85,418,094.07	1.3%	In Compliance	A+	A1	In Compliance	In Compliance
WELLS FARGO BANK N.A.	\$75,415,384.74	1.1%	In Compliance	AA-	Aa2	In Compliance	In Compliance
PROCTER & GAMBLE	\$55,023,181.50	0.8%	In Compliance	AA-	Aa3	In Compliance	In Compliance
BANK OF AMERICA	\$45,008,676.34	0.7%	In Compliance	A+	Aa3	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$45,006,956.56	0.7%	In Compliance	A+	A1	In Compliance	In Compliance
JP MORGAN	\$42,771,087.51	0.7%	In Compliance	A+	Aa3	In Compliance	In Compliance
APPLE INC	\$33,947,129.02	0.5%	In Compliance	AA+	Aa1	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$29,997,129.88	0.5%	In Compliance	A+	A1	In Compliance	In Compliance
COLGATE PALMOLIVE CO	\$29,053,127.28	0.4%	In Compliance	AA-	Aa3	In Compliance	In Compliance
WALT DISNEY CO	\$14,997,283.55	0.2%	In Compliance	A+	A2	In Compliance	In Compliance
	<b>\$6,575,620,774.83</b>	<b>100.0%</b>					

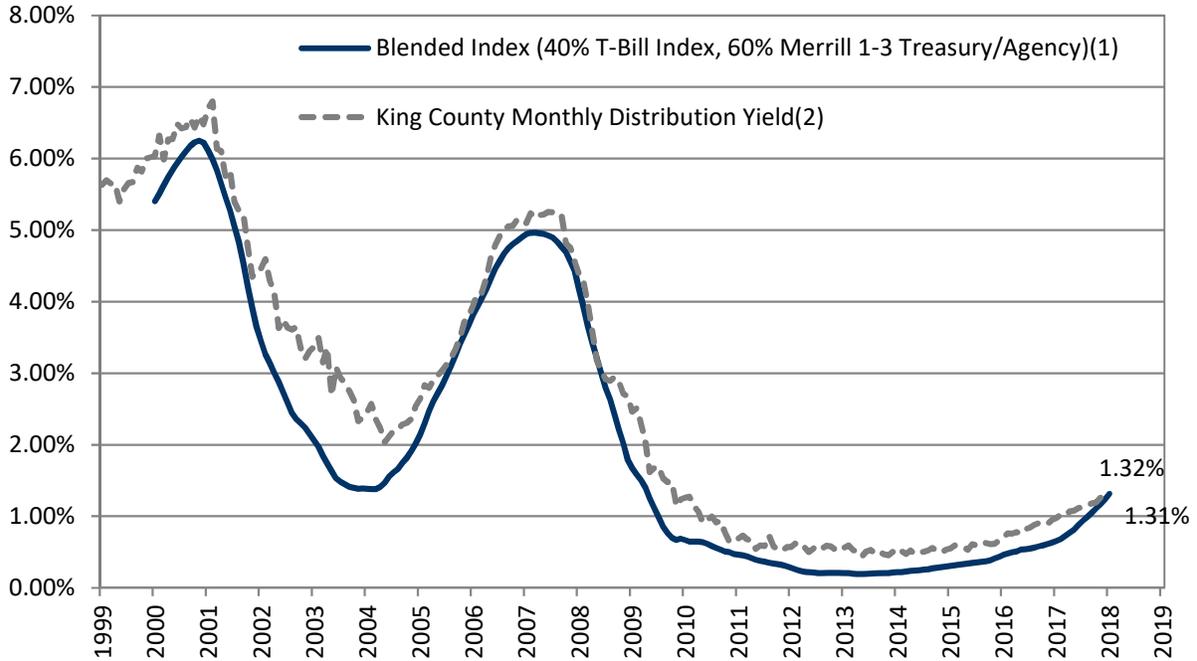
\* Purchases prior to 9/15/16 are considered grandfathered in for issuer limit purposes and can be held to maturity.

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ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	1.032	In Compliance
40% of Portfolio Value 12 Months or Less	54.2%	In Compliance
Corporate Exposure Not Greater Than 50%	20.2%	In Compliance
Corp Notes & CP ≤ 25%	20.2%	In Compliance
Maximum Duration of Corp Note Portfolio ≤ 3 years	1.24	In Compliance

(1) Must be rated by at least one nationally recognized rating agency  
(2) Also backed by collateral  
(3) Must be rated by at least 2 nationally recognized rating agencies

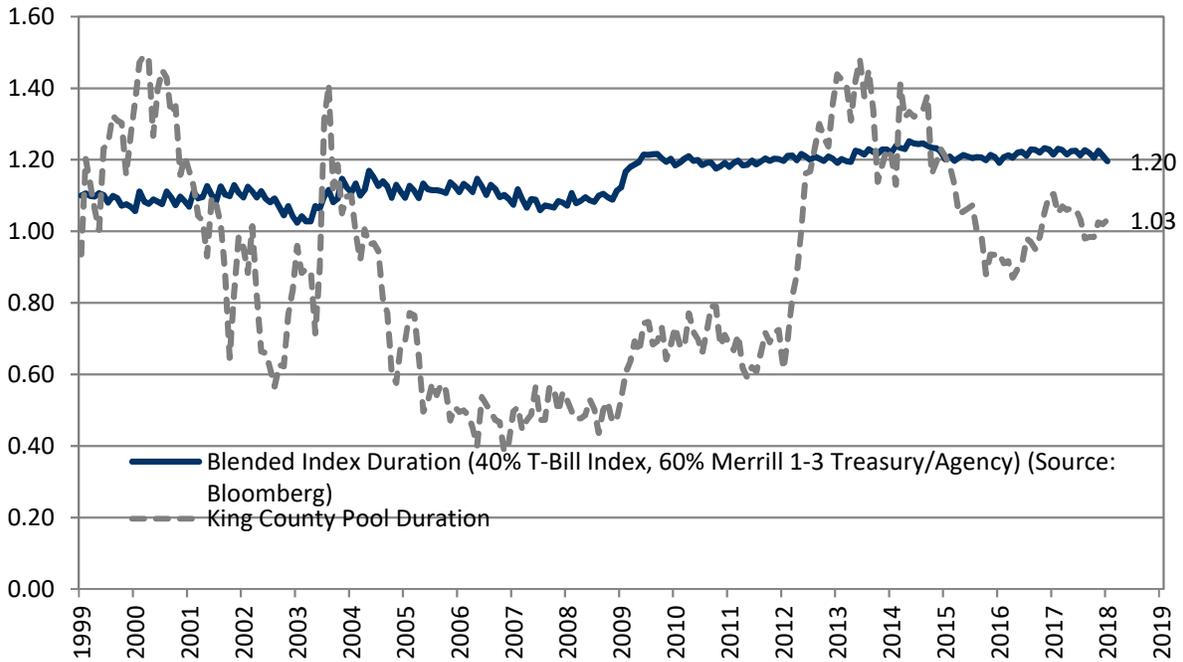
## King County Monthly Distribution Yield Versus Custom Index



(1) Calculation for index return adjusted from coupon return to the 12-month moving average of the index's effective yield. (Source: Bloomberg)

(2) Does not include negative distributions from the Impaired Pool

## King County Monthly Duration Versus Custom Index



# January 2018 Transactions - Investment Pool



DESCRIPTION	AVG RATE	AVG PAR
<b>PURCHASES</b>		
REPO	1.310	171,000,000.00

DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE
<b>PURCHASES</b>						
ASIAN DEV BANK	2.250	01/20/2021	01/19/2018	2.287	50,000,000.00	49,946,500.00
US BANK NA OHIO CALLABLE	2.350	01/23/2020	01/23/2018	2.373	50,000,000.00	49,977,500.00
LGIP	1.429	02/01/2018	01/31/2018	1.429	504,450.68	504,450.68
<b>TOTAL PURCHASES</b>					<b>100,504,450.68</b>	<b>100,428,450.68</b>

