

**CLARK COUNTY  
FINANCE COMMITTEE**

**FOURTH QUARTER 2009**



February 23, 2010

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

**Section I – Executive Summary ..... 3**

**Section II – 2009 YEAR-TO-DATE ..... 4**

**Section III – Quarterly Activity ..... 6**

**Section IV – Investment Strategy ..... 11**

**Section V – Economic / Market Conditions ..... 12**

**Section VI – Portfolio ..... 13**

# Section I – Executive Summary

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This report provides a review of the activities occurring during the fourth quarter, 2009, in compliance with Clark County Investment Policy adopted January 2008.

As of December 31, 2009, the average maturity of the total investment portfolio increased to 7.2 months from September's 5.8 months. The asset sector distribution for the total investment portfolio changed slightly during the fourth quarter with approximately 43.6% of the portfolio invested in Federal Agencies, 46.1% invested in the Washington State LGIP, 0.8% invested in money market instruments, 0.3% invested in State and Local Government Series, 8.6% invested in Certificates of Deposits, and 0.6% invested in Bankers Acceptances. This is compared with the third quarter of 2009's asset allocation of which 36.5% of the portfolio was invested in Federal Agencies, 51.5% invested in the Washington State LGIP, 0.3% invested in State and Local Government Series, 9.0% invested in Certificates of Deposits, 1.7% invested in Bankers Acceptances, and 0.12% invested in Registered Warrants. The total book value of the portfolio was almost \$480 million on December 31, 2009.

Residual balances (total cash balances of all funds) through the fourth quarter of 2009 averaged \$40 million per month which was almost \$36 million less than the monthly average during 2008. Interest earnings distributed to the County's General Fund through the fourth quarter of 2009 totaled \$568 thousand compared to almost \$2.2 million for 2008. The decrease is a result of lower interest rates in 2009 and lower average residual balances. Residual interest earnings for all of 2009 were less than the interest projections by almost \$2.3 million.

County Pool balances averaged \$459 million through the fourth quarter of 2009, compared to an average of \$420 million through the fourth quarter 2008. The average interest rate of the Clark County Investment Pool for the fourth quarter of 2009 was 1.173% compared to 3.129% in the fourth quarter of 2008. Interest earnings distributed to the County Pool participants for the fourth quarter of 2009 was \$1.4 million compared to almost \$3.6 million in the fourth quarter of 2008. Clark County funds made up 31.6% of the County Pool. Other major Pool participants include the Evergreen School District at 10.2%, Camas School District at 9.7%, City of Vancouver at 8.5%, Ft Vancouver Regional Library at 7.8%, Vancouver School District at 7.6%, and all other districts at 24.6%.

The annualized total return for the County Pool came in at -0.38% for December 2009 compared to the custom Treasury total return index of -2.11%. On a book value return basis, the County Pool yielded 1.19%, compared to the Standard and Poor's LGIP Index's book value return of 0.287%. The net asset value of the County Pool at the end of the quarter was \$1.003678 with an unrealized fair value gain of \$1,696,709 on December 31, 2009.

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

## Section II – 2009 Year-to-Date

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Through the fourth quarter of 2009, County residual principal balances averaged \$35,576,814 less than this same time period for 2008 on a monthly basis. Actual average County residual balances on a monthly basis through the fourth quarter of 2009 have fallen short of projections by \$33.5 million through the quarter as denoted in the chart below.

Date	2008 Residual Balance	2009 Residual Balance	2009 Projected Residual Balance <sup>1</sup>
January	\$49,360,640	\$37,515,018	\$46,301,900
February	61,909,157	44,303,995	44,690,594
March	51,738,798	37,597,993	45,253,695
April	149,126,631	99,943,474	68,269,724
May	104,744,179	57,096,907	149,824,737
June	74,649,211	47,210,210	84,935,643
July	53,584,116	29,722,240	60,032,513
August	48,912,317	25,894,024	53,044,728
September	44,113,448	23,927,437	49,331,597
October	162,992,091	72,166,756	69,064,236
November	69,535,685	-18,085,130	140,442,124
December	37,949,680	24,401,261	73,170,347
Monthly Average	\$75,717,996	\$40,141,182	\$73,696,820

Actual interest earnings totaled \$567,810 through the fourth quarter of 2009 down from \$2,220,128 during the same period in 2008. As shown below, interest earnings was \$2,279,211 less than they were projected to be through the fourth quarter 2009.

