



Clark County Finance Committee

Second Quarter 2010

CLARK COUNTY TREASURER'S OFFICE

2010

Authored by: Michelle M. Gable

CLARK COUNTY FINANCE COMMITTEE

SECOND QUARTER 2010

CONTENTS

SECTION I - EXECUTIVE SUMMARY 2

SECTION II - 2010 YEAR-TO-DATE 4

SECTION III - QUARTERLY ACTIVITY 6

SECTION IV - INVESTMENT STRATEGY 14

SECTION V - ECONOMIC/MARKET CONDITIONS 15

SECTION VI - PORTFOLIO..... 17

SECTION I - EXECUTIVE SUMMARY

This report provides a review of the activities occurring during the second quarter, 2010, in compliance with Clark County Investment Policy adopted January 2008.

As of June 30, 2010, the average maturity of the total investment portfolio decreased to 6.2 months from March's 7.7 months. The asset sector distribution for the total investment portfolio changed slightly during the second quarter with approximately 32.7% of the portfolio invested in Federal Agencies, 56.5% invested in the Washington State LGIP, 1.2% invested in money market instruments, 0.3% invested in State and Local Government Series, 6.8% invested in Certificates of Deposits, 1.9% invested in Bankers Acceptances, and 0.4% invested in Registered Warrants. The total book value of the portfolio was almost \$514 million on June 30, 2010. This is compared with the first quarter's 2010 book value of almost \$458 million. Last quarter's asset allocation contains 43.0% of the portfolio invested in Federal Agencies, 48.7% invested in the Washington State LGIP, 1.4% invested in money market instruments, 0.3% invested in State and Local Government Series, and 6.6% invested in Certificates of Deposits.

Residual average monthly balances through the second quarter of 2010 averaged \$25 million per month which was \$18 million less than the same period in 2009. Interest earnings distributed to the County's General Fund through the second quarter of 2010 totaled \$128 thousand compared to \$392 thousand for the second quarter of 2009. The decrease is a result of lower interest rates in 2009 and lower average residual balances. Residual interest earnings for 2010 were less than the interest estimated in October of 2008 by \$1.295 million through the second quarter of 2010. The most recent earnings estimates (calculated on June 14, 2010) reveals earnings of \$932,338 for the 2009-2010 budget years compared to the original estimate of \$5,694,042 in October of 2008.

Clark County Investment Pool balances averaged \$470 million through the second quarter of 2010 compared to an average of \$453 million through the second quarter of 2009. The average interest rate of the County Pool for the second quarter of 2010 was 0.93% compared to 1.55% in the second quarter of 2009. Interest earnings distributed to the County Pool participants through the second quarter of 2010 was \$2.4 million compared to \$4.1 million in the second quarter of 2009. Clark County funds made up 32.7% of the Investment Pool. Other major Pool participants include the Evergreen School District at 12.6%, Camas School District at 9.6%, Vancouver School District at 8.1%, City of Vancouver at 7.7%, and all the other districts at 29.2%.

The annualized total return for the County Pool came in at 0.876% for June 2010 compared to the custom treasury Benchmark total return index of 2.004%. On a book value return basis, County Pool yielded 0.87%, compared to the Standard and Poor's LGIP Index's book value return of 0.25%. The net asset value of the County Pool at the end of the quarter was \$1.002271 with an unrealized fair value gain of \$1,133,952.68 on June 30, 2010.

The investment strategy for the second quarter was to continue to maintain slightly higher liquidity balances than the benchmark, maintain duration between 0.4 and 0.6 years, maintain high credit quality in portfolio, and work to add yield in callable securities and treasury securities.

SECTION II – 2010 YEAR-TO-DATE

Through the second quarter of 2010, the monthly County residual principal balances averaged \$18 million less than this same time period for 2009.

Date	2009 Residual Balance	2010 Residual Balance
January	\$36,142,513	\$18,302,013
February	29,478,156	14,028,283
March	32,007,901	15,314,231
April	42,773,073	26,429,245
May	80,747,190	50,912,445
June	46,468,260	30,024,305
Monthly Average	\$44,602,849	\$25,835,087

Actual interest earnings totaled \$128,257 through the second quarter 2010 down from \$392,260 during the same period in 2009. As shown below, interest earnings was \$1,295,255 less than they were projected to be through the second quarter 2010.

Date	2009 Residual Interest Earnings	2010 Residual Interest Earnings	2010 Budgeted Interest Earnings ^{1,2}
January	\$80,749	\$18,124	\$237,252
February	48,666	14,541	237,252
March	49,451	14,003	237,252
April	63,008	23,456	237,252
May	91,808	36,466	237,252
June	58,578	21,668	237,252
Total	\$392,260	\$128,257	\$1,423,512

County Pool principal balances shown below averaged slightly more through 2010 compared to 2009.

Date	2009 Pool Average Balance	2010 Pool Average Balance
January	\$434,125,081	\$446,666,758
February	415,843,454	433,695,710
March	411,190,769	425,057,199
April	431,586,171	445,980,917
May	553,116,146	563,046,982
June	474,301,094	509,196,924
Monthly Average	\$453,360,453	\$470,607,415

¹ As of 06/14/2010 for 2009-2010 Biennium Interest Rate Projections total \$932,338, \$364,528 are the earnings estimated for 2010.

² As of 10/10/2008 for 2009-2010 Biennium Interest Rate Projections with \$75,000 credit adjustment.

The table below reflects County Pool earnings of \$2.4 million through the second quarter of 2010, compared to \$4.1 million through the second quarter of 2009, resulting in decreased earnings of approximately 41.2%.

Date	2009 Pool Interest Earnings	2010 Pool Interest Earnings
January	\$1,001,013	\$456,804
February	641,115	419,524
March	657,299	401,490
April	635,452	395,635
May	648,340	415,416
June	597,768	367,462
Year-to-Date	\$4,180,986	\$2,456,330

SECTION III - QUARTERLY ACTIVITY

Figure One shows the major participants in the Clark County Investment Pool for the second quarter of 2010. As of June 30, 2010, County funds made up 32.7% of the Pool, Evergreen School District - 12.6%, Camas School District - 9.6%, Vancouver School District - 8.1%, City of Vancouver - 7.7%, and all the other districts - 29.3%.

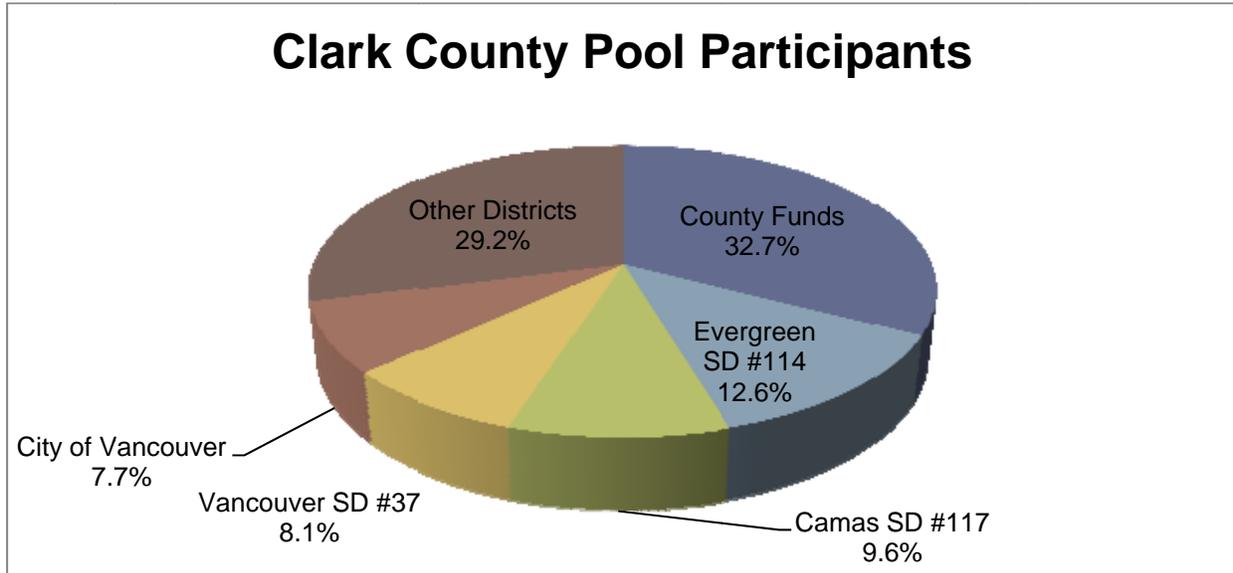


FIGURE ONE

Figure Two illustrates month end General Fund cash balances beginning with January 2007 through June 2010. For the second quarter of 2010, cash balances in the General Fund increased over the same period in 2009 by a monthly average of \$1.649 million.

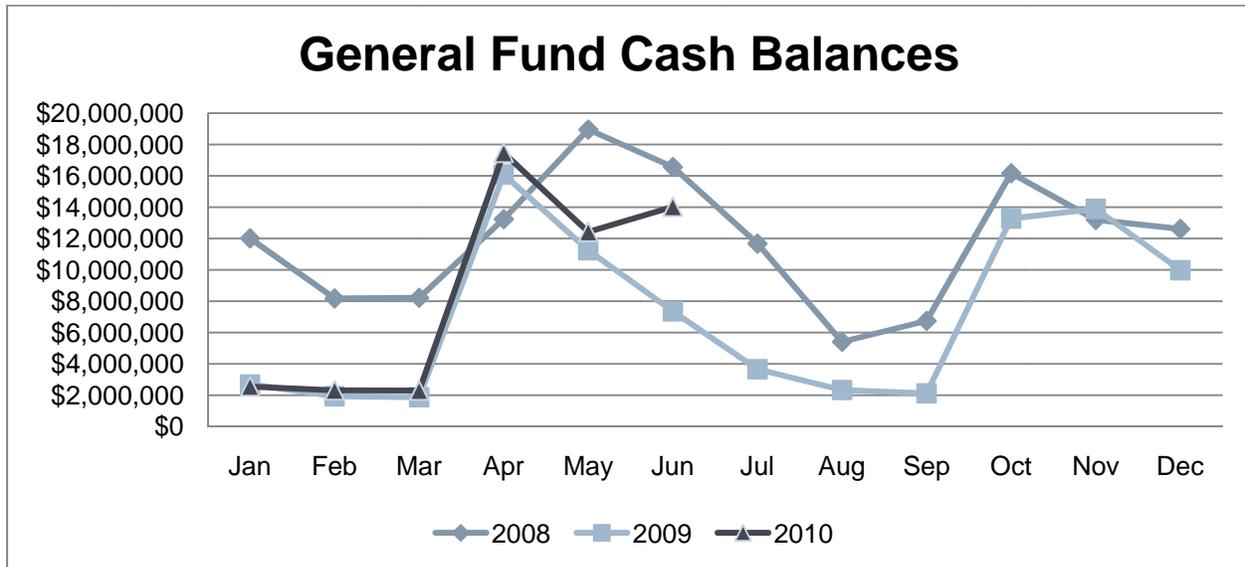


FIGURE TWO



Figure Three reflects the average principal balances being maintained within the Pool in 2010 compared to 2009. Through the second quarter 2010, the average monthly principal balance increased from the same period of 2009 by an average of \$17 million.

