

**AGENDA**  
**EXECUTIVE FINANCE COMMITTEE**

September 19, 2019 at 2:00 P.M.

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

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

***Staff: Carol Basile, Treasury Manager; Mike Smith, Chief Investment Officer; Christine Denis, Portfolio Manager; & Eben Sutton, Financial Services Administrator***

**AGENDA ITEMS**

1. **Action:** Approval of Minutes of the August 15, 2019 Executive Finance Committee meeting (page 3)
2. **Briefing:** U.S. Bank Community Reinvestment Act Performance for King County (Handout)  
*Jennifer Lawson, Senior Vice President & Regional Manager Government Banking, U.S. Bank*  
*Nicole R. Bascomb, Vice President, Community Affairs Manager WA/ID, U.S. Bank*  
*Kimbra Wellock, Vice President, CRA Analyst Manager, U.S. Bank*
3. **Action:** Approval of the “Official Intent” reimbursement motion concerning the issuance of bonds in an aggregate principal amount of \$75,000,000 to undertake the Capital Improvement Program of the Water Quality Enterprise Fund (the “Program”). (page 4)  
*Nigel Lewis, Senior Debt Analyst*
4. **Action:** Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code): Approve the request from the King County Wastewater Treatment Division to borrow up to \$75,000,000 through October 31, 2019 This loan will be repaid by bond proceeds. (pages 5-7)  
*Dan Kaplan, Finance Services Administrator, WTD*
5. **Briefing:** Post Bond Issuance Compliance Report (pages 8-9)  
*Nigel Lewis, Senior Debt Analyst*
6. **Action:** Approval of Written Procedures for Post-Bond Issuance Compliance with Federal Tax Laws. (pages 10-20)  
*Nigel Lewis, Senior Debt Analyst*
7. **Briefing:** August 2019 Investment Summary
  - Issuer Diversification , Credit Exposure and Compliance Report (page 21)
  - King County Investment Pool Yield & Duration versus Custom Benchmark (page 22)
  - Detailed Transaction Report - Investment Activity Summary (page 23)
  - King County Investment Pool Asset Allocation (page 24)
  - King County Investment Pool Maturity Distribution (page 26)
  - Investment Performance Review & Impaired Pool Summary (pages 27-36)
  - Interest Rate Summary (page 37)*Mike Smith, Chief Investment Officer*
8. **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*
9. **Briefing:** Interfund Borrowing for August 2019 (Page 38)
  - 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*Cheryl Lee, Chief Accountant*

- Interfund Borrowing by District & Non-County Funds (page 39)
- Interfund Borrowings – EFC Approved Loans (page 40)

*Mike Smith, Chief Investment Officer*

**OTHER BUSINESS**

**ADJOURNMENT**

**MINUTES**  
**EXECUTIVE FINANCE COMMITTEE**  
**August 15, 2019**

The Executive Finance Committee (EFC) Meeting was held August 15, 2019 at 2:00 and adjourned at 2:20 p.m.

**Members Present**

Dwight Dively  
Patrick Hamacher  
(for Claudia Balducci)  
Tom Koney  
(for Caroline Whalen)  
Eunjoo Greenhouse  
(for Ken Guy)

**Others Present**

Jenifer Merkel  
Chris McGowan  
Dave Reich  
Dan Kaplan, IPAC/DNPR

**Others Present -**

**Continued**  
Eben Sutton  
Carol Basile  
Mike Smith  
Christine Denis

**Members Absent**

Claudia Balducci  
Caroline Whalen  
Ken Guy

**ACTION ITEMS**

1. **Minutes** – The Committee unanimously approved the Minutes of the July 18, 2019 Executive Finance Committee meeting.
2. **Investment Direction** – The Committee voted unanimously to approve 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. **July 2019 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. Finally, the Committee was briefed on the current interest rate and economic environment. The Committee also requested that the investment team provide an update on the suitability of adding taxable municipal bonds to the investment portfolio.
2. **July 2019 Interfund Borrowing** – The Committee was provided a review of both County and non-county interfund borrowing.

**OTHER BUSINESS**

NONE

  
\_\_\_\_\_  
Mike Smith, Chief Investment Officer

EXECUTIVE FINANCE COMMITTEE  
“OFFICIAL INTENT” REIMBURSEMENT MOTION

King County, Washington (the “County”) has determined to undertake the Capital Improvement Program of the Water Quality Enterprise Fund (the “Program”).

The County reasonably expects to incur indebtedness and to issue bonds in a maximum aggregate principal amount of \$75,000,000 (the “Obligations”) to obtain financing for all or a portion of the costs of the Program and, prior to the issuance of the Obligations, to fund all or a portion of the costs of the Program through an interfund loan.

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 Program made by the County from an interfund loan 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.

August 30, 2019

TO: Mike Smith, Investment Officer, Finance & Business Division  
FM: Christie True, Director, Department of Natural Resources  
RE: Request for Executive Finance Committee Approval for Inter-fund Borrowing

The purpose of this memorandum is to request the Executive Finance Committee's approval for an interfund loan of \$35 million to the Water Quality Construction Fund 3611 to pay for capital expenditures prior the receipt of bond proceeds from the sale in October of Limited Tax General Obligation Bonds payable from sewer revenues.

The sale of the 2019 Bonds is authorized by Ordinance 18588.

The Wastewater Treatment Division (WTD) projects that proceeds of the 2018B and unrestricted cash in fund 3611 will be fully spent in the second half of September. Sufficient cash from the Water Quality Operating Fund (4611) is not expected to be available for transfer to fund 3611 as WTD intends to use excess cash balances in Fund 4611 for the retirement of debt that was issued in 2012 in September.

WTD has made an upper end estimate of capital expenditures in Fund 3611 of \$28.7 million for September and \$31.7 million for October. While WTD expects to receive \$11.547 million in reimbursements from Ecology on an outstanding loan commitment, the timing is uncertain and could occur subsequent to the receipt of bond proceeds. The \$35 million interfund loan is expected to cover capital expenditures from the date that a cash deficit occurs in September until 2019 bond proceeds are received on or about October 10.



A cash flow analysis is included on the following page.

Cc: Hiedi Popochock, Finance Manager, Wastewater Treatment Division

**Water Quality Construction Fund 3611****Projected Cash Deficit**

	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>
Beginning Balance				
2018B Bond Proceeds	\$ 45,911	\$ 29,382	\$ 8,530	
Unrestricted Cash	4,062	479	-	(9,658)
Total	\$ 49,973	\$ 29,861	\$ 8,530	\$ (9,658)
Revenues				
State Revolving Fund loan proceeds	218			-
Transfers - Fund 8921 (Reserve Account)			8,814	
Other	103	64	1,670	(20)
Total revenues	\$ 321	\$ 64	\$ 10,484	\$ (20)
Capital Expenditures	(20,432)	(21,395)	(28,672)	(31,707)
Ending Balance				
2018B Bond Proceeds	\$ 29,382	\$ 8,530	\$ -	
Unrestricted Cash/Deficit	479	-	(9,658)	(41,384)
Total	\$ 29,861	\$ 8,530	\$ (9,658)	\$ (41,384)

# APPENDIX III – COUNTY FUND APPLICATION FORM

 <b>King County</b> <b>COUNTY FUND APPLICATION FOR INTERFUND LOAN</b>		
COUNTY FUND MANAGER CONTACT INFORMATION		
Fund name and number: Water Quality Construction Fund		
Fund Manager: Christie True	Fund Manager Title: Director, DNRP	
Contact name (if different): Hiedi Popochock	Contact title: WTD Finance Manager	
Phone: 477-1842	Fax:	
BORROWING REQUEST DETAILS		
Fund name: Water Quality Construction Fund	Fund number: 3611	
Term of loan requested (projected start and end date): September 19 to <del>October 10, 2019</del> October 31, 2019		
Is this a new loan request or a request to modify an existing loan? New loan		
Has this loan request been reviewed by Office of Performance, Strategy and Budget? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If "Yes", list the name of the reviewer:		
If this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Interfund Loan Policy complete Part A. otherwise complete Part B		
PART A		
Provide both the fund name(s) and fund number(s) of the lending fund(s).		
Who has determined whether the lending fund(s) designated above is legally able to finance this loan?		
PART B		
For "Automated Interest Loans" as defined in Section 5.3 list the maximum negative cash balance forecasted during term of loan : \$35 million		
ADDITIONAL INFORMATION		
Why is this borrowing necessary? The borrowing is necessary to cover potential negative cash balances prior to the scheduled October 10 closing for approximately \$85 million of limited tax general obligation bonds payable from sewer revenues.		
What will be the source of the funds to repay the interfund loan? Limited Tax General Obligation Bonds (Payable from Sewer Revenues), 2019		
If the interfund loan involves a project that is or will be related to a bond issue, has this interfund loan proposal been reviewed by the Treasury Operations Compliance Officer? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)		
Signature:		
Print Name:		
Title:		
Date:		
Please include with this application a cash flow forecast showing the fund's cash needs over the expected borrowing period.		
Interfund loan approved? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Date Approved/Denied:		Loan interest rate:
Maximum interfund loan amount approved \$		Repayment date:
Other special loan terms or comments:		

## **POST-BOND ISSUANCE COMPLIANCE REPORT**

Pursuant to the annual reporting requirement included in the adopted post-bond issuance tax compliance procedures that the Executive Finance Committee (EFC) adopted in 2013, this report provides updates regarding the status of the County's compliance with Internal Revenue Service (IRS) requirements governing its usage of tax-exempt bonds.

These procedures place responsibility for ensuring such compliance with the County Finance Director who in turn identified a Compliance Officer -- the Senior Debt Analyst -- to act as his agent for monitoring compliance.

### **Private Use Issues**

During 2018, the County finally reached a resolution with the IRS under its Voluntary Closing Agreement Program (VCAP) regarding a private use violation identified by bond counsel relating to the use of a portion of the proceeds of the 2009B series of Limited Tax General Obligation (LTGO) bonds to fund the County's contribution to the YWCA's Passage Point project in Maple Valley. Such resolution entailed both the payment of a fine in the amount of approximately \$154,000 to the IRS and the defeasance of approximately \$2.1 million of the outstanding 2009B LTGO bonds attributable to this Passage Point project.

There are currently no other areas of concern regarding excessive private use.

### **IRS Audits**

Late in 2018 the IRS began an audit of the County's 2010 LTGO Refunding Bonds that was focused on why certain of these bonds were later defeased in 2015. The County responded to the IRS's information request in a timely manner and their investigation was subsequently closed with a recommendation that no further action be taken.

### **Spend-down of Proceeds**

The IRS requires tax-advantaged bond proceeds to be utilized in a timely manner. The key standard that should be met in this regard is that at least 85% of the proceeds of a bond issue be expended within 3 years of the date of issue.

With one exception, Quarterly Tracking Reports for bond-financed projects indicate that, on an aggregate basis, the expenditure of the proceeds of each issue of new-money LTGO bonds or sewer revenue bonds since 2010 that has reached its third anniversary has comfortably exceeded this requirement.

The one exception noted above is the 2015B various-purpose LTGO bond issue. At the time of its third anniversary, only approximately 77% of the proceeds had been expended. The overwhelming majority of this shortfall is attributable to the slow progress on the King County District Court Unified Case Management System project, which still had \$6.3 million of unused proceeds at the time. In addition, there were approximately \$900,000 of unspent proceeds for the Records Software App Replacement project which had been completed.



The Quarterly Reports from KCIT, which manages the project, indicate that the Case Management System project will now not be completed until the end of 2021, but that all of the unspent proceeds (which are now down to \$5.0 million) are expected to be utilized by that time. Accordingly, such unspent proceeds do not represent excess proceeds as defined in the procedures. However, since the project has been completed, the unspent Records Software App Replacement project proceeds do represent excess proceeds. Excess proceeds must be either used to pay down principal on the bonds or re-programmed, with council approval, to an alternative project. In this case, the unused funds will be used to pay debt service.

It should be noted, however, that all of the unspent proceeds of the 2015B bonds are now subject to yield restriction and since the pool yield has, at least temporarily, risen above the arbitrage yield on the bonds, some yield reduction payment will be due at yearend.

For more recent issues that have not yet reached their third anniversaries, there is currently little cause for concern regarding the pace of expenditures on bond-financed projects.

### **Arbitrage**

Using BLX Group PLC, the County's outside analyst, the County is current with its IRS arbitrage reporting requirements as of yearend 2018. No rebate payments to the IRS were necessary.

### **Training**

The Compliance Officer routinely provides guidance, often supplemented with additional clarification from staff in the Prosecuting Attorney's Office (PAO) or bond counsel, individually to Fund Managers and other county personnel as may be requested or needed.

At the county's request, in January 2019 attorneys from the Pacifica Law Group -- the county's bond counsel -- put on a training session for county staff on ensuring post-issuance compliance with the IRS's requirements relating to tax-exempt debt. This training session, which was very well received, was attended by 37 county staff members from various agencies that rely heavily on debt funding, from the Office of Performance Strategy and Budget (PSB), the PAO and the Financial Management Section of FBOD.

### **Other**

Lastly, I am bringing revised procedures to the EFC for adoption. These revisions primarily reflect the impact of the 2017 Tax Cuts and Jobs Act on the municipal bond market which preclude the County's issuance of certain types of bonds identified in the current procedures, such as refundable credit bonds and advance refundings, but also include some additional suggested changes from both myself based on my 6-years of experience implementing the procedures and from the attorneys at Pacifica.

## **KING COUNTY, WASHINGTON**

### **WRITTEN PROCEDURES FOR POST-BOND ISSUANCE COMPLIANCE WITH FEDERAL TAX LAWS**

**Adopted by Executive Finance Committee \_\_\_\_\_, 2019**

#### **Purpose**

The purpose of these Written Procedures is to ensure that the County complies with requirements of the federal Internal Revenue Code and related Treasury Regulations (collectively, the “Code”) that must be satisfied with respect to tax-exempt bonds or notes (collectively, “Bonds”) issued by the County.

These Written Procedures, and any future updates, will be adopted by the Executive Finance Committee (“EFC”) of the County. An annual report describing the status of the County’s compliance shall be provided to the EFC pursuant to these Written Procedures.

#### **Section I: GENERAL GUIDANCE**

##### **Responsibility for Compliance**

The Director of the County’s Finance and Business Operations Division (“FBOD”) (the “Finance Director”) will have overall oversight responsibility for post-issuance compliance with the requirements of the Code relating to use of proceeds of Bonds and the use of the land, buildings, facilities, equipment and other capital assets (“property”) financed or refinanced with Bond proceeds, as well as limitations on the investment of Bond proceeds and arbitrage rebate. The Finance Director will also be responsible for providing compliance training at least annually for all County agencies that have projects funded by Bond proceeds (the “user(s)”).

In carrying out these functions, the Finance Director may designate an employee of FBOD to serve as the “Compliance Officer”. The Finance Director hereby designates the Senior Debt Analyst in the Treasury Section of FBOD as the initial Compliance Officer. The Finance Director may add additional Compliance Officers or change this designation from time to time in writing. Subsequent references to the Finance Director in this document will be understood to refer to the Compliance Officer, who will act as agent for the Finance Director for monitoring post-issuance compliance.

Each County agency that has a project funded by Bond proceeds shall designate a “Fund Manager” to be responsible for monitoring the application of Bond proceeds to the financed project(s) and the use of the Bond-financed property for the intended purpose(s), as well as any proposed changes in the uses of such property that might result in such Bonds violating the private business tests.