Date	2008 Residual Interest Earnings	2009 Residual Interest Earnings	2009 Budgeted Interest Earnings <sup>2</sup>
January	\$232,224	\$80,749	\$237,252
February	180,400	48,666	237,252
March	186,990	49,451	237,252
April	198,839	63,008	237,252
May	372,137	91,808	237,252
June	188,267	58,578	237,252
July	152,073	43,702	237,252
August	100,814	20,874	237,252
September	90,270	18,599	237,252
October	146,260	25,312	237,252
November	231,040	37,930	237,252
December	140,814	29,134	237,252
Total	\$2,220,128	\$567,810	\$2,847,021

<sup>1</sup> As of 10/10/2008 for 2009-2010 Biennium Interest Rate Projections

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

County Pool principal balances shown below, averaged slightly more through 2009, compared to 2008 because of the faster distributions of property tax proceeds.

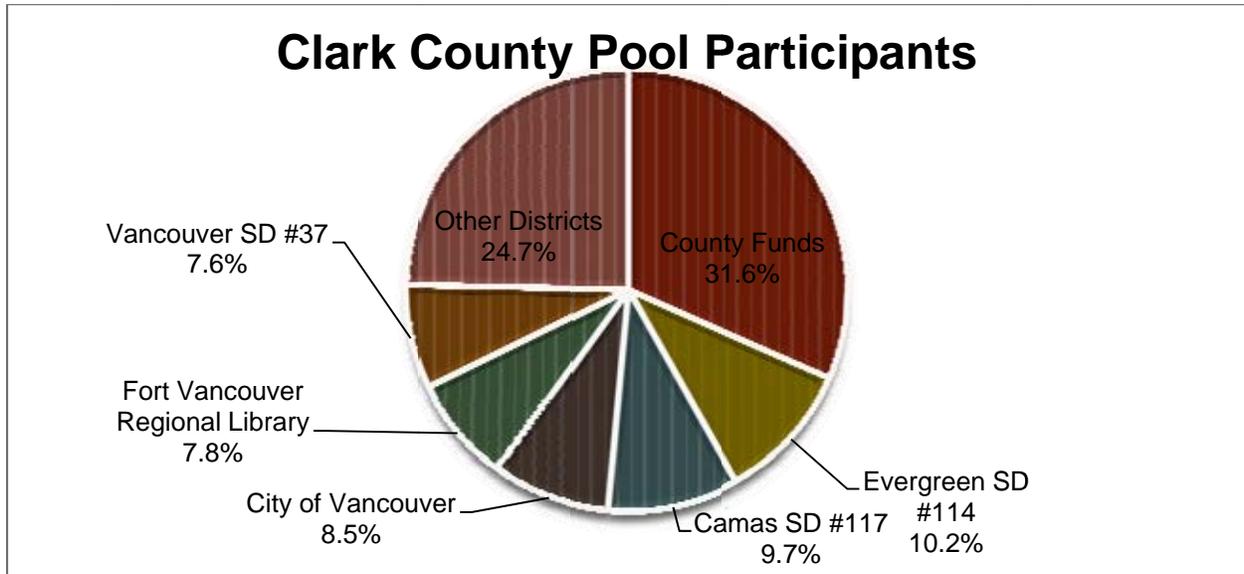
Date	2008 Pool Average Balance	2009 Pool Average Balance
January	\$376,986,615	\$434,125,081
February	365,034,130	415,843,454
March	364,994,816	411,190,769
April	392,963,919	431,586,171
May	532,973,722	553,116,146
June	416,393,882	474,301,094
July	410,122,662	462,671,982
August	408,959,823	446,199,277
September	404,778,705	432,291,007
October	410,118,037	446,602,061
November	531,273,639	548,111,880
December	426,213,637	454,245,577
Monthly Average	\$420,067,799	\$459,190,375

The table below reflects County Pool earnings of \$7.2 million through the fourth quarter of 2009, compared to \$15.6 million through the fourth quarter of 2008, resulting in decreased earnings of approximately 53.3%.