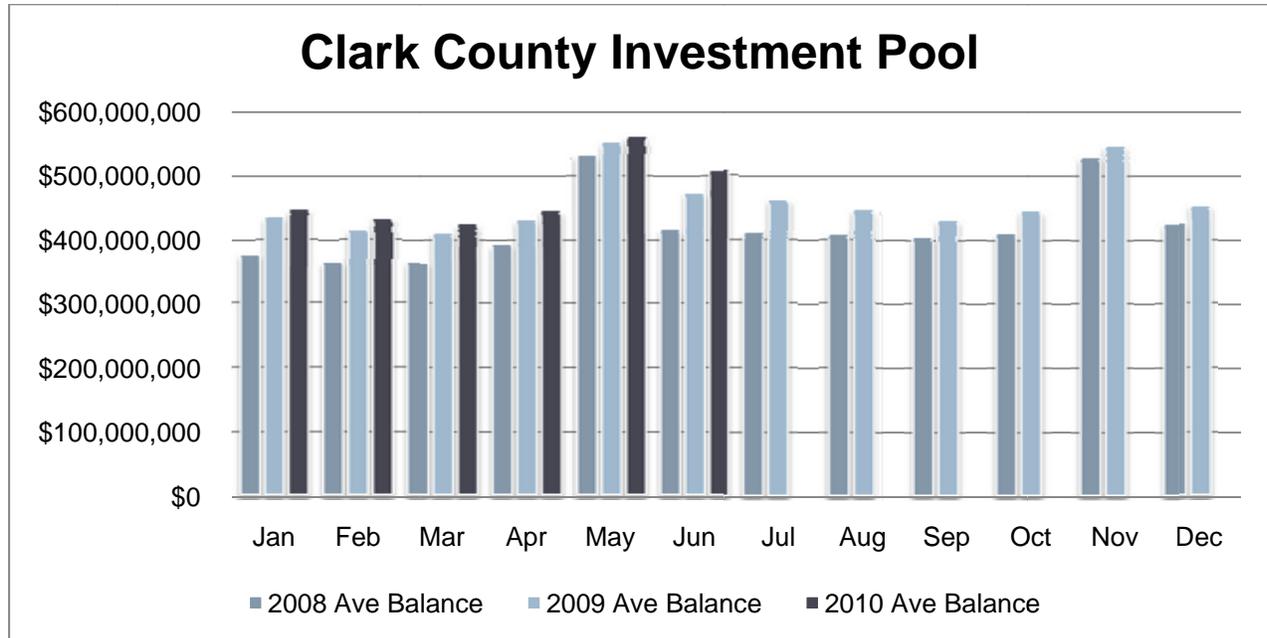


FIGURE THREE

As of June 30, 2010, we have 56.5% of the entire portfolio invested in the Washington State LGIP. **Figure Four** shows the WA State LIGP's credit quality by issuer; whereas **Figure Five** shows the maturity structure of the WA State LGIP.

Investment Type	Credit Quality	Ave Balance 06/30/2010		Ave Balance CY 2010	
Agency Callables	AAA	\$51,666,667	0.56%	\$8,563,536	0.10%
Repurchase Agreements	AAA	\$2,811,654,400	30.37%	\$2,065,200,100	23.36%
Reverse Repo Agreements		\$0	0%	\$0	0%
Treasury Securities	AAA	\$215,146,028	2.32%	\$890,221,952	10.07%
Agency Coupons	AAA	\$36,666,667	0.40%	\$25,966,287	0.29%
IB Bank Deposit	PDPC	\$343,340,592	3.71%	\$343,356,617	3.88%
NOW Account	PDPC/FDIC	\$372,745,001	4.03%	\$563,082,442	6.37%
Agency Floating Rate Notes	AAA	\$1,474,914,090	15.93%	\$1,590,688,142	17.99%



Agency Variable Rate Notes	AAA	\$687,061,103	7.42%	\$679,574,772	7.69%
Discounts Notes	AAA	\$3,227,709,675	34.86%	\$2,638,073,194	29.84%
Certificates of Deposit	PDPC/100% Col	\$36,700,000	0.4%	\$35,281,768	0.4%
Commercial Paper		\$0	0%	\$0	0%
Total Avg Daily Balance		\$9,257,604,223	100%	\$8,840,008,810	100%
Avg Days to Maturity		48 days			

FIGURE FOUR

Days To Maturity	\$ Maturing (Par Value)	% Maturing	Cumulative % Maturing
1	1,126.33	12.6	12.6
2-30	2,300.00	25.6	38.2
31-60	725.00	8.1	46.2
61-90	603.00	6.7	52.9
91-120	550.00	6.1	59.0
121-180	1,298.20	14.4	73.5
181-270	160.00	1.8	75.2
271-397	125.00	1.4	76.6
Floating Rate Notes	1,425.00	15.8	92.5
Variable Rate Notes	687.00	7.6	100.0
PORTFOLIO TOTAL	8,999.53		

FIGURE FIVE

Figure Six reflects the actual average monthly residual principal balances managed by the County for 2009 and 2010. Through the second quarter of 2010, residual balances averaged \$18 thousand per month less than the same period in 2009.

County Residual Average Monthly Balances

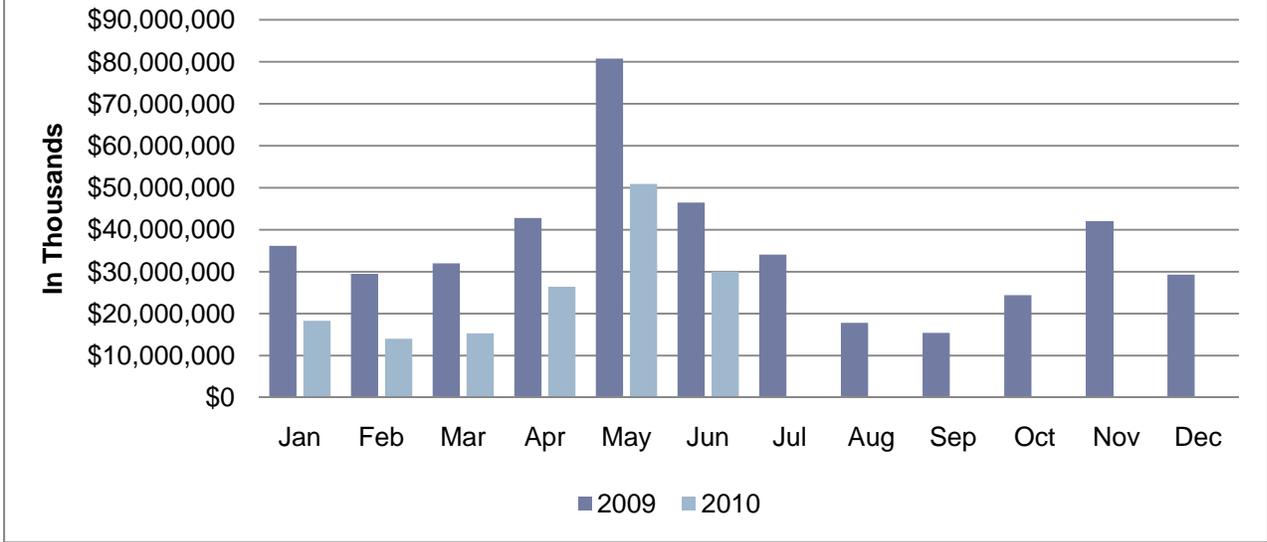


FIGURE SIX

Figure Seven shows interest earnings distributed each month to the County’s General Fund from 2009 through 2010. During the second quarter of 2010, interest earnings totaled \$131 thousand less per month than during the same period in 2009. This is due to a decrease in residual cash principal balances and a decrease in interest rates. On an average monthly basis, \$21 thousand was distributed to the General Fund per month.

Residual Interest Earnings

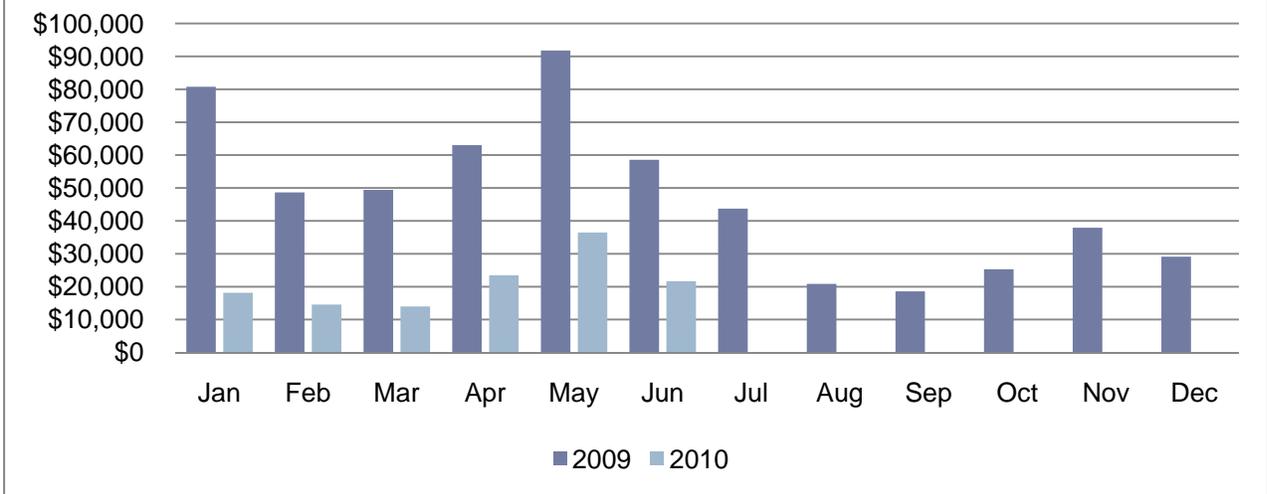


FIGURE SEVEN

Figure Eight depicts the County Pool's interest rates for 2008 through the second quarter of 2010. The County Pool's gross interest rate, based on the book value of the portfolio, at June 30, 2010 was 0.86% compared to 1.51% at June 30, 2009.