## January 2018 Transactions - Pool-Plus

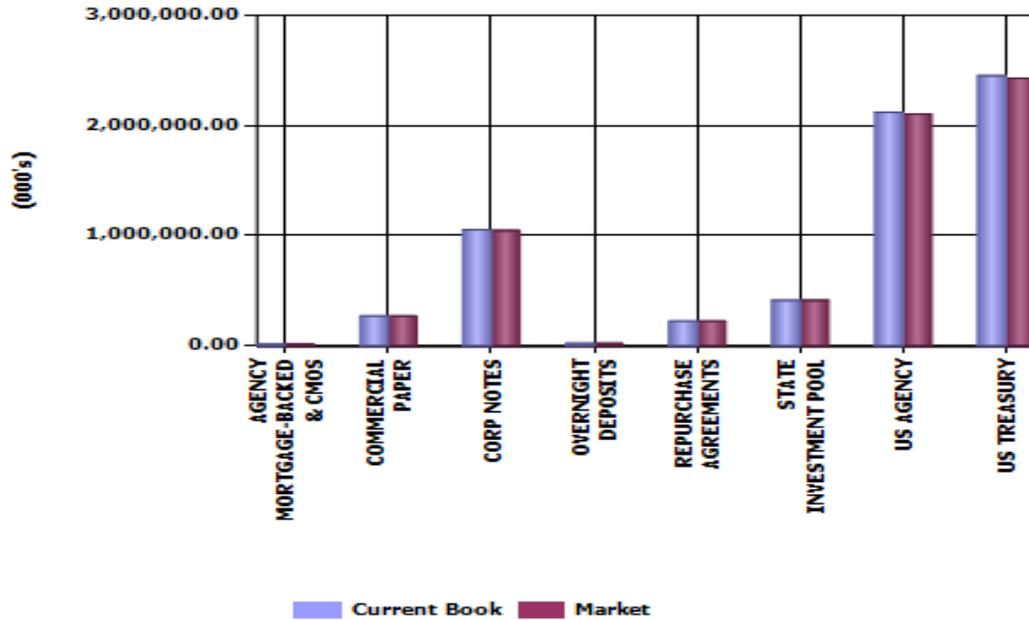


DESCRIPTION	COUPO	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE
<b>PURCHASES (000008921)</b>						
US TREASURY NOTE	1.125	01/31/2019	01/31/2018	1.921	1,512,800.00	1,500,922.16
US TREASURY NOTE	2.000	01/31/2020	01/31/2018	2.118	1,503,000.00	1,499,536.06
US TREASURY NOTE	2.000	01/15/2021	01/31/2018	2.255	1,509,000.00	1,498,036.17
US TREASURY NOTE	1.875	01/31/2022	01/31/2018	2.410	1,531,500.00	1,500,451.23
US TREASURY NOTE	1.750	01/31/2023	01/31/2018	2.505	1,555,500.00	1,500,632.17
US TREASURY NOTE	2.250	01/31/2024	01/31/2018	2.587	1,528,500.00	1,500,079.45
US TREASURY NOTE	2.500	01/31/2025	01/31/2018	2.632	1,512,800.00	1,500,153.94
US TREASURY NOTE	2.250	11/15/2025	01/31/2018	2.669	1,536,800.00	1,491,776.56
US TREASURY NOTE	2.000	11/15/2026	01/31/2018	2.694	1,578,800.00	1,493,569.47
US TREASURY NOTE	2.250	11/15/2027	01/31/2018	2.699	1,551,800.00	1,492,213.30
				<b>TOTAL</b>	<b>15,320,500.00</b>	<b>14,977,370.51</b>
<b>PURCHASES (370018010)</b>						
US TREASURY NOTE	1.125	01/31/2019	01/31/2018	1.921	504,200.00	500,241.24
US TREASURY NOTE	2.000	01/31/2020	01/31/2018	2.118	501,000.00	499,845.35
US TREASURY NOTE	2.000	01/15/2021	01/31/2018	2.255	503,000.00	499,345.39
US TREASURY NOTE	1.875	01/31/2022	01/31/2018	2.410	510,500.00	500,150.41
US TREASURY NOTE	1.750	01/31/2023	01/31/2018	2.505	518,500.00	500,210.72
US TREASURY NOTE	2.250	01/31/2024	01/31/2018	2.587	509,500.00	500,026.49
US TREASURY NOTE	2.500	01/31/2025	01/31/2018	2.632	504,200.00	499,985.20
US TREASURY NOTE	2.250	11/15/2025	01/31/2018	2.669	512,200.00	497,194.14
US TREASURY NOTE	2.000	11/15/2026	01/31/2018	2.694	526,200.00	497,793.42
US TREASURY NOTE	2.250	11/15/2027	01/31/2018	2.699	517,200.00	497,340.33
				<b>TOTAL</b>	<b>5,106,500.00</b>	<b>4,992,132.69</b>
				<b>TOTAL PURCHASES</b>	<b>20,427,000.00</b>	<b>19,969,503.20</b>

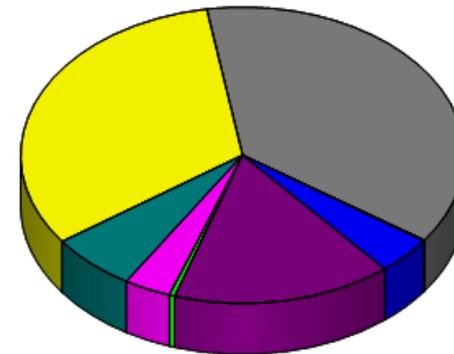


Assets (000's)	PAR	BOOK	MARKET	MKT/BK	YLD
AGENCY MORTGAGE-BACKED & CMOS	4,638.29	4,705.74	4,820.85	102.45%	4.34%
COMMERCIAL PAPER	272,000.00	271,910.43	271,897.29	100.00%	1.30%
CORP NOTES	1,054,093.00	1,054,597.45	1,047,417.99	99.32%	1.70%
OVERNIGHT DEPOSITS	26,215.42	26,215.42	26,215.42	100.00%	0.00%
REPURCHASE AGREEMENTS	225,000.00	225,000.00	225,000.00	100.00%	1.33%
STATE INVESTMENT POOL	416,138.51	416,138.51	416,138.51	100.00%	1.43%
US AGENCY	2,124,543.00	2,122,792.37	2,107,936.19	99.30%	1.31%
US TREASURY	2,454,000.00	2,454,260.87	2,430,947.27	99.05%	1.18%
<b>Totals (000's):</b>	<b>6,576,628.22</b>	<b>6,575,620.77</b>	<b>6,530,373.52</b>	<b>99.31%</b>	<b>1.33%</b>

**PORTFOLIO ALLOCATION**



CURRENT PAR %



- AGENCY MORTGAGE-BACKED & CMOS - 0%
- COMMERCIAL PAPER - 4%
- CORP NOTES - 16%
- OVERNIGHT DEPOSITS - 0%
- REPURCHASE AGREEMENTS - 3%
- STATE INVESTMENT POOL - 6%
- US AGENCY - 32%
- US TREASURY - 37%

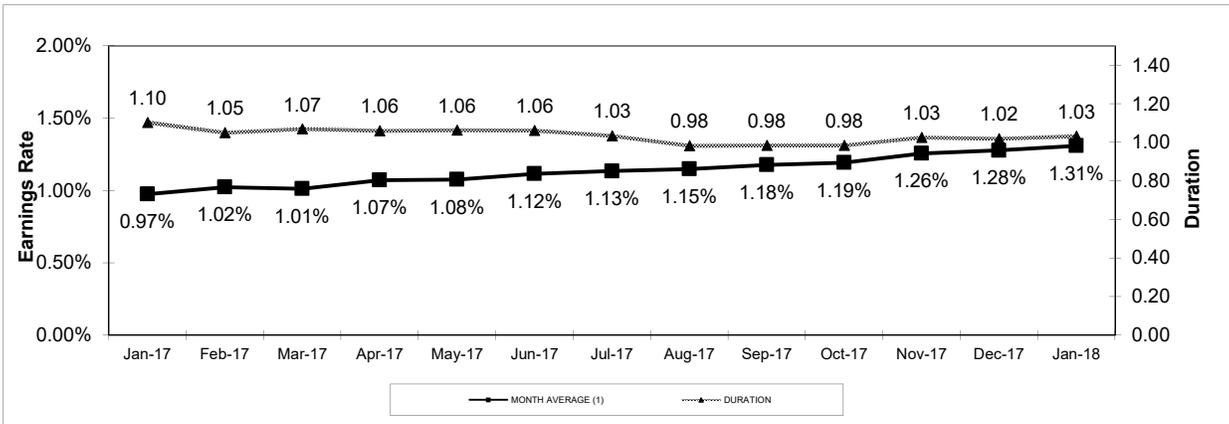
KING COUNTY INVESTMENT POOL

MATURITY DISTRIBUTION  
AS OF 01/31/2018

<u>CALL/MATURITY</u>	<u>DATE RANGE</u>	<u>NO OF INV</u>	<u>BOOK VALUE</u>	<u>%</u>	<u>CUM %</u>
0 TO 1 MONTHS	02/01/18 - 03/03/18	14	1,145,142,769.62	17.4%	17.4%
1 TO 3 MONTHS	03/04/18 - 04/30/18	17	838,676,574.89	12.8%	30.2%
3 TO 6 MONTHS	05/01/18 - 07/31/18	13	468,335,192.24	7.1%	37.3%
6 TO 12 MONTHS	08/01/18 - 01/31/19	18	1,112,835,866.87	16.9%	54.2%
12 TO 24 MONTHS	02/01/19 - 01/31/20	33	1,737,600,550.80	26.4%	80.6%
24 TO 36 MONTHS	02/01/20 - 01/31/21	23	1,244,466,052.52	18.9%	99.6%
36 TO ** MONTHS	02/01/21 -	5	28,563,767.89	0.4%	100.0%
GRAND TOTALS		123	6,575,620,774.83		

