

**CLARK COUNTY**  
**FINANCE COMMITTEE**

**THIRD QUARTER, 2006**



**October 23, 2006**

**CLARK COUNTY**  
**FINANCE COMMITTEE**

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## **SECTION I – July 31, 2006 MINUTES**

**REGULAR MEETING MINUTES  
CLARK COUNTY FINANCE COMMITTEE MEETING  
July 31, 2006  
9 a.m.  
PSC Conference Room 678A**

**Members in Attendance:** Doug Lasher, Chair, Greg Kimsey, Secretary,  
Marc Boldt, Clark County Commissioner

**Others in Attendance:** John Payne, Jack Rasmusson, Cathy Huber Nickerson,  
Gina Brewer, Treasurer's Office

**Recording:** Kathleen Smithline

The meeting was called to order by Doug Lasher, Chair, at 9:05 a.m. with a quorum present.

### **APPROVAL OF MINUTES**

**MOTION** was made by Mark Boldt, seconded by Greg Kimsey, and unanimously carried to approve the Minutes of April 24, 2006.

### **APPROVAL OF COUNTY FINANCE REPORT**

Jack Rasmusson presented an overview of the second-quarter, 2006, County Finance Report, which included investment strategies, economic and market conditions, and a review of the portfolio as of June 30, 2006. He stated the County's investment objectives, which are safety of principal, liquidity, and return on investment. Economic statistics were provided through Bloomberg.

- Short-term interest rates moved up as the Fed moved 4.75% to 5.25%. Short-term interest continues to rise and the overall curve continues to rise and slightly invert.
- The GDP has increased an average of 3.3% annualized per quarter over the last four quarters.
- The consumer confidence index monthly averaged 101.58 per quarter over the last four quarters while over the last six years it has averaged 100.14 per quarter.
- The monthly unemployment rate has averaged 4.83% per quarter over the last four quarters while over the past six years it has averaged 5.24% per quarter.
- Housing starts are slowing. Rising interest rates are beginning to deter buyers.
- Economists surveyed by Bloomberg expect that the unemployment rate will continue to hold at 4.7% for the remainder of 2006. Monthly initial jobless claims averaged 318,920 per quarter over the past year while averaging 369,640 per quarter over the last six years.
- Oil prices rose to new heights. While monthly oil prices during the last four quarters have averaged \$66 per barrel per quarter, they have averaged \$39 per barrel over the past six years.
- The GDP is expected to slow for the remainder of the year.
- Inflation concerns continue to rise particularly in wages as more companies compete for fewer resources; however, consumers remain confident about the economy.
- Major participants in the County Pool as of June 30 were Clark County, Evergreen School District, and the Vancouver School District. Average pool balances were down 9% over the last half of the year due mainly to bond proceeds being used as construction projects are completed. The average investment maturities of the pool lengthened to 7.6 months with the longest security at 30 months. The pool's interest rates continued to change with the market and were at 4.5% at the end of June. We have shifted into CD's due to better yields than discount notes over the past quarter.

## **Investment Strategy**

- Continue to evaluate short-term investments and place investments in them when their return is higher than the projected Fed Fund rate.
- Continue to maintain a maturity level of 6.5 to 8 months in the portfolio while continuing to look for value in the one-year sector.
- Continue to maintain a ladder structure.
- Continually monitor the market and be ready to adjust the portfolio should market trends signal a downturn in interest rates.

## Summary

- The GDP continues to outperform
- Inflation continues to be a concern
- Consumers remain mildly confident about the economy
- Unemployment is down
- Housing market is slowing
- Oil prices remain high

**MOTION** was made by Marc Boldt, seconded by Greg Kimsey, and unanimously carried to approve the County Finance Report for Second-Quarter, 2006.

## **PFM REPORT**

Jack Rasmusson presented the Public Financial Management's overview of the County's investments for second-quarter, 2006.

- The U.S. economy appeared to be moderating during the second quarter after posting robust growth of 5.6% during the first quarter.
- Consumer spending has slowed.
- The Fed Beige Book released in mid-June indicated that the labor force continues to tighten with 325,000 jobs added during the second quarter. In Washington State, 19,959 new jobs were created in the first five months of 2006.
- A gradual cooling of the housing market has been evident for several months.
- Oil prices spiked to over \$75 per barrel in May but fell off at the beginning of June.
- Inflation is becoming a greater concern with prices increasing more than expected and core inflation moving above the Federal Reserve's comfort level.

## **Investment Strategy Recommendations**

- Lock in short-term investments.
- Capture value in the one-year and under maturity range.
- Maintain an average maturity of 6 ½ to 8 months.

## **OUTSTANDING DEBT REPORT**

Jack Rasmusson presented the County Debt Status Report as of June 30, 2006. At the end of the second-quarter, the total outstanding debt of Clark County and the junior taxing districts totaled approximately \$863 million compared to \$867 million on June 30, 2006. The report reflects new issues for second-quarter, 2006 and anticipated upcoming debt issues for the third-quarter, 2006; line of credit history; registered warrants history; Clark County Road line of credit, and a listing of outstanding debt as of June 30, 2006.

**APPROVAL OF INVESTMENT POLICY UPDATE**

Jack Rasmusson reviewed the Clark County Investment Pool Information Statement and the Investment Policy. **MOTION** was made by Greg Kimsey, seconded by Marc Boldt, and unanimously approved to approve the updated investment policy.

**STAFF CHANGES**

- Doug Lasher stated that Jack Rasmusson has replaced Lori Pearce in the position of Asset Liability Manager, and Jack's position of Finance Officer is open.

**MOTION** was made by Greg Kimsey, seconded by Marc Boldt, and unanimously carried to adjourn the meeting at 10 a.m.

Submitted by: \_\_\_\_\_  
Greg Kimsey, Secretary

Prepared by: \_\_\_\_\_  
Kathleen Smithline, Administrative Assistant

## **SECTION II - EXECUTIVE SUMMARY**

This report provides a review of the activities occurring during the third quarter, 2006, in compliance with our Investment Policy and Standards adopted November 2002, updated July 2006.

During the third quarter of 2006, the average maturity of the portfolio remained at approximately 6.7 months which was slightly lower than the maturity at the end of the second quarter of 2006. The asset sector distribution of the portfolio changed during the third quarter, with approximately 65.44% of the portfolio invested in Federal Agencies, 22.36% invested in money markets, 10.66% invested in Certificates of Deposits, .95% invested in State and Local Government Securities and .59% invested in Municipal Bonds. This is compared with the second quarter of 2006's asset allocation of with 59.47% of the portfolio invested in Federal Agencies, 30.34% invested in money markets, 8.76% invested in Certificates of Deposits, .88% invested in State and Local Government Securities and .55% invested in Municipal Bonds. At the end of September 2006, the total book value of the portfolio was approximately \$422.2 million.

Residual balances for the first nine months of 2006 averaged \$54 million per month which was \$5 million more than the monthly average during the first nine months of 2005. Interest earnings distributed to the County's General Fund during the first nine months of 2006 were \$1,778,176 compared to \$1,035,881 for the same period of 2005. The increase is a result of higher average balances and interest rates in 2006. The average interest rate of the Clark County Investment Pool for the first three quarters of 2006 was 3.67% compared to 2.668% in the same period of 2005. Interest earnings for 2006 were higher than the interest projections by approximately \$566 thousand.

County Pool balances averaged \$403 million in the first nine months of 2006, compared to an average of \$452 million during the same period of 2005. Interest earnings distributed to the County Pool participants for the first three quarters of 2006 were \$13 million compared to \$9.3 million for the same period in 2005. Clark County funds made up 46% of the County Pool. Other major Pool participants include the Evergreen School District at 18.9%, Vancouver School District at 8.8% and all other districts at 26.3%.

The annualized quarterly total return for the County Pool came in at 6.15% compared to the custom Treasury total return index of 5.97%. On a book value return basis, the County Pool rate yielded 4.72%, compared to the custom Treasury Index's book value return of 4.95%. The net asset value of the County Pool ended the quarter at 1.00070. An unrealized gain of \$951,625 was distributed to the Clark County Pool participants for the fair market value adjustment at the end of August. This is in accordance with our investment policy, fair market value adjustments are made four times per year. The next adjustment will occur at the end of December 2006.

The investment strategy for the third quarter changed as the interest rate increases by the Federal Reserve Board pattern of regular 25 basis point increases stopped. The investment strategy also shifted from maintaining high level liquidity to extending the portfolio, due to projections that interest rates would decrease over the next year. Investments in certificates of deposit were selected when they out performed Federal Agencies. Further, the strategy was to capture value above current and future interest rate projects while still meeting the needs of the pool participants. This resulted in increasing the allocation to Certificates of Deposit and Federal Agencies while decreasing the investments in money market accounts.

## SECTION III - 2006 YEAR-TO-DATE

### INVESTMENT ACTIVITY:

During 2006, County residual principle balances averaged \$5 million more than 2005 on an average monthly basis. Actual average County residual balances on a monthly basis during 2006 have exceeded projections by approximately \$10 million for the year to date as denoted in the chart below.

Date	2005 Residual Balance	2006 Residual Balance	2006 Projected Residual Balance
January	31,441,518	37,172,482	22,000,000
February	28,958,387	33,898,473	28,000,000
March	29,345,855	33,516,954	30,000,000
April	52,246,810	56,492,091	44,000,000
May	115,797,577	137,020,119	104,000,000
June	66,314,929	74,374,931	53,000,000
July	48,659,829	49,311,781	42,000,000
August	35,531,995	33,303,408	39,000,000
September	32,458,751	32,448,658	29,000,000
Average	48,972,850	54,170,989	43,444,444

Since June 2004, the Fed has raised interest rates seventeen times by 25 basis points each time. This action brought the Fed funds rate from a 45-year low of 1.00% to 5.25% by the end of June. Since then, the Fed has held interest rates steady at 5.25% during third quarter. Actual interest earnings increased to \$1,778,176 in 2006 from \$1,035,881 during the same period of 2005 due to higher interest rates in 2006. As shown below, total interest earnings for the year are approximately \$566,000 more than the adjusted projected interest earnings for 2006.

Date	2005 Interest Earnings	2006 Interest Earnings	2006 Projected Interest Earnings*
January	48,411	122,180	66,874
February	43,243	103,400	77,311
March	57,878	110,237	92,225
April	96,691	190,160	132,000
May	293,460	518,096	324,191
June	172,047	278,948	160,767
July	133,261	194,199	135,265
August	100,869	133,401	128,960
September	90,019	127,554	94,250
Total	1,035,881	1,778,176	1,212,203

\* Projected interest earnings for budget year 2005/2006 were increased by \$850,000 in the budget supplement of December of 2005 to reflect market changes.

Shown below, County Pool principle balances averaged nearly \$403 million at the end of the third quarter of 2006, compared to nearly \$452 million during same period of 2005, approximately 10.8% lower.