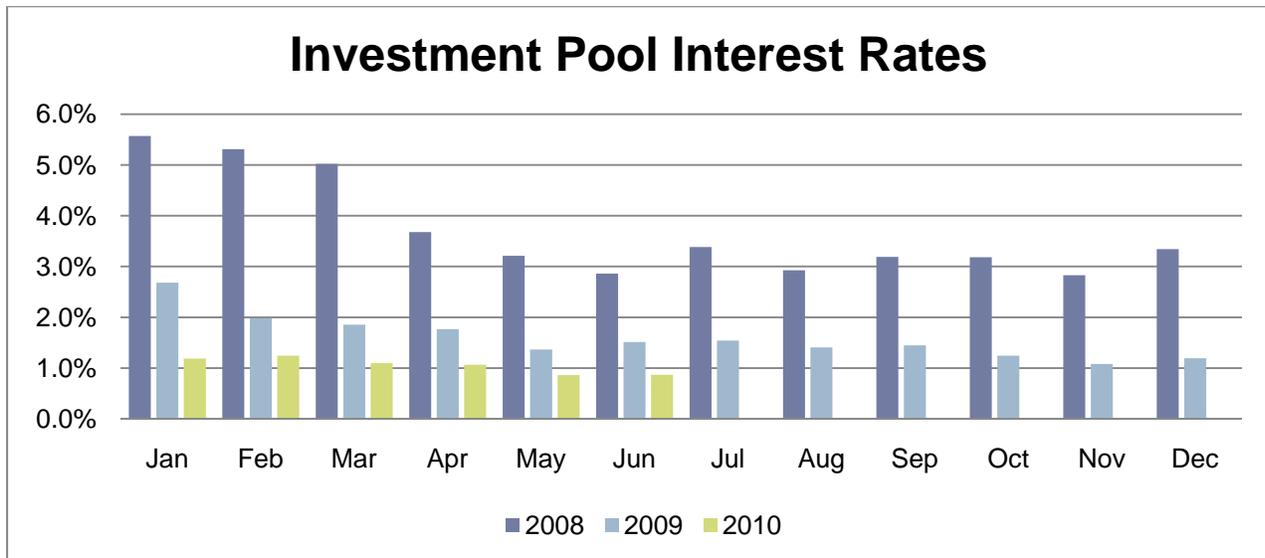


FIGURE EIGHT

Figure Nine compares performance on a book value return basis. The County Pool's interest rate is expressed as the net interest rate (the gross rate less the investment fee.) The book value return of a portfolio measures the yield of securities compared to their book value at the time of purchase. The performance benchmarks consist of the Washington State Local Government Investment Pool (LGIP) with an average maturity of approximately 48 days for June, Standard and Poor's LGIP Index with an average maturity of less than 30 days, and the Clark County Investment Pool with an average maturity of 190 days. The Standard and Poor's LGIP Index and the Washington State LGIP closely track current interest rates. At the end of the second quarter 2010, the County Pool's rate on a book value basis was 0.86%, the S&P LGIP Index was 0.24%, and the Washington State LGIP's net rate was 0.30%.

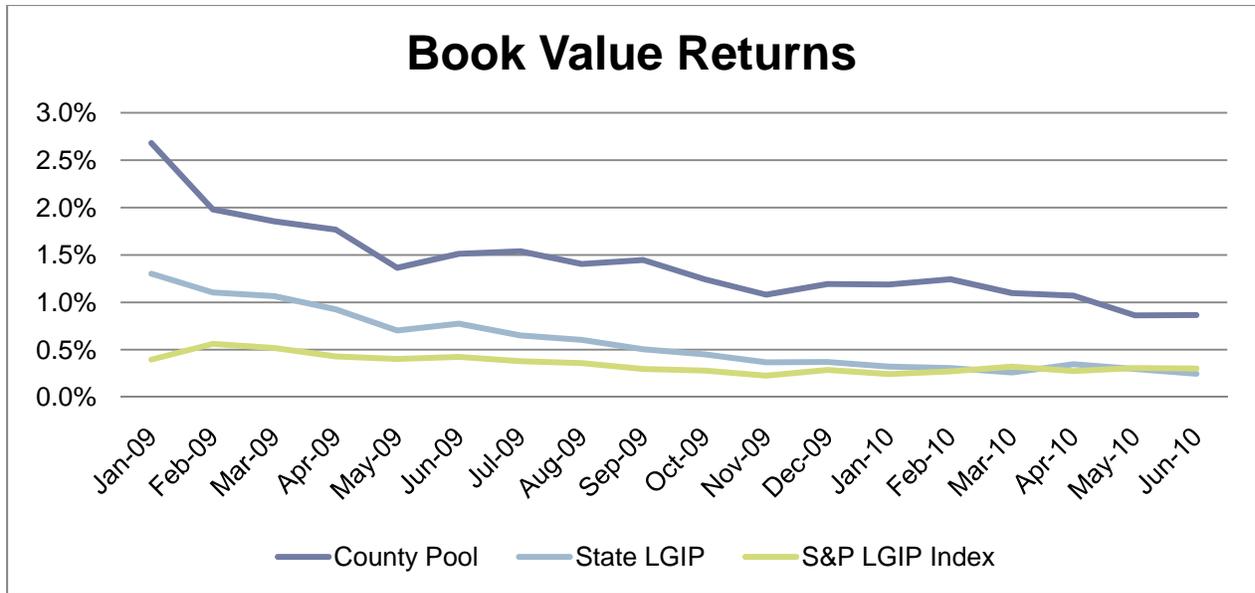


FIGURE NINE

Figure Ten compares performance on a total return basis. Total return measures the market value increase or decrease in the value of the portfolio plus interest earnings on securities, over a given period of time. The customized total return index consists of 75% Merrill Lynch 0-1 Year U.S. Treasury Index and 25% 1-3 Year Agencies Index with a modified duration of 0.706 years. The annualized return for the second quarter of 2010 for the County Pool was 0.876% and the Custom Benchmark Index was 2.004%.

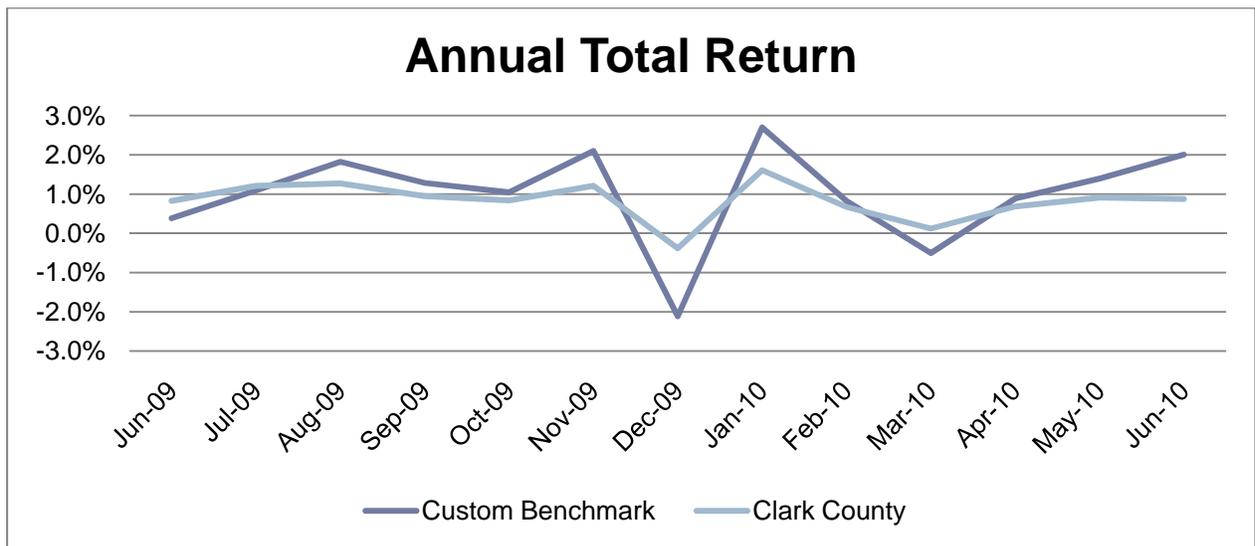


FIGURE TEN

Figure Eleven shows the market value of the Pool portfolio based on net asset value (N.A.V.) per share. N.A.V. is the market value of the portfolio's securities, less liabilities, divided by the total number of shares outstanding. As of June 30, 2010,

the N.A.V. per share was \$1.002271. GASB Statement 31 requires that External Investment Pools like the County Pool report all investments at fair market value if the average maturity of the Pool exceeds 90 days. The fair market value of the Pool is \$499,693,735.92.

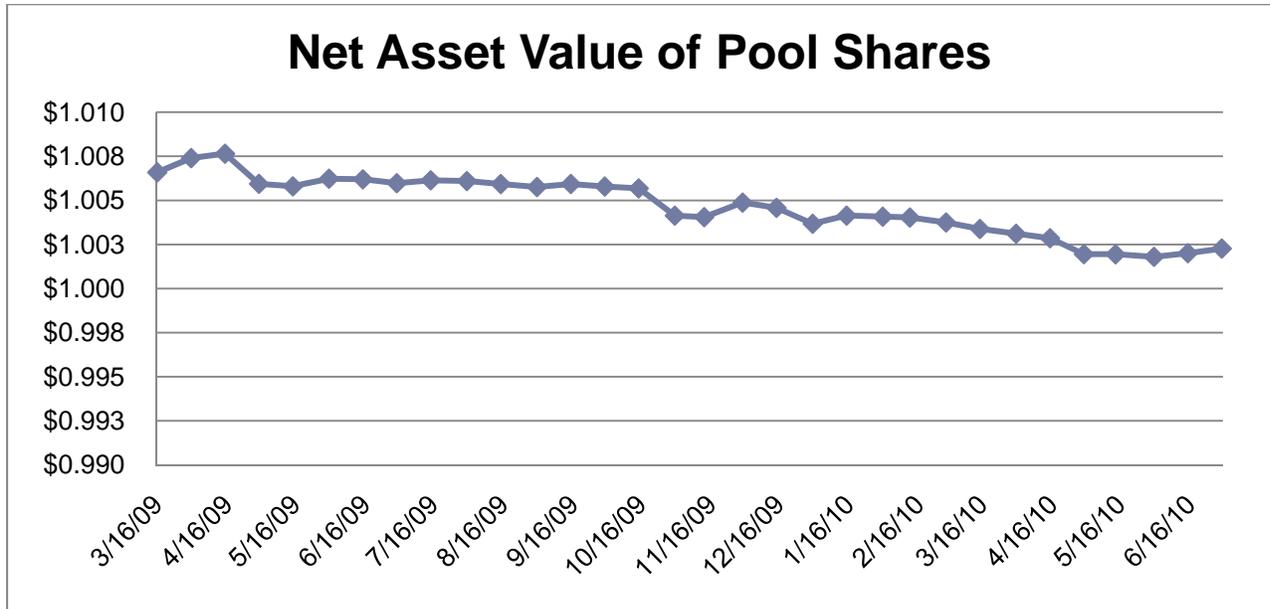


FIGURE ELEVEN

Net Asset Values:

Date	Value	Date	Value
07/15/2009	\$1.006140	01/15/2010	\$1.004141
07/31/2009	\$1.006910	01/31/2010	\$1.004077
08/15/2009	\$1.005930	02/12/2010	\$1.004031
08/31/2009	\$1.005760	02/28/2010	\$1.003751
09/15/2009	\$1.005934	03/15/2010	\$1.003385
09/30/2009	\$1.005787	03/31/2010	\$1.003113
10/15/2009	\$1.005684	04/15/2010	\$1.002858
10/31/2009	\$1.004138	04/30/2010	\$1.001954
11/13/2009	\$1.004054	05/14/2010	\$1.001948
11/30/2009	\$1.004881	05/31/2010	\$1.001801
12/15/2009	\$1.004578	06/15/2010	\$1.002010
12/31/2009	\$1.003678	06/30/2010	\$1.002271

Figure Twelve shows projected County Pool interest rates for 2010 compared with actual gross interest rates.