##### **Training**

The Finance Director shall work with the County’s bond counsel, arbitrage rebate analyst, financial advisor and other knowledgeable advisors to enable the Compliance Officer, including any successor to the initial Compliance Officer, and other staff whose responsibilities involve bond-related work, such as the Compliance Officer’s primary contacts in the Prosecuting Attorney’s Office and the Office of Performance, Strategy and Budget (“PSB”), to be trained as necessary to carry out the functions and purposes of these Written Procedures. Such training includes

attendance at conferences hosted by industry groups such as the BLX Group and the National Association of Bond Lawyers.

The Finance Director shall be responsible for providing periodic training for the Fund Managers and other county personnel as deemed appropriate regarding the federal tax requirements applicable to Bonds, including (i) the application of Bond proceeds, (ii) restrictions on private business use that apply to that property, and (iii) restrictions on the use of proceeds of Bonds to make or finance loans to any entity other than a state or local government unit.

### **Records Retention**

The Finance Director will maintain all documentation related to each issue of Bonds. This documentation includes, but is not limited to: documentation relating to the Bond issuance; changes in any Bond terms; records showing how Bond proceeds are invested, including investment agreements and earnings related to Bond proceeds; records showing how Bond proceeds are spent; arbitrage rebate and yield reduction payment computations; Internal Revenue Service (“IRS”) 8038 series forms; bond counsel opinions; and all contracts relating to the use of the Bond-financed property. These records are to be maintained for 3 years after the date of retirement of the Bonds or, if later, the date of retirement of any refunding Bonds.

### **Reissuance**

The Finance Director shall continuously monitor and review all proposed documentation related to each issue of Bonds. Before the County authorizes or enters into any financial or other agreement relating to the terms of any Bonds, the Finance Director will consult with bond counsel to determine whether there is or will be any post-issuance “significant modification” to any material terms of the Bonds that could be deemed a “reissuance” of the Bonds under Treas. Reg. Sec. 1.1001-3.

### **Arbitrage Rebate**

The Finance Director is responsible for ensuring that arbitrage computations are timely made and any rebate payments are timely paid. The County will engage an outside arbitrage rebate analyst to assist in the computation of any arbitrage rebate and yield reduction payments due from time to time with respect to the County’s outstanding Bonds and to provide the Finance Director with the necessary data and completed forms to facilitate timely payment. The Finance Director will provide the arbitrage rebate analyst with the tax certificate from the transcript for each Bond issue, records relating to the investment and application of Bond proceeds and the earnings thereon, and any other information necessary for this purpose.

### **Remediation**

If any County employee or consultant determines that a violation of federal tax requirements may occur or may have occurred, the Finance Director will consult with bond counsel to review the potential violation and consider remedial actions that the County might pursue to avoid the violation or options for voluntarily correcting such violation by entering into a closing agreement under the IRS’s Voluntary Closing Agreement Program (“VCAP”).

## **Section II: DETAILED GUIDANCE**

The remainder of this document details the specific requirements and post-issuance procedures to be followed. These detailed procedures will focus on Tax-Exempt New Money Governmental Bonds, the most typical issuance for the County, and, by extension, on any bonds issued to refund such Tax-Exempt New Money Governmental Bonds (“Tax-Exempt Refunding Bonds”). However, these procedures, with certain appropriate modifications, will also be followed with regard to any County Tax-Exempt New Money Qualified 501(c)(3) Bonds. It should also be recognized that essentially similar procedures have been, and will continue to be, followed in relation to the County’s outstanding refundable credit bonds, such as Build America Bonds, the issuance of which is now precluded by the tax code.

### **Section A: TAX-EXEMPT NEW MONEY GOVERNMENTAL BONDS**

#### **Use of Bond Proceeds**

The proceeds of Tax-Exempt New Money Governmental Bonds (including investment earnings on original sale proceeds), other than proceeds used to pay costs of issuance or deposited in a reasonably required reserve fund, if any, must be used for capital expenditures (as defined for federal income tax purposes) that have been designated for debt financing by the County Council. “Capital expenditures” generally include costs to acquire, construct, or improve property with a useful life exceeding one year (land, buildings and equipment), or to adapt the property to a new or different use. This includes the cost of upgrades to technology infrastructure, hardware, and software (but generally excludes costs incurred in the preliminary project stage, such as evaluation and selection of alternative systems, and in the post-implementation/operation stage, such as data conversion, regular maintenance and training costs), provided that the costs are capitalizable under general federal income tax principles.

(Additional requirements beyond federal tax law, such as state law, may also limit the purposes for which the proceeds of certain Bonds may be used. Bond counsel will assist the County in ensuring that a particular Bond issue also complies with these additional requirements.)

At the time of any Bond issuance, under current tax law, the County must reasonably expect to spend at least 85% of all sale proceeds (or, in the case of revenue Bonds, sale proceeds net of sale proceeds deposited in a reasonably required reserve fund) within 3 years after issuance, as well as incur a binding obligation within 6 months after the issue date to expend at least 5% of the proceeds (or, in the case of revenue Bonds, sale proceeds net of sale proceeds deposited in a reasonably required reserve fund), and proceed with due diligence to complete the capital projects and spend the Bond proceeds. The Finance Director should be notified promptly if it appears after the Bonds are issued that this expectation may not be fulfilled.

To qualify for a safe-harbor available under the Code that avoids having a Bond issue treated as creating “replacement proceeds” subject to arbitrage requirements and is a condition to the pursuit of any “remedial action” to cure a change in use of Bond-financed facilities, the County should also reasonably expect that the weighted average maturity of governmental new money Bonds will not exceed 120% of the average reasonably expected economic life of the facilities being financed by the Bond issue. The Finance Director should be notified promptly if it appears after the Bonds are issued that this expectation may not be fulfilled.

Bond proceeds intended to finance a particular project shall be deposited in and maintained in a Bond capital sub-fund that supports that project, and shall not be commingled with funds from any other source. Such proceeds must be monitored on an issue-by-issue basis to ensure accurate calculations and accounting for investment and expenditure of proceeds as required by the Code.

### **Monitoring Bond Proceeds**

Each Fund Manager shall submit a report to the Finance Director on a designated quarterly schedule until such time as either the project has been completed or the Bond proceeds have been fully expended, whichever is earlier. The report shall include the following information:

- Name of project funded by Bond proceeds
- Current and expected owners and users of Bond-financed property
- Fund managing project
- Fund paying debt service
- Original total project budget
- Original Bond proceeds
- Investment income on original Bond proceeds
- Expenditures paid from Bond proceeds and investment income
- Remaining unspent Bond proceeds and investment income
- Expectation of when remaining Bond proceeds will be spent or the project completed, whichever is sooner
- Expectation of the amount of Bond proceeds, if any, that will remain unspent upon project completion.

The Finance Director will use the individual project data submitted in these reports to update a Post-Bond Issuance Compliance Checklist (in substantially the form shown in the Attachment hereto) for each outstanding Bond issue.

### **Investment Bond Proceeds after Initial Three-Year Period**

Except for a “minor portion” of the proceeds of the Bond issue (an amount of proceeds not greater than \$100,000) and investment earnings within 1 year of their receipt by the County, proceeds held in a capital sub-fund beyond 3 years after the Bond issuance date will not be invested in higher-yielding investments (i.e., will be “yield-restricted” to the yield on the related Bond issue—which may be accomplished by making yield-reduction payments to the IRS). Bond counsel and/or the outside arbitrage rebate analyst should be consulted to confirm any yield-reduction plan.

### **Disposition of Bond Proceeds after Initial Three-Year Period**

If Bond proceeds remain in a Bond capital sub-fund on the date that is 3 years after the date of issuance, the Finance Director will consult with Fund Managers regarding the expected expenditure of the remaining proceeds. If at least 60% of total Bond proceeds have been expended and all remaining Bond proceeds are expected to be used for completion of the project by the date that is 5 years after the date of issuance, the Bond proceeds will remain in the Bond capital sub-fund until expended for the project. The Finance Director will consult with Fund Managers annually to confirm that the Bond proceeds in the Bond capital sub-fund are being expended on schedule. Fund Managers will retain records of any delays in project construction and revisions to expected project schedules.

If less than 60% of total Bond proceeds have been spent after the initial 3 year period or if all remaining Bond proceeds are not expected to be used for completion of the project by the end of

the initial 5 year period, the Finance Director will consult with Fund Managers, Office of Performance, Strategy and Budget (“PSB”) and bond counsel to develop an acceptable plan for the EFC that outlines a proposed expenditure of the remaining proceeds. Remaining proceeds may generally be used for (1) additional expenditures on the project, which may include a limited amount of related working capital expenditures, (2) expenditures on alternative capital projects approved by the County Council, or (3) payment of debt service (including prepayment of principal) on the Bonds.

Once approved by the EFC, Bond proceeds that are to be used for completion of the project will remain in the Bond capital sub-fund, and Bond proceeds that are to be used for alternative capital projects will be transferred from the Bond capital sub-fund for the project to a capital sub-fund or sub-funds for the alternative projects. The Finance Director will consult with Fund Managers annually to confirm that the Bond proceeds in the capital sub-funds are being expended in accordance with the plan approved by the EFC.

Bond proceeds that are to be used to pay or prepay the Bond issue will be transferred from the Bond capital sub-fund to the County debt service fund that services those Bonds. This deposit to the debt service fund will be expended to pay or prepay principal on the Bonds within 1 year of deposit. If the full amount of the deposit cannot be expended to make principal payments within one year, Bond counsel should be consulted to ensure that the deposit, investment and expenditure of the debt service funds will comply with all applicable arbitrage requirements.

In all cases, if Bond proceeds have not been expended or are not expected to be expended by the end of the initial 5 year period, the Finance Director will consult with bond counsel regarding the expenditure of any remaining unspent proceeds.

In all cases, other than where proceeds are held for remaining or additional costs of the original purpose, the Bond capital sub-fund that held the original Bond proceeds will be closed.

### **Private Activity Bond Considerations**

When Bonds are issued, the County must reasonably expect that the Bonds will not be “private activity bonds.” A Bond is a private activity bond if the Bond issue meets either (a) both private business tests (the “Private Business Tests”) or (b) the private loan test (the “Private Loan Test”). The Private Business Tests are met if (a) there is more than the lesser of 10% or \$15 million private business use of the proceeds of an issue (the “Private Business Use Test”) AND (b) there is more than the lesser of 10% or \$15 million private payments or private security interest. The Private Loan Test is met if more than 5% (or \$5 million if less) of the proceeds is treated as being loaned to nongovernmental entities.

Private business use is use of tax exempt bond financed property in a trade or business carried on by a person other than a state or local government entity for governmental purposes (“qualified users”). Private business use can arise from a lease, management contract, sponsored research agreement or any other arrangement that gives anyone, other than a qualified user, special legal entitlements with respect to the use of the Project. Use by the federal government generally constitutes private business use.

Bond counsel will assist the County in evaluating these tests when Bonds are issued as governmental bonds, and the County’s tax certificate delivered in connection with the issuance of

each Bond issue will provide guidance as to appropriate expected uses of those Bond proceeds. Monitoring ownership and use of Bond-financed property is essential to ensuring that the Bonds do not become private activity bonds as a result of post-issuance actions.

### **Monitoring Ownership and Use of Bond-Financed Property**

The Finance Director will monitor the ownership and use of property financed by each issue of Bonds for so long as those Bonds are outstanding. Before entering into any arrangement with a non-governmental person that involves the sale or use of Bond-financed property that is different from what was contemplated when the Bonds were issued, the user must provide the Finance Director with a description of the proposed sale or non-governmental use arrangement in order to determine whether the proposal would be consistent with the restrictions on private business use of the Bond-financed property.

In connection with the evaluation of any proposed sale or non-governmental use arrangement, the Finance Director will consult with bond counsel to obtain advice on whether the proposal would be consistent with the restrictions on private business use of the Bond-financed property, and, if not, whether any “remedial action” permitted under the Code may be taken by the County to permit the proposal to be put into effect without adversely affecting the tax-exempt status of the Bonds.

The Finance Director and the user of the property shall maintain records of such sales or non-governmental use arrangements, if any, of Bond-financed property, including copies of the pertinent leases, contracts or other documentation, and the related determination that those sales or non-governmental uses are not inconsistent with the tax-exempt status of the Bonds.

## **Section B: TAX-EXEMPT NEW MONEY QUALIFIED 501(c)(3) BONDS**

### **Introduction**

From time to time, the County finds it advantageous to issue tax-exempt bonds as “Qualified 501(c)(3) Bonds” instead of Tax-Exempt New Money Governmental Bonds. This occurs in transactions financing County facilities that will be leased or used by a nonprofit organization, such as a museum, a health care provider, an educational institution or any other organization that has been determined to be a charitable organization under Section 501(c)(3) of the Code (a “501(c)(3) organization”).

### **Governmental Bonds vs. Qualified 501(c)(3) Bonds**

*All* property financed with qualified 501(c)(3) bond proceeds must be owned by a 501(c)(3) organization or a state or local governmental unit (which, of course, may be the County). Like governmental bonds, qualified 501(c)(3) bonds are subject to the Private Business Tests except that “qualified uses” of qualified 501(c)(3) bonds include both (i) use by a 501(c)(3) organization with respect to its activities that do not constitute unrelated trades or businesses and (ii) use by a state or local governmental unit. Any other use, including use of qualified 501(c)(3) bond proceeds to pay bond issuance costs, is a “non-qualifying use.” The Private Business Use Test is met with respect to qualified 501(c)(3) bonds if more than 5% of the net proceeds thereof are used for a non-qualifying use, and the private security or payment test is met if debt service on more than 5% of the proceeds of a qualified 501(c)(3) bond issue is secured by an interest in property or payments in respect of property used for a non-qualifying use.

### **Additional Requirements for Qualified 501(c)(3) Bonds**

In addition to the requirements described previously for Tax-Exempt New Money Governmental Bonds, which also apply to Qualified 501(c)(3) Bonds, the County must adhere to certain additional requirements. Bond counsel will assist the County in complying with all requirements at Bond issuance and in documenting the County's expectations when Bonds are issued.

## **Section C: TAX-EXEMPT REFUNDING BONDS**

### **Tax-Exempt Refunding Bonds**

Refunding Bond proceeds are used to refinance existing bonds of the County ("Refunded Bonds"), usually to achieve debt service savings, but sometimes for other reasons, such as restructuring debt or defeasing bonds that contain covenants or other restrictions unfavorable to the County. The proceeds of Refunding Bonds (including investment earnings on original sale proceeds and unspent proceeds of the Refunded Bonds), other than proceeds used to pay costs of issuance or deposited in a reasonably required reserve fund, if any, should be spent to pay the redemption price or maturing principal of the Refunded Bonds. The County typically works closely with its financial advisor and bond counsel to structure any issue of Refunding Bonds to avoid having bond proceeds that are not applied at closing for the refunding purpose, to ensure compliance with refunding limits, and to ensure that yield restrictions applicable to the Refunding Bonds are satisfied. Generally, Refunding Bond proceeds should not be invested except as prescribed by the escrow agreement (if any) or as approved by bond counsel.