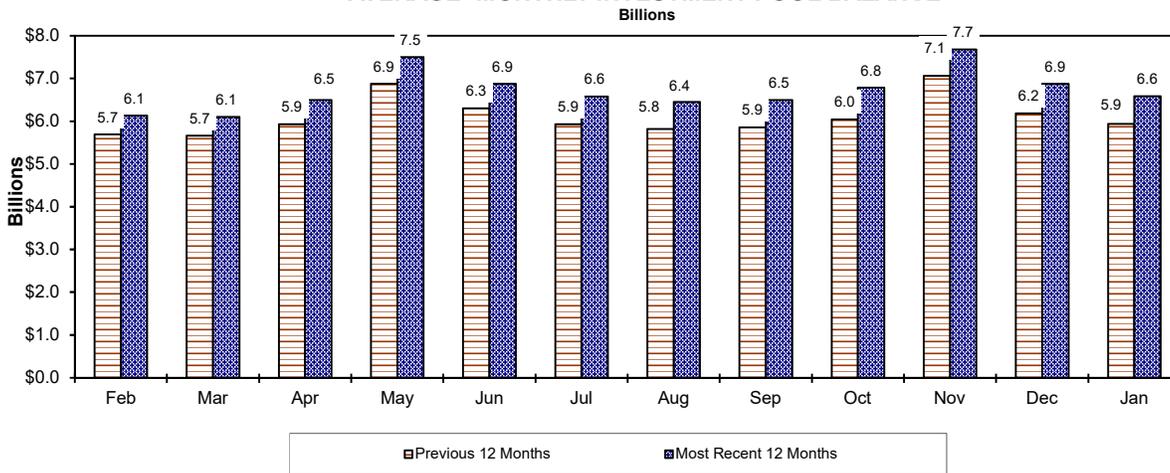
# KING COUNTY INVESTMENT POOL

## EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

## AVERAGE MONTHLY INVESTMENT POOL BALANCE



### KC GENERAL FUND YTD INTEREST EARNINGS

January 31, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
YTD AVG BALANCE (millions)	\$386	\$440	\$54.1
YTD YIELD	0.68%	1.31%	0.63%
INTEREST DISTRIBUTION (\$)	\$222,772	\$489,877	\$267,105
AUTOMATIC INTEREST (\$)	\$0	\$0	\$0
<b>TOTAL INTEREST (\$)</b>	<b><u>\$222,772</u></b>	<b><u>\$489,877</u></b>	<b><u>\$267,105</u></b>

### YTD POOL FEE REVENUE

	<u>BUDGET</u>	<u>Collected <sup>(1)</sup></u>	<u>Potential Rebate</u>
DIRECT COST FEE DUE TO GF	\$49,911	\$125,537	\$75,626
DIRECT COST FEE TO FBOD	N/A	\$4,968	\$4,968
<b>TOTAL YTD DIRECT POOL FEES</b>	<b><u>49,911</u></b>	<b><u>130,506</u></b>	<b><u>\$80,595</u></b>
	<u>BUDGET</u>	<u>Actual</u>	<u>Difference</u>
CASH MGMT FEE TO GF	\$30,829	\$98,627	\$67,798
CASH MGMT FEE TO FBOD	N/A	\$1,375	N/A
<b>TOTAL YTD CASH MGMT FEES</b>	<b><u>30,829</u></b>	<b><u>100,002</u></b>	<b><u>69,173</u></b>

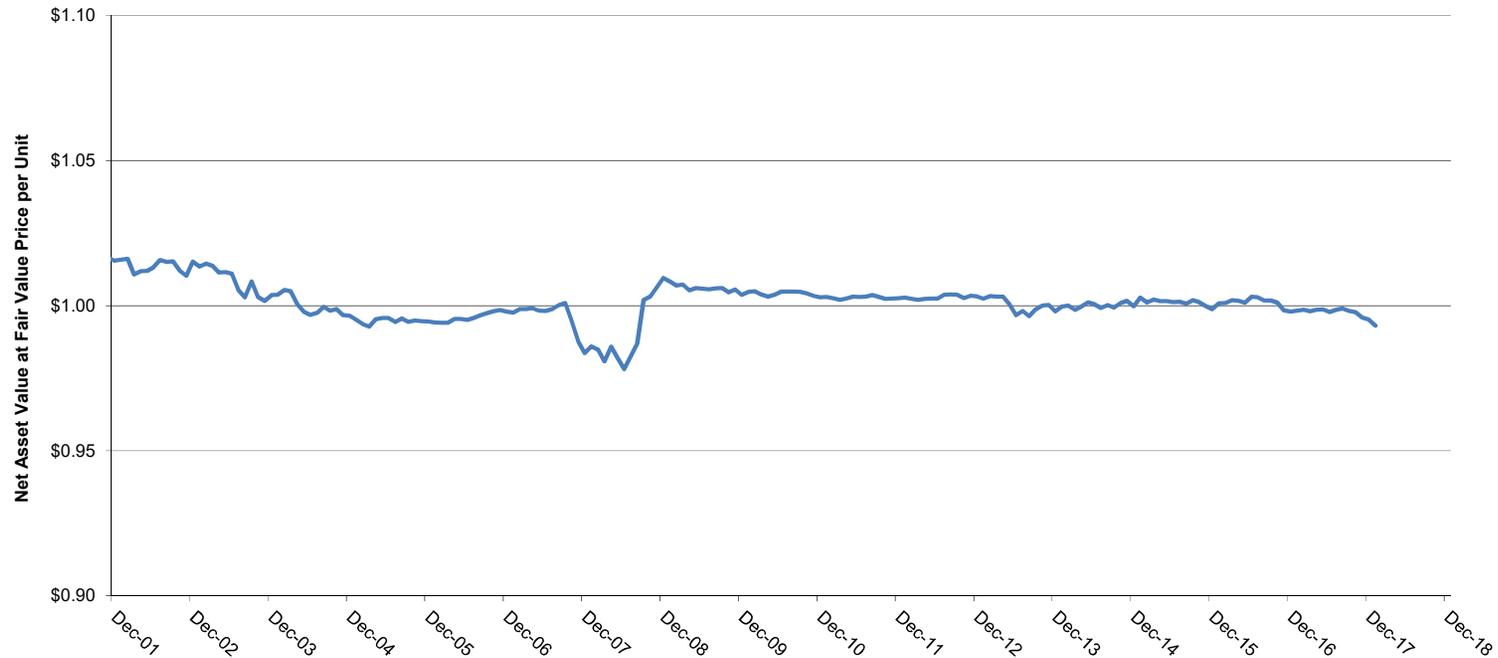
YTD TOTAL POOL DISTRIBUTION	\$7,325,260
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(1) Collecting 2.5 basis points for direct fees, but will rebate difference between collected and actual expenses after the fiscal year closes.

## King County Investment Pool Fair Value Report

	11/30/17	12/31/17	01/31/18
<b>Net Assets (1)</b>			
Net Assets held in trust for pool participants	<u>\$ 7,318,307,410.11</u>	<u>\$ 6,886,113,628.52</u>	<u>\$ 6,504,898,263.81</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 7,348,687,914.64	\$ 6,919,695,177.67	\$ 6,550,145,520.13
Undistributed and unrealized gains(losses)	<u>\$ (30,380,504.53)</u>	<u>\$ (33,581,549.15)</u>	<u>\$ (45,247,256.32)</u>
Net Assets	<u>\$ 7,318,307,410.11</u>	<u>\$ 6,886,113,628.52</u>	<u>\$ 6,504,898,263.81</u>
 Total Pool -- Net asset value at fair value price per unit	 <b><u>\$0.9959</u></b>	 <b><u>\$0.9951</u></b>	 <b><u>\$0.9931</u></b>

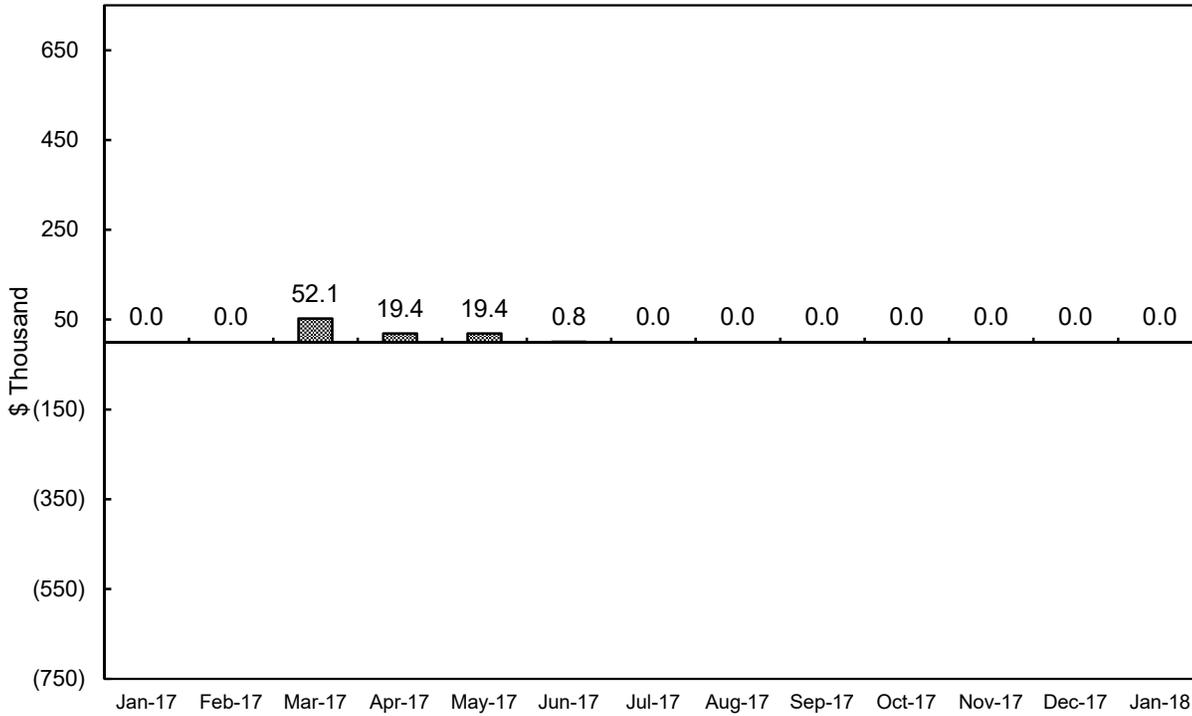
### King County Investment Pool History of Fair Value per Dollar Invested (1)