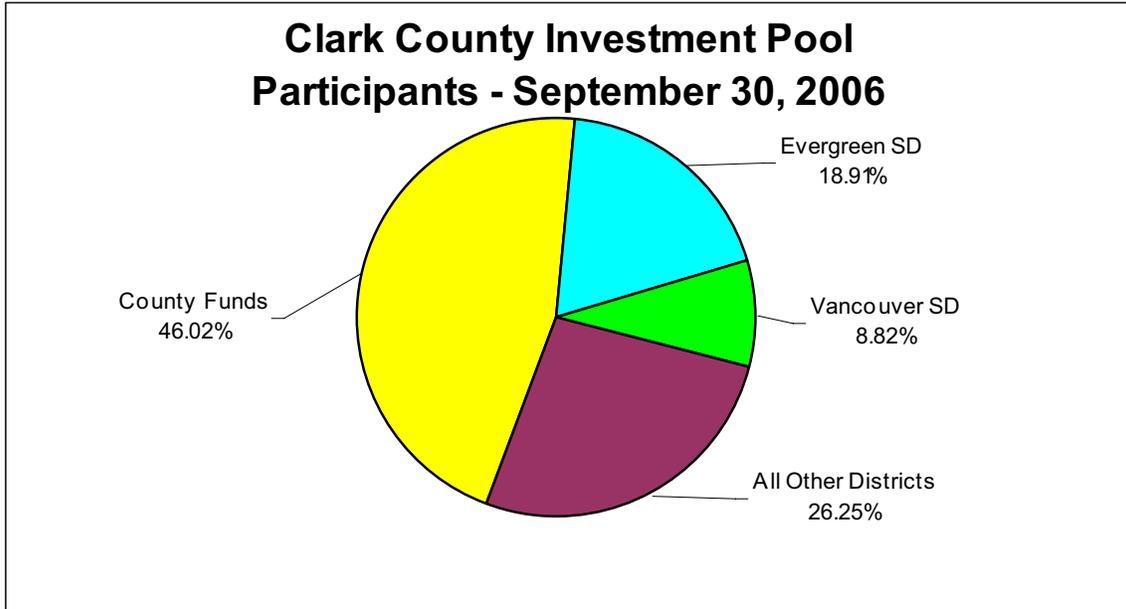
Date	2005 Pool Average Balance	2006 Pool Average Balance
January	412,745,365	407,102,676
February	403,670,700	382,941,849
March	409,191,900	368,991,583
April	423,845,571	387,059,971
May	568,784,439	512,470,329
June	534,484,719	437,071,313
July	450,544,350	386,039,295
August	437,450,935	374,864,710
September	429,307,008	370,266,837
Average	452,224,998	402,978,729

The table below reflects County Pool earnings of \$13 million for the first nine months of 2006, compared to \$9.3 million during the same period of 2005, resulting in increased earnings of approximately 40%. This is due to the raising interest rate environment that started in June of 2004 and has continued through the second quarter of 2006. Since the end of second quarter of 2006 interest rates have remained unchanged.

Date	2005 Pool Interest Earnings	2006 Pool Interest Earnings
January	635,325	1,334,998
February	581,897	1,128,046
March	806,636	1,216,416
April	783,697	1,298,123
May	1,434,642	1,935,565
June	1,386,852	1,637,008
July	1,234,714	1,518,440
August	1,241,301	1,491,176
September	1,190,921	1,458,155
Total	9,295,985	13,017,927

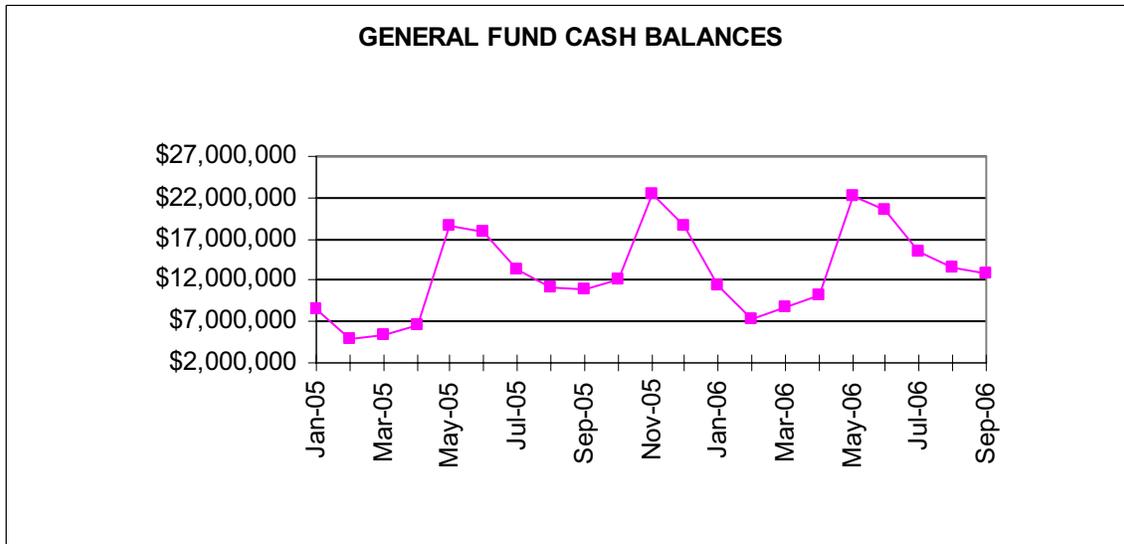
## SECTION IV - QUARTERLY ACTIVITY

**Figure One** shows the major participants in the Clark County Investment Pool for the third quarter of 2006. As of September 30, 2006, County funds made up 46.02% of the pool, Evergreen School District – 18.91%, Vancouver School District – 8.82%, and all other districts – 26.25%.



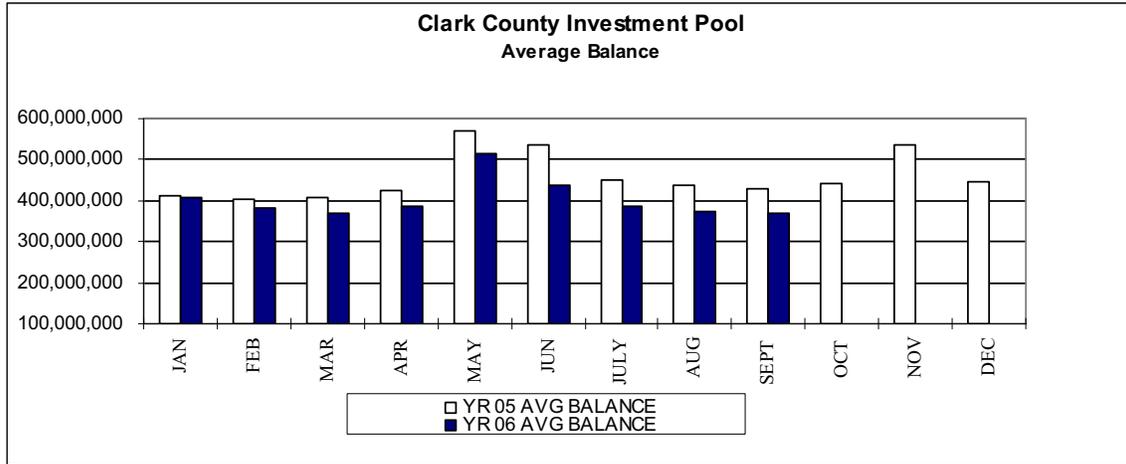
**Figure 1**

**Figure Two** illustrates month-end General Fund cash balances beginning with January 2005 through September 2006. For the first three quarters of 2006, cash balances in the General Fund increased over the same period in 2005 by a monthly average of approximately \$2.7 million.



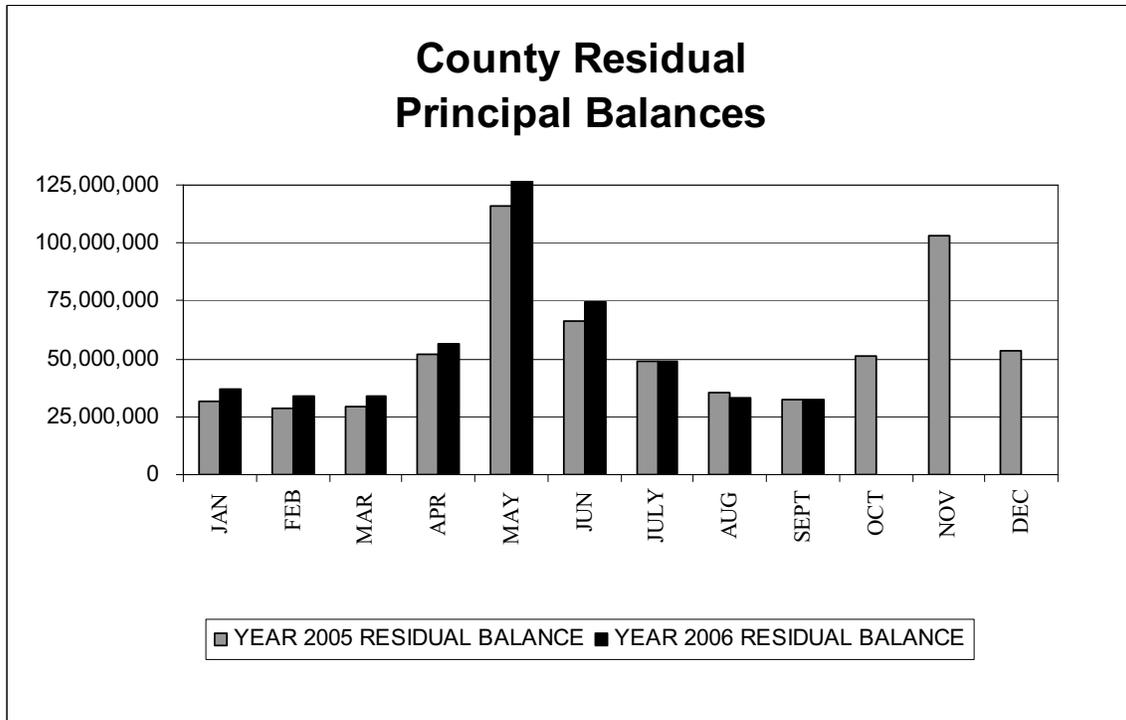
**Figure 2**

**Figure Three** reflects the average principle balances being maintained within the Pool in 2006 compared to 2005. For 2006, the average monthly principle balance decreased during the same period of 2005 by an average of \$49.2 million.