Date	2008 Pool Interest Earnings	2009 Pool Interest Earnings
January	\$1,809,038	\$1,001,013
February	1,560,269	641,115
March	1,576,189	657,299
April	1,203,739	635,452
May	1,471,538	648,340
June	1,085,217	597,768
July	1,194,958	612,909
August	1,029,665	539,864
September	1,075,561	520,326
October	1,124,230	478,327
November	1,251,172	493,560
December	1,222,335	466,282
Year – to – Date	\$15,603,913	\$7,292,253

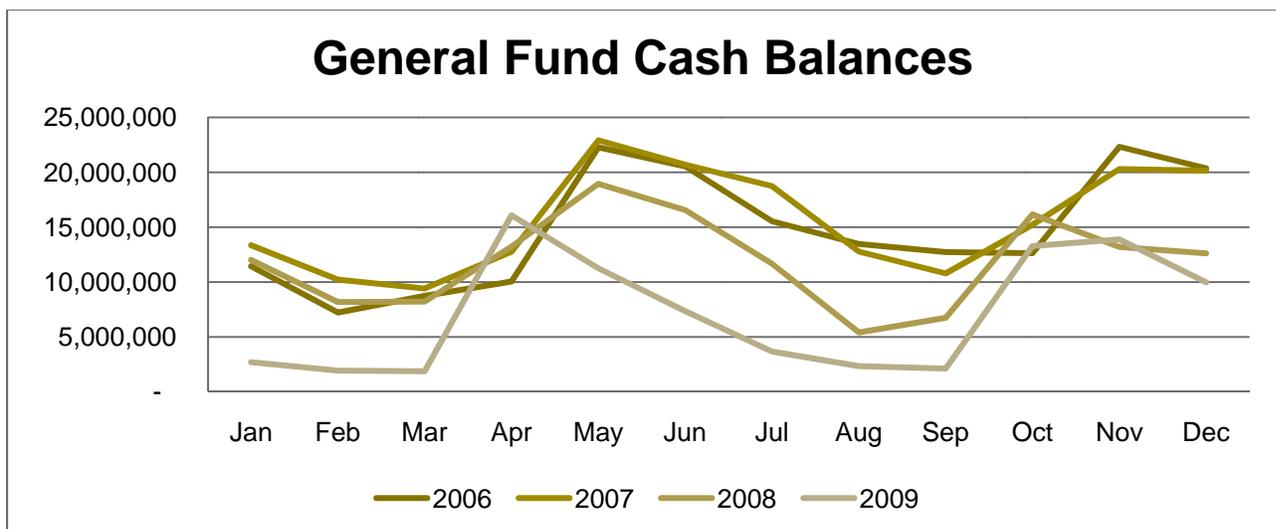
# Section III – Quarterly Activity

**Figure One** shows the major participants in the Clark County Investment Pool for the fourth quarter of 2009. As of December 31, 2009, County funds made up 31.6% of the Pool, Evergreen School District – 10.2%, Camas School District – 9.7%, City of Vancouver – 8.5%, Ft Vancouver Regional Library – 7.8%, Vancouver School District - 7.6%, and other districts – 24.6%.