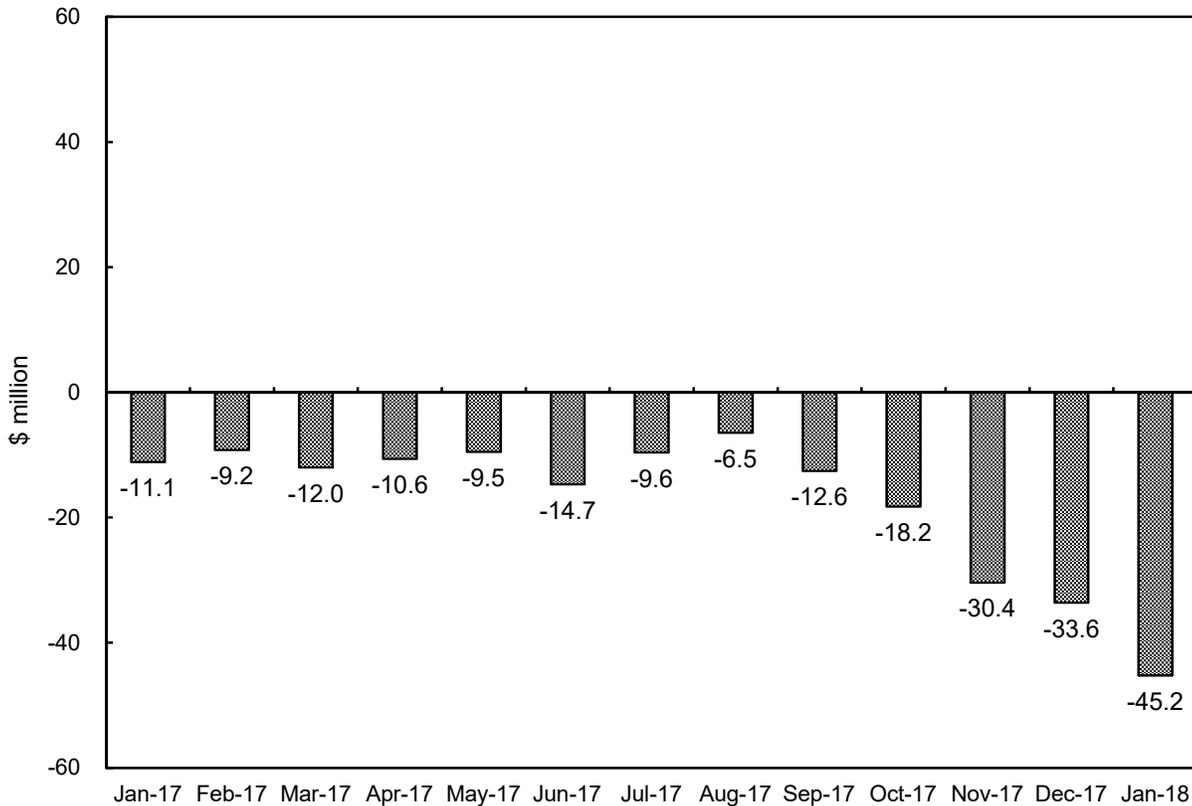
(1) Impaired securities were separated from main pool on 9/1/08

# GAIN / LOSS SUMMARY

## TOTAL REALIZED GAIN OR LOSS (1)



## NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes gains/losses from impaired CP

KING COUNTY TREASURY OPERATIONS  
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PORTFOLIO DETAIL FINANCIAL ANALYSIS  
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(MANFIN)

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\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
711	LOCAL GOVT INVESTM	1.429021	1.429021	02/01/18	100.000000	416,138,506.05	416,138,506.05	416,138,506.05	.00	5,946,708.64
1522	CASH-US BANK	.001000	.001000	02/01/18	100.000000	21,599,264.88	21,599,264.88	21,599,264.88	.00	215.99
1523	CASH-KEY BANK	.001000	.001000	02/01/18	100.000000	3,823,345.40	3,823,345.40	3,823,345.40	.00	38.23
1524	CASH-BOFA	.001000	.001000	02/01/18	100.000000	792,809.31	792,809.31	792,809.31	.00	7.93
3052	PROCTER & GAMBLE	.000000	1.234175	02/01/18	100.000000	50,000,000.00	50,000,000.00	50,000,000.00	.00	617,087.30
3128	Wells Fargo Tri-Re	1.330000	1.330000	02/01/18	100.000000	225,000,000.00	225,000,000.00	225,000,000.00	.00	2,992,500.00
3051	WALT DISNEY CO	.000000	1.224273	02/05/18	99.982889	50,000,000.00	49,993,222.22	49,991,444.50	-1,777.72	612,136.70
3050	WALT DISNEY CO	.000000	1.224315	02/06/18	99.978611	50,000,000.00	49,991,527.78	49,989,305.50	-2,222.28	612,157.51
2984	CA IMPERIAL BK	.000000	1.379502	02/08/18	99.970056	50,000,000.00	49,986,680.55	49,985,028.00	-1,652.55	689,751.05
2946	BANK NOVA SCOTIA	.000000	1.422930	02/09/18	99.965778	47,000,000.00	46,985,273.33	46,983,915.66	-1,357.67	668,776.95
2180	US TREASURY NOTE	1.000000	.838724	02/15/18	99.988000	65,000,000.00	65,003,957.37	64,992,200.00	-11,757.37	545,170.58
2840	FFCB DISCOUNT NOTE	.000000	1.060048	02/16/18	99.946000	29,000,000.00	28,987,312.50	28,984,340.00	-2,972.50	307,414.03
2842	FFCB DISCOUNT NT	.000000	1.080599	02/22/18	99.924000	86,900,000.00	86,845,759.92	86,833,956.00	-11,803.92	939,040.43
2382	US TREASURY NOTE	.750000	.883732	02/28/18	99.953000	50,000,000.00	49,995,110.31	49,976,500.00	-18,610.31	441,865.77
2185	FED HOME LN BANK	1.375000	.994011	03/09/18	100.009000	50,800,000.00	50,818,755.71	50,804,572.00	-14,183.71	504,957.77
2389	US Treasury Note	1.000000	.916246	03/15/18	99.959000	50,000,000.00	50,004,752.69	49,979,500.00	-25,252.69	458,122.80
2985	APPLE INC	.000000	1.371555	03/22/18	99.790389	25,000,000.00	24,953,722.22	24,947,597.25	-6,124.97	342,888.64
2859	FFCB DISCOUNT NOTE	.000000	1.121970	03/23/18	99.815000	59,000,000.00	58,909,041.67	58,890,850.00	-18,191.67	661,962.04
2164	BANK OF AMERICA	1.650000	1.518078	03/26/18	100.000000	25,000,000.00	25,004,660.44	25,000,000.00	-4,660.44	379,519.53
2165	BANK OF AMERICA	1.650000	1.507939	03/26/18	100.000000	20,000,000.00	20,004,015.90	20,000,000.00	-4,015.90	301,587.79
2531	US Treasury Note	.875000	.809877	03/31/18	99.916000	100,000,000.00	100,010,240.12	99,916,000.00	-94,240.12	809,876.86
2654	US TREASURY NOTE	2.875000	.810066	03/31/18	100.232000	50,000,000.00	50,162,780.66	50,116,000.00	-46,780.66	405,033.13
2865	FRE DISCOUNT NOTE	.000000	1.050623	04/02/18	99.763000	100,000,000.00	99,826,666.67	99,763,000.00	-63,666.67	1,050,622.96
2882	FED FARM CREDIT	.700000	1.113494	04/06/18	99.873000	100,000,000.00	99,928,115.93	99,873,000.00	-55,115.93	1,113,494.03
2264	BANK OF MONTREAL C	1.450000	1.593072	03/09/18C	99.936000	15,376,000.00	15,372,061.64	15,366,159.36	-5,902.28	244,950.69
2881	FREDDIE MAC	.750000	1.113879	04/09/18	99.868000	29,802,000.00	29,782,262.17	29,762,661.36	-19,600.81	331,958.26
2390	US Treasury Note	.750000	.945737	04/15/18	99.861000	50,000,000.00	49,980,702.51	49,930,500.00	-50,202.51	472,868.67
2516	FED FARM CREDIT	.750000	.818121	04/18/18	99.848000	50,000,000.00	49,992,978.26	49,924,000.00	-68,978.26	409,060.27
2887	FFCB DISCOUNT NOTE	.000000	1.122634	04/27/18	99.665000	35,000,000.00	34,908,270.84	34,882,750.00	-25,520.84	392,922.01
2381	US TREASURY NOTE	.625000	.924096	04/30/18	99.800000	50,000,000.00	49,964,420.18	49,900,000.00	-64,420.18	462,047.79
2804	COLGATE-PALM CO	.900000	1.210009	05/01/18	99.828000	29,075,000.00	29,053,127.28	29,024,991.00	-28,136.28	351,809.99
2393	US TREASURY NOTE	1.000000	1.040797	05/15/18	99.863000	50,000,000.00	49,994,327.04	49,931,500.00	-62,827.04	520,398.33
1577	Freddie Mac Callab	.950000	1.036413	05/22/15C	99.834000	23,800,000.00	23,793,978.32	23,760,492.00	-33,486.32	246,666.22
2222	PNC BANK NA	1.600000	1.622972	05/02/18C	99.901000	30,000,000.00	29,997,799.26	29,970,300.00	-27,499.26	486,891.58
2394	US TREASURY NOTE	1.125000	1.068586	06/15/18	99.848000	50,000,000.00	50,010,161.16	49,924,000.00	-86,161.16	534,292.76
2592	FREDDIE MAC CALLAB	1.060000	1.060000	09/22/16C	99.773000	50,000,000.00	50,000,000.00	49,886,500.00	-113,500.00	530,000.00
2598	FREDDIE MAC CALLAB	1.000000	1.000000	12/29/16C	99.790000	50,000,000.00	50,000,000.00	49,895,000.00	-105,000.00	500,000.00
2269	TORONTO DOMINION B	1.750000	1.784038	07/23/18	99.894000	35,000,000.00	34,994,562.22	34,962,900.00	-31,662.22	624,413.27
2324	TORONTO DOM BANK	1.750000	1.759103	07/23/18	99.894000	14,529,000.00	14,528,375.27	14,513,599.26	-14,776.01	255,580.07
2622	FREDDIE MAC CALLAB	1.050000	1.072803	07/27/18	99.693000	50,000,000.00	49,994,575.36	49,846,500.00	-148,075.36	536,401.27
2623	FANNIE MAE CALLABL	.875000	.977744	07/27/17C	99.543000	50,000,000.00	49,975,528.76	49,771,500.00	-204,028.76	488,871.77
2277	ROYAL BK CANADA	1.800000	1.804127	07/30/18	99.926000	25,000,000.00	24,999,510.03	24,981,500.00	-18,010.03	451,031.81