Eligibility of Refunding Bonds for tax-exempt status is derived, in part, from the qualification for tax exemption of the original new money issues, and any subsequent refunding issue, to be refunded by the Refunding Bonds. As a matter of diligence, prior to the issuance of Refunding Bonds, the Finance Director may be asked to provide information about post-issuance compliance with respect to the Refunded Bonds, particularly as it relates to unspent proceeds and private business use of Bond-financed facilities. The Finance Director should be prepared to provide accurate data to the County's financial advisor and bond counsel concerning unspent proceeds, in order to assure compliance with federal tax law requirements. In addition, the Finance Director should be prepared to demonstrate to the County's financial advisor and bond counsel that the property financed by the Refunded Bonds has not been used for private business use or financed any private loan in any manner that would cause the Refunded Bonds to meet either the private business tests or the private loan financing test at any time during the life of the Refunded Bonds.

### **Monitoring Use of Refunding Bond Proceeds**

The escrow agreement and verification report, if any, prepared in connection with the issuance of Refunding Bonds should be retained by the Finance Director with the records maintained for both the Refunded Bonds and the Refunding Bonds to confirm the proper application of all proceeds of the Refunding Bonds.

### **Monitoring Ownership and Use of Bond-Financed Property**

When Refunding Bonds are issued, the property that was financed from the proceeds of the Refunded Bonds remains subject to whatever restrictions on use that applied when the Refunded Bonds were issued. Continued compliance with the New Money Post-Bond Issuance Compliance Procedures and, if there are unspent proceeds of the Refunded Bonds when the Refunding Bonds are issued, the Arbitrage Rebate requirements, will be necessary.



**ATTACHMENT**

**King County Finance and Business Operations Division**

**POST-BOND ISSUANCE COMPLIANCE CHECKLIST  
TAX-EXEMPT BONDS**

\_\_\_\_\_ (the “Bonds”)

**DATE OF ISSUE:** \_\_\_\_\_

<b>Deadline</b>	<b>Requirement</b>	<b>Status</b>
<b>While Sale Proceeds of Bonds Unspent</b>	Reasonable method of allocating expenditures of Bond proceeds implemented (e.g., specific tracing; Bond-proceeds-spent-first; first-in, first-out; or ratable allocation method); keep detailed records until at least the third anniversary of the retirement of the Bonds or any Bonds that refinanced the Bonds.	
	<b>New Money Bonds</b>	
<b>During Project Construction</b>	Project to proceed with due diligence to completion.	
<b>(6 months after Date of Issue)</b> _____, ____	<p>(a) 5% or more of Bond Proceeds (net of reserves) must be committed to Project; use of Bond proceeds to complete the Project must proceed with due diligence.</p> <p>(b) (1) 95% of Bond proceeds must be spent in order to qualify for 6-month arbitrage rebate exception.</p> <p>(2) 15% or more of Bond proceeds (net of reserves but including originally anticipated construction period earnings) must be spent in order to qualify for 18-month arbitrage rebate exception.</p> <p>(3) 10% or more of Bond proceeds (net of reserves but including originally anticipated construction period earnings) must be spent in order to qualify for 24-month arbitrage rebate exception (construction issues only).</p> <p>[(b)(1), (2) and (3) are rebate spend-down alternatives, which may or may not be applicable to a given Bond issue. The tax certificate for such Bonds should provide guidance on these exceptions to rebate.]</p>	

<b>Deadline</b>	<b>Requirement</b>	<b>Status</b>
<b>(12 months after Date of Issue)</b> _____, ____	<p>(a) 100% of Bond proceeds must be spent in order to qualify for 6-month arbitrage rebate exception.</p> <p>(b) 60% or more of Bond proceeds (net of reserves but including originally anticipated construction period earnings) must be spent in order to qualify for 18-month arbitrage rebate exception.</p> <p>(c) 45% or more of Bond proceeds (net of reserves but including originally anticipated construction period earnings) must be spent in order to qualify for 24-month arbitrage rebate exception (construction issues only).</p> <p>[(a), (b) and (c) are rebate spend-down alternatives, which may or may not be applicable to a given Bond issue. The tax certificate for such Bonds should provide guidance on these exceptions to rebate.].</p>	
<b>(18 months after Date of Issue)</b> _____, ____	<p>(a) 100% of Bond proceeds (net of reserves, reasonable retainage not exceeding 5% of Bond proceeds and \$250,000, but including actual construction period earnings) must be spent in order to qualify for 18-month arbitrage rebate exception.</p> <p>(b) 75% or more of Bond proceeds (net of reserves but including originally anticipated construction period earnings) must be spent in order to qualify for 24-month arbitrage rebate exception (construction issues only).</p> <p>[(a) and (b) are rebate spend down alternatives, which may or may not be applicable to a given Bond issue. The tax certificate for such Bonds should provide guidance on these exceptions to rebate.].</p>	
<b>(2 years)</b> _____, ____	<p>100% of Bond proceeds (net of reserves, reasonable retainage not exceeding 5% of Bond proceeds and \$250,000, but including actual construction period earnings) must be spent in order to qualify for 24-month arbitrage rebate exception (construction issues only).</p>	
<b>(3 years)</b> _____, ____	<p>85% or more of Bond proceeds (net of reserves) must have been reasonably expected to be spent on Project expenses in order to satisfy temporary period and no-premature issuance requirements; unspent proceeds must be “yield-restricted” after this date, except for \$100,000 “minor portion” and investment earnings for up to 1 year after receipt.</p>	
<b>Earlier of 3 years after date of expenditure or 18 months after Project is completed and placed in service</b>	<p>Last day to be reimbursed from Sale Proceeds of Bonds for pre-issuance Project expenditures (other than for “preliminary expenditures” for items such as architectural, engineering, surveying, planning and similar costs). This is a rolling deadline, corresponding to when pre-issuance expenditures were made.</p>	
<b>No later than 5 years after Date of Issue</b>	<p>Last day to reallocate Bond proceeds and other sources of funding among Project facilities is 18 months after the later of date expenditure made or date Project placed in service, but not later than earlier of 5 years after Date of Issue or 60 days after Bonds retired.</p>	

<b>Deadline</b>	<b>Requirement</b>	<b>Status</b>
	<b>Refunding Bonds</b>	
<b>At Call Date of Refunded Bonds</b>	Verify that escrowed funds were applied to redeem the Refunded Bonds	
<b>(6 months after Date of Issue)</b> _____, ____	95% of Bond proceeds must be spent in order to qualify for 6-month arbitrage rebate exception.  [Only rebate exception allocable to refunding bonds]	
<b>(12 months after Date of Issue)</b> _____, ____	100% of Bond proceeds must be spent in order to qualify for 6-month arbitrage rebate exception.	
	<b>All Bonds</b>	
<b>While Proceeds of Bonds Unspent</b>	Keep detailed records of expenditures of and investment earnings on Bond proceeds.	
<b>No later than 5 years after Date of Issue</b>	First mandatory arbitrage Rebate Determination Date; 90% or more of accrued positive arbitrage (if any) must be paid within 60 days. <b>CONTACT REBATE ANALYST AT LEAST 60 DAYS PRIOR TO REBATE DETERMINATION DATE.</b>  <b>NOTE: UNLESS AN ELECTION TO THE CONTRARY WAS MADE WHEN THE BONDS WERE ISSUED, ARBITRAGE REBATE SPENDING EXCEPTIONS DO NOT APPLY TO INVESTMENTS HELD IN DEBT SERVICE RESERVE FUNDS FOR REVENUE BOND ISSUES, AND THOSE INVESTMENTS ARE SUBJECT TO REBATE FROM THE BOND ISSUANCE DATE.</b>	
<b>Every five years from the Date of Issue; and on the last day of every fifth bond year.</b>	Interim mandatory arbitrage Rebate Determination Dates; 90% or more of accrued positive arbitrage (if any) must be paid within 60 days of each date. <b>CONTACT REBATE ANALYST AT LEAST 60 DAYS PRIOR TO EACH INTERIM RATE DETERMINATION DATE.</b>	
<b>While Bonds or any Refunding Bonds Remain Outstanding</b>	No Change of Use. <b>CONSULT WITH BOND COUNSEL PRIOR TO ANY ARRANGEMENT POSSIBLY RESULTING IN ANY SALE, LEASE OR OTHER CHANGE OF USE OR FAILURE TO MEET QUALIFIED COST PERCENTAGE.</b>	
<b>While Bonds or any Refunding Bonds Remain Outstanding</b>	If event of possible non-compliance with applicable sections of Code or Regulations, <b>CONSULT WITH BOND COUNSEL IMMEDIATELY TO DETERMINE IF REMEDIAL ACTION IS NECESSARY.</b>	
<b>While Bonds or any Refunding Bonds Remain Outstanding</b>	Consult with Bond Counsel on a periodic basis for any changes in the applicable laws or changes in the interpretation of applicable laws.	
<b>While Bonds or any Refunding Bonds Remain Outstanding</b>	“Significant Modification” to material term of Bonds – Re-issuance. Monitor all finance transactions related to Bonds and <b>CONSULT WITH BOND COUNSEL IF POSSIBLE CHANGE IN MATERIAL TERMS OF BONDS.</b>	

Deadline	Requirement	Status
<b>(maturity of Bonds or date of final retirement of Bonds or any Refunding Bonds, if earlier)</b> _____, ____	Final mandatory arbitrage Rebate Determination Date; 100% of accrued positive arbitrage (if any) must be paid within 60 days. <b>CONTACT REBATE ANALYST AT LEAST 60 DAYS PRIOR TO REBATE DETERMINATION DATE.</b>	
<b>(3 years after date of retirement of Bonds and any Refunding Bonds)</b> _____, ____	Keep records of Bond documents including Rebate Reports, Bond Counsel opinions, IRS filings (including, without limitation, 8038-series forms) and all other documentation related to the Bonds.	

# KING COUNTY INVESTMENT POOL

## ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT

8/31/2019

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

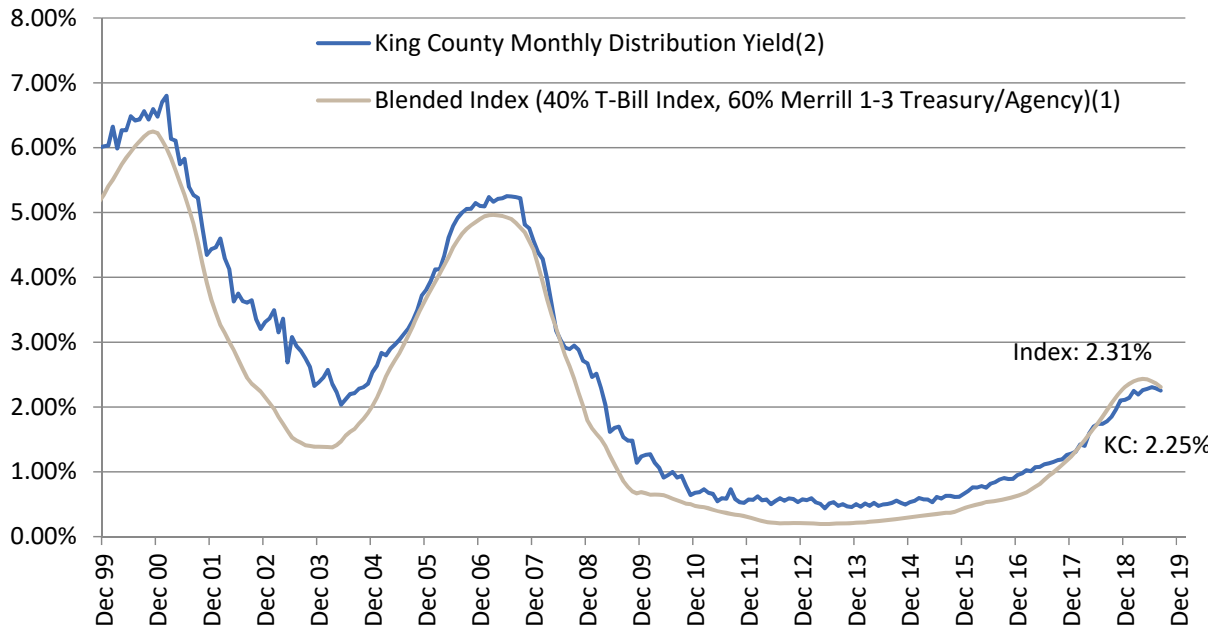
	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings		Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's		
<b>U.S. TREASURIES</b>		<b>100%</b>	<b>NONE</b>			<b>NONE</b>	<b>5 Years</b>
U.S. T-BILLS OR T-NOTES	\$2,945,964,069.49	42.5%	In Compliance	AA+	Aaa	In Compliance	In Compliance
<b>GOVERNMENTAL AGENCIES</b>		<b>100%</b>	<b>35% per agency across investment type</b>			<b>NONE</b>	<b>5 Years</b>
		24.2%	In Compliance				
INTERNATIONAL BANK FOR RECON & DEV (IBRD)	\$446,905,024.11	6.4%	In Compliance	AAA	Aaa	In Compliance	In Compliance
INTER-AMERICAN DEV BANK (IADB)	\$278,788,510.70	4.0%	In Compliance	AAA	Aaa	In Compliance	In Compliance
FEDERAL HOME LOAN BANK (FHLB)	\$243,583,608.59	3.5%	In Compliance	AA+	Aaa	In Compliance	In Compliance
EUROPEAN BANK FOR RECON & DEV (EBRD)	\$162,069,685.76	2.3%	In Compliance	AAA	Aaa	In Compliance	In Compliance
FEDERAL FARM CREDIT BANK (FFCB)	\$149,963,874.09	2.2%	In Compliance	AA+	Aaa	In Compliance	In Compliance
FEDERAL HOME LOAN MORTGAGE CORP (FHLMC)	\$114,938,339.99	1.7%	In Compliance	AA+	Aaa	In Compliance	In Compliance
INTERNATIONAL FINANCE CORP (IFC)	\$102,208,504.09	1.5%	In Compliance	AAA	Aaa	In Compliance	In Compliance
FEDERAL NATIONAL MORTGAGE ASSOC. (FNMA)	\$99,987,016.46	1.4%	In Compliance	AA+	Aaa	In Compliance	In Compliance
ASIAN DEVELOPMENT BANK (ASIA)	\$78,357,155.63	1.1%	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>
		0.1%	In Compliance				
CMO AGENCIES FNMA	\$3,485,178.89	0.1%	In Compliance	AA+	Aaa	In Compliance	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	\$173,000,000.00	2.5%	In Compliance	A-1	N/A	In Compliance	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	\$829,770,461.60	12.0%	In Compliance	N/A	N/A		
<b>OVERNIGHT DEPOSITS</b>		<b>100%</b>	<b>NONE</b>			<b>COLLATERALIZED</b>	
	\$12,897,375.11	0.2%					
<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</b>	<b>270 Days</b>
		2.3%	In Compliance				
ROYAL BANK OF CANADA	\$99,058,277.78	1.4%	In Compliance	A-1+	P-1	In Compliance	In Compliance
WALT DISNEY CO	\$62,394,875.55	0.9%	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>
		16.3%	In Compliance				
APPLE INC	\$132,390,222.06	1.9%	In Compliance	AA+	Aa1	In Compliance	In Compliance
US BANK N.A.	\$130,431,708.93	1.9%	In Compliance	AA-	A1	In Compliance	In Compliance
BANK OF MONTREAL	\$110,866,414.98	1.6%	In Compliance	A+	Aa2	In Compliance	In Compliance
TORONTO DOMINION	\$101,576,758.61	1.5%	In Compliance	AA-	Aa1	In Compliance	In Compliance
PNC BANK	\$100,005,235.85	1.4%	In Compliance	A	A2	In Compliance	In Compliance
MICROSOFT	\$98,253,594.38	1.4%	In Compliance	AAA	Aaa	In Compliance	In Compliance
JP MORGAN	\$93,426,090.85	1.3%	In Compliance	A+	Aa2	In Compliance	In Compliance
PROCTER & GAMBLE	\$79,343,173.21	1.1%	In Compliance	AA-	Aa3	In Compliance	In Compliance
BANK OF NEW YORK MELLON	\$75,000,000.00	1.1%	In Compliance	AA-	Aa2	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$57,370,532.14	0.8%	In Compliance	A+	Aa2	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$42,691,679.30	0.6%	In Compliance	A+	Aa2	In Compliance	In Compliance
UPS	\$29,493,499.35	0.4%	In Compliance	A	A2	In Compliance	In Compliance
HONEYWELL	\$28,111,885.98	0.4%	In Compliance	A	A2	In Compliance	In Compliance
3M CO	\$24,975,239.73	0.4%	In Compliance	AA-	A1	In Compliance	In Compliance
WALT DISNEY CO	\$14,999,340.50	0.2%	In Compliance	A	A2	In Compliance	In Compliance
HOME DEPOT INC	\$7,983,072.80	0.1%	In Compliance	A	A2	In Compliance	In Compliance