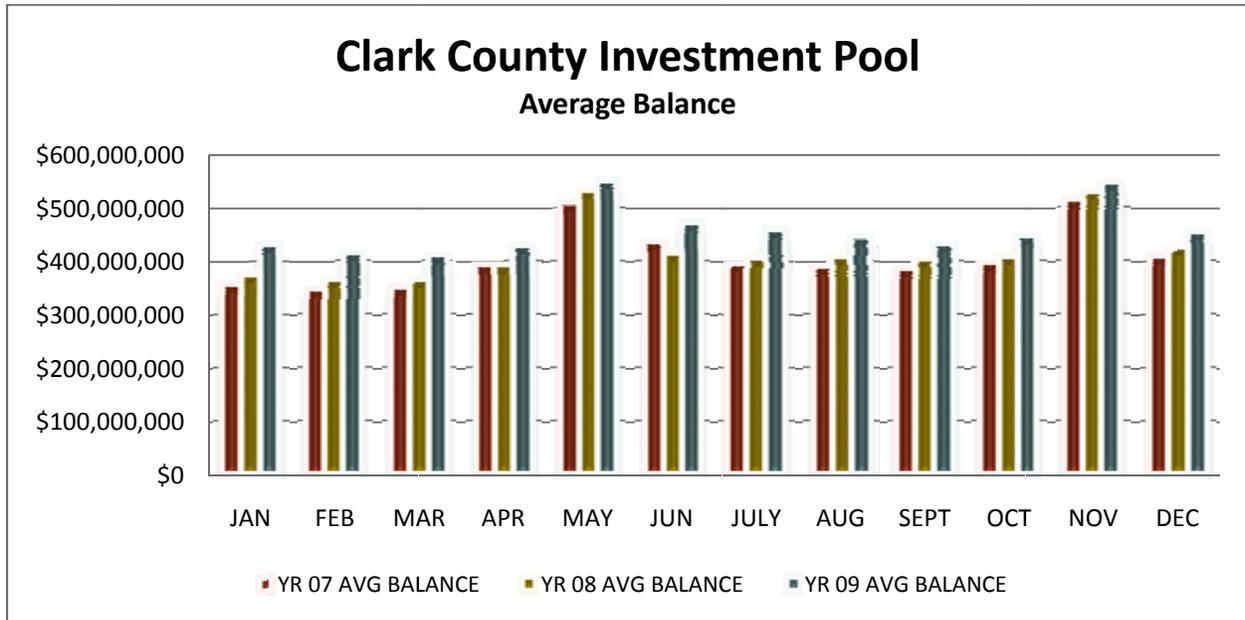
**Figure 1**

**Figure Two** illustrates month end General Fund cash balances beginning with January 2008 through December 2009. For the fourth quarter of 2009, cash balances in the General Fund decreased over the same period in 2008 by a monthly average of \$4.7 million.



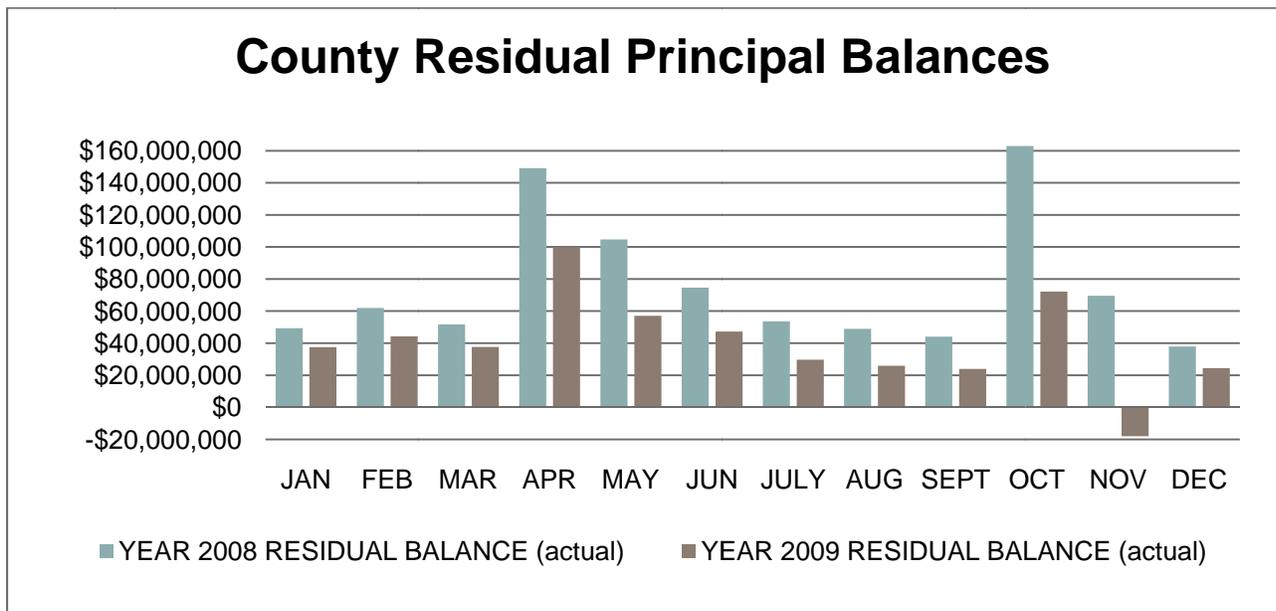
**Figure 2**

**Figure Three** reflects the average principal balances being maintained within the Pool in 2009 compared to 2008. Through the fourth quarter 2009, the average monthly principal balance increased from the same period of 2008 by an average of \$39 million.