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RUN: 02/01/18 14:27:59

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2279	BANK OF MONTREAL	1.800000	1.847154	07/31/18	99.895000	20,000,000.00	19,995,500.00	19,979,000.00	-16,500.00	369,430.83
2612	BANK OF MONTREAL	1.800000	1.275150	07/31/18	99.895000	20,000,000.00	20,050,874.82	19,979,000.00	-71,874.82	255,029.94
2653	Bank of Montreal	1.350000	1.352052	08/28/18	99.653000	30,000,000.00	29,999,657.61	29,895,900.00	-103,757.61	405,615.61
2885	US TREASURY NOTE	.750000	1.187271	08/31/18	99.434000	100,000,000.00	99,750,389.03	99,434,000.00	-316,389.03	1,187,271.12
3060	FANNIE MAE	1.875000	1.428443	09/18/18	100.056000	130,096,000.00	130,455,717.45	130,168,853.76	-286,863.69	1,858,346.69
2714	US TREASURY NOTE	1.375000	.867782	09/30/18	99.731000	100,000,000.00	100,331,310.36	99,731,000.00	-600,310.36	867,781.95
2673	FREDDIE MAC	.875000	.895912	10/12/18	99.331000	75,000,000.00	74,989,207.32	74,498,250.00	-490,957.32	671,933.81
2883	US TREASURY NOTE	.875000	1.211095	10/15/18	99.348000	100,000,000.00	99,767,225.33	99,348,000.00	-419,225.33	1,211,095.40
2711	FED FARM CREDIT	.850000	.915002	10/25/18	99.322000	98,101,000.00	98,055,045.63	97,435,875.22	-619,170.41	897,625.92
2979	PNC BANK NA CALLAB	1.800000	1.588261	10/06/18C	99.749000	44,475,000.00	44,541,945.86	44,363,367.75	-178,578.11	706,379.29
2659	US TREASURY NOTE	1.250000	.825593	11/15/18	99.520000	50,000,000.00	50,164,825.81	49,760,000.00	-404,825.81	412,796.26
2820	PROCTER & GAMBLE	1.600000	1.381066	11/15/18	99.757000	20,000,000.00	20,033,770.19	19,951,400.00	-82,370.19	276,213.11
2821	MICROSOFT CORP	1.625000	1.381251	12/06/18	99.679000	35,000,000.00	35,070,627.59	34,887,650.00	-182,977.59	483,437.70
2613	ROYAL BK CANADA	2.000000	1.355011	12/10/18	99.988000	25,000,000.00	25,134,962.29	24,997,000.00	-137,962.29	338,752.87
2713	US TREASURY NOTE	1.250000	.898009	12/15/18	99.445000	100,000,000.00	100,301,980.84	99,445,000.00	-856,980.84	898,008.82
1725	US TREASURY NOTE	1.500000	1.520113	12/31/18	99.621000	50,000,000.00	49,991,131.05	49,810,500.00	-180,631.05	760,056.29
2445	BANK NOVA SCOTIA	1.950000	1.991060	01/15/19	99.760000	30,000,000.00	29,988,664.57	29,928,000.00	-60,664.57	597,318.06
2522	US Treasury Note	1.125000	.885685	01/15/19	99.242000	50,000,000.00	50,112,266.77	49,621,000.00	-491,266.77	442,842.52
2451	TORONTO DOM BANK	1.950000	1.980013	01/22/19	99.783000	35,000,000.00	34,990,137.10	34,924,050.00	-66,087.10	693,004.59
2660	US TREASURY NOTE	1.250000	.840709	01/31/19	99.313000	39,000,000.00	39,157,002.07	38,732,070.00	-424,932.07	327,876.43
2540	FANNIE MAE	1.000000	1.041990	02/26/19	98.964000	100,000,000.00	99,955,870.42	98,964,000.00	-991,870.42	1,041,989.97
2824	FED HOME LN BANK	1.375000	1.491832	03/18/19	99.310000	25,000,000.00	24,967,777.77	24,827,500.00	-140,277.77	372,958.11
2825	FED HOME LN BANK	1.375000	1.491832	03/18/19	99.310000	50,000,000.00	49,935,555.57	49,655,000.00	-280,555.57	745,916.22
2706	US TREASURY NOTE	1.625000	.960279	03/31/19	99.566000	100,000,000.00	100,759,891.43	99,566,000.00	-1,193,891.43	960,279.19
2521	Royal BK Canada	1.625000	1.643864	04/15/19	99.172000	40,000,000.00	39,991,199.99	39,668,800.00	-322,399.99	657,545.73
3030	INTERAMER DEV BK	1.000000	1.551172	05/13/19	98.507000	69,859,000.00	69,374,302.74	68,816,005.13	-558,297.61	1,083,633.15
2732	US TREASURY NOTE	3.125000	1.225212	05/15/19	101.387000	50,000,000.00	51,197,876.39	50,693,500.00	-504,376.39	612,605.92
2862	US TREASURY NOTE	.875000	1.268463	05/15/19	98.547000	50,000,000.00	49,751,691.67	49,273,500.00	-478,191.67	634,231.60
2614	WELLS FARGO BANK	1.750000	1.272829	05/24/19	99.272000	50,000,000.00	50,305,234.13	49,636,000.00	-669,234.13	636,414.58
2657	WELLS FARGO BANK	1.750000	1.405147	05/24/19	99.272000	25,000,000.00	25,110,150.61	24,818,000.00	-292,150.61	351,286.75
2532	US Treasury Note	1.500000	1.008230	05/31/19	99.309000	50,000,000.00	50,320,105.81	49,654,500.00	-665,605.81	504,114.78
2833	BANK OF NOVA SCOTI	2.050000	1.955880	06/05/19	99.527000	15,000,000.00	15,018,291.99	14,929,050.00	-89,241.99	293,381.95
2709	US TREASURY NOTE	1.625000	.973093	06/30/19	99.406000	100,000,000.00	100,904,754.99	99,406,000.00	-1,498,754.99	973,093.39
2727	US TREASURY NOTE	.750000	1.201343	07/15/19	98.129000	50,000,000.00	49,678,653.57	49,064,500.00	-614,153.57	600,671.53
2627	ROYAL BK CANADA	1.500000	1.539030	07/29/19	98.701000	50,000,000.00	49,971,734.23	49,350,500.00	-621,234.23	769,515.00
2608	TORONTO DOM BANK	1.450000	1.453116	08/13/19	98.558000	20,000,000.00	19,999,108.01	19,711,600.00	-287,508.01	290,623.29
3022	INT BK RECON & DEV	.876000	1.575248	08/15/19	97.989000	100,000,000.00	98,946,122.45	97,989,000.00	-957,122.45	1,575,248.34
2664	CAN IMPERIAL BK	1.600000	1.606170	09/06/19	98.702000	30,000,000.00	29,997,129.88	29,610,600.00	-386,529.88	481,850.93
2693	US TREASURY NOTE	.875000	1.034103	09/15/19	98.066000	100,000,000.00	99,746,855.23	98,066,000.00	-1,680,855.23	1,034,103.07
2816	JP MORGAN CHASE CA	1.650000	1.834326	09/23/19	98.769000	15,688,000.00	15,641,872.40	15,494,880.72	-146,991.68	287,769.12
2834	JP MORGAN CHASE CA	1.650000	1.882311	09/23/19	98.769000	27,230,000.00	27,129,215.11	26,894,798.70	-234,416.41	512,553.16
2695	US TREASURY NOTE	1.000000	1.000000	09/30/19	98.227000	100,000,000.00	100,000,000.00	98,227,000.00	-1,773,000.00	1,000,000.00