\$6,930,290,406.51	100.0%
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ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	0.961	In Compliance
40% of Portfolio Value 12 Months or Less	63.7%	In Compliance
Corporate Exposure Not Greater Than 50%	18.6%	In Compliance
Corp Notes & CP ≤ 25%	18.6%	In Compliance
Maximum Duration of Corp Note Portfolio ≤ 3 years	0.973	In Compliance

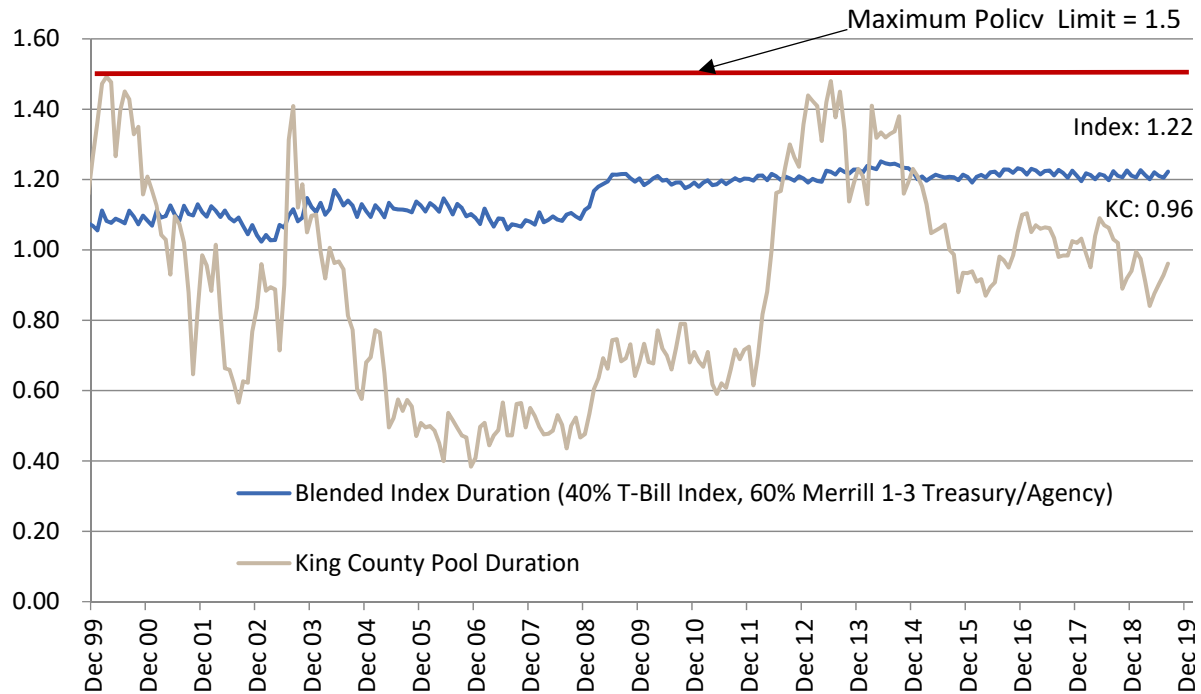
(1) Must be rated by at least one nationally recognized rating agency  
(2) Also backed by collateral  
(3) Must be rated by at least 2 nationally recognized rating agencies

## King County Monthly Distribution Yield Versus Custom Index<sup>(1)</sup>



(1) Does not include any negative distributions from the impaired pool

## King County Monthly Duration Versus Custom Index





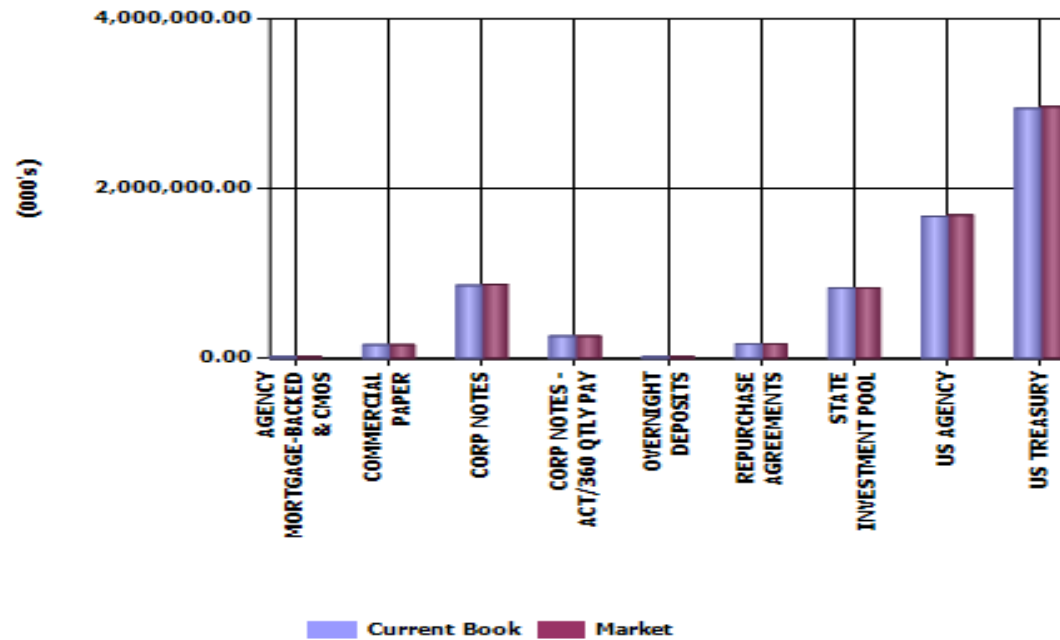
DESCRIPTION	AVG RATE	AVG PAR
<b>PURCHASES</b>		
Wells Fargo Tri-Repo	2.130	125,800,000.00

DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE
<b>PURCHASES</b>						
TORONTO DOM BANK	2.881	06/11/2021	08/01/2019	2.634	32,500,000.00	32,644,950.00
HONEYWELL INTL CALLABLE	2.150	08/08/2022	08/08/2019	2.185	15,000,000.00	14,984,850.00
US TREASURY NOTE	2.625	07/15/2021	08/30/2019	1.574	100,000,000.00	101,933,593.75
US TREASURY NOTE	2.750	08/31/2023	08/30/2019	1.447	100,000,000.00	105,050,781.25
LGIP	2.288	09/01/2019	08/31/2019	2.288	1,608,983.11	1,608,983.11
<b>TOTAL PURCHASES</b>					<b>249,108,983.11</b>	<b>256,223,158.11</b>

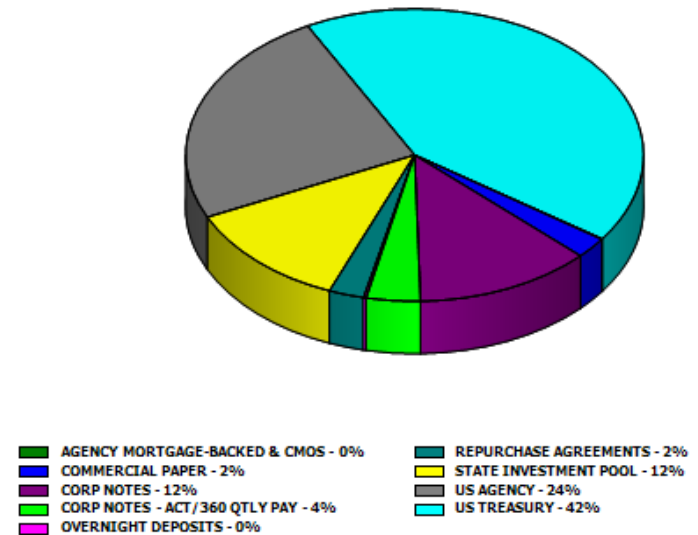


Assets (000's)	PAR	BOOK	MARKET	MKT/BK	YIELD
AGENCY MORTGAGE-BACKED & CMOS	3,440.58	3,485.18	3,722.22	106.80%	4.33%
COMMERCIAL PAPER	162,500.00	161,453.15	161,610.57	100.10%	2.55%
CORP NOTES	867,203.00	863,330.72	873,296.74	101.15%	2.49%
CORP NOTES - ACT/360 QTLY PAY	263,400.00	263,587.73	263,617.38	100.01%	2.69%
OVERNIGHT DEPOSITS	12,897.38	12,897.38	12,897.38	100.00%	0.00%
REPURCHASE AGREEMENTS	173,000.00	173,000.00	173,000.00	100.00%	2.16%
STATE INVESTMENT POOL	829,770.46	829,770.46	829,770.46	100.00%	2.29%
US AGENCY	1,682,980.00	1,676,801.72	1,689,481.83	100.76%	2.23%
US TREASURY	2,950,000.00	2,945,964.07	2,966,943.38	100.71%	2.13%
<b>Totals (000's):</b>	<b>6,945,191.42</b>	<b>6,930,290.41</b>	<b>6,974,339.96</b>	<b>100.64%</b>	<b>2.25%</b>

### PORTFOLIO ALLOCATION



### CURRENT PAR %





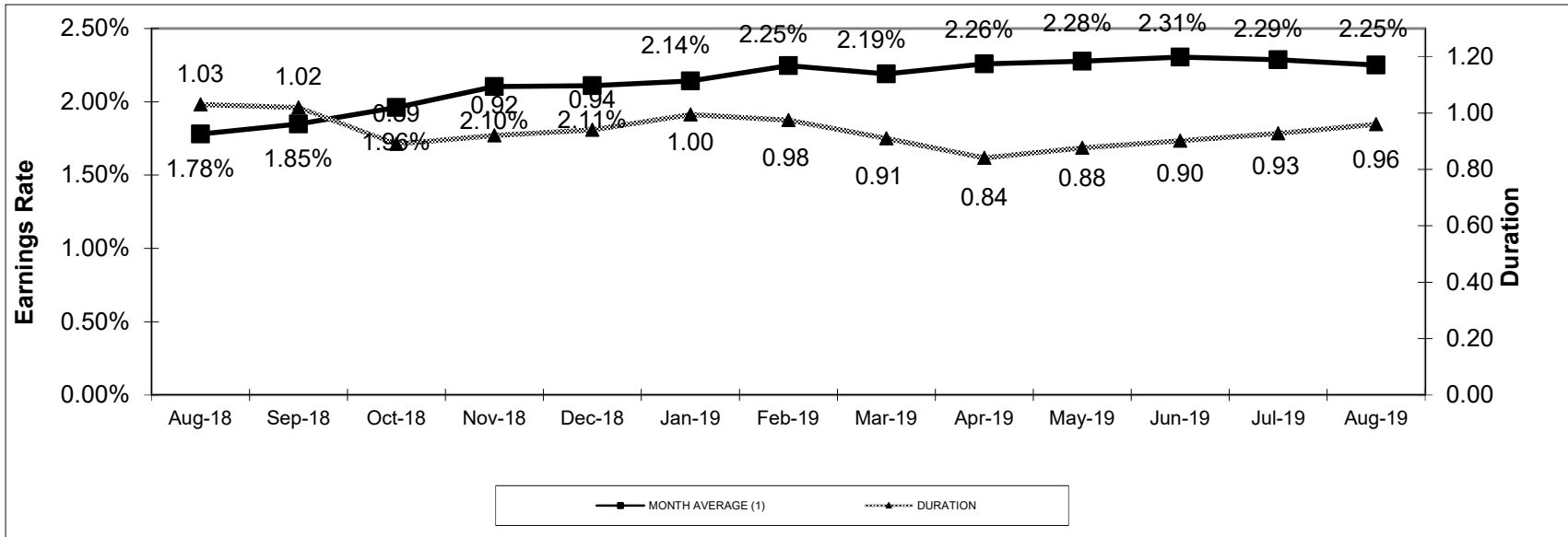
# KING COUNTY INVESTMENT POOL

## MATURITY DISTRIBUTION AS OF 08/31/2019

<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	09/01/19 - 10/03/19	13	1,429,861,030.04	20.6%	20.6%
1 TO 3 MONTHS	10/04/19 - 11/30/19	11	477,388,828.99	6.9%	27.5%
3 TO 6 MONTHS	12/01/19 - 02/29/20	15	804,363,644.08	11.6%	39.1%
6 TO 12 MONTHS	03/01/20 - 08/31/20	28	1,704,286,098.49	24.6%	63.7%
12 TO 24 MONTHS	09/01/20 - 08/31/21	38	1,560,738,518.66	22.5%	86.2%
24 TO 36 MONTHS	09/01/21 - 08/31/22	11	333,136,005.44	4.8%	91.0%
36 TO ** MONTHS	09/01/22 -	13	620,516,280.81	9.0%	100.0%
GRAND TOTALS		129	6,930,290,406.51		