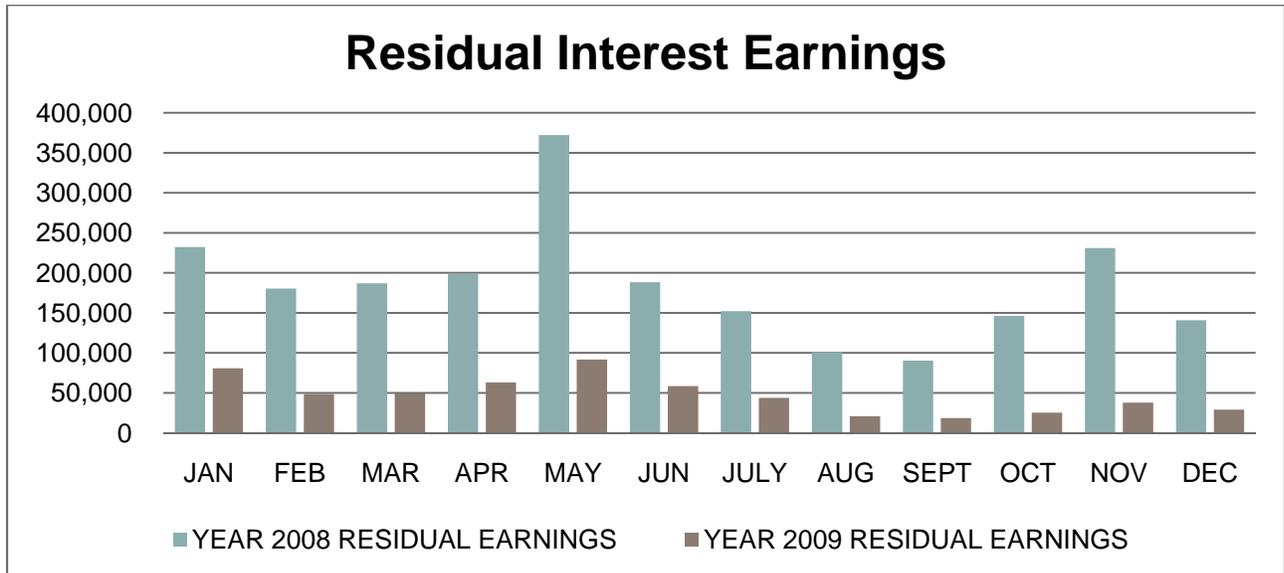
**Figure 3**

**Figure Four** reflects the actual monthly residual principal balances managed by the County for 2008 and 2009. Through the fourth quarter of 2009, residual balances averaged \$35 million per month less than the same period in 2008.