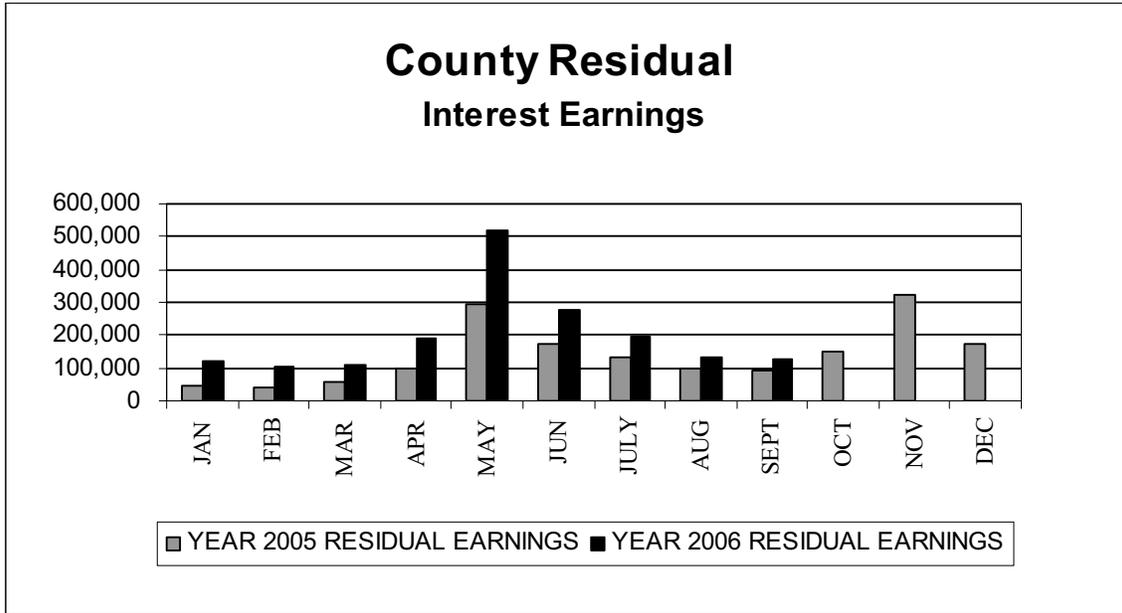
**Figure 3**

**Figure Four** reflects the actual monthly residual principle balances managed by the County for 2005 and the first three quarters of 2006. For the first three quarters of 2006, residual balances averaged \$5.8 million per month more than the same period in 2005.



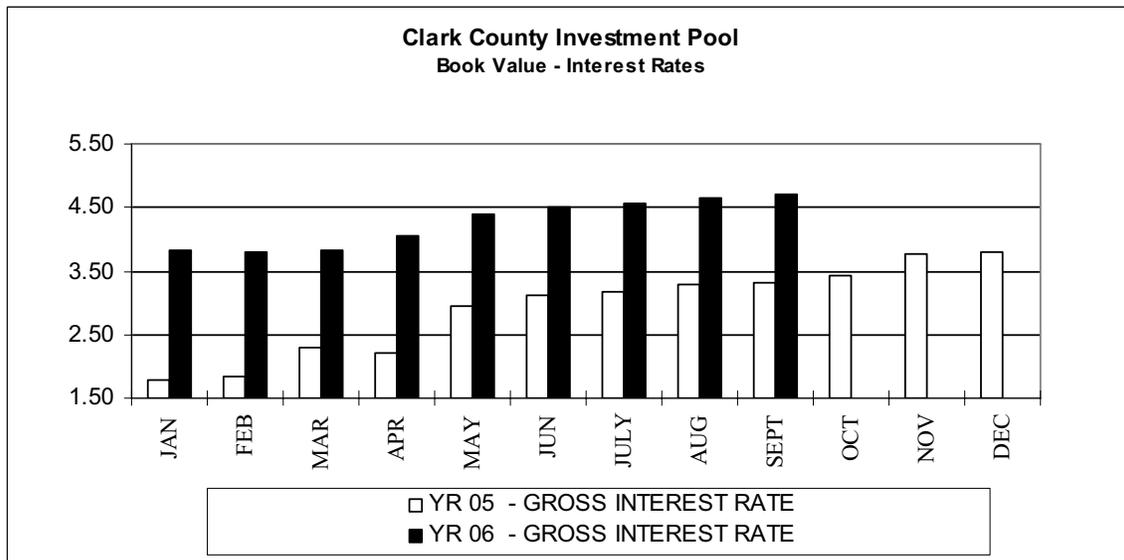
**Figure 4**

**Figure Five** shows interest earnings distributed each month to the County’s General fund from 2005 through the third quarter of 2006. During the first nine months of 2006, interest earnings averaged \$82 thousand more per month than during the same period in 2005. This is due to an increase in interest rates from 2005 to 2006. On an average monthly basis, \$197,575 was allocated to the General fund during first nine months of 2006. For the same period of 2005, an average of \$115,098 was distributed to the General fund per month.



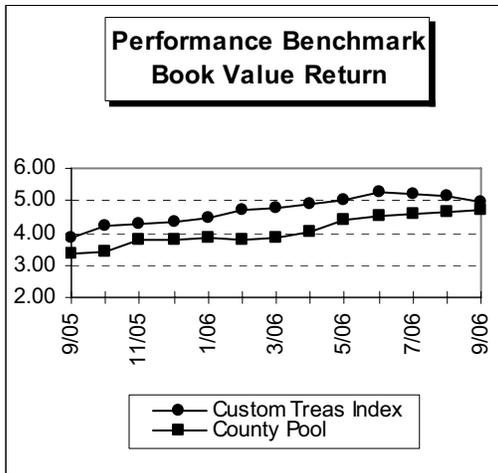
**Figure 5**

**Figure Six** shows the County Pool interest rates for 2005 and through the third quarter of 2006. The book value of the County Pool’s gross interest rate at September 30, 2006 was 4.72% compared to 3.33% at September 30, 2005.

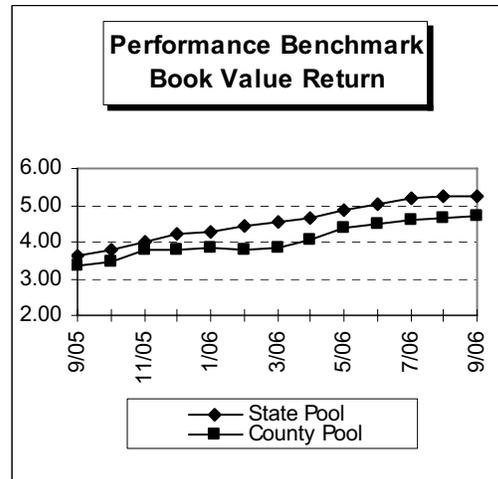


**Figure 6**

**Figures 7 (a) and (b)** compare 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 based on the yield of the securities at the time the securities are purchased. These performance benchmarks consist of a composite Treasury Index with an average maturity of nine months and the Washington State Local Government Investment Pool (LGIP) with an average maturity of approximately 37 days. The Clark County Investment Pool has an average maturity of approximately 7.3 months. The Treasury Index and the LGIP closely track current interest rates. At the end the first nine months of 2006, the County Pool's net rate, on a book value return basis was 4.72%, the Treasury Index was 4.95%, and the State Pool's net rate was 5.22%.

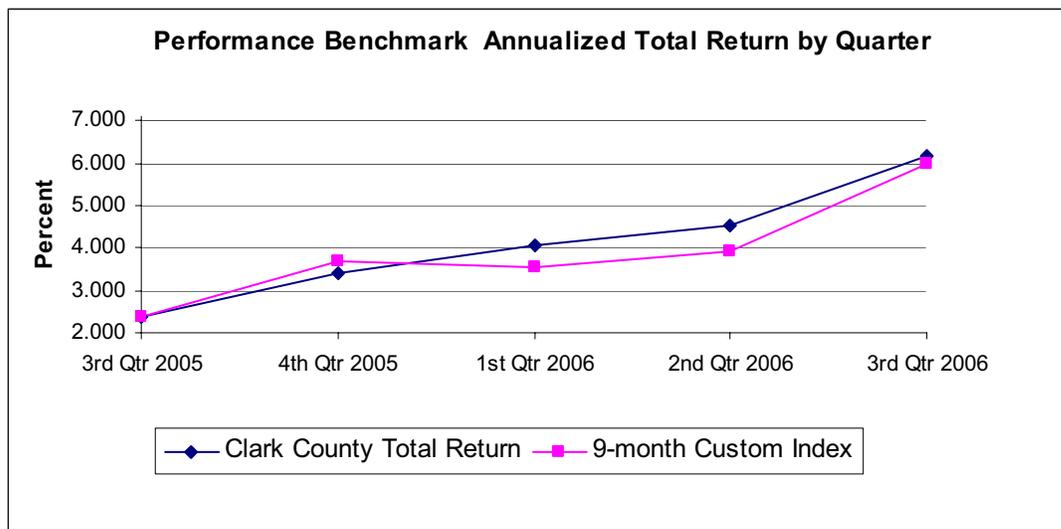


**Figure 7(a)**



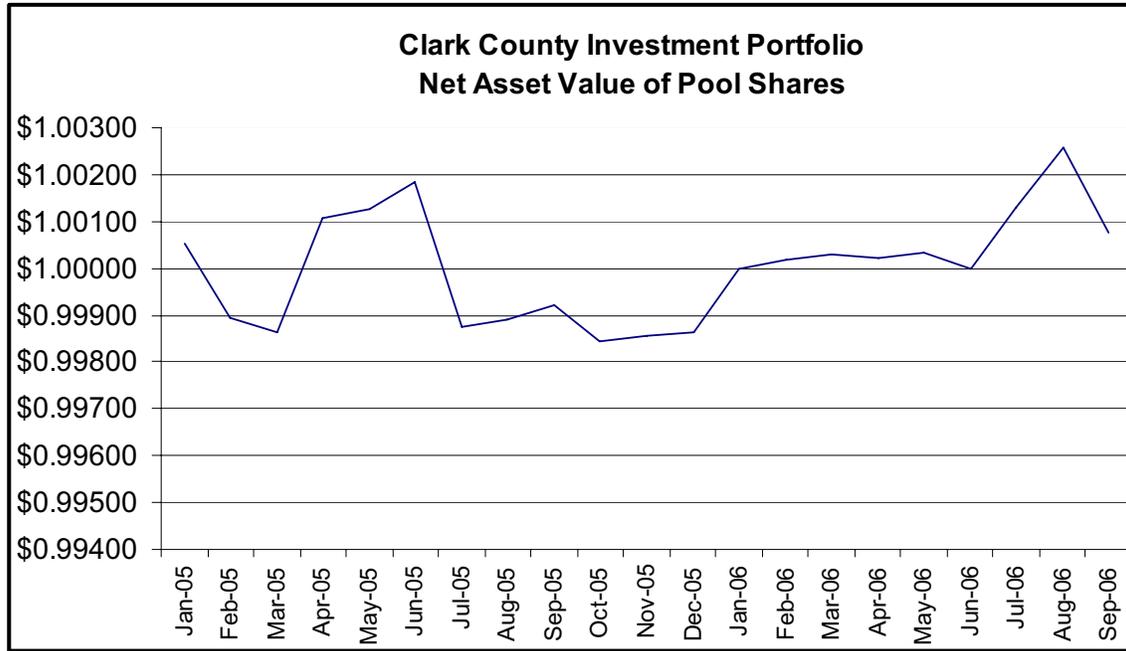
**Figure 7(b)**

**Figure Eight** compares performance on a total return basis. Total return measures the market value increase or decrease in the value of the portfolio over a given period of time and the interest earnings associated with the securities. The customized total return index consists of two Merrill Lynch U.S. Treasury Securities maturing from six months to one year. The annualized return for the third quarter of 2006 for the County Pool was 6.151% and the Treasury Index was 5.97%.