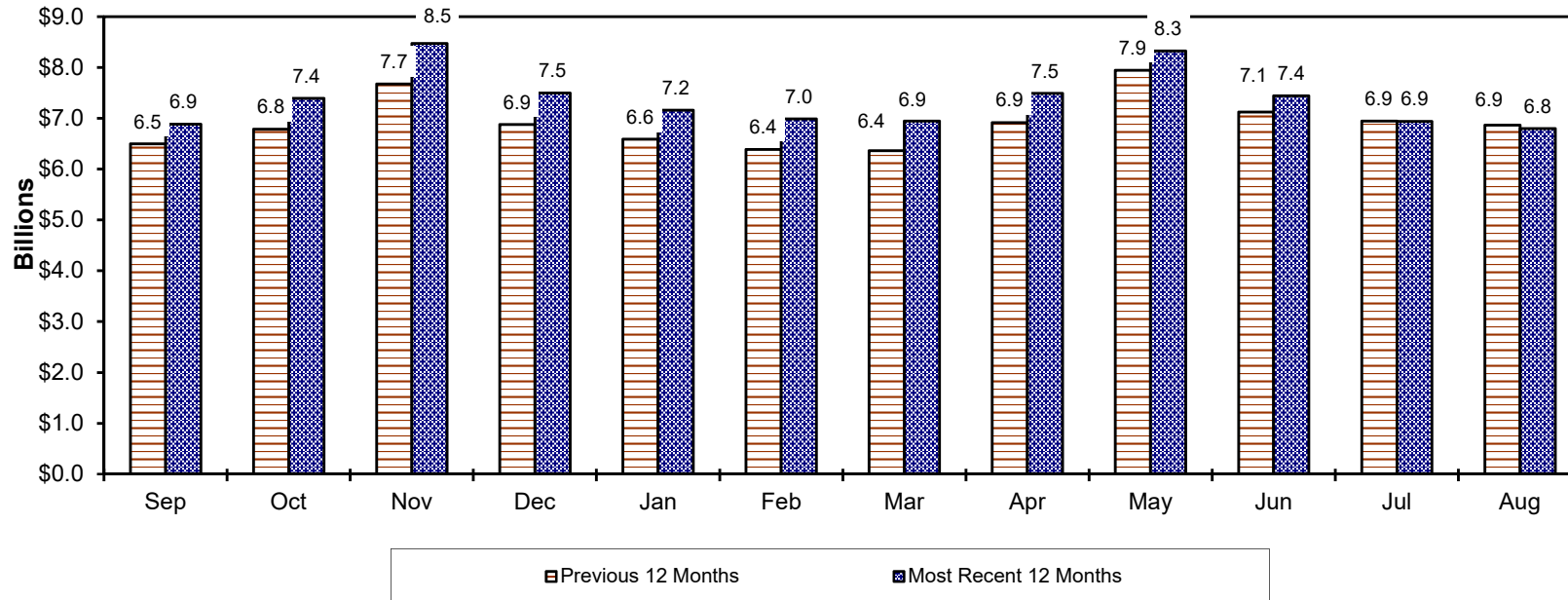
# KING COUNTY INVESTMENT POOL

## EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



## AVERAGE MONTHLY INVESTMENT POOL BALANCE

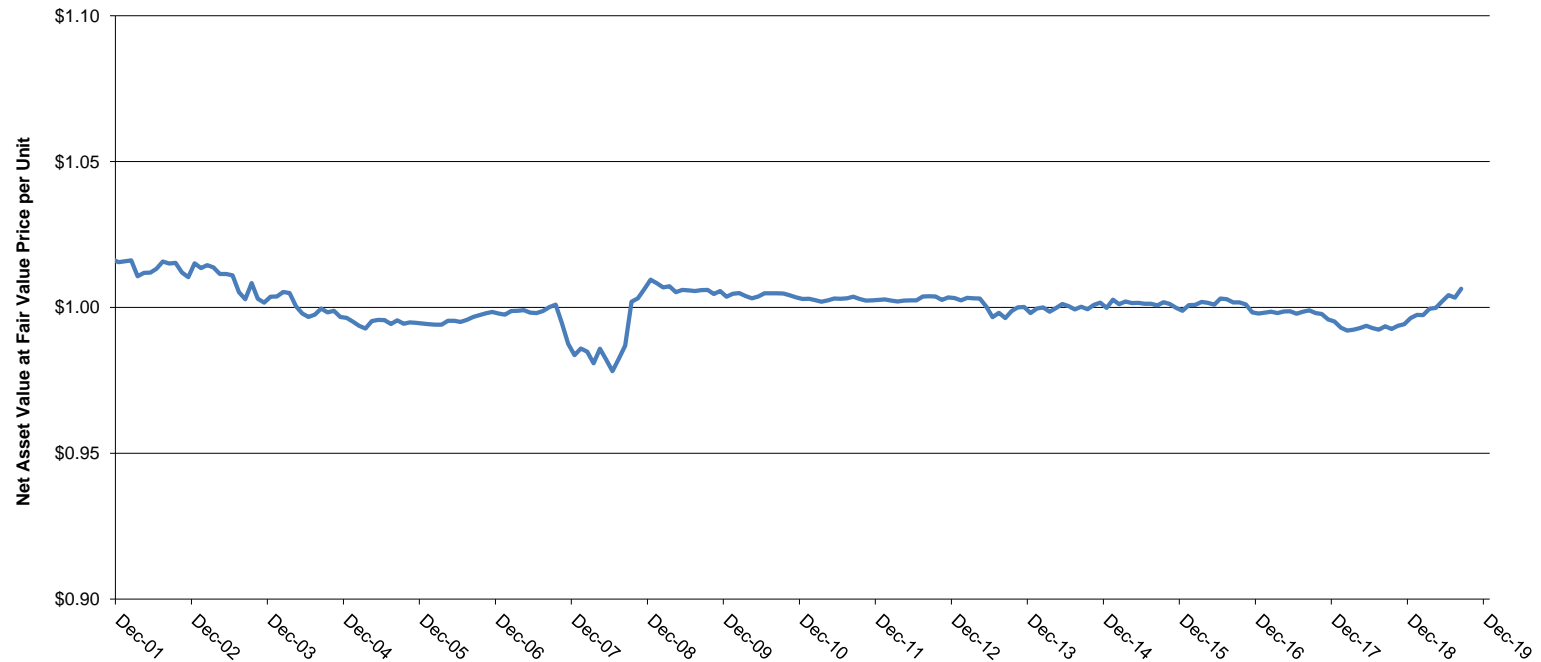
Billions



## King County Investment Pool Fair Value Report

	06/30/19	07/31/19	08/31/19
<b><u>Net Assets (1)</u></b>			
Net Assets held in trust for pool participants	<u>\$ 7,295,732,598.81</u>	<u>\$ 7,031,874,385.21</u>	<u>\$ 6,962,033,410.59</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 7,264,998,415.45	\$ 7,008,577,548.07	\$ 6,917,983,861.29
Undistributed and unrealized gains(losses)	<u>\$ 30,734,183.36</u>	<u>\$ 23,296,837.14</u>	<u>\$ 44,049,549.30</u>
Net Assets	<u>\$ 7,295,732,598.81</u>	<u>\$ 7,031,874,385.21</u>	<u>\$ 6,962,033,410.59</u>
Total Pool -- Net asset value at fair value price per unit	<b><u>\$1.0042</u></b>	<b><u>\$1.0033</u></b>	<b><u>\$1.0064</u></b>

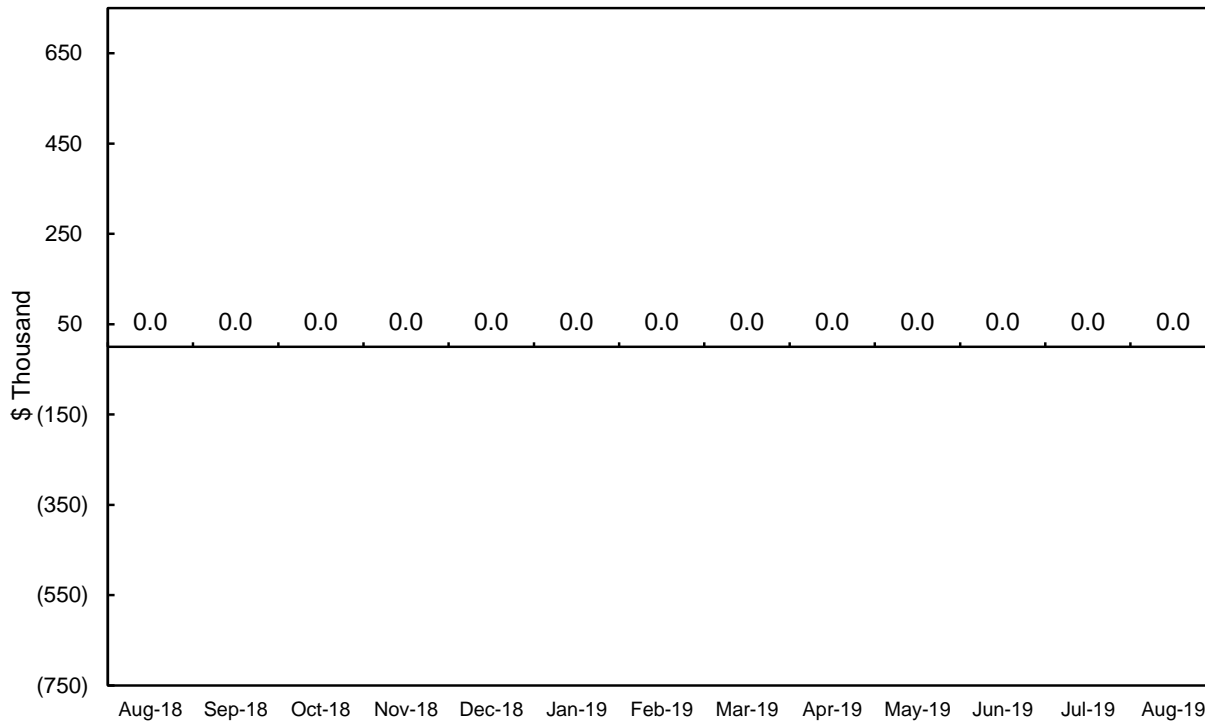
## King County Investment Pool History of Fair Value per Dollar Invested (1)



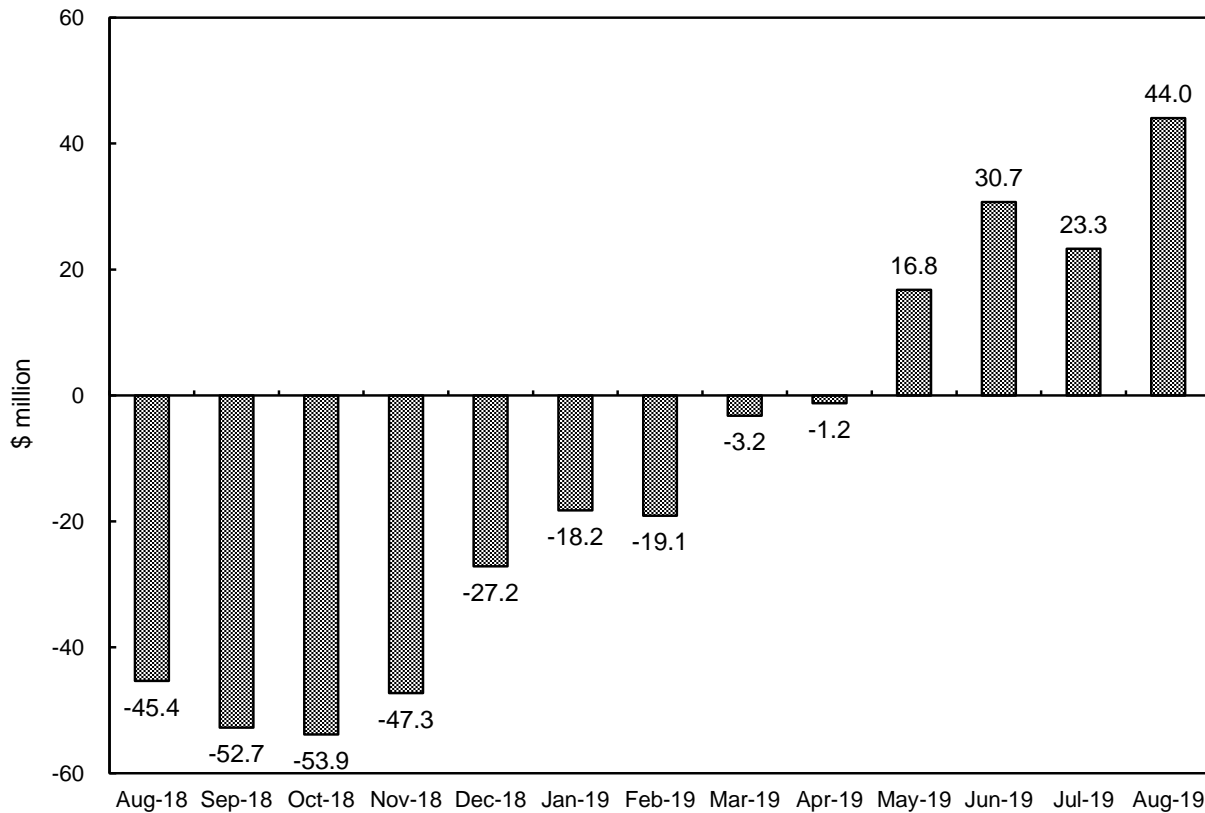
(1) Impaired securities were separated from main pool on 9/1/08

# 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  
SEATTLE, WASHINGTON

PORTFOLIO DETAIL FINANCIAL ANALYSIS  
AS OF 8/31/19

(MANFIN)