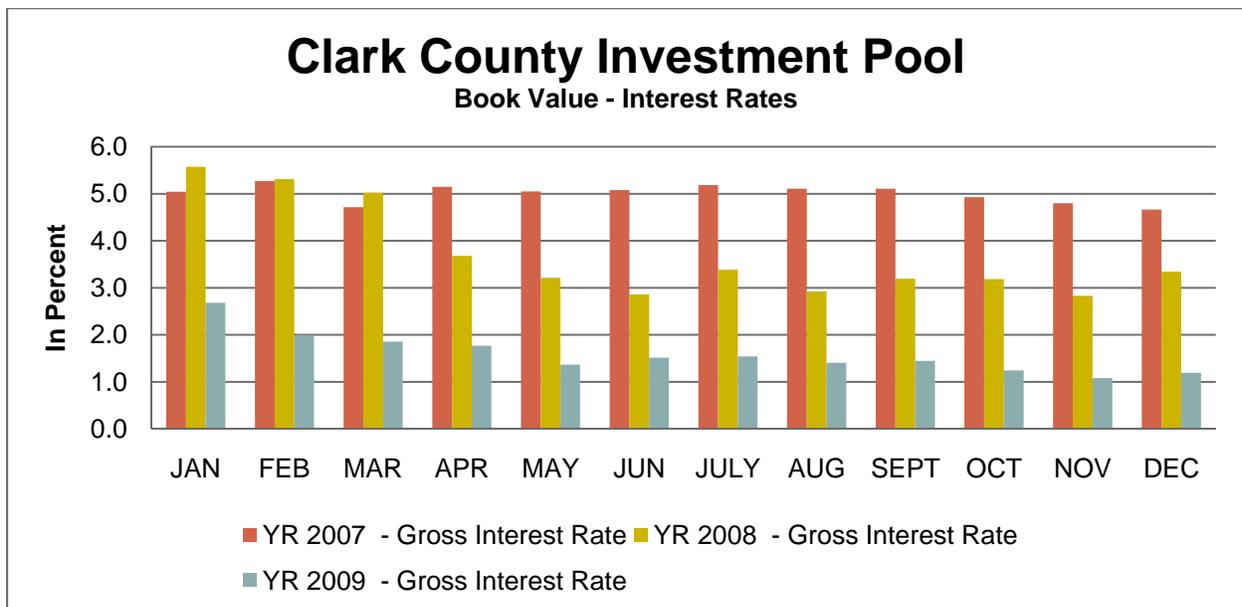
**Figure 4**

**Figure Five** shows interest earnings distributed each month to the County's General fund from 2008 through 2009. During the fourth quarter of 2009, interest earnings totaled \$138 thousand less per month than during the same period in 2008. This is due to a decrease in residual cash principal balances and a decrease in interest rates. On an average monthly basis, \$47 thousand was distributed to the General Fund per month.



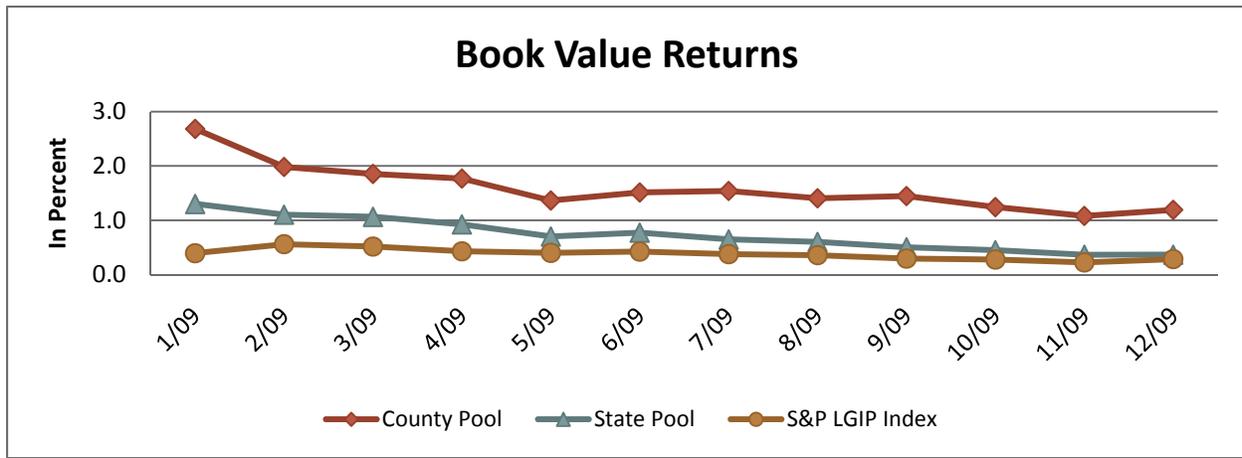
**Figure 5**

**Figure Six** depicts the County Pool's interest rates for 2007 through the fourth quarter of 2009. The County Pool's gross interest rate, based on the book value of the portfolio, at December 31, 2009 was 1.19% compared to 3.34% at December 31, 2008.