KING COUNTY TREASURY OPERATIONS  
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SORTING ORDER: MATD

RUN: 02/01/18 14:27:59

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
3029	INTERAMER DEV BK	1.750000	1.611015	10/15/19	99.153000	100,000,000.00	100,231,616.22	99,153,000.00	-1,078,616.22	1,611,014.91
2565	PNC BANK NA CALLAB	2.400000	1.830387	09/18/19C	99.806000	15,000,000.00	15,137,365.57	14,970,900.00	-166,465.57	274,558.12
2568	PNC BANK NA CALLAB	2.400000	1.832954	09/18/19C	99.806000	5,000,000.00	5,045,580.90	4,990,300.00	-55,280.90	91,647.70
2703	FANNIE MAE	1.000000	1.091132	10/24/19	98.071000	100,000,000.00	99,845,667.29	98,071,000.00	-1,774,667.29	1,091,132.43
3046	TORONTO DOM BANK	1.900000	1.951225	10/24/19	99.025000	33,920,000.00	33,890,726.58	33,589,280.00	-301,446.58	661,855.67
3049	PROCTER & GAMBLE	1.750000	1.767888	10/25/19	99.138000	35,000,000.00	34,989,411.31	34,698,300.00	-291,111.31	618,760.95
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	99.462000	25,000,000.00	24,992,187.79	24,865,500.00	-126,687.79	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	99.462000	20,000,000.00	20,038,281.23	19,892,400.00	-145,881.23	401,017.89
2729	FED HOME LN BANK	1.375000	1.382876	11/15/19	98.680000	35,000,000.00	34,995,198.01	34,538,000.00	-457,198.01	484,006.74
2781	US TREASURY NOTE	1.375000	1.504545	01/15/20	98.543000	100,000,000.00	99,753,344.11	98,543,000.00	-1,210,344.11	1,504,544.64
3122	US BANK NA OHIO CA	2.350000	2.373171	12/23/19C	99.748000	50,000,000.00	49,977,777.40	49,874,000.00	-103,777.40	1,186,585.70
2788	APPLE INC	1.550000	1.810661	02/07/20	98.532000	14,034,000.00	13,962,577.92	13,827,980.88	-134,597.04	254,108.19
2888	MICROSOFT CORP CAL	1.850000	1.736140	02/12/20	99.216000	36,104,000.00	36,184,704.64	35,820,944.64	-363,760.00	626,816.11
2864	US TREASURY NOTE	1.250000	1.366848	02/29/20	98.137000	100,000,000.00	99,762,672.96	98,137,000.00	-1,625,672.96	1,366,847.73
2815	WALT DISNEY CO	1.950000	1.959000	03/04/20	99.218000	15,000,000.00	14,997,283.55	14,882,700.00	-114,583.55	293,850.04
2880	FED HOME LOAN BANK	1.875000	1.588108	03/13/20	99.297000	100,000,000.00	100,589,243.34	99,297,000.00	-1,292,243.34	1,588,107.64
3055	US TREASURY NOTE	1.500000	1.699612	04/15/20	98.516000	75,000,000.00	74,678,443.22	73,887,000.00	-791,443.22	1,274,709.30
3059	EURO BK RECON & DE	1.626000	1.804759	05/05/20	98.393000	62,185,000.00	61,941,635.82	61,185,687.05	-755,948.77	1,122,289.52
2908	APPLE INC	1.800000	1.835100	05/11/20	98.663000	20,000,000.00	19,984,551.10	19,732,600.00	-251,951.10	367,020.04
2490	US Treasury Note	1.500000	1.432685	05/31/20	98.383000	100,000,000.00	100,151,119.55	98,383,000.00	-1,768,119.55	1,432,685.42
3061	US TREASURY NOTE	1.500000	1.678610	06/15/20	98.348000	100,000,000.00	99,587,336.08	98,348,000.00	-1,239,336.08	1,678,609.69
3057	US TREASURY NOTE	1.500000	1.733197	07/15/20	98.258000	75,000,000.00	74,582,371.87	73,693,500.00	-888,871.87	1,299,897.87
3062	US TREASURY NOTE	1.500000	1.695421	08/15/20	98.172000	100,000,000.00	99,517,235.04	98,172,000.00	-1,345,235.04	1,695,421.10
2997	INT BK RECON&DEV	1.626000	1.633137	09/04/20	98.081000	25,000,000.00	24,995,493.20	24,520,250.00	-475,243.20	408,284.26
2998	INT BK RECON&DEV	1.626000	1.633137	09/04/20	98.081000	25,000,000.00	24,995,493.20	24,520,250.00	-475,243.20	408,284.26
3024	FREDDIE MAC	1.625000	1.687127	09/29/20	98.236000	65,000,000.00	64,895,768.11	63,853,400.00	-1,042,368.11	1,096,632.63
3036	FED FARM CREDIT	1.680000	1.696478	10/13/20	98.245000	100,000,000.00	99,956,861.31	98,245,000.00	-1,711,861.31	1,696,478.36
3047	US BANK NA OHIO CA	2.050000	2.056925	09/23/20C	98.669000	10,000,000.00	9,998,182.64	9,866,900.00	-131,282.64	205,692.48
2874	MICROSOFT CORP CAL	2.000000	1.789729	11/03/20	98.896000	16,945,000.00	17,039,556.78	16,757,927.20	-281,629.58	303,269.64
2876	MICROSOFT CORP CAL	2.000000	1.789729	11/03/20	98.896000	7,535,000.00	7,577,046.95	7,451,813.60	-125,233.35	134,856.11
3074	FREDDIE MAC	1.875000	1.908000	11/17/20	98.844000	50,000,000.00	49,955,409.83	49,422,000.00	-533,409.83	954,000.23
3119	ASIAN DEV BANK	2.250000	2.287062	01/20/21	99.794000	50,000,000.00	49,947,134.00	49,897,000.00	-50,134.00	1,143,531.13
2873	US TREASURY NOTE	1.375000	1.647276	01/31/21	97.285000	50,000,000.00	49,605,789.08	48,642,500.00	-963,289.08	823,637.88
2884	US TREASURY NOTE	1.375000	1.679014	01/31/21	97.285000	50,000,000.00	49,560,142.33	48,642,500.00	-917,642.33	839,506.85
2875	MICROSOFT CORP CAL	1.550000	1.949002	08/08/21	96.590000	24,182,000.00	23,858,029.11	23,357,393.80	-500,635.31	471,307.73
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	103.881000	969,342.37	987,616.10	1,006,962.55	19,346.45	44,921.07
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	104.273000	1,477,467.00	1,497,267.73	1,540,599.16	43,331.43	62,877.55
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	102.934000	993,162.09	1,006,472.25	1,022,301.47	15,829.22	42,266.66
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	104.395000	1,198,323.00	1,214,382.70	1,250,989.30	36,606.60	50,997.83
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GRAND TOTALS		1.254954	1.329665	FEB 2019	99.298421	6,576,628,220.10	6,575,620,774.83	6,530,373,518.46	-45,247,256.37	87,469,756.05
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## Victoria Recovery Status as of 1/31/2018

Original Cost		\$51,937,149
Original Par	\$53,300,000	
Less Accrued not distributed	\$420,537	
Adjusted Par		\$52,879,463
<b>Recovered to date</b>		<b>\$45,926,833</b>
		<b>86.9%</b>

Current Par Amount Outstanding		\$6,952,630
Current Cost Outstanding		\$6,010,315

Cash Receipts:		
	2008	\$7,990,692.29
	2009	\$6,910,588.46
	2010	\$5,443,668.21
	2011	\$7,793,105.01
	2012	\$4,820,226.87
	2013	\$3,388,703.17
	2014	\$3,696,981.20
	2015	\$2,778,796.49
	2016	\$1,526,846.94
	2017	\$1,428,709.34
	2018	\$148,515.22
Total		\$45,926,833.20

**Impaired Pool  
Holdings Report  
1/31/2018**

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	84,407.60	84,407.60	-
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	6,952,629.80	4,715,694.00	2,236,935.80
<b>Total</b>		<b>7,824,539.54</b>	<b>5,307,851.60</b>	<b>2,516,687.94</b>

<b>Fair Value Ratio</b>	<b>0.6784</b>
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(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Cheyne and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers. Rhinebridge may make one last small payment later in 2018.

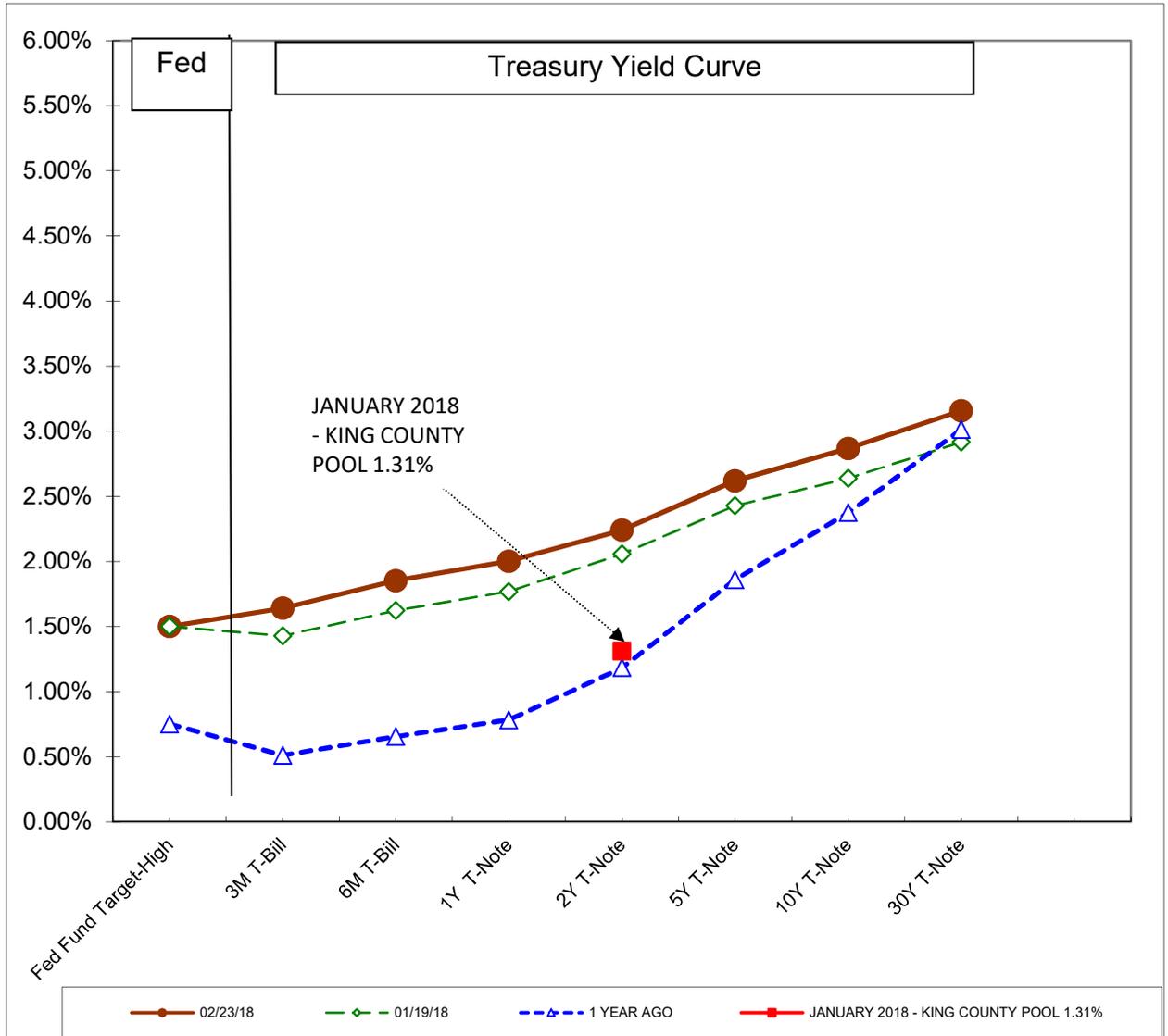
(2) During September 2009, the County completed the restructuring process for Victoria. Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through January and assuming that the asset could be sold at the assumed prices for the underlying securities, the current estimated total recovery would be approximately 96% of the original investment's adjusted par amount.