SORTING ORDER: MATD

PAGE: 1  
RUN: 09/06/19 12:50:45

\*\* 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	2.287534	2.287534	09/01/19	100.000000	829,770,461.60	829,770,461.60	829,770,461.60	.00	18,981,284.58
1522	CASH-US BANK	.001000	.001000	09/01/19	100.000000	6,928,119.69	6,928,119.69	6,928,119.69	.00	69.28
1523	CASH-KEY BANK	.001000	.001000	09/01/19	100.000000	5,503,076.11	5,503,076.11	5,503,076.11	.00	55.03
1524	CASH-BOFA	.001000	.001000	09/01/19	100.000000	466,179.31	466,179.31	466,179.31	.00	4.66
3727	Wells Fargo Tri-Re	2.160000	2.160000	09/03/19	100.000000	173,000,000.00	173,000,000.00	173,000,000.00	.00	3,736,800.00
2664	CAN IMPERIAL BK	1.600000	1.606170	09/06/19	99.997000	30,000,000.00	29,999,975.34	29,999,100.00	-875.34	481,850.93
2693	US TREASURY NOTE	.875000	1.034103	09/15/19	99.961000	100,000,000.00	99,994,003.34	99,961,000.00	-33,003.34	1,034,103.07
3424	INTERAMER DEV BK	3.875000	2.787354	09/17/19	100.064000	78,855,000.00	78,891,734.89	78,905,467.20	13,732.31	2,197,968.24
2816	JP MORGAN CHASE CA	1.650000	1.834326	09/23/19	99.970000	15,688,000.00	15,686,305.83	15,683,293.60	-3,012.23	287,769.12
2834	JP MORGAN CHASE CA	1.650000	1.882311	09/23/19	99.970000	27,230,000.00	27,226,298.38	27,221,831.00	-4,467.38	512,553.16
3641	WALT DISNEY COMP	.000000	2.502758	09/23/19	99.863278	24,750,000.00	24,712,490.00	24,716,161.31	3,671.31	619,432.71
3640	WALT DISNEY COMP	.000000	2.503455	09/27/19	99.839500	37,750,000.00	37,682,385.55	37,689,411.25	7,025.70	945,054.12
2695	US TREASURY NOTE	1.000000	1.000000	09/30/19	99.921000	100,000,000.00	100,000,000.00	99,921,000.00	-79,000.00	1,000,000.00
3420	INT BK RECON&DEV	1.876000	2.787328	10/07/19	99.977000	58,626,000.00	58,574,355.37	58,612,516.02	38,160.65	1,634,099.14
3029	INTERAMER DEV BK	1.750000	1.611015	10/15/19	99.950000	100,000,000.00	100,016,410.81	99,950,000.00	-66,410.81	1,611,014.91
2565	PNC BANK NA CALLAB	2.400000	1.830387	09/18/19C	100.011000	15,000,000.00	15,003,931.34	15,001,650.00	-2,281.34	274,558.12
2568	PNC BANK NA CALLAB	2.400000	1.832954	09/18/19C	100.011000	5,000,000.00	5,001,304.51	5,000,550.00	-754.51	91,647.70
2703	FANNIE MAE	1.000000	1.091132	10/24/19	99.853000	100,000,000.00	99,987,016.46	99,853,000.00	-134,016.46	1,091,132.43
3046	TORONTO DOM BANK	1.900000	1.951225	10/24/19	99.978000	33,920,000.00	33,917,537.32	33,912,537.60	-4,999.72	661,855.67
3049	PROCTER & GAMBLE	1.750000	1.767888	10/25/19	99.948000	35,000,000.00	34,999,093.84	34,981,800.00	-17,293.84	618,760.95
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	99.985000	25,000,000.00	24,999,297.64	24,996,250.00	-3,047.64	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	99.985000	20,000,000.00	20,001,711.25	19,997,000.00	-4,711.25	401,017.89
2729	FED HOME LN BANK	1.375000	1.382876	11/15/19	99.869000	35,000,000.00	34,999,447.63	34,954,150.00	-45,297.63	484,006.74
3260	US TREASURY NOTE	1.500000	2.425699	11/30/19	99.867000	50,000,000.00	49,888,722.82	49,933,500.00	44,777.18	1,212,849.36
3419	BANK OF MONTREAL	2.100000	3.064064	12/12/19	99.982000	10,000,000.00	9,973,701.20	9,998,200.00	24,498.80	306,406.39
3405	US Treasury Note	1.375000	2.724251	12/15/19	99.824000	50,000,000.00	49,810,219.08	49,912,000.00	101,780.92	1,362,125.43
3251	US TREASURY NOTE	1.625000	2.429371	12/31/19	99.887000	50,000,000.00	49,870,213.24	49,943,500.00	73,286.76	1,214,685.37
3406	US Treasury Note	1.625000	2.733946	12/31/19	99.887000	50,000,000.00	49,820,496.83	49,943,500.00	123,003.17	1,366,973.06
3598	ROYAL BK CANADA	.000000	2.578197	01/13/20	99.205000	100,000,000.00	99,058,277.78	99,205,000.00	146,722.22	2,578,196.52
2781	US TREASURY NOTE	1.375000	1.504545	01/15/20	99.820000	100,000,000.00	99,952,952.04	99,820,000.00	-132,952.04	1,504,544.64
3122	US BANK NA OHIO CA	2.350000	2.373171	12/23/19C	100.088000	50,000,000.00	49,995,561.64	50,044,000.00	48,438.36	1,186,585.70
3270	US TREASURY NOTE	1.250000	2.527363	01/31/20	99.723000	50,000,000.00	49,741,538.54	49,861,500.00	119,961.46	1,263,681.70
3338	US TREASURY NOTE	1.250000	2.585898	01/31/20	99.723000	50,000,000.00	49,729,622.03	49,861,500.00	131,877.97	1,292,949.03
2788	APPLE INC	1.550000	1.810661	02/07/20	99.760000	14,034,000.00	14,018,570.51	14,000,318.40	-18,252.11	254,108.19
3556	APPLE INC	1.550000	2.642577	02/07/20	99.760000	47,132,000.00	46,911,973.02	47,018,883.20	106,910.18	1,245,499.41
2888	MICROSOFT CORP CAL	1.850000	1.736140	02/12/20	99.955000	36,104,000.00	36,121,861.74	36,087,753.20	-34,108.54	626,816.11
3339	US TREASURY NOTE	1.375000	2.605454	02/15/20	99.758000	50,000,000.00	49,726,455.16	49,879,000.00	152,544.84	1,302,726.89
3437	US TREASURY NOTE	1.375000	2.770935	02/15/20	99.758000	50,000,000.00	49,688,871.70	49,879,000.00	190,128.30	1,385,467.42
2864	US TREASURY NOTE	1.250000	1.366848	02/29/20	99.684000	100,000,000.00	99,943,329.57	99,684,000.00	-259,329.57	1,366,847.73
2815	WALT DISNEY CO	1.950000	1.959000	03/04/20	100.005000	15,000,000.00	14,999,340.50	15,000,750.00	1,409.50	293,850.04
2880	FED HOME LOAN BANK	1.875000	1.588108	03/13/20	99.981000	100,000,000.00	100,148,266.16	99,981,000.00	-167,266.16	1,588,107.64
3360	US TREASURY NOTE	1.625000	2.575944	03/15/20	99.863000	50,000,000.00	49,751,070.94	49,931,500.00	180,429.06	1,287,972.13

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

P O R T F O L I O   D E T A I L   F I N A N C I A L   A N A L Y S I S  
AS OF 8/31/19

(MANFIN)

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SORTING ORDER: MATD

RUN: 09/06/19 12:50:45

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
3191	FED HOME LN BANK	2.375000	2.383802	03/30/20	100.292000	30,000,000.00	29,998,470.62	30,087,600.00	89,129.38	715,140.65
3231	INT BK RECON & DEV	1.376000	2.553294	03/30/20	99.669000	131,524,000.00	130,656,324.52	131,088,655.56	432,331.04	3,358,194.09
3435	US TREASURY NOTE	2.250000	2.794137	03/31/20	100.199000	100,000,000.00	99,692,229.41	100,199,000.00	506,770.59	2,794,136.90
3055	US TREASURY NOTE	1.500000	1.699612	04/15/20	99.785000	75,000,000.00	74,909,212.19	74,838,750.00	-70,462.19	1,274,709.30
3059	EURO BK RECON & DE	1.626000	1.804759	05/05/20	99.798000	62,185,000.00	62,112,049.83	62,059,386.30	-52,663.53	1,122,289.52
2908	APPLE INC	1.800000	1.835100	05/11/20	99.891000	20,000,000.00	19,995,290.89	19,978,200.00	-17,090.89	367,020.04
3390	US TREASURY NOTE	1.500000	2.787318	05/15/20	99.750000	50,000,000.00	49,559,631.04	49,875,000.00	315,368.96	1,393,659.06
3436	US TREASURY NOTE	1.500000	2.816019	05/15/20	99.750000	50,000,000.00	49,549,393.06	49,875,000.00	325,606.94	1,408,009.72
2490	US Treasury Note	1.500000	1.432685	05/31/20	99.746000	100,000,000.00	100,048,536.03	99,746,000.00	-302,536.03	1,432,685.42
3450	US TREASURY NOTE	1.375000	2.870042	05/31/20	99.648000	66,000,000.00	65,283,888.66	65,767,680.00	483,791.34	1,894,227.87
3061	US TREASURY NOTE	1.500000	1.678610	06/15/20	99.719000	100,000,000.00	99,862,604.38	99,719,000.00	-143,604.38	1,678,609.69
3246	US TREASURY NOTE	1.875000	2.514445	06/30/20	100.035000	50,000,000.00	49,743,182.51	50,017,500.00	274,317.49	1,257,222.53
3391	US TREASURY NOTE	1.875000	2.810881	06/30/20	100.035000	50,000,000.00	49,623,318.07	50,017,500.00	394,181.93	1,405,440.54
3451	US TREASURY NOTE	1.875000	2.873622	06/30/20	100.035000	50,000,000.00	49,597,617.38	50,017,500.00	419,882.62	1,436,811.00
3057	US TREASURY NOTE	1.500000	1.733197	07/15/20	99.723000	75,000,000.00	74,851,613.69	74,792,250.00	-59,363.69	1,299,897.87
3454	US TREASURY NOTE	1.500000	2.899151	07/15/20	99.723000	50,000,000.00	49,409,105.28	49,861,500.00	452,394.72	1,449,575.71
3207	INTL FIN CORP	1.626000	2.482790	07/16/20	99.817000	53,000,000.00	52,616,504.71	52,903,010.00	286,505.29	1,315,878.95
3232	INTL FIN CORP	1.626000	2.593442	07/16/20	99.817000	50,000,000.00	49,591,999.38	49,908,500.00	316,500.62	1,296,721.17
3634	US BANK NA OHIO CA	2.532750	2.360274	06/24/20C	100.143000	25,400,000.00	25,435,901.89	25,436,322.00	420.11	599,509.56
3392	US TREASURY NOTE	1.625000	2.822162	07/31/20	99.824000	50,000,000.00	49,469,970.71	49,912,000.00	442,029.29	1,411,080.83
3453	US TREASURY NOTE	2.000000	2.903996	07/31/20	100.164000	50,000,000.00	49,599,112.61	50,082,000.00	482,887.39	1,451,997.88
3221	INT BK RECON & DEV	1.126000	2.513986	08/10/20	99.370000	30,345,000.00	29,962,289.29	30,153,826.50	191,537.21	762,868.96
3062	US TREASURY NOTE	1.500000	1.695421	08/15/20	99.723000	100,000,000.00	99,818,050.79	99,723,000.00	-95,050.79	1,695,421.10
3250	ASIAN DEV BANK	1.625000	2.683986	08/26/20	99.842000	28,670,000.00	28,381,881.72	28,624,701.40	242,819.68	769,498.77
3230	US TREASURY NOTE	2.125000	2.519986	08/31/20	100.324000	100,000,000.00	99,619,242.23	100,324,000.00	704,757.77	2,519,985.72
2997	INT BK RECON&DEV	1.626000	1.633170	09/04/20	99.821000	25,000,000.00	24,998,242.07	24,955,250.00	-42,992.07	408,292.45
2998	INT BK RECON&DEV	1.626000	1.633170	09/04/20	99.821000	25,000,000.00	24,998,242.07	24,955,250.00	-42,992.07	408,292.45
3377	TORONTO DOM BANK	3.150000	3.160918	09/17/20	101.357000	25,000,000.00	24,997,256.48	25,339,250.00	341,993.52	790,229.53
3538	TORONTO DOM BANK	3.150000	2.916084	09/17/20	101.357000	10,000,000.00	10,023,622.82	10,135,700.00	112,077.18	291,608.35
3024	FREDDIE MAC	1.625000	1.687127	09/29/20	99.970000	65,000,000.00	64,957,706.12	64,980,500.00	22,793.88	1,096,632.63
3036	FED FARM CREDIT	1.680000	1.696478	10/13/20	100.011000	100,000,000.00	99,982,131.38	100,011,000.00	28,868.62	1,696,478.36
3047	US BANK NA OHIO CA	2.050000	2.056925	09/23/20C	100.156000	10,000,000.00	9,999,236.51	10,015,600.00	16,363.49	205,692.48
2874	MICROSOFT CORP CAL	2.000000	1.789729	11/03/20	100.226000	16,945,000.00	16,985,322.91	16,983,295.70	-2,027.21	303,269.64
2876	MICROSOFT CORP CAL	2.000000	1.789729	11/03/20	100.226000	7,535,000.00	7,552,930.57	7,552,029.10	-901.47	134,856.11
3411	MICROSOFT CORP CAL	2.000000	2.992830	10/03/20C	100.226000	13,744,000.00	13,589,864.97	13,775,061.44	185,196.47	411,334.57
3074	FREDDIE MAC	1.875000	1.908000	11/17/20	100.231000	50,000,000.00	49,980,633.87	50,115,500.00	134,866.13	954,000.23
3472	BK OF NY MELLON CA	2.802500	2.802500	12/04/19C	100.041000	50,000,000.00	50,000,000.00	50,020,500.00	20,500.00	1,401,250.00
3229	US TREASURY NOTE	1.750000	2.561872	12/31/20	100.070000	100,000,000.00	98,961,131.41	100,070,000.00	1,108,868.59	2,561,871.91
3119	ASIAN DEV BANK	2.250000	2.287700	01/20/21	100.762000	50,000,000.00	49,975,273.91	50,381,000.00	405,726.09	1,143,850.22
2873	US TREASURY NOTE	1.375000	1.647276	01/31/21	99.590000	50,000,000.00	49,813,514.85	49,795,000.00	-18,514.85	823,637.88
2884	US TREASURY NOTE	1.375000	1.679014	01/31/21	99.590000	50,000,000.00	49,791,921.20	49,795,000.00	3,078.80	839,506.85
3659	CAN IMPERIAL BK	2.700000	2.447980	02/02/21	101.026000	27,276,000.00	27,370,556.80	27,555,851.76	185,294.96	667,711.15

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

PORTFOLIO DETAIL FINANCIAL ANALYSIS  
AS OF 8/31/19

(MANFIN)