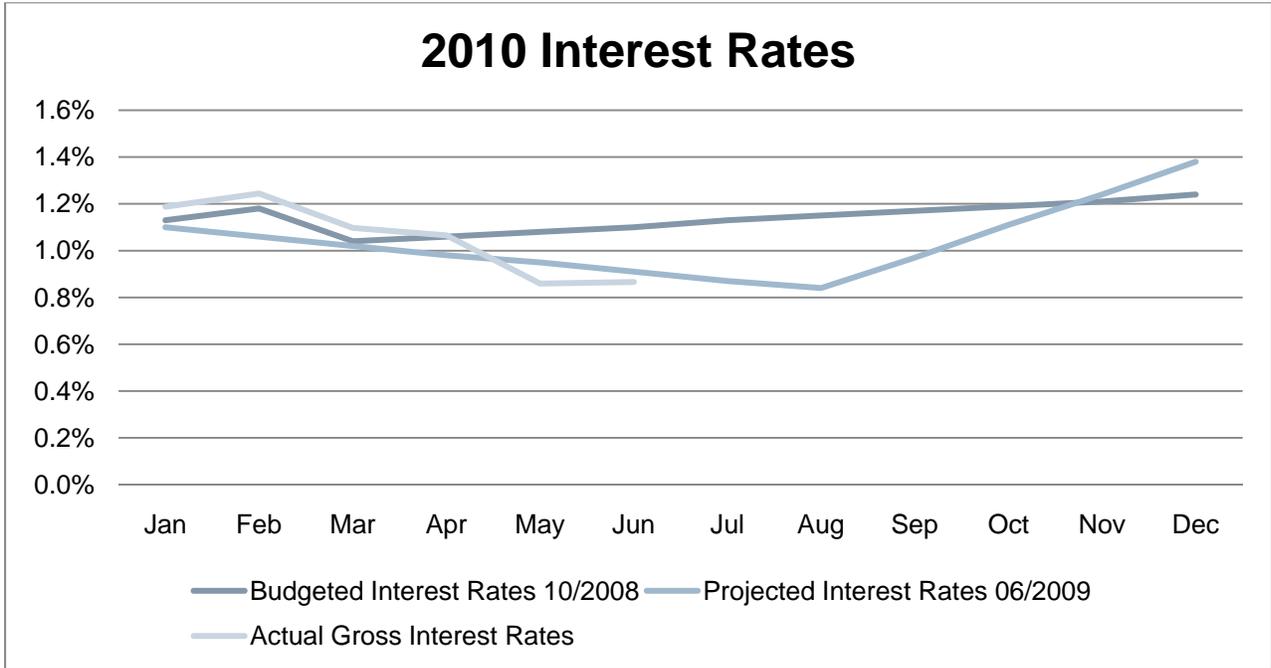


FIGURE TWELVE

SECTION IV – INVESTMENT STRATEGY

The following table shows the percentage distribution of the Clark County Pool maturity periods. In the beginning of 2008, the emphasis was to purchase securities in the 2 – 5 year sector. As we approach the bottom of lower interest rates, we began purchasing securities in the 1 – 2 year maturity sector to get ready for a rise in interest rates. At the end of 2009, we continue to wait for the economy to pick-up and interest rates to start rising. We continue to purchase securities in the 2 year maturity sector to keep our average maturity around 6 months.

Period	0 – 1 Year	1 – 2 Years	2 – 5 Years
1 st quarter, 2008	77%	4%	19%
2 nd quarter, 2008	68%	15%	17%
3 rd quarter, 2008	72%	21%	7%
4 th quarter, 2008	67%	18%	15%
1 st quarter, 2009	63%	20%	17%
2 nd quarter, 2009	80%	10%	10%
3 rd quarter, 2009	86%	7%	7%
4 th quarter, 2009	72%	26%	2%
1 st quarter, 2010	69%	24%	7%
2 nd quarter, 2010	76%	16%	8%

During the second quarter of 2010, our target range for duration was between 0.4 and 0.6 years. We continue to maintain high credit quality in portfolio and we continue to monitor our investment strategy. We remain proactive as economic conditions fluctuate.

Davidson Fixed Income Management provides a third party review of the Treasurer's Investment Portfolio and provides investment advice.

SECTION V – ECONOMIC/MARKET CONDITIONS

First Tennessee Financial states, “the unemployment rate fell from 9.7% to 9.5% in the month of June, the lowest level in almost a year. However, this decrease reflects a large number of people opting out of the labor force rather than employers increasing jobs. There are fewer jobs available due to temporary census positions ending and private employers are not providing enough jobs to make up for this disparity.”

We are looking at a New Normal which predicts post-financial-crisis world of lower investment returns, slower economic growth and higher odds of another out-of-the-blue financial shock.

Taking a national perspective, it means slower growth. Normally the economy can grow at 3%, which is considered a safe speed. We are now looking at a slower speed of 2%. That means persistently high unemployment (currently 9.5%) for the next few years. We are not going back to the 5% unemployment anytime soon. The economy’s growth will be effected by government regulations. This implies slower growth with more regulator cops reviewing the financial industry guidelines because we cannot repeat another major accident in the financial markets. The political angle becomes more important because of the increased regulation. Ultimately, we get paid for productivity and growth.

Growing global tension and economic uncertainty resulted in the equity markets falling to a new 2010 low. The Dow Jones Industrial Average began the month at 10,136 and closed on June 30, 2010, at 9,774 for a drop of 3.6%. In May, nonfarm payrolls rose 431,000, but private payrolls rose just 41,000. Excluding the public sector and the large number of temporary census hiring, payrolls rose only 20,000 in May, a very disappointing account.

After months of pressure from the U.S., China announced that it would allow the yuan to move more freely against several foreign currencies. The movement will be restricted to a rise or decline of 0.5% against the dollar in a single day, which some argue to be a political move to avoid criticism of currency manipulation prior to the G20 summit in Toronto. The Federal Open Market Committee left rates unchanged at 0 - 0.25% and the Fed appears to be committed to retaining low rates for an extended period of time. However, the Fed did recognize the European sovereign debt crisis and its affect on the stock market for the first time acknowledging, “Financial conditions have become less supportive of economic growth on balance, largely reflecting developments abroad.”

On June 30, 2010, the 2-year US Agency yielded 0.73%, compared to 1.24% on December 31, 2009. That is a decrease of 51 basis points.

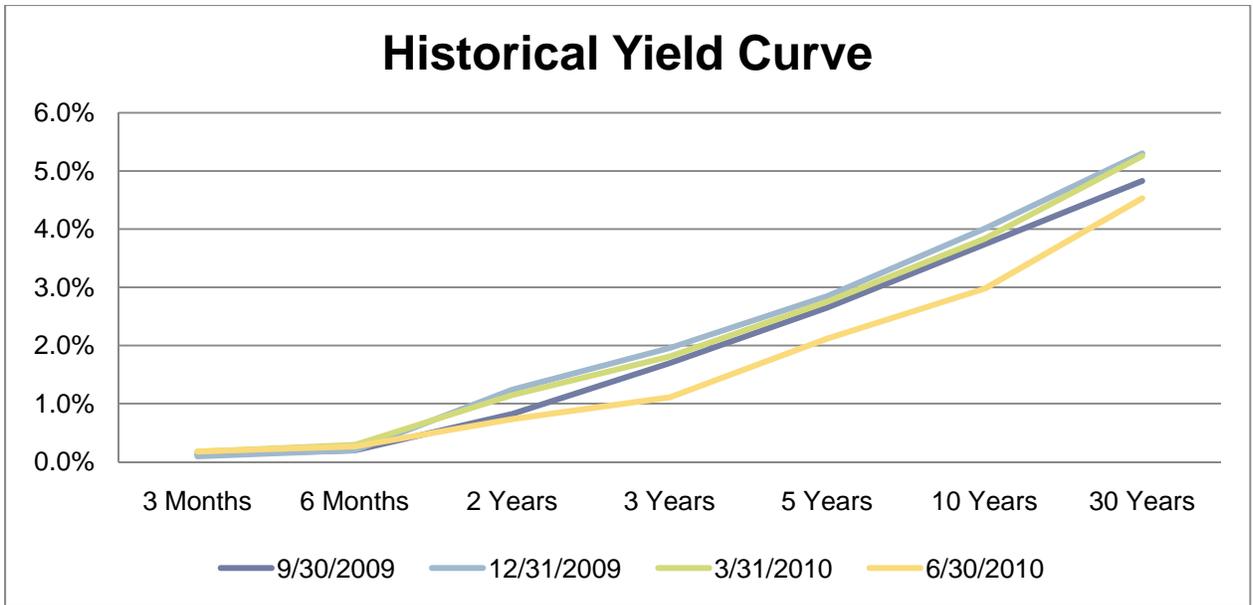


FIGURE THIRTEEN

SECTION VI - PORTFOLIO

Exhibit One shows the makeup of the entire portfolio at the end of the second quarter of 2010. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and the percentage each sector makes up of the portfolio. All percentages are consistent with the current Investment Policy.

Exhibit Two shows the entire portfolio listing as of the end of the second quarter of 2010. This report shows the book value, the par value, and the market value of the portfolio as of June 30, 2010.

Exhibit Three shows the liquidity of the entire portfolio. All percentages are consistent with the current Investment policy.

Exhibit Four reflects the percentage of securities purchased from each issuer relative to the entire portfolio. On June 30, 2010, the average maturity was approximately 6.2 months. All the percentages are consistent with the current Investment Policy.

Exhibit Five shows all investment purchases and maturities from April 1, 2010 through June 30, 2010.

Exhibit Six show the makeup of the Clark County Investment Pool at the end of the second quarter of 2010. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of the securities held and related percentage of the total portfolio for each type of security. On June 30, 2010, the average maturity of the Pool was approximately 6.3 months. All percentages are consistent with the current Investment Policy.

Exhibit Seven shows the portfolio listings of the Clark county Investment Pool at the end of the second quarter. This report contains the book value, the par value, and the market value as of June 30, 2010.

Exhibit Eight shows the liquidity of the Clark County Investment Pool. All percentages are consistent with the current Investment Policy.

Exhibit Nine reflects the percentage of securities purchased from each issuer for the Clark County Investment Pool. All percentages are consistent with the current Investment Policy.

Exhibit Ten is a comparison of the Clark County Investment Pool to the Washington State LGIP.