**Combined Earnings History for Impaired and Non-Impaired Pools**

	(A)	(B)	(A) + (B)
	<i>Distributed Realized Gains/Losses Resulting from Impaired Investments Purchased in 2007 <sup>(3)</sup></i>	<i>Total Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2018	\$0	\$7,325,260	<b>\$7,325,260</b>
2017	\$0	\$75,072,195	<b>\$75,072,195</b>
2016	\$189,049	\$50,641,904	<b>\$50,830,953</b>
2015	(\$427,263)	\$33,344,087	<b>\$32,916,824</b>
2014	\$0	\$26,330,761	<b>\$26,330,761</b>
2013	\$0	\$24,331,721	<b>\$24,331,721</b>
2012	(\$1,204,894)	\$25,978,721	<b>\$24,773,827</b>
2011	\$0	\$29,270,651	<b>\$29,270,651</b>
2010	\$0	\$42,160,462	<b>\$42,160,462</b>
2009	\$0	\$71,036,470	<b>\$71,036,470</b>
2008	(\$73,296,907)	\$135,838,883	<b>\$62,541,976</b>
2007	\$0	\$199,099,971	<b>\$199,099,971</b>
2006	\$0	\$165,576,358	<b>\$165,576,358</b>

(3) Figures have not been adjusted for recoveries from legal settlements.

# INTEREST RATE SUMMARY



	02/23/18	01/19/18	1 YEAR AGO
Fed Fund Target-High	1.50%	1.50%	0.75%
3M T-Bill	1.64%	1.43%	0.51%
6M T-Bill	1.85%	1.62%	0.65%
1Y T-Note	2.00%	1.77%	0.78%
2Y T-Note	2.24%	2.06%	1.18%
5Y T-Note	2.62%	2.43%	1.86%
10Y T-Note	2.87%	2.64%	2.37%
30Y T-Note	3.16%	2.92%	3.01%

**King County Executive Finance Committee**

Interfund Borrowing Report for EFC, (JAN-2018 period)

Below is a summary of the causes of the current deficit cash balances.

**Funds listed in Black** have a description of the cause of the deficit; **funds listed in Blue** have an EFC-approved loan in place.

**Items in Green** have not yet been analyzed or needs to be revisited; **items in Red** appear unusual in nature and should be discussed during today's meeting.

<b>Interest on Interfund Loans - County Tier 2 Funds Paying Interest</b>					
<b>Item #</b>	<b>Fund No.</b>	<b>AVG Borrowed</b>	<b>Fund Name</b>	<b>Description</b>	
D	A1	00-000-189-0	(3,249,090.02)	PUBLIC HEALTH ADMIN FUND	Timing issue related to indirect cost allocation
<b>Pooled Tier 1 Funds with Negative Cash Balances</b>					
<b>Item #</b>	<b>Fund No.</b>	<b>Lowest Cash</b>	<b>Average Cash</b>	<b>Fund Name</b>	<b>Description</b>
F	B1	00-000-114-3	(204,083.14)	(81,241.06)	VETERANS SENIORS & HUMAN SER New fund. Revenue/Transfers from old funds pending
F	B2	00-000-121-0	(2,670,369.68)	(1,576,406.25)	SHARED SERVICES FUND Transfers pending. Invoicing in process.
APPRV'D	B3	00-000-134-1	(76,564.43)	(69,287.41)	DPER ABATEMENT SUBFUND Clean-up underway. Liens in place to recover costs
APPRV'D	B4	00-000-139-6	(10,610,058.13)	(10,610,048.52)	RISK ABATEMENT/2006 FUND <b>Approved interfund loan in place</b>
B	B5	00-000-141-5	(177,671.93)	(123,039.63)	PARKING FACILITIES Timing issues: revenue collections/transfers
F	B6	00-000-142-1	(55,849.63)	340,568.65	COMMUNITY SERVICES OPERATING Delay in receipts (grants & taxes)
B	B7	00-000-156-1	(2,814,288.17)	(2,076,110.02)	KC FLD CNTRL OPR CONTRACT Reimbursement from District has long approval process
APPRV'D	B8	00-000-331-0	(3,071,027.31)	(2,423,608.81)	LONG-TERM LEASES <b>Pending reimbursement of prepayments made in Dec.</b>
B	B9	00-000-352-2	(1,215,443.45)	(1,182,714.00)	OS KC NON BND FND SUBFUND Pending revenue transfer
A	B10	00-000-357-1	(9,710,776.93)	(6,287,278.19)	KC FLD CNTRL CAP CONTRACT Reimbursement from District has long approval process
APPRV'D	B11	00-000-359-1	(1,698,067.60)	(496,398.68)	KC MARINE CONST Timing differences
<b>Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest</b>					
<b>Item #</b>	<b>Fund No.</b>	<b>Lowest Cash</b>	<b>Average Cash</b>	<b>Fund Name</b>	<b>Description</b>
C1	00-000-214-0	(1,974,185.83)	(1,500,262.61)	GRANTS FUND	Pending grant reimbursement

A: Reimbursement funds - reimbursements are collected periodically from other funds  
 B: Reimbursement funds - pay expenditures first, get reimbursed later, interest on loans  
 C: Subfund cash transfers - different subfunds within one Agency  
 D: Known accounting or cash transfer error  
 E: Anticipated seasonality of receipts  
 F: Timing issue of receipts and disbursements