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SORTING ORDER: MATD

RUN: 09/06/19 12:50:45

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
3204	US TREASURY NOTE	2.250000	2.389625	02/15/21	100.871000	75,000,000.00	74,852,770.66	75,653,250.00	800,479.34	1,792,218.94
3565	PNC BANK NA CALLAB	2.785750	2.785750	03/12/20C	100.044000	40,000,000.00	40,000,000.00	40,017,600.00	17,600.00	1,114,300.00
3205	US TREASURY NOTE	2.375000	2.395464	03/15/21	101.133000	75,000,000.00	74,977,130.48	75,849,750.00	872,619.52	1,796,597.82
3348	BANK NOVA SCOTIA	2.450000	3.287385	03/22/21	100.734000	37,048,000.00	36,588,573.77	37,319,932.32	731,358.55	1,217,910.49
3349	BANK NOVA SCOTIA	2.450000	3.290235	03/22/21	100.734000	6,180,000.00	6,103,105.53	6,225,361.20	122,255.67	203,336.50
3383	UNITED PARCEL	2.050000	3.168118	04/01/21	100.091000	30,000,000.00	29,493,499.35	30,027,300.00	533,800.65	950,435.44
3235	INTERAMER DEV BK	2.625000	2.701839	04/19/21	101.583000	100,000,000.00	99,880,365.00	101,583,000.00	1,702,635.00	2,701,839.46
3243	EURO BK RECON&DV	2.750000	2.776928	04/26/21	101.813000	100,000,000.00	99,957,635.93	101,813,000.00	1,855,364.07	2,776,928.30
3280	JP MORGAN CHASE CA	2.606630	2.586505	04/26/20C	100.017000	30,000,000.00	30,008,183.39	30,005,100.00	-3,083.39	775,951.56
3287	JP MORGAN CHASE CA	2.606630	2.587543	04/26/20C	100.017000	20,500,000.00	20,505,303.25	20,503,485.00	-1,818.25	530,446.24
3660	BK OF NY MELLON CA	2.782500	2.782500	06/04/20C	100.055000	25,000,000.00	25,000,000.00	25,013,750.00	13,750.00	695,625.00
3665	PNC BANK NA CALLAB	2.763000	2.763000	06/10/20C	100.018000	40,000,000.00	40,000,000.00	40,007,200.00	7,200.00	1,105,200.00
3705	TORONTO DOM BANK	2.880630	2.634286	06/11/21	100.349000	32,500,000.00	32,638,341.99	32,613,425.00	-24,916.99	856,143.01
3728	US TREASURY NOTE	2.625000	1.573883	07/15/21	101.949000	100,000,000.00	101,933,593.75	101,949,000.00	15,406.25	1,573,883.11
3331	INT BK RECON & DEV	2.750000	2.833339	07/23/21	102.188000	50,000,000.00	49,926,099.65	51,094,000.00	1,167,900.35	1,416,669.42
2875	MICROSOFT CORP CAL	1.550000	1.949002	08/08/21	99.699000	24,182,000.00	24,003,614.19	24,109,212.18	105,597.99	471,307.73
3336	BANK OF MONTREAL	1.900000	3.330239	08/27/21	100.043000	20,000,000.00	19,464,065.89	20,008,600.00	544,534.11	666,047.83
3337	BANK OF MONTREAL	1.900000	3.333070	08/27/21	100.043000	14,850,000.00	14,451,300.89	14,856,385.50	405,084.61	494,960.92
3379	BANK OF MONTREAL	1.900000	3.277907	08/27/21	100.043000	20,000,000.00	19,481,525.14	20,008,600.00	527,074.86	655,581.48
3380	BANK OF MONTREAL	1.900000	3.277907	08/27/21	100.043000	23,835,000.00	23,217,107.59	23,845,249.05	628,141.46	781,289.23
3470	BANK OF MONTREAL	1.900000	3.431900	08/27/21	100.043000	25,000,000.00	24,278,714.27	25,010,750.00	732,035.73	857,974.93
3375	3M CO CALLABLE Any	3.000000	3.072054	08/14/21C	102.206000	15,000,000.00	14,979,125.88	15,330,900.00	351,774.12	460,808.05
3439	HONEYWELL INTL CAL	1.850000	3.199142	10/01/21C	99.880000	13,500,000.00	13,126,704.23	13,483,800.00	357,095.77	431,884.16
3515	US TREASURY NOTE	2.500000	2.543564	01/15/22	102.356000	50,000,000.00	49,950,513.71	51,178,000.00	1,227,486.29	1,271,782.20
3519	FED FARM CREDIT	2.600000	2.616043	01/18/22	102.461000	50,000,000.00	49,981,742.71	51,230,500.00	1,248,757.29	1,308,021.45
3203	INT BK RECON & DEV	2.000000	2.687037	01/26/22	101.150000	79,775,000.00	78,530,805.07	80,692,412.50	2,161,607.43	2,143,584.00
3517	INT BK RECON & DEV	2.000000	2.645835	01/26/22	101.150000	50,000,000.00	49,258,666.07	50,575,000.00	1,316,333.93	1,322,917.66
3475	HOME DEPOT INC	3.250000	3.341128	03/01/22	103.873000	8,000,000.00	7,983,072.80	8,309,840.00	326,767.20	267,290.21
3548	3M CO CALLABLE ANY	2.750000	2.766133	02/01/22C	102.262000	10,000,000.00	9,996,113.85	10,226,200.00	230,086.15	276,613.35
3711	HONEYWELL INTL CAL	2.150000	2.184966	07/08/22C	101.068000	15,000,000.00	14,985,181.75	15,160,200.00	175,018.25	327,744.84
3554	PROCTER & GAMBLE	2.150000	2.675874	08/11/22	101.200000	25,000,000.00	24,632,281.75	25,300,000.00	667,718.25	668,968.41
3555	PROCTER & GAMBLE	2.150000	2.665088	08/11/22	101.200000	20,000,000.00	19,711,797.62	20,240,000.00	528,202.38	533,017.52
3520	FED HOME LN BANK C	2.150000	2.823917	09/26/19C	100.017000	50,000,000.00	49,023,390.12	50,008,500.00	985,109.88	1,411,958.34
3521	FED HOME LN BANK C	2.150000	2.823917	09/26/19C	100.017000	30,000,000.00	29,414,034.06	30,005,100.00	591,065.94	847,175.00
3582	US TREASURY NOTE	1.500000	2.314809	03/31/23	100.293000	100,000,000.00	97,230,160.65	100,293,000.00	3,062,839.35	2,314,809.12
3702	US TREASURY NOTE	2.750000	1.839417	07/31/23	104.996000	50,000,000.00	51,709,759.75	52,498,000.00	788,240.25	919,708.56
3729	US TREASURY NOTE	2.750000	1.446710	08/31/23	105.113000	100,000,000.00	105,050,781.25	105,113,000.00	62,218.75	1,446,710.28
3590	US TREASURY NOTE	2.250000	2.370962	01/31/24	103.527000	100,000,000.00	99,496,512.91	103,527,000.00	4,030,487.09	2,370,961.82
3608	US TREASURY NOTE	2.125000	2.320019	02/29/24	103.055000	84,000,000.00	83,306,368.58	86,566,200.00	3,259,831.42	1,948,816.36
3637	APPLE INC	3.450000	2.775067	05/06/24	107.111000	50,000,000.00	51,464,387.64	53,555,500.00	2,091,112.36	1,387,533.58
3701	US TREASURY NOTE	2.000000	1.853725	06/30/24	102.715000	50,000,000.00	50,335,706.96	51,357,500.00	1,021,793.04	926,862.57
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	105.608000	686,016.18	697,504.27	724,487.97	26,983.70	31,791.23

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

P O R T F O L I O   D E T A I L   F I N A N C I A L   A N A L Y S I S  
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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
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	109.681000	1,107,550.00	1,120,861.61	1,214,771.92	93,910.31	47,134.75
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	107.075000	763,091.11	772,262.68	817,079.81	44,817.13	32,475.38
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	109.272000	883,926.45	894,550.33	965,884.11	71,333.78	37,617.85
G R A N D   T O T A L S		1.917061	2.247531	SEP 2020	100.426868	6,945,191,420.45	6,930,290,406.51	6,974,339,955.81	44,049,549.30	156,261,392.54

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KING COUNTY TREASURY OPERATIONS  
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P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S

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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
3132	US TREASURY NOTE	2.000000	2.118302	01/31/20	100.020000	1,503,000.00	1,502,278.73	1,503,300.60	1,021.87	31,838.07
3133	US TREASURY NOTE	2.000000	2.255317	01/15/21	100.445000	1,509,000.00	1,503,903.82	1,515,715.05	11,811.23	34,032.74
3136	US TREASURY NOTE	1.875000	2.409700	01/31/22	100.918000	1,531,500.00	1,512,734.68	1,545,559.17	32,824.49	36,904.55
3137	US TREASURY NOTE	1.750000	2.504973	01/31/23	101.063000	1,555,500.00	1,517,999.97	1,572,034.97	54,035.00	38,964.86
3140	US TREASURY NOTE	2.250000	2.586560	01/31/24	103.527000	1,528,500.00	1,507,576.98	1,582,410.20	74,833.22	39,535.57
3141	US TREASURY NOTE	2.500000	2.631538	01/31/25	105.563000	1,512,800.00	1,503,012.57	1,596,957.06	93,944.49	39,809.90
3144	US TREASURY NOTE	2.250000	2.668897	11/15/25	104.731000	1,536,800.00	1,500,923.66	1,609,506.01	108,582.35	41,015.61
3145	US TREASURY NOTE	2.000000	2.693823	11/15/26	103.715000	1,578,800.00	1,508,916.28	1,637,452.42	128,536.14	42,530.08
3148	US TREASURY NOTE	2.250000	2.698834	11/15/27	105.918000	1,551,800.00	1,501,847.23	1,643,635.52	141,788.29	41,880.51
3531	US TREASURY NOTE	3.125000	2.721345	11/15/28	113.848000	1,454,000.00	1,501,110.99	1,655,349.92	154,238.93	39,568.36
000008921	- WTD REV 7000	2.199149	2.528857	JUN 2024	103.968173	15,261,700.00	15,060,304.91	15,861,920.92	801,616.01	386,080.25
3131	US TREASURY NOTE	2.000000	2.118302	01/31/20	100.020000	501,000.00	500,759.57	501,100.20	340.63	10,612.69
3500	US TREASURY NOTE	2.000000	2.544952	01/31/20	100.020000	498,700.00	497,589.61	498,799.74	1,210.13	12,691.67
3134	US TREASURY NOTE	2.000000	2.255317	01/15/21	100.445000	503,000.00	501,301.29	505,238.35	3,937.06	11,344.25
3394	US TREASURY NOTE	2.000000	2.854328	01/15/21	100.445000	507,000.00	501,279.80	509,256.15	7,976.35	14,471.44
3135	US TREASURY NOTE	1.875000	2.409700	01/31/22	100.918000	510,500.00	504,244.91	515,186.39	10,941.48	12,301.52
3313	US TREASURY NOTE	1.875000	2.684482	01/31/22	100.918000	510,000.00	500,550.72	514,681.80	14,131.08	13,690.86
3138	US TREASURY NOTE	1.750000	2.504973	01/31/23	101.063000	518,500.00	506,000.01	524,011.66	18,011.65	12,988.29
3208	US TREASURY NOTE	1.750000	2.543596	01/31/23	101.063000	517,000.00	503,883.72	522,495.71	18,611.99	13,150.39
3139	US TREASURY NOTE	2.250000	2.586560	01/31/24	103.527000	509,500.00	502,525.67	527,470.07	24,944.40	13,178.52
3209	US TREASURY NOTE	2.250000	2.621213	01/31/24	103.527000	508,000.00	500,317.51	525,917.16	25,599.65	13,315.76
3142	US TREASURY NOTE	2.500000	2.631538	01/31/25	105.563000	504,200.00	500,937.95	532,248.65	31,310.70	13,268.21
3312	US TREASURY NOTE	2.500000	2.794589	01/31/25	105.563000	503,000.00	495,712.26	530,981.89	35,269.63	14,056.78
3143	US TREASURY NOTE	2.250000	2.668897	11/15/25	104.731000	512,200.00	500,242.79	536,432.18	36,189.39	13,670.09
3395	US TREASURY NOTE	2.250000	3.036607	11/15/25	104.731000	522,000.00	499,233.79	546,695.82	47,462.03	15,851.09
3146	US TREASURY NOTE	2.000000	2.693823	11/15/26	103.715000	526,200.00	502,908.34	545,748.33	42,839.99	14,174.90
3147	US TREASURY NOTE	2.250000	2.698834	11/15/27	105.918000	517,200.00	500,551.18	547,807.90	47,256.72	13,958.37
3506	US TREASURY NOTE	3.125000	2.575824	11/15/28	113.848000	475,000.00	496,076.91	540,778.00	44,701.09	12,235.16
3530	US TREASURY NOTE	3.125000	2.721345	11/15/28	113.848000	483,000.00	498,649.66	549,885.84	51,236.18	13,144.10
370018010	- CWA REV 8000	2.206933	2.607727	MAR 2024	103.869787	9,126,000.00	9,012,765.69	9,474,735.84	461,970.15	238,104.09
3501	US TREASURY NOTE	2.000000	2.544951	01/31/20	100.020000	997,300.00	995,079.45	997,499.46	2,420.01	25,380.80
3502	US TREASURY NOTE	1.875000	2.379814	01/31/22	100.918000	1,007,000.00	995,215.92	1,016,244.26	21,028.34	23,964.72
3503	US TREASURY NOTE	2.250000	2.407753	01/31/24	103.527000	998,000.00	991,484.44	1,033,199.46	41,715.02	24,029.37
3504	US TREASURY NOTE	2.250000	2.468846	11/15/25	104.731000	1,011,000.00	998,429.53	1,058,830.41	60,400.88	24,960.04

KING COUNTY TREASURY OPERATIONS  
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P O R T F O L I O   D E T A I L   F I N A N C I A L   A N A L Y S I S

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SORTING ORDER: FUND MATD

RUN: 09/06/19 12:56:24

(MANFIN)

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
3505	US TREASURY NOTE	2.250000	2.558485	11/15/27	105.918000	1,021,000.00	997,995.23	1,081,422.78	83,427.55	26,122.13
114066030	- NORTHSH 8001	2.125060	2.472062	JAN 2024	103.025223	5,034,300.00	4,978,204.57	5,187,196.37	208,991.80	124,457.06
G R A N D   T O T A L   S		2.188868	2.543593	APR 2024	103.776067	29,422,000.00	29,051,275.17	30,523,853.13	1,472,577.96	748,641.40
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## Victoria Recovery Status as of 8/31/2019

Original Cost	\$51,937,149
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Original Par	\$53,300,000	
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Less Accrued not distributed	\$420,537	
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Adjusted Par	\$52,879,463
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<b>Recovered to date</b>	<b>\$48,190,052</b>	<b>91.1%</b>
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Current Par Amount Outstanding	\$4,689,411
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Current Cost Outstanding	\$3,747,097
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### Cash Receipts:

	\$7,990,692.29	
2008		
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	\$1,467,403.55	
2019	\$944,330.44	
Total	\$48,190,051.97	

**Impaired Pool  
Holdings Report  
8/31/2019**

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Cheyne Finance (1)	Restructured - Cash Out	41,185.37	28,829.76	12,355.61
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	4,689,411.03	3,155,687.00	1,533,724.03
<b>Total</b>		<b>4,730,596.40</b>	<b>3,184,516.76</b>	<b>1,546,079.64</b>

<b>Fair Value Ratio</b>	<b>0.6732</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 restructuring. However, the Receiver for this program 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 Receiver.

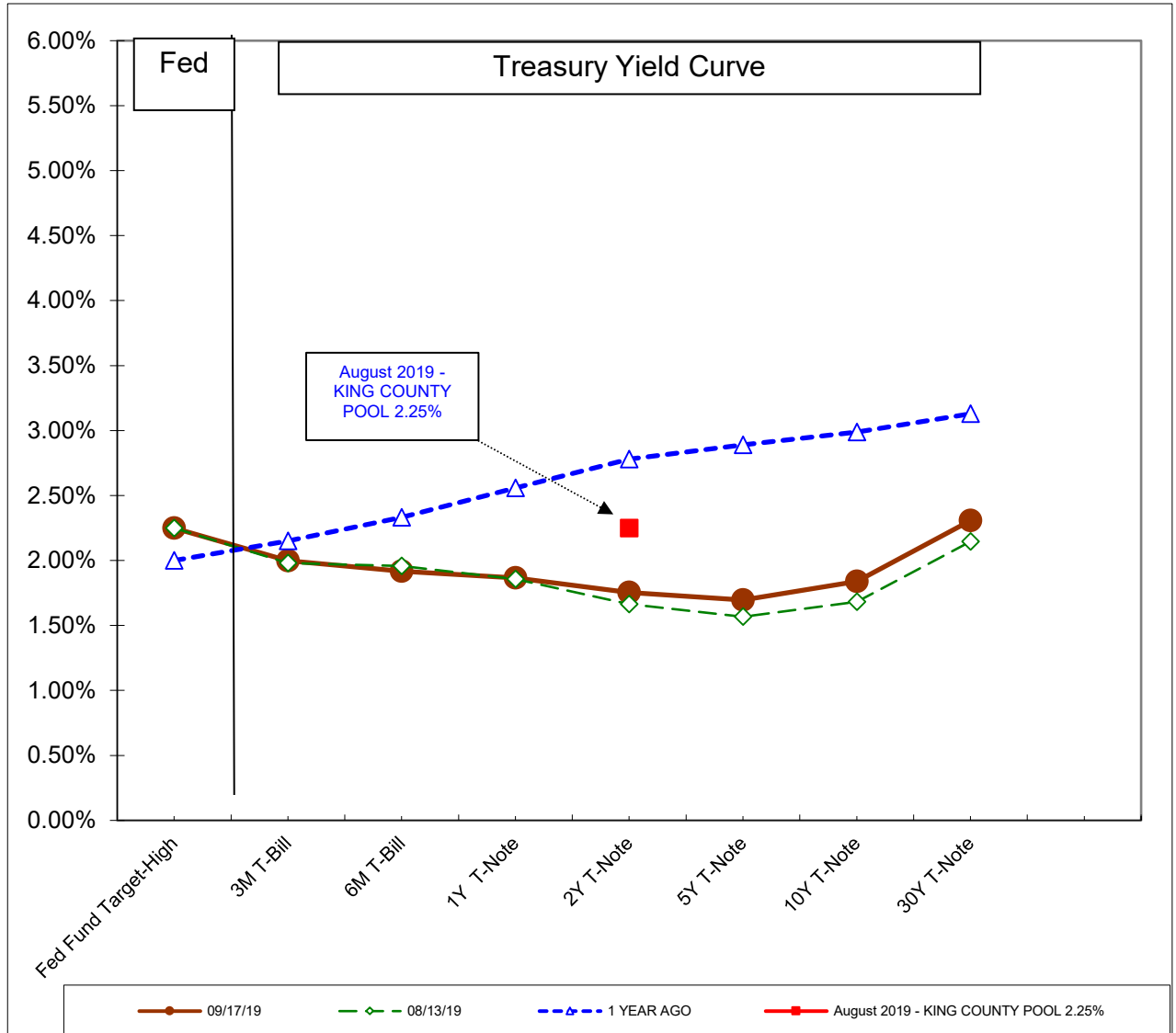
(2) During September 2009, the County completed the restructuring process for Victoria. Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled 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 August and assuming that the asset could be sold at the assumed prices for the underlying securities, the current estimated total recovery would be approximately 97% 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>(1)</sup></i>	<i>Total Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2019	\$0	\$108,568,249	<b>\$108,568,249</b>
2018	(\$196,023)	\$124,073,108	<b>\$123,877,085</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>