Exhibit 1

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
DISTRIBUTION OF INVESTMENTS BY TYPE
June 30, 2010**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity
Bankers Acceptances	\$ 9,971,358	1.94%	144	0.71%
Certificates of Deposit	\$ 35,159,816	6.84%	185	1.36%
Commercial Paper - Discount	\$ -	-		
Federal Agencies - Annual	\$ -	-		
Federal Agencies - Discount	\$ -	-		
Federal Agencies - Semi-annual	\$ 168,231,005	32.73%	519	1.83%
Municipal Bonds	\$ -	-		
Washington State LGIP	\$ 290,556,004	56.53%	1	0.30%
Passbook/Money Market Accts	\$ 6,267,049	1.22%	1	0.04%
Registered Warrants	\$ 2,198,895	0.43%	1	2.44%
Treasury Securities - SLGS	\$ 1,562,000	0.30%	148	0.03%
Total	\$ 513,946,128	100.00%	186	0.89%
Accrued Interest at Purchase	\$ 417			
Total Cash and Investments	\$ 513,946,544			

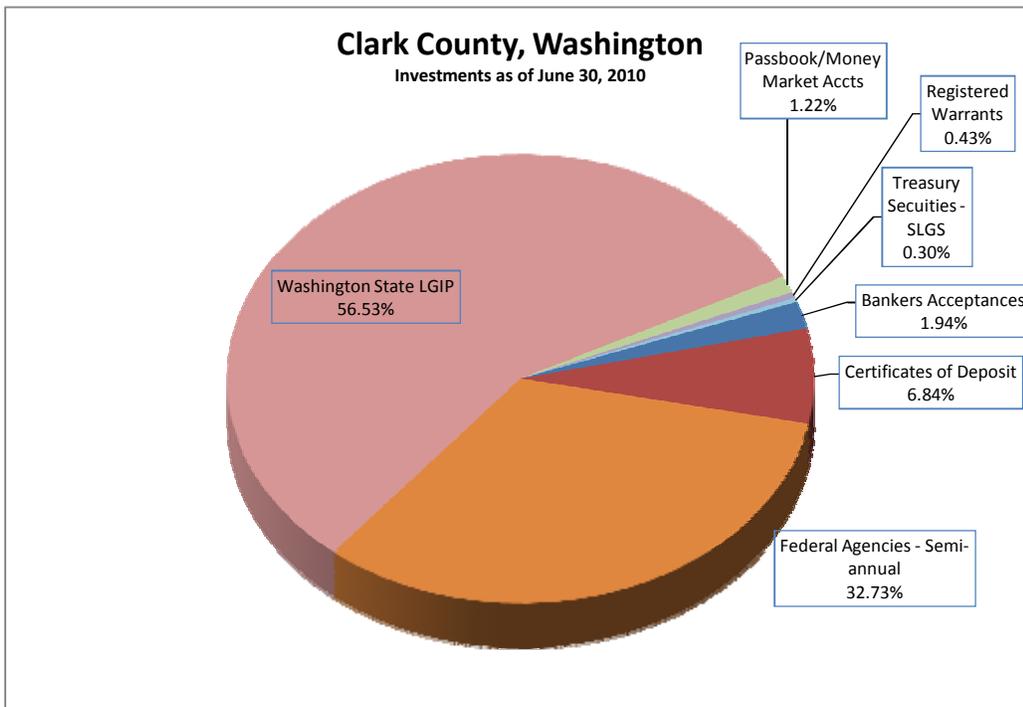


Exhibit 2
Clark County, Washington
Investment Portfolio
June 30, 2010

Investment Number		Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 06/30/10	Market Value	Cash Gain/(Loss) on Security	Amortized Gain/(Loss) on Security	Percent Gain/(Loss) on Security	Coupon Rate	Yield to Maturity	Maturity Date	Days to Maturity
Bankers Acceptances		1.94%														
89983319	Bank of America	6/28/2010	06422TKR3	4,989,587.50			5,000,000.00		4,989,587.50				0.630	0.649	10/25/2010	116
89983320	Bank of America	6/28/2010	06422TML4	4,981,770.83			5,000,000.00		4,981,770.83				0.750	0.774	12/20/2010	172
Subtotal & Averages				9,971,358.33		0.00	10,000,000.00		9,971,358.33					0.711		144
CD's		6.83%														
89983280	US Bank	5/1/2009	SYS89983280	10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.500	1.521	7/30/2010	29
89983285	Wells Fargo	7/9/2009	SYS89983285	10,109,815.95		10,109,815.95	10,109,815.95		10,109,815.95				1.190	1.190	08/09/10	39
89983296	Umpqua Bank	10/30/2009	SYS89983296	10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.650	1.650	10/31/2011	487
89983317	Umpqua Bank	6/11/2010	SYS89983317	5,000,000.00		5,000,000.00	5,000,000.00		5,000,000.00				0.800	0.800	1/5/2011	188
Subtotal & Averages				35,109,815.95		35,109,815.95	35,109,815.95		35,109,815.95					1.360		185
Federal Agencies - Semi-Annual Coupon		30.86%														
89983229	Federal Farm Credit Bank	3/12/2008	31331XL42	8,098,889.54	(439,929.42)	7,658,960.12	7,651,000.00	100.243	7,669,591.93	(429,297.61)	10,631.81	0.139%	5.250	2.656	7/16/2010	15
89983252	Federal Farm Credit Bank	10/14/2008	31331GDC0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	103.827	10,382,700.00	382,700.00	382,700.00	3.827%	3.600	3.600	10/14/2011	470
89983259	Federal Farm Credit Bank	11/21/2008	31331YG46	4,947,350.00	35,100.00	4,982,450.00	5,000,000.00	101.824	5,091,200.00	143,850.00	108,750.00	2.183%	2.625	3.080	4/21/2011	294
89983235	Federal Home Loan Bank	5/5/2008	3133XQYX4	9,957,500.00	39,029.59	9,996,529.59	10,000,000.00	100.485	10,048,500.00	91,000.00	51,970.41	0.520%	3.000	3.181	9/10/2010	71
89983258	Federal Home Loan Bank	11/21/2008	3133XQQQ8	4,922,650.00	49,903.23	4,972,553.23	5,000,000.00	101.889	5,094,450.00	171,800.00	121,896.77	2.451%	2.625	3.275	5/20/2011	323
89983308	Federal Home Loan Bank	3/29/2010	3133XXJQ1	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.025	10,002,500.00	2,500.00	2,500.00	0.025%	0.500	1.616	3/29/2012	637
89983312	Federal Home Loan Bank	5/20/2010	3133XYEW1	9,993,700.00	1,459.32	9,995,159.32	10,000,000.00	100.004	10,000,400.00	6,700.00	5,240.68	0.052%	0.500	1.044	11/17/2011	504
89983313	Federal Home Loan Bank	5/25/2010	3133XYLD5	9,999,270.00	48.67	9,999,318.67	10,000,000.00	100.348	10,034,800.00	35,530.00	35,481.33	0.355%	0.785	0.790	11/25/2011	512
89983314	Federal Home Loan Bank	5/26/2010	3133XYK95	10,000,000.00	0.00	10,000,000.00	10,000,000.00	99.993	9,999,300.00	(700.00)	(700.00)	-0.007%	0.610	0.610	5/26/2011	329
89983315	Federal Home Loan Bank	5/27/2010	3133XWKJ2	10,049,200.00	(2,288.37)	10,046,911.63	10,000,000.00	101.081	10,108,100.00	58,900.00	61,188.37	0.609%	1.375	1.129	6/8/2012	708
89983304	Federal Home Loan Mtg. Corp.	1/19/2010	3128X9SS0	9,983,000.00	15,300.00	9,998,300.00	10,000,000.00	100.030	10,003,000.00	20,000.00	4,700.00	0.047%	1.250	1.336	1/19/2012	567
89983311	Federal Home Loan Mtg. Corp.	4/30/2010	3128X96S4	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.094	10,009,400.00	9,400.00	9,400.00	0.094%	1.500	1.496	7/30/2012	760
89983316	Federal Home Loan Mtg. Corp.	6/23/2010	3134G1FV1	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.150	10,015,000.00	15,000.00	15,000.00	0.150%	0.900	0.900	12/23/2011	540
89983318	Federal Home Loan Mtg. Corp.	6/28/2010	3134G1LB8	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.068	10,006,800.00	6,800.00	6,800.00	0.068%	1.250	1.250	12/28/2012	911
89983260	Federal Nat'l Mtg Assoc.	11/26/2008	31359MJH7	10,633,400.00	(409,679.42)	10,223,720.58	10,000,000.00	104.773	10,477,300.00	(156,100.00)	253,579.42	2.480%	6.000	3.307	5/15/2011	318
89983307	Federal Nat'l Mtg Assoc.	3/10/2010	3136FMCL6	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.314	10,031,400.00	31,400.00	31,400.00	0.314%	2.125	2.125	9/10/2013	1167
89983310	Federal Nat'l Mtg Assoc.	4/15/2010	3136FMJW5	9,995,000.00	2,111.11	9,997,111.11	10,000,000.00	100.311	10,031,100.00	36,100.00	33,988.89	0.340%	1.625	1.645	10/15/2012	837
Subtotal & Averages				158,579,959.54	(708,945.29)	157,871,014.25	157,651,000.00		159,005,541.93	425,582.39	1,134,527.68			1.861		547

**Clark County, Washington
Investment Portfolio
June 30, 2010**

Investment Number		Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 06/30/10	Market Value	Cash Gain/(Loss) on Security	Amortized Gain/(Loss) on Security	Percent Gain/(Loss) on Security	Coupon Rate	Yield to Maturity	Maturity Date	Days to Maturity
Outside Investments - Camas		1.88%														
61293272	Federal Home Loan	1/20/2009	3133XQYX4	1,189,545.20	(26,089.91)	1,163,455.29	1,160,000.00	100.485	1,165,626.00	(23,919.20)	2,170.71	0.187%	3.000	1.422	9/10/2010	71
61293273	Federal Home Loan	1/20/2009	3133XRM49	1,211,040.00	(39,105.65)	1,171,934.35	1,160,000.00	101.560	1,178,096.00	(32,944.00)	6,161.65	0.526%	3.875	1.503	12/10/2010	162
61293274	Federal Home Loan	1/20/2009	3133XRWLO	2,584,725.00	(78,404.48)	2,506,320.52	2,500,000.00	100.381	2,509,525.00	(75,200.00)	3,204.48	0.128%	3.375	1.181	8/13/2010	43
61293269	Federal Home Loan Mtg Corp	1/20/2009	3137EABV0	1,029,930.00	(23,519.65)	1,006,410.35	1,000,000.00	101.008	1,010,080.00	(19,850.00)	3,669.65	0.365%	2.875	1.225	11/23/2010	145
61293270	Federal Home Loan Mtg Corp	1/20/2009	3134A4VB7	2,435,125.77	(101,972.79)	2,333,152.98	2,331,000.00	100.120	2,333,797.20	(101,328.57)	644.22	0.028%	4.125	1.070	7/12/2010	11
61293271	Federal National Mtg Assoc	1/20/2009	31398ATZ5	1,200,679.90	(26,535.74)	1,174,144.16	1,169,000.00	100.549	1,175,417.81	(25,262.09)	1,273.65	0.108%	2.875	1.283	10/12/2010	103
Subtotal & Averages				9,651,045.87	(295,628.22)	9,355,417.65	9,320,000.00		9,372,542.01	(278,503.86)	17,124.36			1.24		72
Outside Investments - General Fund (Columbian)		0.01%														
00013284	Umpqua Bank	6/30/2010	SYS00013284	50,000.00		50,000.00	50,000.00		50,000.00				0.650	0.650	6/30/2011	364
Subtotal & Averages				50,000.00	0.00	50,000.00	50,000.00		50,000.00	0.00	0.00			0.65		364.00
Outside Investments - Camp Bonneville		0.21%														
10130001	Washington State LGIP	1/1/2010	SYS10130001	1,079,795.69	0.00	1,079,795.69	1,079,795.69		1,079,795.69				0.030	0.301		1
Subtotal & Averages				1,079,795.69	0.00	1,079,795.69	1,079,795.69		1,079,795.69	0.00	0.00			0.30		1.00
U.S. Treasury Securities - SLGS		0.30%														
61093301	State & Local Govt. Series	12/21/2009	SYS61093301	225,000.00			225,000.00		225,000.00				0.030	0.030	11/26/2010	148
61123299	State & Local Govt. Series	12/21/2009	SYS61123299	91,000.00			91,000.00		91,000.00				0.030	0.030	11/26/2010	148
61243300	State & Local Govt. Series	12/21/2009	SYS61243300	36,000.00			36,000.00		36,000.00				0.030	0.030	11/26/2010	148
61273302	State & Local Govt. Series	12/21/2009	SYS61273302	1,210,000.00			1,210,000.00		1,210,000.00				0.030	0.030	11/26/2010	148
Subtotal & Averages				1,562,000.00	0.00	0.00	1,562,000.00		1,562,000.00	0.00	0.00			0.030		
Passbook/Money Market Accounts		57.97%														
8997	Registered Warrant Investment	1/1/2010	SYS8997	2,198,895.12	0.00	2,198,895.12	2,198,895.12		2,198,895.12				2.438	2.438		1
89983283	First Independent Bank	1/1/2010	SYS89983283	3,267,048.80	0.00	3,267,048.80	3,267,048.80		3,267,048.80				0.450	0.450		1
89983309	First Independent Bank	3/10/2010	SYS89983309	3,000,000.00	0.00	3,000,000.00	3,000,000.00		3,000,000.00				0.000	-		1
89980001	Washington State LGIP	1/1/2010	SYS89980001	289,476,208.52	0.00	289,476,208.52	289,476,208.52		289,476,208.52				0.030	0.301		1
Subtotal & Averages				297,942,152.44	0.00	297,942,152.44	297,942,152.44		297,942,152.44					0.315		
Grand Total				<u>513,946,127.82</u>	<u>(1,004,573.51)</u>	<u>501,408,195.98</u>	<u>512,714,764.08</u>		<u>514,093,206.35</u>	<u>147,078.53</u>	<u>1,151,652.04</u>			<u>0.888</u>		<u>186</u>