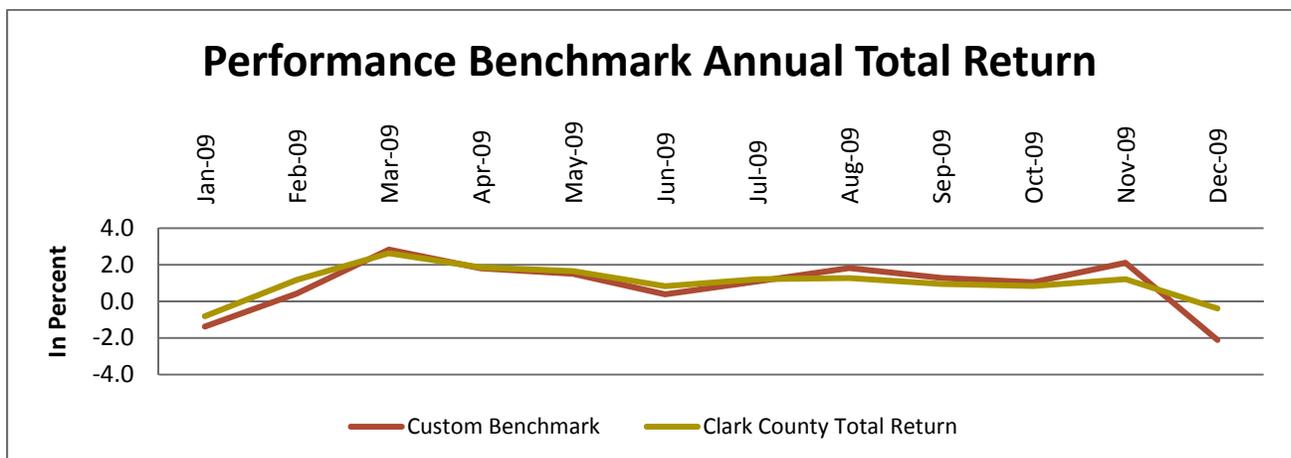
**Figure 6**

**Figure 7** 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 50 days for December, Standard and Poor's LGIP Index with an average maturity of less than on month, and the Clark County Investment Pool with an average maturity of 216 days. The Standard and Poor's LGIP Index and the LGIP closely track current interest rates. At the end of the fourth quarter 2009, the County Pool's net rate on a book value return basis was 1.19%, the S&P LGIP Index was 0.29%, and the State Pool's net rate was 0.37%.



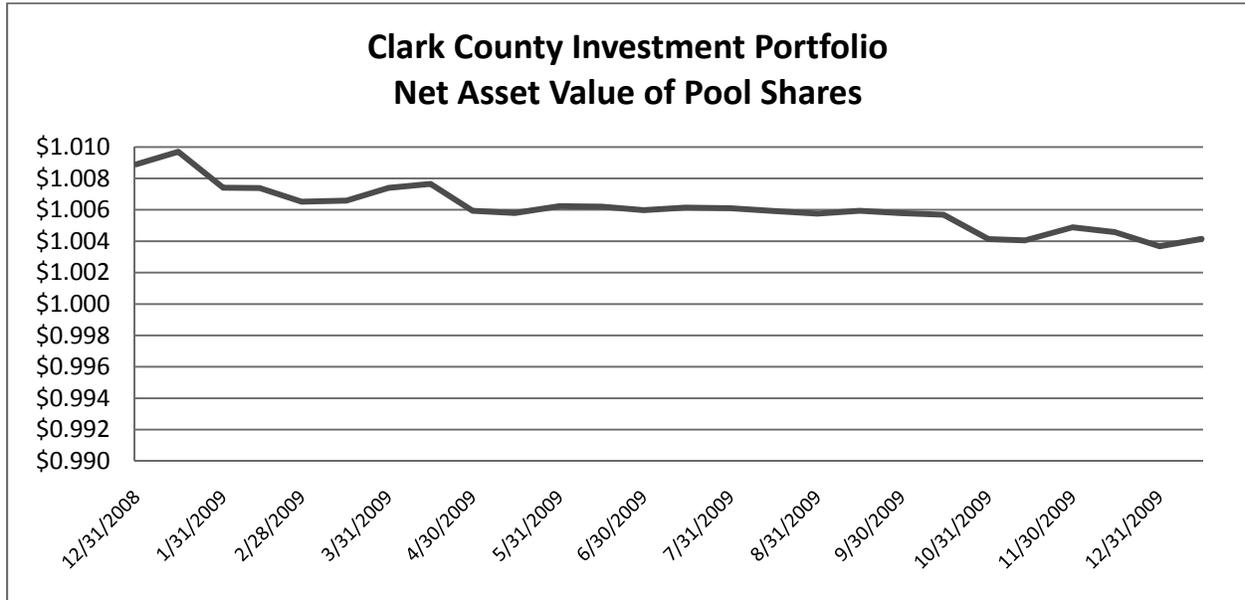
**Figure 7**

**Figure Eight** 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 consist of 75% Merrill Lynch 0-1 Year U.S. Treasury Index and 25% 1-3 Year Agencies Index with a modified duration of 0.722 months. The annualized return for the fourth quarter of 2009 for the County Pool was -0.38% and the Custom Index was -2.11%.