**Interfund Loans to District & Non-County Funds  
January 2018**

Fund Number	Fund Name	Average Borrowed	Average Cash Balance	Total Borrowed	Comment
064173010	NO SHOR SCH CAP PROJ FD	(\$339,476.44)	(\$289,966.89)	(\$9,165,863.75)	<= <b>Contacting District</b>
070120010	ALGONA GEN TAX REG FUND	(\$80.01)	\$2,974.24	(\$1,120.11)	<= Non-District Fund
070210010	AUBURN GEN TAX REG FUND	(\$71.32)	\$101,574.48	(\$71.32)	<= Non-District Fund
070360010	BELLEVUE GEN TAX REG FUND	(\$7,186.76)	\$357,622.01	(\$43,120.57)	<= Non-District Fund
070450010	BOTHELL GENERAL TAX REG C	(\$1,381.13)	\$54,092.88	(\$24,860.32)	<= Non-District Fund
070450020	BOTHELL LIFT REV	(\$5.05)	(\$0.81)	(\$116.07)	<= Non-District Fund
070454010	BOTHELL DRAINAGE UTILITY	(\$11,132.57)	\$1,466.57	(\$11,132.57)	<= Non-District Fund
070458510	BOTHELL G O BOND FUND	(\$52.88)	\$4.64	(\$951.78)	<= Non-District Fund
070530010	BURIEN GENERAL	(\$545.80)	\$43,883.53	(\$7,641.20)	<= Non-District Fund
070534010	BURIEN DRAINAGE UTILITY	(\$6,036.92)	\$4,334.21	(\$6,036.92)	<= Non-District Fund
070800010	COVINGTON GENERAL TAX	(\$198.00)	\$34,007.97	(\$2,772.00)	<= Non-District Fund
070804010	COVINGTON DRAINAGE UTILIT	(\$9,599.44)	\$2,073.96	(\$9,599.44)	<= Non-District Fund
070950010	DES MOINES GEN TAX REG C	(\$89.87)	\$30,085.98	(\$89.87)	<= Non-District Fund
070954010	DES MOINES DRAINAGE UTILI	(\$14,303.04)	\$2,000.17	(\$14,303.04)	<= Non-District Fund
071640020	FEDERAL WAY LIFT REV	(\$0.13)	\$0.84	(\$0.94)	<= Non-District Fund
071644010	FED WAY DRAINAGE UTILITY	(\$18,706.16)	\$3,968.58	(\$18,706.16)	<= Non-District Fund
071647020	FED WAY NORTHLAKE LMD #2	(\$720.00)	(\$557.42)	(\$17,280.00)	<= Non-District Fund
072600010	ISSAQUAH GEN TAX REG C	(\$96.84)	\$60,881.41	(\$96.84)	<= Non-District Fund
072608510	ISSAQUAH G O BOND FUND	(\$2,068.58)	(\$480.04)	(\$20,685.77)	<= Non-District Fund
072804010	CITY OF KENMORE DRAINAGE	(\$8,079.35)	\$1,229.10	(\$8,079.35)	<= Non-District Fund
073050010	KENT GEN TAX REG C	(\$815.20)	\$190,102.36	(\$1,630.39)	<= Non-District Fund
073090010	KIRKLAND GEN TAX REG C	(\$1,310.67)	\$251,182.78	(\$1,310.67)	<= Non-District Fund
073094010	KIRKLAND DRAINAGE UTILITY	(\$43,913.10)	\$6,622.30	(\$43,913.10)	<= Non-District Fund
073098510	KIRKLAND G O BOND FUND	(\$80.03)	\$86.51	(\$560.23)	<= Non-District Fund
073314010	LAKE FRST DRAINAGE UTLY	(\$5,142.68)	\$1,951.42	(\$5,142.68)	<= Non-District Fund
073500010	MAPLE VALLEY GENERAL TAX	(\$485.78)	\$51,792.65	(\$4,372.02)	<= Non-District Fund
073504010	MAPLE VALLEY DRAIN UTILIT	(\$5,836.89)	\$1,025.16	(\$5,836.89)	<= Non-District Fund
073650010	MEDINA GEN TAX REGULR C	(\$560.57)	\$34,450.11	(\$7,287.41)	<= Non-District Fund
073660010	MERCER ISLAND GN TX REG C	(\$805.43)	\$108,304.37	(\$1,610.86)	<= Non-District Fund
073850010	NEWCASTLE GENERAL TAX REG	(\$619.59)	\$81,806.06	(\$4,956.72)	<= Non-District Fund
073854010	NEWCASTLE DRAINAGE UTILTY	(\$1,341.42)	\$391.30	(\$4,024.27)	<= Non-District Fund
074054010	NORMANDY PARK DRAIN UTIL	(\$2,431.76)	\$549.86	(\$2,431.76)	<= Non-District Fund
074060010	NORTH BEND GEN TAX REG T	(\$249.61)	\$30,338.52	(\$4,742.55)	<= Non-District Fund
075200010	RENTON GEN TAX REG C	(\$5,877.80)	\$132,168.09	(\$64,655.76)	<= Non-District Fund
075300010	SAMMAMISH GEN TAX REG	(\$4,011.89)	\$205,859.67	(\$72,214.00)	<= Non-District Fund
075304010	SAMMAMISH DRAINAGE UTIL	(\$22,249.01)	\$2,918.61	(\$22,249.01)	<= Non-District Fund
075420010	SEATAC GEN TAX REG	(\$5,148.68)	\$42,663.60	(\$61,784.10)	<= Non-District Fund
075424010	SEA-TAC DRAINAGE UTILITY	(\$67,661.93)	(\$21,532.95)	(\$676,619.33)	<= Non-District Fund
075451190	SEATTLE EMS TAX FUND	(\$5,439.24)	\$8,555.60	(\$27,196.18)	<= Non-District Fund
075454010	SEATTLE DRAINAGE UTILITY	(\$514,674.06)	\$19,882.79	(\$514,674.06)	<= Non-District Fund
075458510	SEATTLE GO BOND FUND	(\$2,904.49)	\$5,555.91	(\$14,522.45)	<= Non-District Fund
075480010	SHORELINE GENERAL TAX	(\$292.23)	\$55,112.31	(\$292.23)	<= Non-District Fund
075484010	SHORELINE DRAINAGE UTILIT	(\$17,116.15)	\$3,990.88	(\$17,116.15)	<= Non-District Fund
075488510	2006 SHORELINE BOND	(\$119.67)	\$263.05	(\$1,077.07)	<= Non-District Fund
076510010	WOODINVILLE GENERAL	(\$155.92)	\$36,561.71	(\$935.54)	<= Non-District Fund
076514010	WOODINVILLE DRAINAGE UTIL	(\$5,016.74)	\$1,085.02	(\$5,016.74)	<= Non-District Fund
077214010	YARROW POINT DRAINAGE UTIL	(\$5,301.73)	(\$89.52)	(\$5,301.73)	<= Non-District Fund

**Interfund Loans to District & Non-County Funds  
January 2018**

Fund Number	Fund Name	Average Borrowed	Average Cash Balance	Total Borrowed	Comment
100623010	PUGET SOUND RFA CAPITAL	(\$181,022.35)	\$58,265.82	(\$2,534,312.87)	<= <i>Now Positive</i>
113330530	LAKEHAVEN W&SD -PAYROLL	(\$75,789.01)	(\$14,353.76)	(\$454,734.06)	<= <i>Now Positive</i>
210006030	HMC WIDMER PRINCIPAL FUND	(\$502.57)	(\$502.57)	(\$15,579.79)	<= <i>Contacting District</i>
220010010	DIRECTORS ASSOCIATION	(\$334,869.13)	\$785,331.47	(\$2,344,083.93)	<= <i>Now Positive</i>
<b>Report Total:</b>		<b>(\$1,731,575.62)</b>	<b>\$2,489,534.54</b>	<b>(\$16,272,712.57)</b>	

**DEFINITIONS**

**Total Borrowed**

Sum of all daily ending negative cash balances for a fund in a particular month.

**Average Borrowed**

Total borrowed by a fund divided by the number of days in a particular month that the fund had a negative ending balance.

**Average Cash Balance**

Sum of all ending cash balances (positive & negative) for an entire month divided by the number of days in that month.

**Approved Interfund Borrowings (Automated System)**

01/31/18

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end	Average Amount Borrowed	Interest Paid in Current Month	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1341	DPER Abatement Sub-Fund	Clean-up construction materials at processing center on MLK Way South. Repayment from sale of property	<u>Original Loan</u> \$400,000	(\$71,266)	\$69,287	\$77	12/31/2018	Pool Rate	King County Surplus Cash	6/24/2015
King County	00-000-1396	Risk Abatement Fund	Bridge loan until bonds can be issued.	<u>Original Loan</u> \$10,500,000 <u>Revised Amt:</u> \$10,600,000 <u>Revised Amt:</u> \$11,000,000	(\$10,609,760)	\$10,610,049	\$11,799	6/30/2017 8/31/2017 7/31/2022	Pool Rate	King County Surplus Cash	12/7/2016 6/28/2017 8/23/2017
King County	00-000-3310	Long Term Lease Fund	Support Phase 4 of King Street Center work space consolidation. Repayment from lease payments.	<u>Original Loan</u> \$2,000,000 <u>Revised Amt:</u> \$4,000,000	(\$1,089,209)	\$2,423,609	\$2,695	12/31/2023	Pool Rate	King County Surplus Cash	12/7/2016 2/22/2017
King County	00-000-3591	Marine Construction Fund	Primary funding for Seattle Passenger Ferry Terminal is coming from grant that are distributed on a reimbursement basis. Expenditures will occur prior to the receipt of grants and bond proceeds.	<u>Original Loan</u> \$5,300,000	(\$1,698,068)	\$496,399	\$552	12/31/2018	Pool Rate	King County Surplus Cash	12/6/2017
King County	00-000-3781	KCIT Capital Fund	Fill gap for Mainframe and Unified Communication project not fully covered by bond proceeds.	<u>Original Loan</u> \$5,200,000	\$3,856,604	\$0	\$0	12/31/2019	Pool Rate	King County Surplus Cash	6/25/2014
King County	00-000-3855	County Road Major Maintenance Fund	Short term funding for cash flow requirements in the months leading up to the receipt of property taxes in April and October	<u>Original Loan</u> \$8,000,000	\$14,935,564	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3865	County Road Construction Fund	Short term funding for cash flow requirements in the months leading up to the receipt of property taxes in April and October	<u>Original Loan</u> \$2,000,000	\$961,248	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	<u>Original Loan</u> \$2,275,600 <u>Revised Amt</u> \$4,976,000	\$1,240,610	\$0	\$0	12/31/2020	Pool Rate	King County Surplus Cash	5/27/2015 1/27/16
King County	00-000-5531	KCIT Services Fund	Establish an escrow account for data center bond defeasance. Repayment from existing KCIT rates.	<u>Original Loan</u> \$8,100,000	\$11,047,409	\$0	\$0	12/31/2023	Pool Rate	King County Surplus Cash	2/24/2016
Renton Regional Fire Authority	10-063-0010	Renton Regional Fire Authority General Fund	The RRFA is a newly established entity and will incur expenses prior to initial tax and FBC collections.	<u>Original Loan</u> \$5,170,000	\$7,246,744	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	9/28/2016
Des Moines Metropolitan Park District	17-095-0010	Des Moines Metropolitan Park District General Fund	Attempted to obtain private financing, but not able to due to a technical issue. Funds needed quickly for critical pool repairs. Repayment from district revenues and levy rate increase.	<u>Original Loan</u> \$300,000	\$157,315	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	11/9/2017

**Approved Interfund Borrowings (Direct Loans)**

01/31/18

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
NONE											