EXHIBIT 3

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
AGING OF MATURING INVESTMENTS
June 30, 2010**

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$299,021,948	58.18%	58.18%
2 - 90	\$44,375,601	8.63%	66.82%
91 - 180	\$14,975,008	2.91%	69.73%
181 - 270	\$5,000,000	0.97%	70.70%
271 - 360	\$30,503,400	5.94%	76.64%
361 - 450	\$50,000	0.01%	76.65%
451 - 540	\$49,992,970	9.73%	86.37%
541 - 630	\$9,983,000	1.94%	88.32%
631 - 720	\$20,049,200	3.90%	92.22%
721 - 900	\$19,995,000	3.89%	96.11%
901 - 1300	\$20,000,000	3.89%	100.00%
TOTALS	\$513,946,128	100.00%	

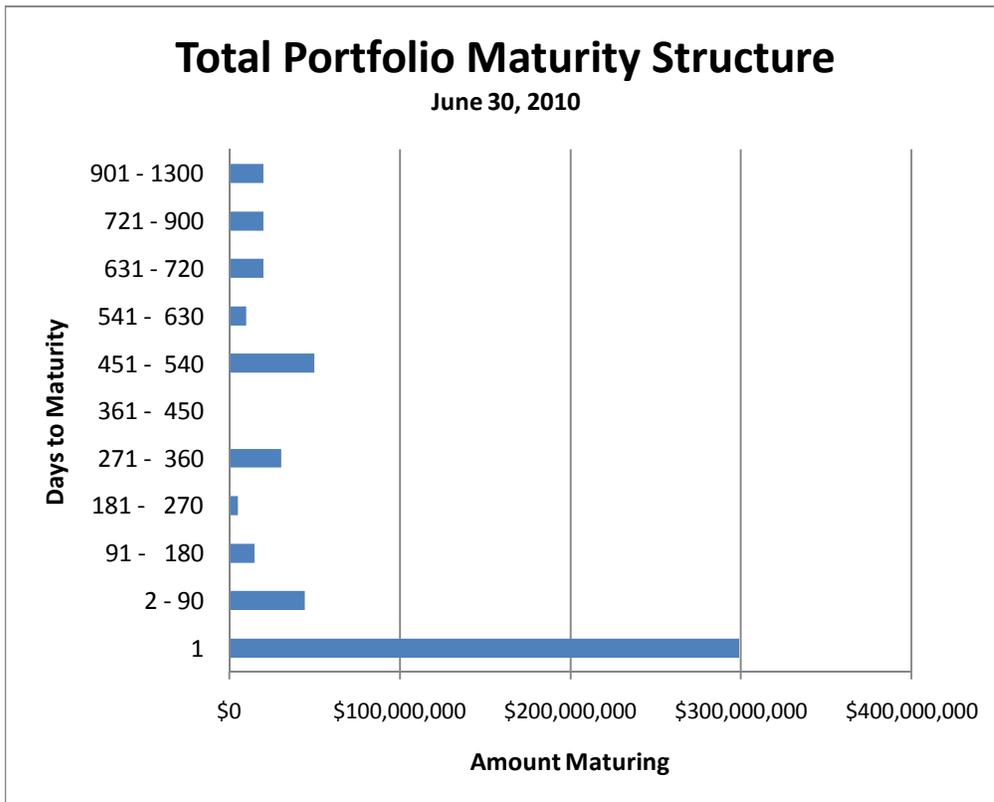


Exhibit 4

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
SUMMARY OF INVESTMENTS BY ISSUER
June 30, 2010**

Issuer	Number of Investments	Book Value	% of Portfolio	Yield to Maturity	Days to Maturity
Bank of America	2	9,971,358	1.94%	0.71%	144
Federal Farm Credit Bank	3	23,046,240	4.48%	3.16%	272
Federal Home Loan Bank	10	69,907,630	13.60%	1.52%	424
Federal Home Loan Mtg Corp.	6	43,448,056	8.45%	1.24%	643
Federal National Mtg Association	4	31,829,080	6.19%	2.34%	740
First Independent Bank	2	6,267,049	1.22%	0.23%	1
Registered Warrants	1	2,198,895	0.43%	2.44%	1
State & Local Govt. Series	4	1,562,000	0.30%	0.03%	148
Umpqua Bank	3	15,050,000	2.93%	1.36%	387
US Bank	1	10,000,000	1.95%	1.52%	29
Washington State LGIP	1	290,556,004	56.53%	0.23%	1
Wells Fargo	1	10,109,816	1.97%	1.19%	39
TOTALS and AVERAGES	38	513,946,128	100.00%	0.88%	186

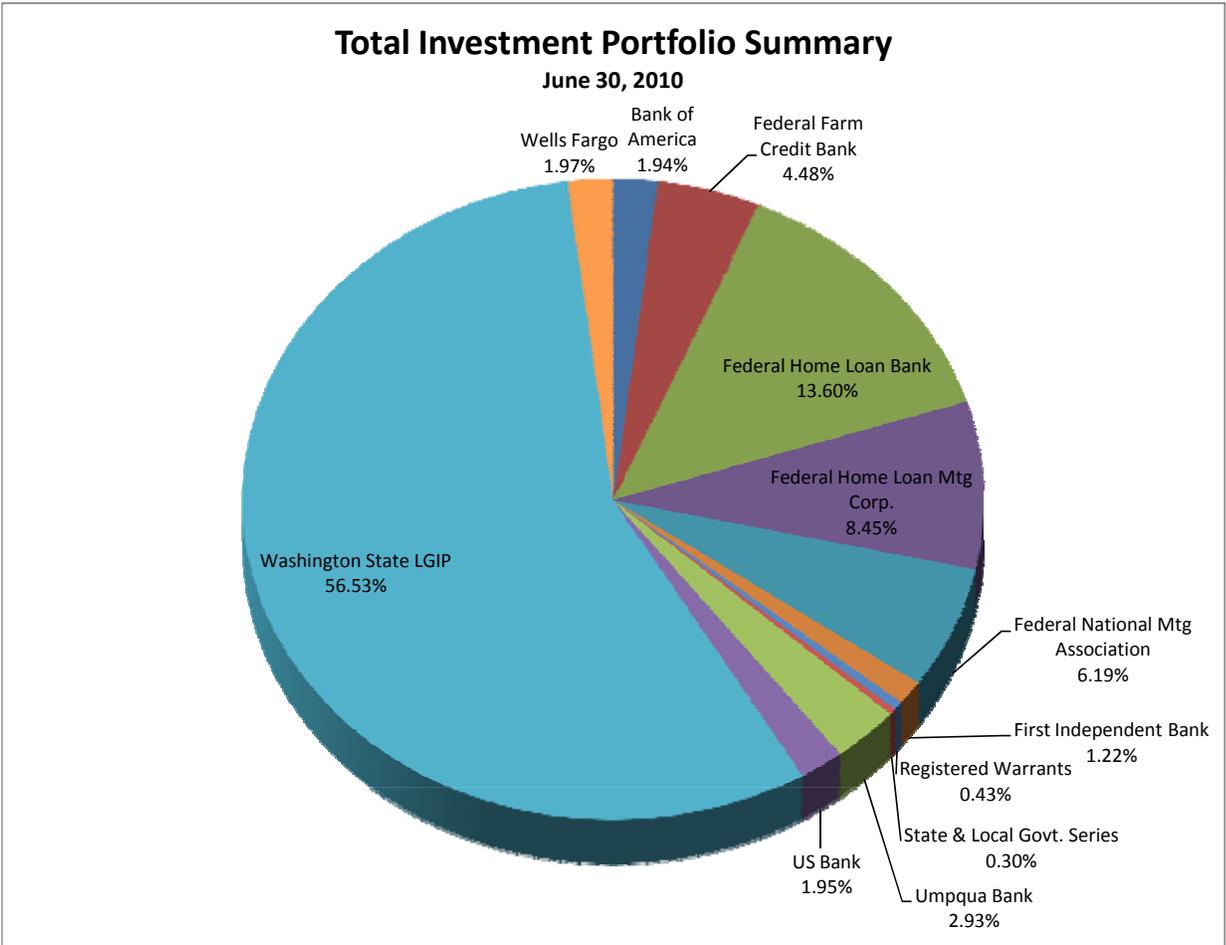


EXHIBIT 5

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
INVESTMENT ACTIVITY BY TYPE
As of June 30, 2010