**Figure 8**

**Figure Nine** shows the market value of the Pool portfolio based on net asset value (NAV). As of September 30, 2006 the NAV was 1.00070. GASB Statement 31 requires that External Investment Pools report all investments at fair market value, if the average maturity of the Pool exceeds 90 days. On August 31, 2006, the Treasurer's Office posted approximately \$951,625 in unrealized gains to the County Pool. The next adjustment for fair market value will occur on December 31, 2006.



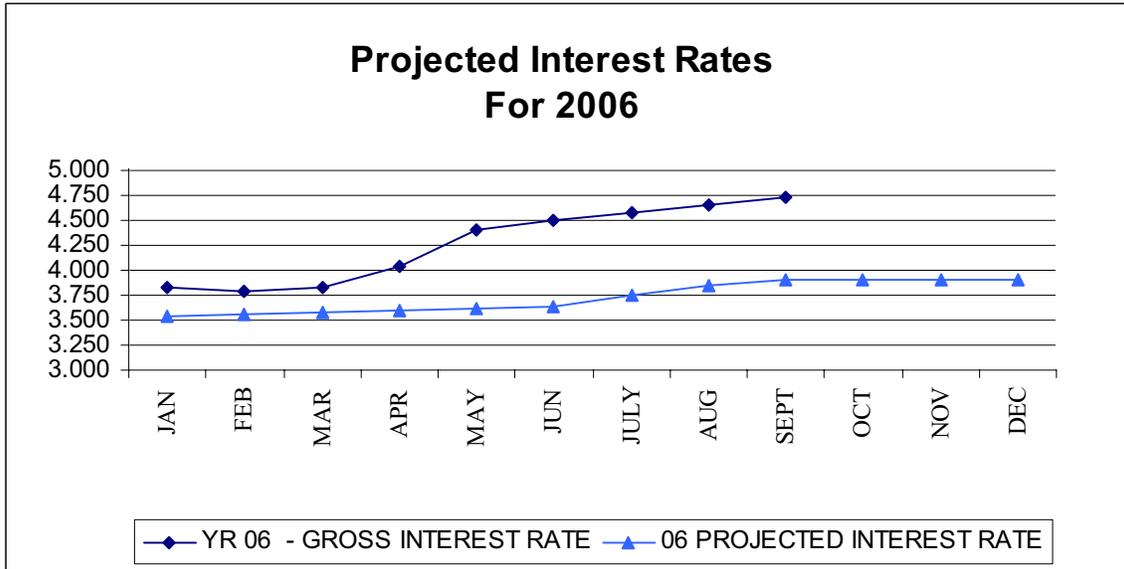
**Figure 9**

**Figure Ten** is a breakdown by year reflecting the total unrealized gains/ (losses) since 1998. Also depicted in figure ten are the increases in county pool earnings due to being invested in longer term securities than the State Pool. As of September 30, 2006 the County Portfolio has posted approximately \$1 million in aggregate unrealized gains on a fair market value basis. The County Pool earned approximately \$13.7 million more than if it had just been invested in the State Pool. Annual unrealized gains/ (losses) are the direct result of fluctuating interest rates and longer term maturities.

Year	Unrealized gain/(loss)	Earning Difference County Verses State Pool
1998	566,583	411,930
1999	(2,563,593)	(56,579)
2000	4,038,403	(1,521,015)
2001	2,072,065	4,130,844
2002	295,807	6,867,654
2003	(4,010,663)	5,059,680
2004	(1,270,742)	1,584,645
2005	(831,197)	(1,067,774)
2006	1,029,793	(1,671,273)
Cumulative	\$(673,544)	\$13,738,194

**Figure 10**

**Figure Eleven** shows revised projected County Pool interest rates for 2006 compared with actual interest rates.



**Figure 11**

## **SECTION V - INVESTMENT STRATEGY**

The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2005 emphasis was placed on purchasing securities in the one year maturity sector to target an average maturity of 6.5 – 8 months. In 2006, the emphasis is to continue to purchase securities in the one year maturity sector and maintain the average maturity of 6.5 to 8 months.

<b>Period</b>	<b>0 - 1 year</b>	<b>1 – 2 years</b>	<b>2 - 5 years</b>
1st quarter, 2005	65%	35%	0%
2 <sup>nd</sup> quarter, 2005	73%	23%	4%
3 <sup>rd</sup> quarter, 2005	71%	26%	3%
4 <sup>th</sup> quarter, 2005	75%	23%	2%
1 <sup>st</sup> quarter, 2006	83%	15%	2%
2 <sup>nd</sup> quarter, 2006	77%	22%	1%
3 <sup>rd</sup> quarter, 2006	72%	27%	1%

During the third quarter of 2006, we maintained a weighted average maturity of 6.5 to 8 months. We continued to monitor our investment strategy and remain proactive as economic conditions fluctuate.

The second quarter 2006 report issued by Public Financial Management, Inc. (PFM) recommended the following sector distributions to maintain the Clark County Investment Pool at a 6.5 to 8.0 month average maturity.

<b>Investment Sector</b>	<b>Recommended Average Maturity</b>	<b>Current Average Maturity</b>	<b>Recommended % of Portfolio</b>	<b>Current % of Portfolio</b>
US Treasury Notes	6 months – 2.00 years	N/A	0% - 20%	0%
Federal Agency Notes/Disc. Notes	6 months – 2.00 years	.79 years	40% - 75%	66%
Municipal Obligations	0 months – 2.00 years	.61 years	0% - 5%	1%
Commercial Paper, Certificates of Deposit, Domestic Banker's Acceptances	0 – 6 months	3.8 months	0% - 40%	11%
State Pool, Bank Deposits	1 day	1 day	10% - 40%	22%
Aggregate Avg. Maturity	6.5 - 8 months	7.3 months		

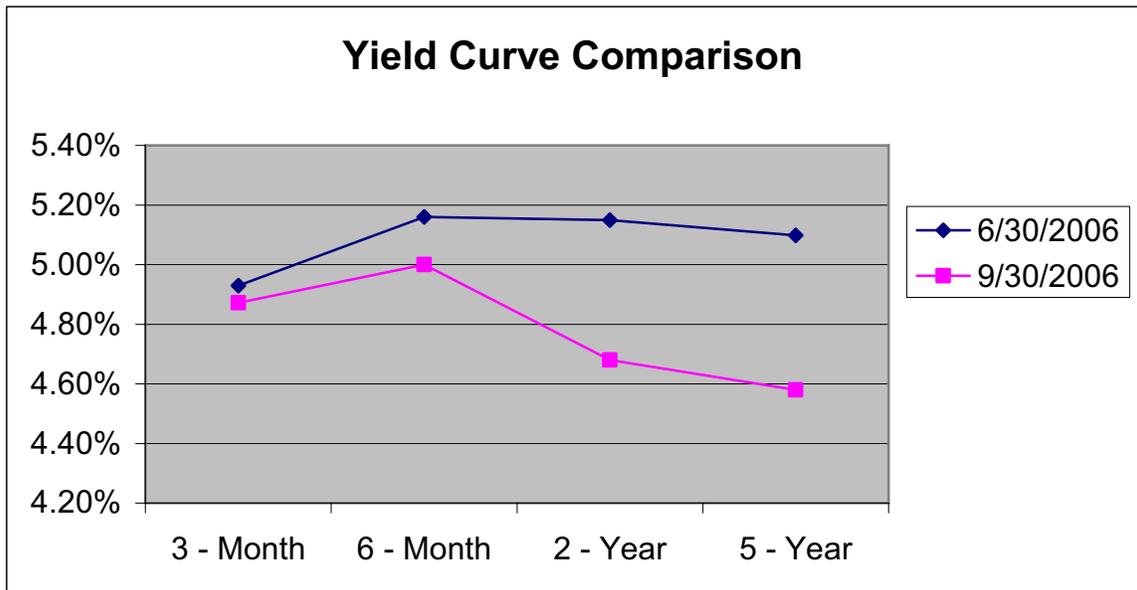
During the third quarter of 2006, the percentage of Bank and State Pool Deposits decreased by 8% with a similar 2% increase in Certificates of Deposit and a 6% increase in federal agency investments, while municipal obligations held steady.

## SECTION VI - ECONOMIC/MARKET CONDITIONS

The US economy added 362,000 jobs during the third quarter of 2006, 11% more than the 325,000 jobs added in the second quarter. The unemployment rate of 4.5% is a five year low. Oil prices were at \$62.91 per barrel at the end of the quarter, which is substantially lower than the 2<sup>nd</sup> quarter price of \$75.78 per barrel. Oil prices are expected to stabilize as the fears regarding interrupted oil supply are lessened. The Consumer Confidence Index decreased slightly during the third quarter ending at 104.5. This is down from 105.7 in June 2006. The Manufacturing Index for the third quarter of 2006 registered at 52.9 percent, which is lower than the last twelve months average of 55.4. Any reading above 50 points on the Manufacturing Index shows that the manufacturing industry is continuing to grow. For the 40<sup>th</sup> consecutive month, this index has been over 50 points.

The economic data for third quarter shows that the economy overall continues to grow, but at a slower pace compared to the robust start of the year. This was caused by a slow down in consumer spending and higher borrowing costs decreasing housing demands. Economists still expect that the economy will grow at a 2.5 percent growth by the end of the year.

On September 30, 2006 the 3-month T-bill yielded 4.87% compared to 4.93% on June 30, 2006. The yield curve reversed directions and shifted down from prior quarter.



## **SECTION VII - PORTFOLIO**

**Exhibit One** shows the make up of the entire portfolio at the end of the third quarter of 2006. 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 total portfolio. All percentages are consistent with the current policy.

**Exhibit Two** shows the complete portfolio listings as of the end of the third quarter of 2006. This report shows the book value, the par value, and the market value of the portfolio as of September 30, 2006.

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

**Exhibit Four** reflects the percentage of securities purchased from each issuer relative to the entire portfolio. On September 30, 2006, the average maturity was approximately 6.7 months. All the percentages are consistent with the current policy and PFM recommendations.

**Exhibit Five** shows all investment purchases and maturities from July 1, 2006 through September 30, 2006.

**Exhibit Six** shows the make up of the Clark County Investment Pool at the end of the third quarter of 2006. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and related percentage of the total portfolio for each type of security. On September 30, 2006, the average term of the Pool was approximately 7.3 months. All percentages are consistent with the current policy.

**Exhibit Seven** shows the portfolio listings of the Clark County Investment Pool at the end of the third quarter. This report contains the book value, the par value, and the market value as of September 30, 2006.