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

# INTEREST RATE SUMMARY



	09/17/19	08/13/19	1 YEAR AGO
Fed Fund Target-High	2.25%	2.25%	2.00%
3M T-Bill	2.00%	1.98%	2.15%
6M T-Bill	1.92%	1.96%	2.33%
1Y T-Note	1.87%	1.86%	2.56%
2Y T-Note	1.75%	1.66%	2.78%
5Y T-Note	1.70%	1.57%	2.89%
10Y T-Note	1.84%	1.68%	2.99%
30Y T-Note	2.31%	2.15%	3.13%

# King County Executive Finance Committee

## Interfund Borrowing Report for EFC, (AUG-2019 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.

Interest on Interfund Loans - County Tier 2 Funds Paying Interest						
Item #	Fund No.	Months Reported	Average Cash	Fund Name	Description	
E	A1	00-000-001-0	1	(12,627,727.96)	CURRENT EXPENSE SUB-FUND	Timing between collection of property tax levy
APPRV'D	A2	00-000-395-1	8	(18,719,759.73)	BLDG REPAIR/REPL SUBFUND	Approved interfund loan in place
Pooled Tier 1 Funds with Negative Cash Balances						
Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description	
APPRV'D	B1	00-000-118-0	1	(3,000,000.00)	(1,838,709.68)	LODGING TAX Approved interfund loan in place
APPRV'D	B2	00-000-121-0	>12	(1,528,117.94)	(589,353.65)	SHARED SERVICES FUND Approved interfund loan in place
APPRV'D	B3	00-000-139-6	>12	(6,252,337.08)	(6,252,331.57)	RISK ABATEMENT/2006 FUND Approved interfund loan in place
APPRV'D	B4	00-000-147-1	4	(85,875.73)	(75,006.66)	HISTORCL PRSRVTN & H PRGM Large disbursement timing issue
APPRV'D	B5	00-000-156-1	>12	(898,916.73)	(584,267.82)	KC FLD CNTRL OPR CONTRACT Approved interfund loan in place
APPRV'D	B6	00-000-331-0	>12	(1,774,844.68)	(1,400,292.11)	LONG-TERM LEASES Approved interfund loan in place
APPRV'D	B7	00-000-352-2	>12	(687,525.27)	(242,402.92)	OS KC NON BND FND SUBFUND Approved interfund loan in place
APPRV'D	B8	00-000-357-1	>12	(8,399,034.64)	(7,673,452.07)	KC FLD CNTRL CAP CONTRACT Approved interfund loan in place
F	B9	00-000-624-4	1	(5,647.58)	2,607.67	ISSAQUAH SD411 IMPACT FEE (research pending)
Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest						
Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description	
D	C1	00-000-325-0	2	(58,800.00)	55,219.35	DES TECHNOLOGY FUND Transfer to be completed
D	C2	00-000-554-0	1	(279,859.53)	9,573,099.77	PAYROLL REVOLVING (research pending)
B	C3	00-000-668-0	>12	(812,414.17)	77,716.60	AD VALOREM TAX REFUND Timing differences
B	C4	00-000-679-0	1	(488.44)	7,620.13	BOARD DEPOSITS AND DISBURSEM (research pending)
B	C5	00-000-699-0	>12	(10,101.43)	(2,162.78)	ASSMT DISTRIBTN / REFUND Pending special distribution

A: Reimbursement funds - reimbursements are collected periodically from other Agencies

B: Reimbursement funds - pay expenditures first, get reimbursed later, internal to the county

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 Borrowing by District & Non-County Funds**  
**August 2019**

Fund Number	Fund Name	Average Borrowed	Average Cash Balance	Comment
<b>060016100</b>	<b>SCHOOL DIST 1 TRUST EXP</b>	<b>(\$2,687,873.44)</b>	<b>(\$2,687,873.44)</b>	<b>&lt;= Contacting District, still negative</b>
<b>064103080</b>	<b>SNOQUALMIE SD410 CAP PROJ</b>	<b>(\$11,697.84)</b>	<b>\$659.03</b>	<b>&lt;= Contacting District, still negative</b>
070120010	ALGONA GEN TAX REG FUND	(\$53.77)	\$5,732.49	<= Non-District Fund
070350010	BEAUX ARTS GEN TAX REG FD	(\$346.18)	(\$312.00)	<= Researching, still negative
070420010	BLACK DIAMOND GEN TX RG C	(\$173.52)	\$22,751.22	<= Non-District Fund
070450020	BOTHELL LIFT REV	(\$45.28)	\$46.16	<= Non-District Fund
070454010	BOTHELL DRAINAGE UTILITY	(\$16,927.90)	(\$3,841.68)	<= Now positive
070530010	BURIEN GENERAL	(\$1,101.47)	\$59,034.69	<= Non-District Fund
070534010	BURIEN DRAINAGE UTILITY	(\$15,702.14)	(\$3,112.07)	<= Now positive
070610010	CARNATION GEN TAX REG T	(\$131.76)	\$6,341.45	<= Non-District Fund
070720010	CLYDE HILL GEN TAX REG T	(\$252.23)	\$23,055.65	<= Non-District Fund
070800010	COVINGTON GENERAL TAX	(\$3,721.56)	\$31,692.49	<= Non-District Fund
070804010	COVINGTON DRAINAGE UTILIT	(\$12,871.33)	(\$2,389.81)	<= Now positive
070954010	DES MOINES DRAINAGE UTILI	(\$21,783.33)	(\$4,340.48)	<= Now positive
071350010	ENUMCLAW GEN TAX REG C	(\$117.96)	\$26,943.31	<= Non-District Fund
071640020	FEDERAL WAY LIFT REV	(\$3.59)	\$10.97	<= Non-District Fund
071644010	FED WAY DRAINAGE UTILITY	(\$23,530.12)	(\$4,642.98)	<= Now positive
072608510	ISSAQUAH G O BOND FUND	(\$638.32)	\$945.91	<= Non-District Fund
072804010	CITY OF KENMORE DRAINAGE	(\$11,968.94)	(\$2,575.75)	<= Now positive
073094010	KIRKLAND DRAINAGE UTILITY	(\$29,982.79)	(\$4,999.51)	<= Now positive
073098510	KIRKLAND G O BOND FUND	(\$57.64)	\$205.78	<= Non-District Fund
073310010	LAKE FOREST PK GN TX RG C	(\$236.06)	\$52,547.47	<= Non-District Fund
073314010	LAKE FRST DRAINAGE UTLY	(\$6,896.88)	(\$453.99)	<= Now positive
073504010	MAPLE VALLEY DRAIN UTILIT	(\$7,782.15)	(\$1,621.20)	<= Now positive
073650010	MEDINA GEN TAX REGULR C	(\$504.51)	\$32,241.32	<= Non-District Fund
073690010	MILTON GENERAL TAX REG T	(\$74.41)	\$310.23	<= Non-District Fund
073854010	NEWCASTLE DRAINAGE UTILTY	(\$6,721.26)	(\$1,499.49)	<= Now positive
074054010	NORMANDY PARK DRAIN UTIL	(\$3,071.12)	(\$584.55)	<= Now positive
074060010	NORTH BEND GEN TAX REG T	(\$216.18)	\$31,485.77	<= Non-District Fund
075300010	SAMMAMISH GEN TAX REG	(\$6,101.32)	\$218,817.28	<= Non-District Fund
075304010	SAMMAMISH DRAINAGE UTIL	(\$934.03)	\$19,798.63	<= Non-District Fund
075420010	SEATAC GEN TAX REG	(\$27.99)	\$26,805.35	<= Non-District Fund
075424010	SEA-TAC DRAINAGE UTILITY	(\$11,354.40)	(\$2,009.44)	<= Now positive
075451190	SEATTLE EMS TAX FUND	(\$17,986.28)	\$13,706.82	<= Non-District Fund
075454010	SEATTLE DRAINAGE UTILITY	(\$751,622.15)	(\$153,282.30)	<= Now positive
075458510	SEATTLE GO BOND FUND	(\$6,948.71)	\$5,384.63	<= Non-District Fund
075484010	SHORELINE DRAINAGE UTILIT	(\$34,659.52)	(\$2,530.35)	<= Now positive
075488510	2006 SHORELINE BOND	(\$169.82)	\$771.22	<= Non-District Fund
075548510	CT OF SNOQUALMIE GO BD	(\$16.15)	\$41.16	<= Non-District Fund
075910010	TUKWILA GEN TAX REG C	(\$262.23)	\$41,697.84	<= Non-District Fund
075918510	TUKWILA GO BOND FUND	(\$119.13)	(\$73.02)	<= Now positive
076514010	WOODINVILLE DRAINAGE UTIL	(\$6,014.34)	(\$1,315.37)	<= Now positive
077214010	YARROW POINT DRAINAGE UTIL	(\$344.66)	(\$35.70)	<= Now positive
<b>112193010</b>	<b>HIGHLANDS SEWER CAPITAL</b>	<b>(\$805.94)</b>	<b>(\$805.94)</b>	<b>&lt;= Contacting District, still negative</b>
<b>220010010</b>	<b>DIRECTORS ASSOCIATION</b>	<b>(\$67,959.57)</b>	<b>\$2,046,587.33</b>	<b>&lt;= Now positive</b>
<b>Report Total:</b>		<b>(\$3,769,809.92)</b>	<b>(\$210,684.87)</b>	

**DEFINITIONS**

**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)

08/31/19

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	00-000-1180	Lodging Tax Fund	Advancement of projected lodging tax proceeds to 4Culture for development of Building 4 Equity program. Repayment from future lodging tax receipts.	<u>Original Loan</u> \$10,000,000	(\$3,000,000)	\$1,838,710	\$3,518	12/31/2021	Pool Rate	King County Surplus Cash	7/18/2019
King County	00-000-1210	WLRD Shared Services Fund	This fund is 100% reimbursable and relies on revenues from other funds.	<u>Original Loan</u> \$6,500,000	\$165,004	\$589,354	\$1,128	12/31/2020	Pool Rate	King County Surplus Cash	3/21/2019
King County	00-000-1396	Risk Abatement Fund	Dolan Interest settlement. Originally repayment was to be provided by issuing bonds, but after outside legal review, it was determined that taxable bonds would have to be used. It was then decided that repayment will come from semi-annual transfers from the General Fund, instead of issuing bonds.	<u>Original Loan</u> \$10,500,000 <u>Revised Amt:</u> \$10,600,000 <u>Revised Amt:</u> \$11,000,000	(\$6,252,166)	\$6,252,332	\$11,964	6/30/2017 8/31/2017 07/31/2022	Pool Rate	King County Surplus Cash	12/7/2016 06/28/2017 08/23/2017
King County	00-000-1471	Historical Preservation and Historical Programs Fund	Insufficient recorded document fee revenues. Requesting 2nd quarter omnibus budget revision to pay back the loan.	<u>Original Loan</u> \$200,000	(\$75,751)	\$75,007	\$144	12/31/2019	Pool Rate	King County Surplus Cash	6/20/2019
King County	00-000-1561	KC Flood Control Operating Contract Fund	This fund is 100% reimbursable from the KC Flood Control District.	<u>Original Loan</u> \$2,500,000	(\$360,707)	\$584,268	\$1,118	12/31/2020	Pool Rate	King County Surplus Cash	3/21/2019
King County	00-000-3292	SWM CIP Non-bond Fund	The fund relies heavily upon grant funding, thereby resulting in cash deficit due to timing of grant reimbursements	<u>Original Loan</u> \$2,000,000	\$6,199,823	\$0	\$0	12/31/2020	Pool Rate	King County Surplus Cash	3/21/2019
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	(\$1,711,184)	\$1,400,292	\$2,679	12/31/2023	Pool Rate	King County Surplus Cash	12/7/2016 02/22/2017
King County	00-000-3361	Puget Sound Emergency Radio (PSERN) Capital Fund	Support capital expenditures for the PSERN project until cash from the Levy fund becomes available.	<u>Original Loan</u> \$73,000,000	\$31,206,820	\$0	\$0	10/31/2021	Pool Rate	King County Surplus Cash	10/24/2018
King County	00-000-3421	Major Maintenance Reserve Sub-fund	Water pipe repair and replacement project at KCCF.	<u>Original Loan</u> \$23,500,000	\$24,644,430	\$0	\$0	6/30/2025	Pool Rate	King County Surplus Cash	7/18/2019
King County	00-000-3522	Open Space Non-Bond Fund	The fund relies heavily upon grant funding, thereby resulting in cash deficit due to timing of grant reimbursements	<u>Original Loan</u> \$5,000,000	(\$98,297)	\$242,403	\$464	12/31/2020	Pool Rate	King County Surplus Cash	3/21/2019
King County	00-000-3571	KC Flood Control Capital Contract Fund	This fund is 100% reimbursable from the KC Flood Control District.	<u>Original Loan</u> \$20,000,000	(\$7,923,029)	\$7,673,452	\$14,683	12/31/2020	Pool Rate	King County Surplus Cash	3/21/2019
King County	00-000-3591	KC Marine Construction Fund	Loan repayment from property tax revenue, bond proceeds, and federal grants.	<u>Original Loan</u> \$7,000,000	\$1,670,152	\$0	\$0	3/31/2020	Pool Rate	King County Surplus Cash	4/18/2019
King County	00-000-3771	KCIT Capital Fund	Cover expenditures for the Department of Assessments PTAS project until bonds are issued.	<u>Original Loan</u> \$3,000,000	\$4,261,325	\$0	\$0	9/30/2019	Pool Rate	King County Surplus Cash	2/21/2019
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	\$3,545,046	\$0	\$0	12/31/2019	Pool Rate	King County Surplus Cash	6/25/2014
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	Original Loan \$2,275,600 <u>Revised Amt</u> \$4,976,000	See Below	See Below	See Below	12/31/2020	Pool Rate	King County Surplus Cash	05/27/2015 01/27/2016
King County	00-000-3951	Building Repair & Replacement Fund	Cover expenditures for the CFJC project. Repayment from a property sale and from tax revenue	Original Loan \$60,000,000							
King County	00-000-5531	KCIT Services Fund	Establish an escrow account for data center bond defeasance. Repayment from existing KCIT rates.	Original Loan \$8,100,000	\$9,659,611	\$0	\$0	12/31/2023	Pool Rate	King County Surplus Cash	2/24/2016

### Approved Interfund Borrowings (Direct Loans)

08/31/19

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											