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE	
BANKERS ACCEPTANCES						BEGINNING BALANCE:	0.00
89983319	Bank of America	0.630	06/28/10	4,989,587.50			
89983319	Bank of America	0.750	06/28/10	4,981,770.83			
SUBTOTALS and ENDING BALANCE - APRIL				0.00	0.00	0.00	
SUBTOTALS and ENDING BALANCE - MAY				0.00	0.00	0.00	
SUBTOTALS and ENDING BALANCE - JUNE				9,971,358.33	0.00	9,971,358.33	
CERTIFICATES OF DEPOSIT						BEGINNING BALANCE:	30,129,537.98
89983285	Wells Fargo	1.190	04/09/10	10,192.22			
89983285	Wells Fargo	1.190	05/09/10	9,873.25			
89983285	Wells Fargo	1.190	06/09/10	10,212.50			
89983317	Umpqua Bank	0.800	06/11/10	5,000,000.00			
00013284	Umpqua Bank	1.000	06/30/10		50,000.00		
00013321	Umpqua Bank	0.650	06/30/10	50,000.00			
SUBTOTALS and ENDING BALANCE - APRIL				10,192.22	0.00	30,139,730.20	
SUBTOTALS and ENDING BALANCE - MAY				9,873.25	0.00	30,149,603.45	
SUBTOTALS and ENDING BALANCE - JUNE				5,060,212.50	50,000.00	35,159,815.95	
FEDERAL AGENCIES - SEMI ANNUAL COUPON						BEGINNING BALANCE:	196,930,600.51
89983290	Federal Home Loan Bank	1.250	04/07/10		9,980,000.00		
89983293	Federal Home Loan Bank	1.650	04/14/10		9,995,000.00		
89983310	Federal National Mtg Association	1.625	04/15/10	9,995,000.00			
89983306	Federal Home Loan Mtg Corp	2.500	04/19/10		8,300,000.00		
89983305	Federal Home Loan Bank	1.250	04/26/10		9,992,500.00		
89983311	Federal Home Loan Mtg Corp	1.500	04/30/10	10,000,000.00			
61293275	Federal Farm Credit Bank	4.750	05/07/10		2,398,637.60		
89983232	Federal Home Loan Bank	3.375	05/14/10		10,148,900.00		
89983312	Federal Home Loan Bank	0.500	05/20/10	9,993,700.00			
89983297	Federal Home Loan Mtg Corp	1.250	05/21/10		9,995,000.00		
89983313	Federal Home Loan Bank	0.785	05/25/10	9,999,270.00			
89983314	Federal Home Loan Bank	0.610	05/26/10	10,000,000.00			
89983315	Federal Home Loan Bank	1.375	05/27/10	10,049,200.00			
89983230	Federal National Mtg Association	4.625	06/01/10		5,246,150.00		
89983234	Federal Farm Credit Bank	4.750	06/07/10		10,396,900.00		
61293276	Federal National Mtg Association	3.255	06/09/10		2,339,377.50		
89983238	Federal Home Loan Bank	3.000	06/11/10		9,968,800.00		
89983316	Federal Home Loan Mtg Corp	0.900	06/23/10	10,000,000.00			
89983303	Federal Farm Credit Bank	1.200	06/25/10		9,982,500.00		
89983318	Federal Home Loan Mtg Corp	1.250	06/28/10	10,000,000.00			
89983298	Federal National Mtg Association	1.170	06/30/10		9,993,000.00		
SUBTOTALS and ENDING BALANCE - APRIL				19,995,000.00	38,267,500.00	178,658,100.51	
SUBTOTALS and ENDING BALANCE - MAY				40,042,170.00	22,542,537.60	196,157,732.91	
SUBTOTALS and ENDING BALANCE - JUNE				20,000,000.00	47,926,727.50	168,231,005.41	
TREASURY SECURITIES - SLGS						BEGINNING BALANCE:	1,562,000.00
SUBTOTALS and ENDING BALANCE - APRIL				0.00	0.00	1,562,000.00	
SUBTOTALS and ENDING BALANCE - MAY				0.00	0.00	1,562,000.00	
SUBTOTALS and ENDING BALANCE - JUNE				0.00	0.00	1,562,000.00	
CLARK COUNTY						BEGINNING BALANCE:	0.00
APRIL	Registered Warrant Invest Acct	2.44%				0.00	
MAY	Registered Warrant Invest Acct	2.44%		1,155.00		1,155.00	
JUNE	Registered Warrant Invest Acct	2.44%		2,198,895.12	1,155.00	2,198,895.12	
First Independent Bank						BEGINNING BALANCE:	6,263,386.17
APRIL	Public Checking Account	0.230		1,207.01		6,264,593.18	
MAY	Public Checking Account	0.230		1,247.70		6,265,840.88	
JUNE	Public Checking Account	0.230		1,207.92		6,267,048.80	
STATE POOL						BEGINNING BALANCE:	222,950,049.83
APRIL	Washington State Pool	0.240		151,047,427.51	27,000,000.00	346,997,477.34	
MAY	Washington State Pool	0.271		66,583,411.77	119,000,226.67	294,580,662.44	
JUNE	Washington State Pool	0.301		48,075,341.77	52,100,000.00	290,556,004.21	
BEGINNING BALANCE:				PURCHASES	MATURITIES	ENDING BALANCE:	
APRIL	TOTALS			457,835,574.49	171,053,826.74	563,621,901.23	
MAY	TOTALS			563,621,901.23	106,637,857.72	528,716,994.68	
JUNE	TOTALS			528,716,994.68	85,307,015.64	513,946,127.82	

Exhibit 6

CLARK COUNTY *Pool*** INVESTMENT PORTFOLIO
DISTRIBUTION OF INVESTMENTS BY TYPE
June 30, 2010**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity
Bankers Acceptances	\$ 9,971,358	2.00%	143	0.71%
Certificates of Deposit	\$ 35,109,816	7.03%	185	1.36%
Federal Agencies - Semi-annual	\$ 158,579,960	31.75%	546	1.86%
Washington State LGIP	\$ 289,476,209	57.96%	1	0.30%
Passbook/Money Market Accts	\$ 6,267,049	1.25%	1	0.23%
Total	\$ 499,404,391	100.00%	190	0.88%
Accrued Interest at Purchase	\$ 417			
Total Cash and Investments	\$ 499,404,808			

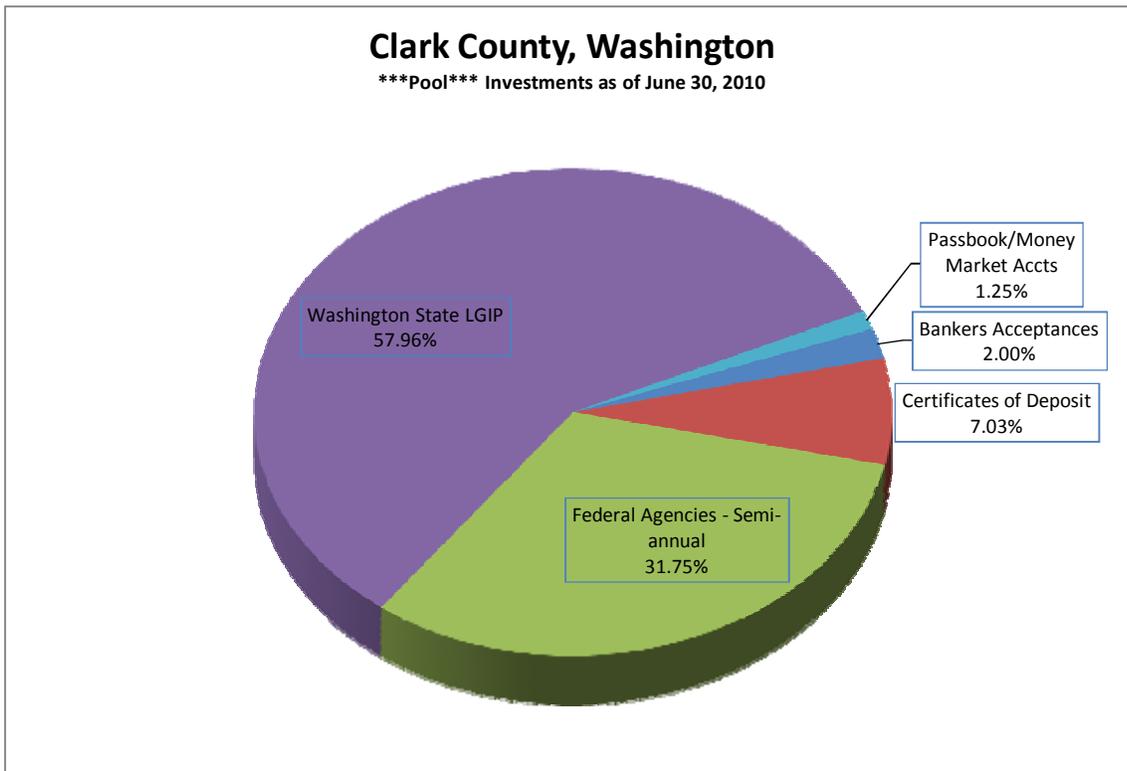


Exhibit 7
Clark County, Washington
*****Pool*** Investment Portfolio**
June 30, 2010