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

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

**Exhibit 1**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
DISTRIBUTION OF INVESTMENTS BY TYPE  
September 30, 2006**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit	45,000,000.00	10.66%	115	5.133	5.205
Federal Agencies - Discount	4,829,158.33	1.14%	96	5.182	5.254
Federal Agencies - Variable	10,000,000.00	2.37%	137	4.999	5.068
Federal Agencies - Semi-annual	261,478,792.69	61.93%	295	4.485	4.548
Municipal Bonds	2,505,083.50	0.59%	220	4.000	4.056
Passbook/Money Market Accts	94,404,170.49	22.36%	1	5.117	5.188
Treasury Securities - SLGS	4,023,000.00	0.95%	45	3.156	3.200
<b>Total</b>	<b>422,240,205.01</b>	<b>100.00%</b>	<b>201</b>	<b>4.700</b>	<b>4.765</b>
Accrued Interest at Purchase	378,164.45				
<b>Total Cash and Investments</b>	<u><b>422,618,369.46</b></u>				

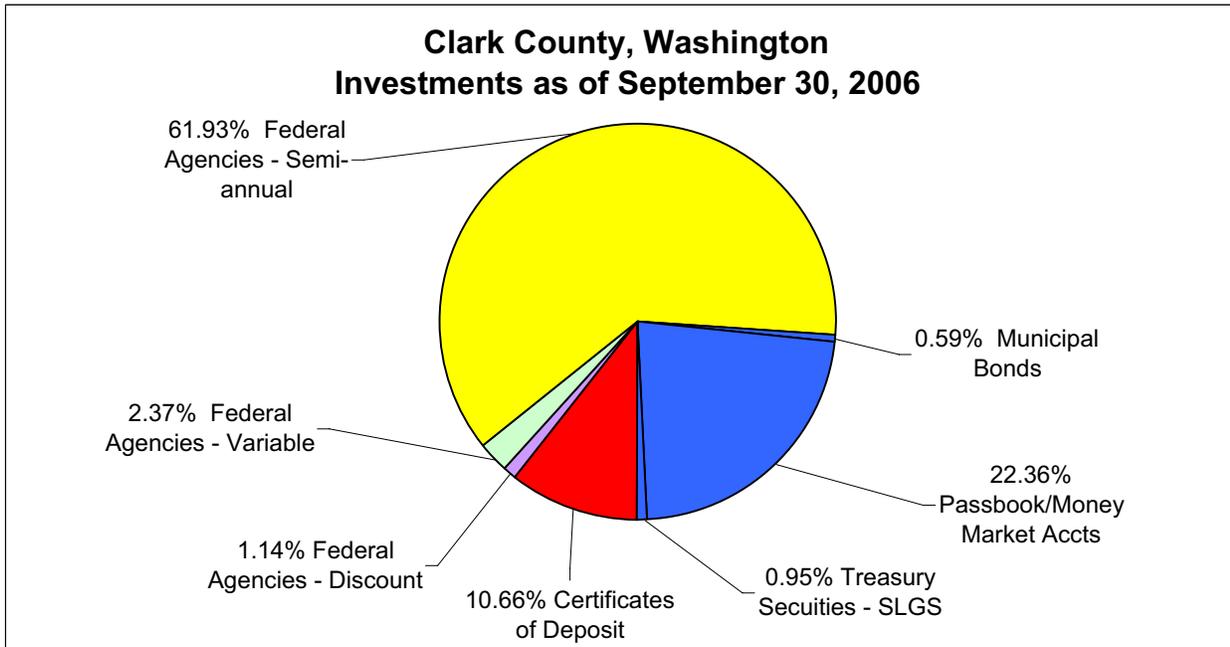


EXHIBIT 2  
**CLARK COUNTY, WASHINGTON**  
**CLARK COUNTY INVESTMENT POOL PORTFOLIO**  
**September 30, 2006**

Investment Number	Purchase Date	Cusip Number	Book Value	Par Value	Market Price	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
<b>Certificates of Deposit</b>												
89983115	11/29/2005	49992274258	10,000,000.00	10,000,000.00	100.00	10,000,000.00	0.00	4.85	4.784	4.850	11/29/06	59
89983128	1/26/2006	93-10681829	10,000,000.00	10,000,000.00	100.00	10,000,000.00	0.00	4.76	4.760	4.826	12/01/06	61
89983152	8/29/2006		5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	5.622	5.622	5.700	06/01/07	243
89983151	8/7/2006		5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	5.57	5.570	5.647	10/06/06	5
89983139	5/12/2006	49992274537	10,000,000.00	10,000,000.00	100.00	10,000,000.00	0.00	5.3	5.227	5.300	12/1/2006	61
89983153	9/22/2006		5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	5.465	5.465	5.541	12/3/2007	428
<b>Subtotal &amp; Averages</b>			45,000,000.00	45,000,000.00		45,000,000.00	0.00		5.13	5.205		115
<b>Federal Agencies - Discount Notes</b>												
89983136	05/01/06	313312AE0	4,829,158.33	5,000,000.00	98.607	4,829,158.33	0.00	4.94	4.94	5.254	01/05/07	96
<b>Subtotal &amp; Averages</b>			4,829,158.33	5,000,000.00		4,829,158.33	0.00		5.18	5.254		96
<b>Federal Agencies - Semi Annual Coupon</b>												
89983099	09/15/05	31331SU35	9,681,570.00	9,700,000.00	99.584	9,627,727.24	(53,842.76)	4.100	4.182	4.240	02/01/07	123
61323085	6/28/2005	3133X8NZ1	2,125,821.30	2,155,000.00	99.896	2,120,549.52	(5,271.78)	2.625	3.648	3.699	10/16/06	15
61323087	6/28/2005	3133XBVC	1,884,547.60	1,885,000.00	99.748	1,868,039.15	(16,508.45)	3.750	3.713	3.764	11/30/06	60
61323089	6/28/2005	3133X4C66	3,097,831.40	3,155,000.00	99.018	3,081,374.60	(16,456.80)	2.625	3.726	3.778	02/16/07	138
89983077	06/02/05	3133XBVU6	10,009,375.00	10,000,000.00	98.935	9,894,405.00	(114,970.00)	4.450	4.356	4.416	06/02/08	610
89983102	09/29/05	3133MKED5	4,823,750.82	4,795,000.00	99.943	4,799,459.35	(24,291.47)	4.875	4.261	4.320	11/15/06	45
89983103	09/29/05	3133ZB46	4,914,345.00	5,000,000.00	99.696	4,915,568.50	1,223.50	2.750	4.261	4.320	11/15/06	45
89983104	09/29/05	3133X9R69	9,716,522.75	9,845,000.00	99.740	9,709,708.04	(6,814.71)	3.125	4.261	4.320	11/15/06	45
89983134	04/24/06	3133XDMZ4	4,568,030.00	4,600,000.00	99.516	4,568,030.00	0.00	4.500	5.097	5.168	05/21/07	232
89983137	05/09/06	3133XEJH1	9,922,400.00	10,000,000.00	99.522	9,922,400.00	0.00	4.625	5.196	5.268	08/08/07	311
89983141	05/15/06	3133XC2N5	9,904,200.00	10,000,000.00	99.391	9,904,200.00	0.00	4.250	5.192	5.264	05/08/07	219
89983150	08/01/06	3113XFJX5	9,966,000.00	10,000,000.00	100.159	9,966,000.00	0.00	5.125	5.236	5.309	06/13/08	621
89983154	09/25/06	3133XEQ69	9,975,680.00	10,000,000.00	99.680	9,975,680.00	0.00	5.010	5.119	5.190	02/13/08	500
61323086	6/28/2005	3128X4AK7	1,860,534.75	1,861,000.00	99.813	1,845,177.59	(15,357.16)	3.750	3.714	3.766	11/15/06	45
61323088	6/28/2005	3134A1KC3	3,544,874.00	3,400,000.00	100.342	3,462,808.20	(82,065.80)	6.700	3.735	3.787	01/05/07	96
89983021	11/05/04	3128X2AH8	9,998,500.00	10,000,000.00	99.713	9,851,043.00	(147,457.00)	3.000	2.966	3.007	11/17/06	47
89983107	10/13/05	3128X3XZ	9,793,300.00	10,000,000.00	98.910	9,786,839.00	(6,461.00)	3.000	4.418	4.479	03/28/07	178
89983110	10/24/05	3128X45L6	9,999,500.00	10,000,000.00	99.546	9,982,824.00	(16,676.00)	4.750	4.688	4.753	10/24/07	388
89983116	12/02/05	3128X45L6	9,974,700.00	10,000,000.00	99.546	9,982,824.00	8,124.00	4.750	4.821	4.888	10/24/07	388
89983125	01/18/06	3128X4XW	4,999,500.00	5,000,000.00	99.814	4,999,500.00	0.00	5.000	4.937	5.005	01/18/08	474
89983126	01/18/06	3128X4XW	4,999,750.00	5,000,000.00	99.814	4,999,750.00	0.00	5.000	4.934	5.003	01/18/08	474
89983143	05/30/06	3128X46L0	4,995,000.00	5,000,000.00	99.956	4,995,000.00	0.00	5.375	5.354	5.428	05/15/08	592
89983144	06/12/06	3128X4BD2	9,822,000.00	10,000,000.00	98.862	9,822,000.00	0.00	4.350	5.239	5.312	06/02/08	610
89983149	07/28/06	3128X4AS0	4,990,800.00	5,000,000.00	100.013	4,990,800.00	0.00	5.500	5.505	5.581	12/05/08	796
89983155	09/28/06	3128X4AS0	4,946,500.00	5,000,000.00	98.883	4,946,500.00	0.00	4.300	4.932	5.000	05/05/08	582
61323090	6/28/2005	3136F46R0	5,672,210.85	5,745,000.00	99.092	5,631,568.42	(40,642.43)	3.000	3.740	3.792	02/26/07	148
61323091	6/28/2005	31364CA4	500,049.22	475,000.00	100.815	487,283.98	(12,765.24)	6.960	3.778	3.830	04/02/07	183
89983005	10/12/2004	3136F6EP0	10,000,000.00	10,000,000.00	99.936	9,870,102.00	(129,898.00)	3.010	2.969	3.010	10/12/06	11
89983014	10/26/2004	3136F4F58	10,007,000.00	10,000,000.00	99.478	9,840,594.00	(166,406.00)	3.125	3.048	3.090	12/29/06	89
89983022	11/8/2004	3136FAF58	9,987,000.00	10,000,000.00	99.478	9,840,594.00	(146,406.00)	3.125	3.143	3.187	12/29/06	89
89983049	01/05/05	31359MWX7	9,984,000.00	10,000,000.00	99.610	9,870,588.00	(113,412.00)	3.375	3.413	3.460	12/15/06	75
89983127	1/12/2006	31359MZN6	9,999,000.00	10,000,000.00	99.641	9,999,000.00	0.00	5.000	4.934	5.003	12/13/07	438
89983135	04/25/06	31359MYV7	4,948,500.00	5,000,000.00	99.306	4,948,500.00	0.00	4.375	5.121	5.193	08/17/07	320
89983138	05/11/06	31359MB44	9,866,000.00	10,000,000.00	99.150	9,866,000.00	0.00	3.875	5.181	5.253	05/15/07	226
89983140	05/15/06	31359MM83	10,000,000.00	10,000,000.00	100.006	10,000,000.00	0.00	5.440	5.352	5.426	11/01/07	396
89983142	04/25/06	31359MN90	10,000,000.00	10,000,000.00	99.933	10,000,000.00	0.00	5.500	5.425	5.500	11/23/07	418
<b>Subtotal &amp; Averages</b>			261,478,792.89	262,616,000.00		260,372,437.59	(1,106,355.10)		4.486	4.548		295

