

## Treasurer's Monthly Report

Financial Data as of March 31, 2015

Presented April 15, 2015

- Residual (face value – principal) not including LGIP \$56,857,000.00
  
  - LGIP (State Pool) Interest Rate .1579%
    - LGIP Balance \$ 9,709,734.08
  
  - Total Cash Available
    - Key Bank \$ 10,682,928.45
    - Whidbey Island Bank \$ 2,234,143.62 \$12,917,072.07
  
  - Since January 1, I have been rebalancing the residual portion of the County's investment portfolio to include more short-term securities and carry a larger balance in more liquid investments. I have provided comparative graphs showing the December 31, 2014/ January 1, 2015 status and the March 2015 status:
    - < 1 year duration to maturity was 5.95%, it is now 14.96% of the total residual
    - 1 – 2 years duration was 2.2%, it is now 7.59%
    - 2 – 3 years duration was 61.69%, it is now 55.89%
    - 3 – 4 years duration was 30.15%, it is now 21.56%
    - Overall, the portion of the residual > 2 years maturity has been reduced from 92% to 77%.
- This was accomplished by the simple passage of time (securities move from the longer category to the shorter one), and by active replacement of called bonds with shorter term instruments.
- Island County's collections for 2015 property taxes and benefit fee assessments were \$6.9 MM in March, about 5.6% of the amount billed.
  
  - The Investment Portfolio adjustment-to-market-value calculation is currently being prepared; the calculation is not complete but an adjustment similar to that of 2013 (\$1.4MM) is expected to be recognized for 2014 based on broker statements as of December 31, 2014. This is mainly due to the high percentage (91.44%) of the non-LGIP Residual that is invested in Federal agency issues (government bonds) with maturity dates of 2 - 4 years from now. As more interest rate risk is associated with maturity dates further in the future, the market value as of the measurement date is lower.
  
  - Economic Update – there has been very little change in the global economic factors affecting bond interest rates. It is anticipated that The Fed will raise interest rates later this year, but that has been the expectation for many months now. Bond investors are in a wait-and-see holding pattern.

## Island County Residual Portfolio March 31, 2015 - Duration to Maturity Date