Investment Number		Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 06/30/10	Market Value	Cash Gain/(Loss) on Security	Amortized Gain/(Loss) on Security	Percent Gain/(Loss) on Security	Coupon Rate	Yield to Maturity	Maturity Date	Days to Maturity
Bankers Acceptances		2.00%														
89983319	Bank of America	6/28/2010	06422TKR3	4,989,587.50			5,000,000.00		4,989,587.50				0.630	0.649	10/25/2010	116
89983320	Bank of America	6/28/2010	06422TML4	4,981,770.83			5,000,000.00		4,981,770.83				0.750	0.774	12/20/2010	172
Subtotal & Averages				9,971,358.33		0.00	10,000,000.00		9,971,358.33					0.711		144
CD's		7.03%														
89983280	US Bank	5/1/2009	SYS89983280	10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.500	1.521	7/30/2010	29
89983285	Wells Fargo	7/9/2009	SYS89983285	10,109,815.95		10,109,815.95	10,109,815.95		10,109,815.95				1.190	1.190	08/09/10	39
89983296	Umpqua Bank	10/30/2009	SYS89983296	10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.650	1.650	10/31/2011	487
89983317	Umpqua Bank	6/11/2010	SYS89983317	5,000,000.00		5,000,000.00	5,000,000.00		5,000,000.00				0.800	0.800	1/5/2011	188
Subtotal & Averages				35,109,815.95		35,109,815.95	35,109,815.95		35,109,815.95					1.360		185
Federal Agencies - Semi-Annual Coupon		31.75%														
89983229	Federal Farm Credit Bank	3/12/2008	31331XL42	8,098,889.54	(439,929.42)	7,658,960.12	7,651,000.00	100.243	7,669,591.93	(429,297.61)	10,631.81	0.139%	5.250	2.656	7/16/2010	15
89983252	Federal Farm Credit Bank	10/14/2008	31331GDC0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	103.827	10,382,700.00	382,700.00	382,700.00	3.827%	3.600	3.600	10/14/2011	470
89983259	Federal Farm Credit Bank	11/21/2008	31331YG46	4,947,350.00	35,100.00	4,982,450.00	5,000,000.00	101.824	5,091,200.00	143,850.00	108,750.00	2.183%	2.625	3.080	4/21/2011	294
89983235	Federal Home Loan Bank	5/5/2008	3133XQYX4	9,957,500.00	39,029.59	9,996,529.59	10,000,000.00	100.485	10,048,500.00	91,000.00	51,970.41	0.520%	3.000	3.181	9/10/2010	71
89983258	Federal Home Loan Bank	11/21/2008	3133XQQQ8	4,922,650.00	49,903.23	4,972,553.23	5,000,000.00	101.889	5,094,450.00	171,800.00	121,896.77	2.451%	2.625	3.275	5/20/2011	323
89983308	Federal Home Loan Bank	3/29/2010	3133XJQ1	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.025	10,002,500.00	2,500.00	2,500.00	0.025%	0.500	1.616	3/29/2012	637
89983312	Federal Home Loan Bank	5/20/2010	3133XYEW1	9,993,700.00	1,459.32	9,995,159.32	10,000,000.00	100.004	10,000,400.00	6,700.00	5,240.68	0.052%	0.500	1.044	11/17/2011	504
89983313	Federal Home Loan Bank	5/25/2010	3133XYLD5	9,999,270.00	48.67	9,999,318.67	10,000,000.00	100.348	10,034,800.00	35,530.00	35,481.33	0.355%	0.785	0.790	11/25/2011	512
89983314	Federal Home Loan Bank	5/26/2010	3133XYK95	10,000,000.00	0.00	10,000,000.00	10,000,000.00	99.993	9,999,300.00	(700.00)	(700.00)	-0.007%	0.610	0.610	5/26/2011	329
89983315	Federal Home Loan Bank	5/27/2010	3133XWKJ2	10,049,200.00	(2,288.37)	10,046,911.63	10,000,000.00	101.081	10,108,100.00	58,900.00	61,188.37	0.609%	1.375	1.129	6/8/2012	708
89983304	Federal Home Loan Mtg. Corp.	1/19/2010	3128X9SS0	9,983,000.00	15,300.00	9,998,300.00	10,000,000.00	100.030	10,003,000.00	20,000.00	4,700.00	0.047%	1.250	1.336	1/19/2012	567
89983311	Federal Home Loan Mtg. Corp.	4/30/2010	3128X96S4	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.094	10,009,400.00	9,400.00	9,400.00	0.094%	1.500	1.496	7/30/2012	760
89983316	Federal Home Loan Mtg. Corp.	6/23/2010	3134G1FV1	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.150	10,015,000.00	15,000.00	15,000.00	0.150%	0.900	0.900	12/23/2011	540
89983318	Federal Home Loan Mtg. Corp.	6/28/2010	3134G1LB8	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.068	10,006,800.00	6,800.00	6,800.00	0.068%	1.250	1.250	12/28/2012	911
89983260	Federal Nat'l Mtg Assoc.	11/26/2008	31359MJH7	10,633,400.00	(409,679.42)	10,223,720.58	10,000,000.00	104.773	10,477,300.00	(156,100.00)	253,579.42	2.480%	6.000	3.307	5/15/2011	318
89983307	Federal Nat'l Mtg Assoc.	3/10/2010	3136FMCL6	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.314	10,031,400.00	31,400.00	31,400.00	0.314%	2.125	2.125	9/10/2013	1167
89983310	Federal Nat'l Mtg Assoc.	4/15/2010	3136FMJW5	9,995,000.00	2,111.11	9,997,111.11	10,000,000.00	100.311	10,031,100.00	36,100.00	33,988.89	0.340%	1.625	1.645	10/15/2012	837
Subtotal & Averages				158,579,959.54	(708,945.29)	157,871,014.25	157,651,000.00		159,005,541.93	425,582.39	1,134,527.68			1.861		547
Passbook/Money Market Accounts		59.22%														
89983283	First Independent Bank	1/1/2010	SYS89983283	3,267,048.80	0.00	3,267,048.80	3,267,048.80		3,267,048.80				0.450	0.450		1
89983309	First Independent Bank	3/10/2010	SYS89983309	3,000,000.00	0.00	3,000,000.00	3,000,000.00		3,000,000.00				0.000	-		1
89980001	Washington State LGIP	1/1/2010	SYS89980001	289,476,208.52	0.00	289,476,208.52	289,476,208.52		289,476,208.52				0.030	0.301		1
Subtotal & Averages				295,743,257.32	0.00	295,743,257.32	295,743,257.32		295,743,257.32					0.300		
Grand Total				<u>499,404,391.14</u>	<u>(708,945.29)</u>	<u>488,724,087.52</u>	<u>498,504,073.27</u>		<u>499,829,973.53</u>	<u>425,582.39</u>	<u>1,134,527.68</u>			<u>0.878</u>		<u>190</u>

EXHIBIT 8

CLARK COUNTY *POOL*** INVESTMENT PORTFOLIO
AGING OF MATURING INVESTMENTS
June 30, 2010**

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$295,743,257	59.22%	59.22%
2 - 90	\$38,166,205	7.64%	66.86%
91 - 180	\$9,971,358	2.00%	68.86%
181 - 270	\$5,000,000	1.00%	69.86%
271 - 360	\$30,503,400	6.11%	75.97%
361 - 450		0.00%	75.97%
451 - 540	\$49,992,970	10.01%	85.98%
541 - 630	\$9,983,000	2.00%	87.98%
631 - 720	\$20,049,200	4.01%	91.99%
721 - 900	\$19,995,000	4.00%	96.00%
901 - 1300	\$20,000,000	4.00%	100.00%
TOTALS	\$499,404,391	100.00%	

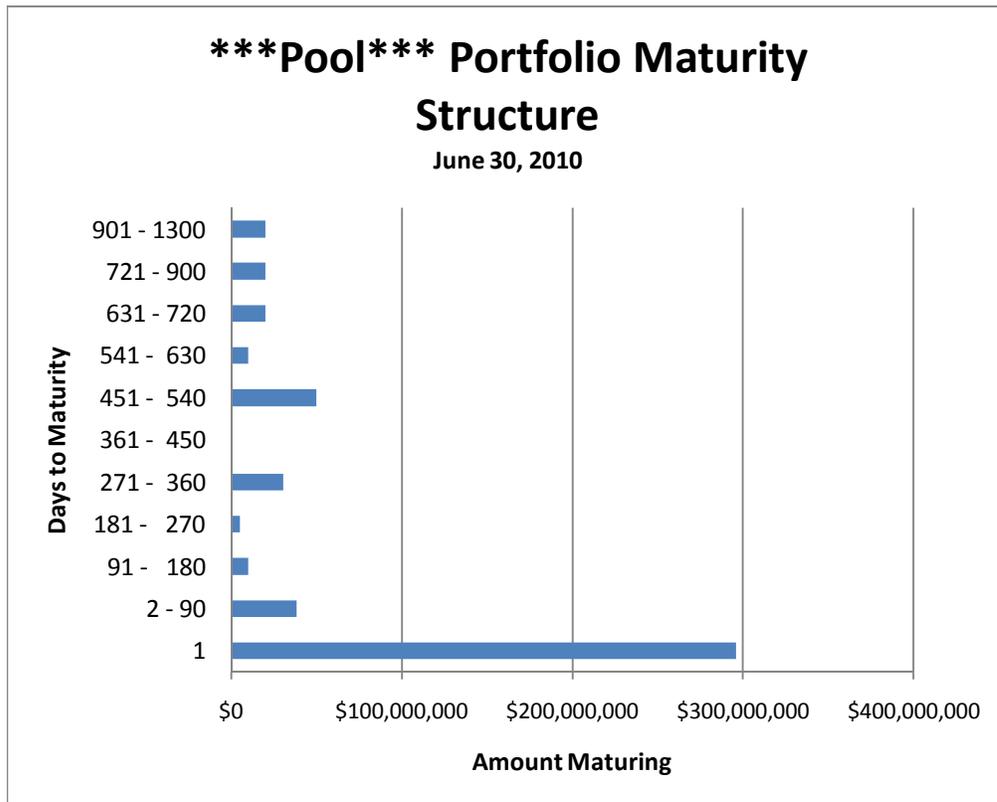


Exhibit 9

CLARK COUNTY *POOL*** INVESTMENT PORTFOLIO
SUMMARY OF INVESTMENTS BY ISSUER
June 30, 2010**

Issuer	Number of Investments	Book Value	% of Portfolio	Average Yield to Maturity	Days to Maturity
Bank of America	2	9,971,358	2.00%	0.71%	144
Federal Farm Credit Bank	3	23,046,240	4.61%	3.16%	272
Federal Home Loan Bank	7	64,922,320	13.00%	1.54%	450
Federal Home Loan Mtg Corp.	4	39,983,000	8.01%	1.25%	695
Federal National Mtg Association	3	30,628,400	6.13%	2.38%	765
First Independent Bank	2	6,267,049	1.25%	0.23%	1
Umpqua Bank	2	15,000,000	3.00%	1.37%	387
US Bank	1	10,000,000	2.00%	1.52%	29
Washington State LGIP	1	289,476,209	57.96%	0.30%	1
Wells Fargo	1	10,109,816	2.02%	1.19%	39
TOTALS and AVERAGES	26	499,404,391	100.00%	0.88%	190

*****Pool*** Investment Portfolio Summary**

June 30, 2010

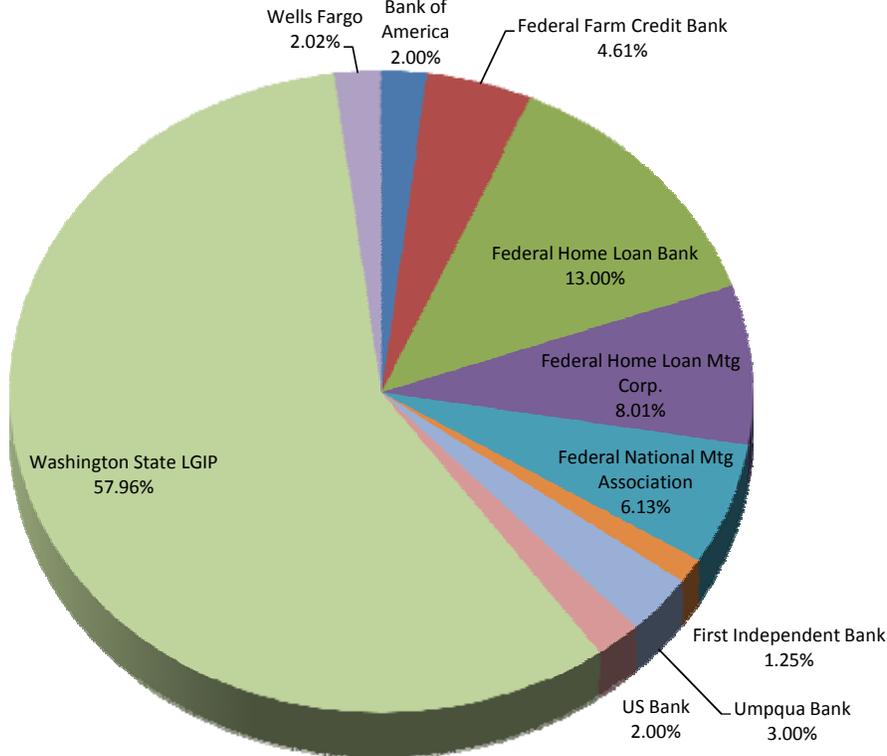


Exhibit 10
County Pool vs. State Pool
1/99 - 6/10