EXHIBIT 2  
**CLARK COUNTY, WASHINGTON**  
**CLARK COUNTY INVESTMENT POOL PORTFOLIO**  
**September 30, 2006**

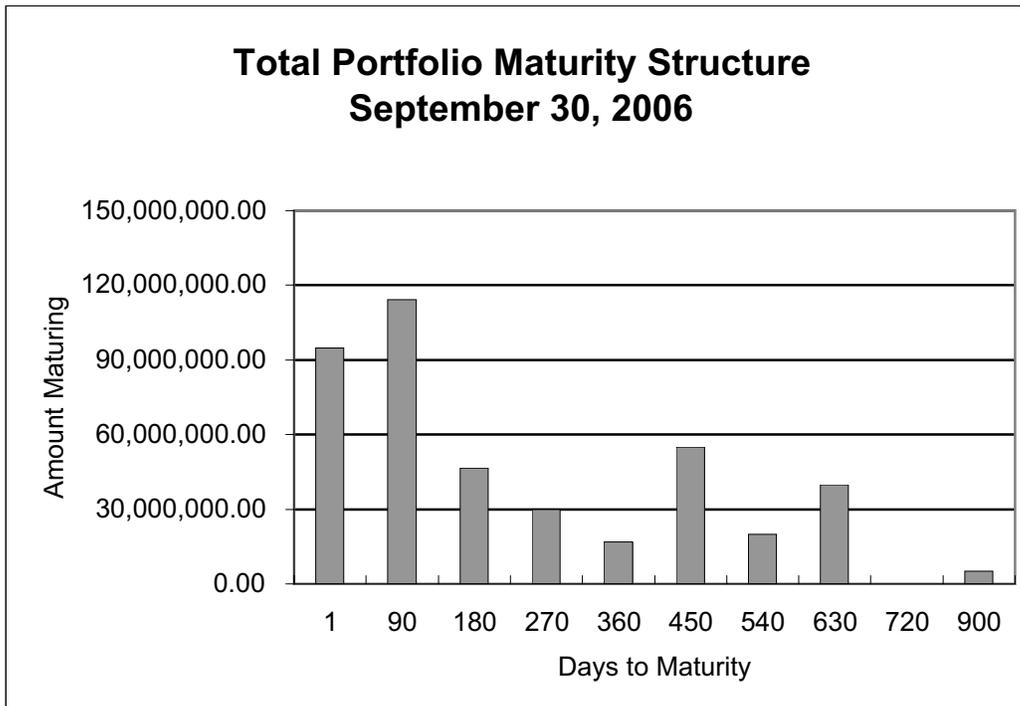
Investment Number		Purchase Date	Cusip Number	Book Value	Par Value	Market Price 9/30/2006	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
<b>Federal Agencies Variable Rate</b>													
89983129	Federal Home Loan Bank	02/15/06	3133XEQW	10,000,000.00	10,000,000.00	99.970	9,997,000.00	(3,000.00)	5.085	4.999	5.068	02/15/07	137
Subtotal & Averages				10,000,000.00	10,000,000.00		9,997,000.00	(3,000.00)		4.999	5.068		137
<b>Treasury Securities - SLGS</b>													
61033123	State and Local Gov't Series	1/5/2006	2006-00271	230,000.00	230,000.00	100.000	230,000.00	0.00	3.200	3.156	3.200	11/15/06	45
61093119	State and Local Gov't Series	1/5/2006	2006-00275	344,000.00	344,000.00	100.000	344,000.00	0.00	3.200	3.156	3.200	11/15/06	45
61183120	State and Local Gov't Series	1/5/2006	2006-00274	74,000.00	74,000.00	100.000	74,000.00	0.00	3.200	3.156	3.200	11/15/06	45
61243118	State and Local Gov't Series	1/5/2006	2006-00276	278,000.00	278,000.00	100.000	278,000.00	0.00	3.200	3.156	3.200	11/15/06	45
61273121	State and Local Gov't Series	1/5/2006	2006-00273	425,000.00	425,000.00	100.000	425,000.00	0.00	3.200	3.156	3.200	11/15/06	45
61303122	State and Local Gov't Series	1/5/2006	2006-00272	433,000.00	433,000.00	100.000	433,000.00	0.00	3.200	3.156	3.200	11/15/06	45
6133124	State and Local Gov't Series	1/5/2006	2006-00270	2,239,000.00	2,239,000.00	100.000	2,239,000.00	0.00	3.200	3.156	3.200	11/15/06	45
Subtotal & Averages				4,023,000.00	4,023,000.00		4,023,000.00	0.00		3.16	3.200		45
<b>Municipal Bonds</b>													
89983097	Washington State GO	9/7/2005	93974AJR6	2,015,840.00	2,000,000.00	99.406	1,993,751.40	(22,088.60)	4.500	3.985	4.040	07/01/07	273
89983098	Washington State Econ Dev	9/14/2005	939758AW8	489,243.50	500,000.00	99.980	490,649.65	1,406.15	2.000	4.063	4.119	10/1/2006	0
Subtotal & Averages				2,505,083.50	2,500,000.00		2,484,401.05	(20,682.45)		4.00	4.056		220
<b>Passbook/Money Market Accounts</b>													
89980003	Key Bank - Savings Account			27,111,412.52	27,111,412.52	100.000	27,111,412.52	0.00	5.050	4.981	5.050		1
89980002	U.S. Bank - Municipal Investment Account			7,062,652.97	7,062,652.97	100.000	7,062,652.97	0.00	5.000	4.932	5.000		1
89980001	WA State Local Government Invest. Pool			32,700,571.34	32,700,571.34	100.000	32,700,571.34	0.00	5.200	5.129	5.200		1
89980005	Columbia River Bank			5,122,579.50	5,122,579.50	100.000	5,122,579.50	0.00	5.050	4.981	5.050		1
61320004	Key Bank - Savings Account			22,208,116.05	22,208,116.05	100.000	22,208,116.05	0.00	5.300	5.227	5.300		1
0001-15	Registered Warrants			198,838.11	198,838.11	100.000	198,838.11	0.00	6.188	6.103	6.188		1
Subtotal & Averages				94,404,170.49	94,404,170.49		94,404,170.49	0.00			5.188		1
<b>Grand Total</b>				<b>422,240,205.01</b>	<b>423,543,170.49</b>		<b>421,110,167.46</b>	<b>(1,130,037.55)</b>			<b>4.765</b>		<b>201</b>

\*Days to maturity adjusted per investment policy

EXHIBIT 3

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
AGING OF MATURING INVESTMENTS  
September 30, 2006**

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$94,893,413.99	22.47%	22.47%
2 - 90	114,325,022.22	27.08%	49.55%
91 - 180	46,618,944.58	11.04%	60.59%
181 - 270	29,838,279.22	7.07%	67.66%
271 - 360	16,886,740.00	4.00%	71.66%
361 - 450	54,973,200.00	13.02%	84.68%
451 - 540	19,974,930.00	4.73%	89.41%
541 - 630	39,738,875.00	9.41%	98.82%
631 - 720	0.00	0.00%	98.82%
720 - 900	4,990,800.00	1.18%	100.00%
<b>TOTALS</b>	<b>\$422,240,205.01</b>	<b>100.00%</b>	



**Exhibit 4**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
SUMMARY OF INVESTMENTS BY ISSUER  
September 30, 2006**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Columbia River Bank	1	5,122,579.50	1.21%	5.050	1
State and Local Gov't Series	7	4,023,000.00	0.95%	3.200	45
Federal Farm Credit Bank	2	14,510,728.33	3.44%	4.578	114
Federal Home Loan Bank	13	90,908,503.87	21.53%	4.822	291
Federal Home Loan Mtg Corp.	12	79,924,958.75	18.93%	4.661	387
Federal National Mtg Association	11	90,963,760.07	21.54%	4.263	219
Key Bank	2	49,319,528.57	11.68%	5.175	1
Sterling Savings Bank	2	20,000,000.00	4.74%	5.075	60
Umpqua Bank	1	5,000,000.00	1.18%	5.541	428
Registered Warrants	1	198,838.11	0.05%	6.188	1
US Bank - Municipal Investor Account	1	7,062,652.97	1.67%	5.380	1
Bank of Clark County	1	5,000,000.00	1.18%	5.700	243
Cowlitz Bank	1	5,000,000.00	1.18%	5.647	5
Washington Mutual Bank	1	10,000,000.00	2.37%	4.826	61
Washington State Municipal Bonds	2	2,505,083.50	0.59%	4.056	220
Washington State Pool	1	32,700,571.34	7.74%	5.200	1
<b>TOTALS and AVERAGES</b>	<b>59</b>	<b>\$ 422,240,205.01</b>	<b>100.00%</b>	<b>4.765</b>	<b>201</b>

EXHIBIT 5

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
INVESTMENT ACTIVITY BY TYPE  
As of September 30, 2006

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
<b>CERTIFICATES OF DEPOSIT</b>				<b>BEGINNING BALANCE:</b>		<b>40,000,000.00</b>
89983147	Cowlitz Bank	5.374	07/03/06	5,000,000.00		
89983148	Bank of Clark County	5.450	07/21/06	5,000,000.00		
89983147	Cowlitz Bank	5.300	08/02/06		5,000,000.00	
89983151	Cowlitz Bank	5.647	08/07/06	5,000,000.00		
89983148	Bank of Clark County	5.450	08/21/06		5,000,000.00	
89983152	Bank of Clark County	5.700	08/29/06	5,000,000.00		
89983145	Sterling Savings	5.450	09/19/06		10,000,000.00	
89983153	Umpqua Bank	5.541	09/22/06	5,000,000.00		
SUBTOTALS and ENDING BALANCE - JULY				10,000,000.00	0.00	50,000,000.00
SUBTOTALS and ENDING BALANCE - AUGUST				10,000,000.00	10,000,000.00	50,000,000.00
SUBTOTALS and ENDING BALANCE - SEPTEMBER				5,000,000.00	10,000,000.00	45,000,000.00
<b>FEDERAL AGENCIES - DISCOUNT</b>				<b>BEGINNING BALANCE:</b>		<b>4,829,158.33</b>
SUBTOTALS and ENDING BALANCE - JULY				0.00	0.00	4,829,158.33
SUBTOTALS and ENDING BALANCE - AUGUST				0.00	0.00	4,829,158.33
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	0.00	4,829,158.33
<b>FEDERAL AGENCIES - SEMI ANNUAL COUPON</b>				<b>BEGINNING BALANCE:</b>		<b>256,881,966.41</b>
89983068	Federal Home Loan Mortgage Corporatic	4.03	07/26/06		4,998,750.00	
89983149	Federal Home Loan Mortgage Corporatic	5.581	07/28/06	4,990,800.00		
89983150	Federal Home Loan Bank	5.309	08/01/06	9,966,000.00		
61323083	Federal National Mortgage Association	3.720	08/17/06		2,694,798.72	
61323084	Federal Home Loan Bank	3.685	09/15/06		2,599,905.00	
89983003	Federal National Mortgage Association	3.000	09/22/06		10,000,000.00	
89983154	Federal Home Loan Bank	5.190	09/25/06	9,975,680.00		
89983146	Federal Home Loan Mortgage Corporatic	5.598	09/26/06		4,988,700.00	
89983155	Federal Home Loan Mortgage Corporatic	5.000	09/28/06	4,946,500.00		
SUBTOTALS and ENDING BALANCE - JULY				4,990,800.00	4,998,750.00	256,874,016.41
SUBTOTALS and ENDING BALANCE - AUGUST				9,966,000.00	2,694,798.72	264,145,217.69
SUBTOTALS and ENDING BALANCE - SEPTEMBER				14,922,180.00	17,588,605.00	261,478,792.69
<b>FEDERAL AGENCIES - VARIABLE RATE</b>				<b>BEGINNING BALANCE:</b>		<b>10,000,000.00</b>
89983129	Federal Home Loan Bank	4.700	02/15/06	10,000,000.00		
SUBTOTALS and ENDING BALANCE - JULY				0.00	0.00	10,000,000.00
SUBTOTALS and ENDING BALANCE - AUGUST				0.00	0.00	10,000,000.00
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	0.00	10,000,000.00
<b>MUNICIPAL BONDS</b>				<b>BEGINNING BALANCE:</b>		<b>2,505,083.50</b>
SUBTOTALS and ENDING BALANCE - JULY				0.00	0.00	2,505,083.50
SUBTOTALS and ENDING BALANCE - AUGUST				0.00	0.00	2,505,083.50
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	0.00	2,505,083.50
<b>TREASURY SECURITIES - SLGS</b>				<b>BEGINNING BALANCE:</b>		<b>4,023,000.00</b>
SUBTOTALS and ENDING BALANCE - JULY				0.00	0.00	4,023,000.00
SUBTOTALS and ENDING BALANCE - AUGUST				0.00	0.00	4,023,000.00
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	0.00	4,023,000.00
<b>CLARK COUNTY</b>				<b>BEGINNING BALANCE:</b>		<b>0.00</b>
JULY	Registered Warrant Invest Acct	6.19%		0.00	0.00	0.00
AUGUST	Registered Warrant Invest Acct	6.19%		0.00	0.00	0.00
SEPTEMBER	Registered Warrant Invest Acct	6.19%		198,838.11	0.00	198,838.11
<b>COLUMBIA RIVER BANK</b>				<b>BEGINNING BALANCE:</b>		<b>5,055,306.76</b>
JULY	Money Market Savings Accounts	5.300		22,770.66	0.00	5,078,077.42
AUGUST	Money Market Savings Accounts	5.300		22,978.02	0.00	5,101,055.44
SEPTEMBER	Money Market Savings Accounts	5.300		21,524.06	0.00	5,122,579.50
<b>KEY BANK</b>				<b>BEGINNING BALANCE:</b>		<b>72,950,421.01</b>
JULY	Money Market Savings Accounts	5.300		3,440,100.56	4,960,914.38	71,429,607.19
AUGUST	Money Market Savings Accounts	5.300		3,132,568.14	24,656,605.83	49,905,569.50
SEPTEMBER	Money Market Savings Accounts	5.300		2,875,405.42	3,461,594.35	49,319,380.57

EXHIBIT 5

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
 INVESTMENT ACTIVITY BY TYPE  
 As of September 30, 2006

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
<b>US BANK</b>			<b>BEGINNING BALANCE:</b>			<b>23,934,905.14</b>
JULY	Municipal Investor Account	5.300		66,055.80	17,000,000.00	7,000,960.94
AUGUST	Municipal Investor Account	5.300		31,284.05	0.00	7,032,244.99
SEPTEMBER	Municipal Investor Account	5.300		30,407.98	0.00	7,062,652.97
<b>STATE POOL</b>			<b>BEGINNING BALANCE:</b>			<b>36,658,639.77</b>
JULY	Washington State Pool	5.160		31,858,256.51	41,200,000.00	27,316,896.28
AUGUST	Washington State Pool	5.190		41,088,305.09	39,450,000.00	28,955,201.37
SEPTEMBER	Washington State Pool	5.200		28,995,517.97	25,250,000.00	32,700,719.34
		<b>BEGINNING BALANCE:</b>		<b>PURCHASES</b>	<b>MATURITIES</b>	<b>ENDING BALANCE:</b>
JULY	<b>TOTALS</b>		<b>456,838,480.92</b>	<b>50,377,983.53</b>	<b>68,159,664.38</b>	<b>439,056,800.07</b>
AUGUST	<b>TOTALS</b>		<b>439,056,800.07</b>	<b>64,241,135.30</b>	<b>76,801,404.55</b>	<b>426,496,530.82</b>
SEPTEMBER	<b>TOTALS</b>		<b>426,496,530.82</b>	<b>52,043,873.54</b>	<b>56,300,199.35</b>	<b>422,240,205.01</b>

**Exhibit 6**

**CLARK COUNTY INVESTMENT POOL PORTFOLIO  
DISTRIBUTION OF INVESTMENTS BY TYPE  
September 30, 2006**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit	45,000,000.00	11.93%	115	5.133	5.205
Federal Agencies - Discount	4,829,158.33	1.28%	96	5.182	5.254
Federal Agencies - Variable	10,000,000.00	2.65%	137	4.999	5.068
Federal Agencies - Semi-annual	242,792,923.57	64.38%	309	4.544	4.607
Municipal Bonds	2,505,083.50	0.66%	219	4.000	4.056
Passbook/Money Market Accts	71,997,216.33	19.09%	1	5.080	5.151
<b>Total</b>	<b>377,124,381.73</b>	<b>100.00%</b>	<b>219</b>	<b>4.733</b>	<b>4.799</b>
Accrued Interest at Purchase	366,850.70				
<b>Total Cash and Investments</b>	<b><u>377,491,232.43</u></b>				

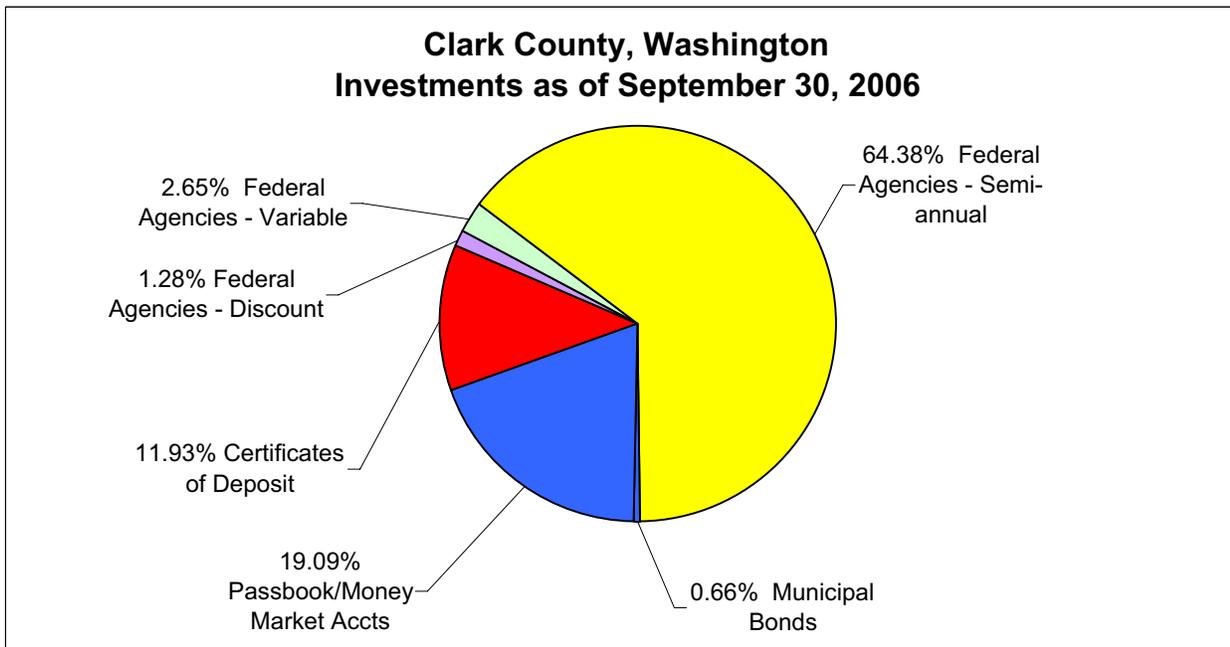


EXHIBIT 7  
**CLARK COUNTY, WASHINGTON**  
**CLARK COUNTY INVESTMENT POOL**  
**September 30, 2006**

Investment Number	Purchase Date	Cusip Number	Book Value	Par Value	Market Price	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
<b>Certificates of Deposit</b>												
89983115	11/29/2005	49992274258	10,000,000.00	10,000,000.00	100.00	10,000,000.00	0.00	4.85	4.784	4.850	11/29/06	59
89983128	1/26/2006	93-10681829	10,000,000.00	10,000,000.00	100.00	10,000,000.00	0.00	4.76	4.760	4.826	12/01/06	61
89983152	8/29/2006		5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	5.622	5.622	5.700	06/01/07	243
89983151	8/7/2006		5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	5.57	5.570	5.647	10/06/06	5
89983139	5/12/2006	49992274537	10,000,000.00	10,000,000.00	100.00	10,000,000.00	0.00	5.3	5.227	5.300	12/12/006	61
89983153	9/22/2006		5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	5.465	5.465	5.541	12/3/2007	428
<b>Subtotal &amp; Averages</b>			45,000,000.00	45,000,000.00		45,000,000.00	0.00		5.13	5.205		115
<b>Federal Agencies - Discount Notes</b>												
89983136	05/01/06	313312AE0	4,829,158.33	5,000,000.00	98.607	4,934,133.33	104,975.00	4.94	4.94	5.254	01/05/07	96
<b>Subtotal &amp; Averages</b>			4,829,158.33	5,000,000.00		4,934,133.33	104,975.00		5.18	5.254		96
<b>Federal Agencies - Semi Annual Coupon</b>												
89983099	09/15/05	31331SU35	9,681,570.00	9,700,000.00	99.584	9,627,727.24	(53,842.76)	4.100	4.182	4.240	02/01/07	123
89983077	06/02/05	3133XBVU6	10,009,375.00	10,000,000.00	99.935	9,894,405.00	(114,970.00)	4.450	4.356	4.416	06/02/08	610
89983102	09/29/05	3133MKED5	4,823,750.82	4,795,000.00	99.943	4,799,459.35	(24,291.47)	4.875	4.261	4.320	11/15/06	45
89983103	09/29/05	3133X2B46	4,914,345.00	5,000,000.00	99.696	4,915,568.50	1,223.50	2.750	4.261	4.320	11/15/06	45
89983104	09/29/05	3133XR69	9,716,522.75	9,845,000.00	99.740	9,709,708.04	(6,814.71)	3.125	4.261	4.320	11/15/06	45
89983134	04/24/06	3133XDMZ4	4,568,030.00	4,600,000.00	99.516	4,568,030.00	0.00	4.500	5.097	5.168	05/21/07	232
89983137	05/09/06	3133XEJ1	9,922,400.00	10,000,000.00	99.522	9,922,400.00	0.00	4.625	5.196	5.268	08/08/07	311
89983141	05/15/06	3133XCN25	9,904,200.00	10,000,000.00	99.391	9,904,200.00	0.00	4.250	5.192	5.264	05/08/07	219
89983150	08/01/06	3113XFJX5	9,966,000.00	10,000,000.00	100.159	9,966,000.00	0.00	5.125	5.236	5.309	06/13/08	621
89983154	09/25/06	3133XEQ69	9,975,680.00	10,000,000.00	99.680	9,975,680.00	0.00	5.010	5.119	5.190	02/13/08	500
89983021	11/05/04	3128X2AH8	9,998,500.00	10,000,000.00	99.713	9,851,043.00	(147,457.00)	3.000	2.966	3.007	11/17/06	47
89983107	10/13/05	3128X3XZ	9,793,300.00	10,000,000.00	98.910	9,786,839.00	(6,461.00)	3.000	4.418	4.479	03/28/07	178
89983110	10/24/05	3128X45L6	9,999,500.00	10,000,000.00	99.546	9,982,824.00	(16,676.00)	4.750	4.688	4.753	10/24/07	388
89983116	12/02/05	3128X45L6	9,974,700.00	10,000,000.00	99.546	9,982,824.00	8,124.00	4.750	4.821	4.888	10/24/07	388
89983125	01/18/06	3128X4XW	4,999,500.00	5,000,000.00	99.814	4,999,500.00	0.00	5.000	4.937	5.005	01/18/08	474
89983126	01/18/06	3128X4XW	4,999,750.00	5,000,000.00	99.814	4,999,750.00	0.00	5.000	4.934	5.003	01/18/08	474
89983143	05/30/06	3128X46L0	4,995,000.00	5,000,000.00	99.956	4,995,000.00	0.00	5.375	5.354	5.428	05/15/08	592
89983144	06/12/06	3128X4BD2	9,822,000.00	10,000,000.00	98.862	9,822,000.00	0.00	4.350	5.239	5.312	06/02/08	610
89983149	07/28/06	3128X4AS0	4,990,800.00	5,000,000.00	100.013	4,990,800.00	0.00	5.500	5.505	5.581	12/05/08	796
89983155	09/28/06	3128X4AS0	4,946,500.00	5,000,000.00	98.883	4,946,500.00	0.00	4.300	4.932	5.000	05/05/08	582
89983005	10/12/2004	3136F6EP0	10,000,000.00	10,000,000.00	99.936	9,870,102.00	(129,898.00)	3.010	2.969	3.010	10/12/06	11
89983014	10/26/2004	3136F4F458	10,007,000.00	10,000,000.00	99.478	9,840,594.00	(166,406.00)	3.125	3.048	3.090	12/29/06	89
89983022	11/8/2004	3136FAF58	9,987,000.00	10,000,000.00	99.478	9,840,594.00	(146,406.00)	3.125	3.143	3.187	12/29/06	89
89983049	01/05/05	31359MXX7	9,984,000.00	10,000,000.00	99.610	9,870,588.00	(113,412.00)	3.375	3.413	3.460	12/15/06	75
89983127	1/12/2006	31359MZN6	9,999,000.00	10,000,000.00	99.641	9,999,000.00	0.00	5.000	4.934	5.003	12/13/07	438
89983135	04/25/06	31359MYW7	4,948,500.00	5,000,000.00	99.306	4,948,500.00	0.00	4.375	5.121	5.193	08/17/07	320
89983138	05/11/06	31359MB44	9,866,000.00	10,000,000.00	99.150	9,866,000.00	0.00	3.875	5.181	5.253	05/15/07	226
89983140	05/15/06	31359MM83	10,000,000.00	10,000,000.00	100.006	10,000,000.00	0.00	5.440	5.352	5.426	11/01/07	396
89983142	04/25/06	31359MN90	10,000,000.00	10,000,000.00	99.933	10,000,000.00	0.00	5.500	5.425	5.500	11/23/07	418
<b>Subtotal &amp; Averages</b>			242,792,923.57	243,940,000.00		241,875,636.13	(917,287.44)		4.486	4.548		309

EXHIBIT 7  
**CLARK COUNTY, WASHINGTON**  
**CLARK COUNTY INVESTMENT POOL**  
**September 30, 2006**

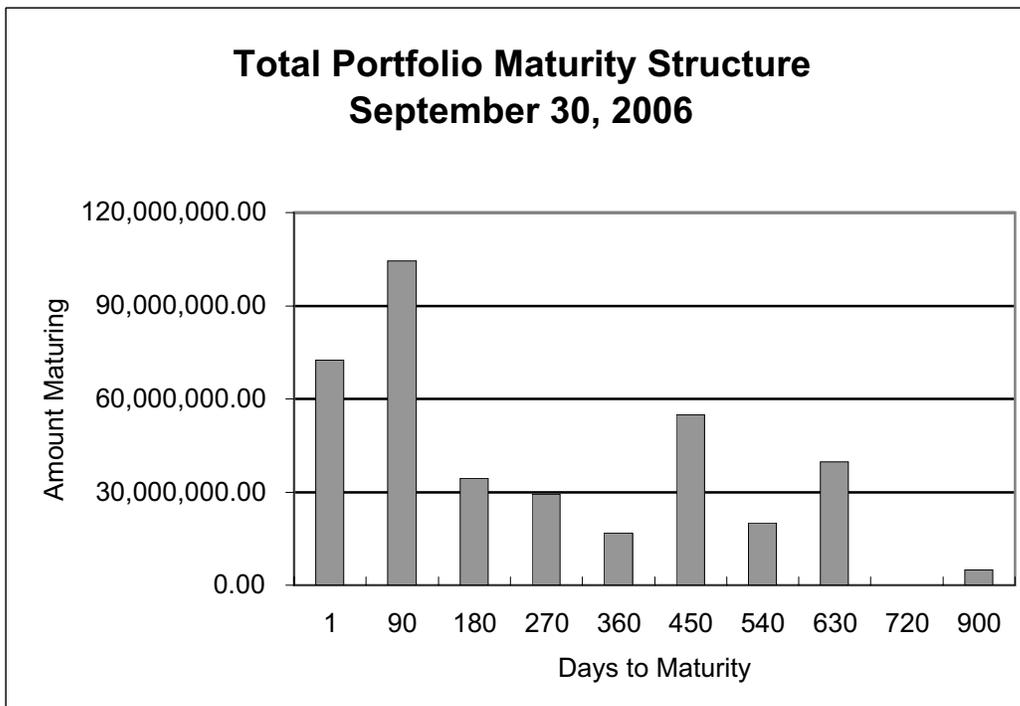
Investment Number		Purchase Date	Cusip Number	Book Value	Par Value	Market Price 9/30/2006	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
<b>Federal Agencies Variable Rate</b>													
89983129	Federal Home Loan Bank	02/15/06	3133XEQW	10,000,000.00	10,000,000.00	99.970	9,997,000.00	(3,000.00)	5.085	4.999	5.068	02/15/07	137
Subtotal & Averages				10,000,000.00	10,000,000.00		9,997,000.00	(3,000.00)		4.999	5.068		137
<b>Municipal Bonds</b>													
89983097	Washington State GO	9/7/2005	93974AJR6	2,015,840.00	2,000,000.00	99.406	1,993,751.40	(22,088.60)	4.500	3.985	4.040	07/01/07	273
89983098	Washington State Econ Dev	9/14/2005	939758AW8	489,243.50	500,000.00	99.980	490,649.65	1,406.15	2.000	4.063	4.119	10/1/2006	0
Subtotal & Averages				2,505,083.50	2,500,000.00		2,484,401.05	(20,682.45)		4.00	4.056		219
<b>Passbook/Money Market Accounts</b>													
89980003	Key Bank - Savings Account			27,111,412.52	27,111,412.52	100.000	27,111,412.52	0.00	5.050	4.981	5.050		1
89980002	U.S. Bank - Municipal Investment Account			7,062,652.97	7,062,652.97	100.000	7,062,652.97	0.00	5.000	4.932	5.000		1
89980001	WA State Local Government Invest. Pool			32,700,571.34	32,700,571.34	100.000	32,700,571.34	0.00	5.200	5.129	5.200		1
89980005	Columbia River Bank			5,122,579.50	5,122,579.50	100.000	5,122,579.50	0.00	5.050	4.981	5.050		1
Subtotal & Averages				71,997,216.33	71,997,216.33		71,997,216.33	0.00			5.188		1
<b>Grand Total</b>				<b><u>377,124,381.73</u></b>	<b><u>378,437,216.33</u></b>		<b><u>376,288,386.84</u></b>	<b><u>(835,994.89)</u></b>			<b><u>4.799</u></b>		<b><u>219</u></b>

\*Days to maturity adjusted per investment policy

EXHIBIT 8

**CLARK COUNTY INVESTMENT POOL  
AGING OF MATURING INVESTMENTS  
September 30, 2006**

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$72,486,459.83	19.22%	19.22%
2 - 90	104,431,118.57	27.69%	46.91%
91 - 180	34,304,028.33	9.10%	56.01%
181 - 270	29,338,230.00	7.78%	63.79%
271 - 360	16,886,740.00	4.48%	68.27%
361 - 450	54,973,200.00	14.58%	82.84%
451 - 540	19,974,930.00	5.30%	88.14%
541 - 630	39,738,875.00	10.54%	98.68%
720- 900	4,990,800.00	1.32%	100.00%
<b>TOTALS</b>	<b>\$377,124,381.73</b>	<b>100.00%</b>	



**Exhibit 9**

**CLARK COUNTY INVESTMENT PORTFOLIO  
SUMMARY OF INVESTMENTS BY ISSUER  
September 30, 2006**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Bank of Clark County	1	5,000,000.00	1.33%	5.700	243
Columbia River Bank	1	5,122,579.50	1.36%	5.050	1
Cowlitz Bank	1	5,000,000.00	1.33%	5.647	5
Federal Farm Credit Bank	2	14,510,728.33	3.85%	4.578	114
Federal Home Loan Bank	10	83,800,303.57	22.22%	4.911	311
Federal Home Loan Mtg Corp.	10	74,519,550.00	19.76%	4.725	409
Federal National Mtg Association	9	84,791,500.00	22.48%	4.297	224
Key Bank	1	27,111,412.52	7.19%	5.050	1
Sterling Savings Bank	1	20,000,000.00	5.30%	5.075	60
Umpqua Bank	1	5,000,000.00	1.33%	5.541	428
US Bank - Municipal Investor Account	1	7,062,652.97	1.87%	5.380	1
Washington Mutual Bank	1	10,000,000.00	2.65%	4.826	61
Washington State Municipal Bonds	2	2,505,083.50	0.66%	4.056	220
Washington State Pool	1	32,700,571.34	8.67%	5.200	1
<b>TOTALS and AVERAGES</b>	<b>42</b>	<b>\$ 377,124,381.73</b>	<b>98.67%</b>	<b>4.799</b>	<b>219</b>

## Exhibit 10 County Pool vs. State Pool 1/96 - 9/06

Overall, \$18.5 million increased interest income realized from Pooling from January 1989 to September 2006.