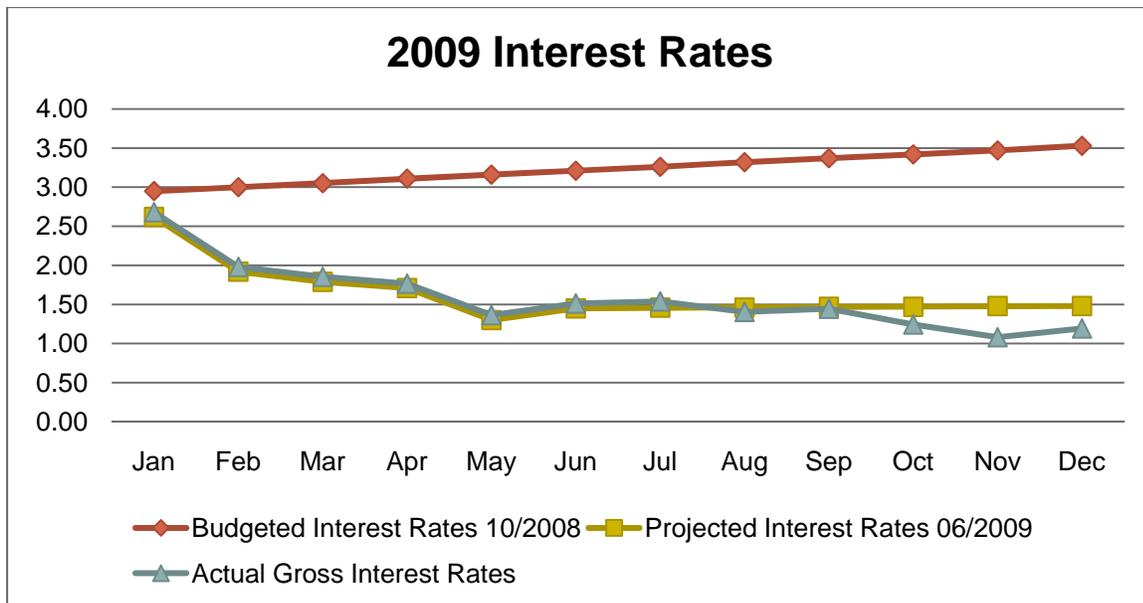
**Figure 8**

**Figure Nine** 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 December 31, 2009, the N.A.V. per share was \$1.003678. 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 \$462,356,275.27.



**Figure 9**

**Figure Ten** shows projected County Pool interest rates for 2009 compared with actual gross interest rates.



**Figure 10**

## Section IV – Investment Strategy

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The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2007 we began purchasing securities in the 2 – 5 year maturity sector to target an average maturity of 8 – 9.5 months in anticipation of lower interest rates. In the beginning of 2008, the emphasis was to continue 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 the rise in interest rates.

<b>Period</b>	<b>0 – 1 year</b>	<b>1 – 2 years</b>	<b>2 – 5 years</b>
1 <sup>st</sup> quarter, 2007	77%	21%	2%
2 <sup>nd</sup> quarter, 2007	65%	33%	2%
3 <sup>rd</sup> quarter, 2007	70%	25%	5%
4 <sup>th</sup> quarter, 2007	76%	9%	15%
1 <sup>st</sup> quarter, 2008	77%	4%	19%
2 <sup>nd</sup> quarter, 2008	68%	15%	17%
3 <sup>rd</sup> quarter, 2008	72%	21%	7%
4 <sup>th</sup> quarter, 2008	67%	18%	15%
1 <sup>st</sup> quarter, 2009	63%	20%	17%
2 <sup>nd</sup> quarter, 2009	80%	10%	10%
3 <sup>rd</sup> quarter, 2009	86%	7%	7%
4 <sup>th</sup> quarter, 2009	72%	26%	2%

During the fourth quarter of 2009, our target range for duration was between 0.4 and 0.6 years. We continue to monitor our investment strategy and 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

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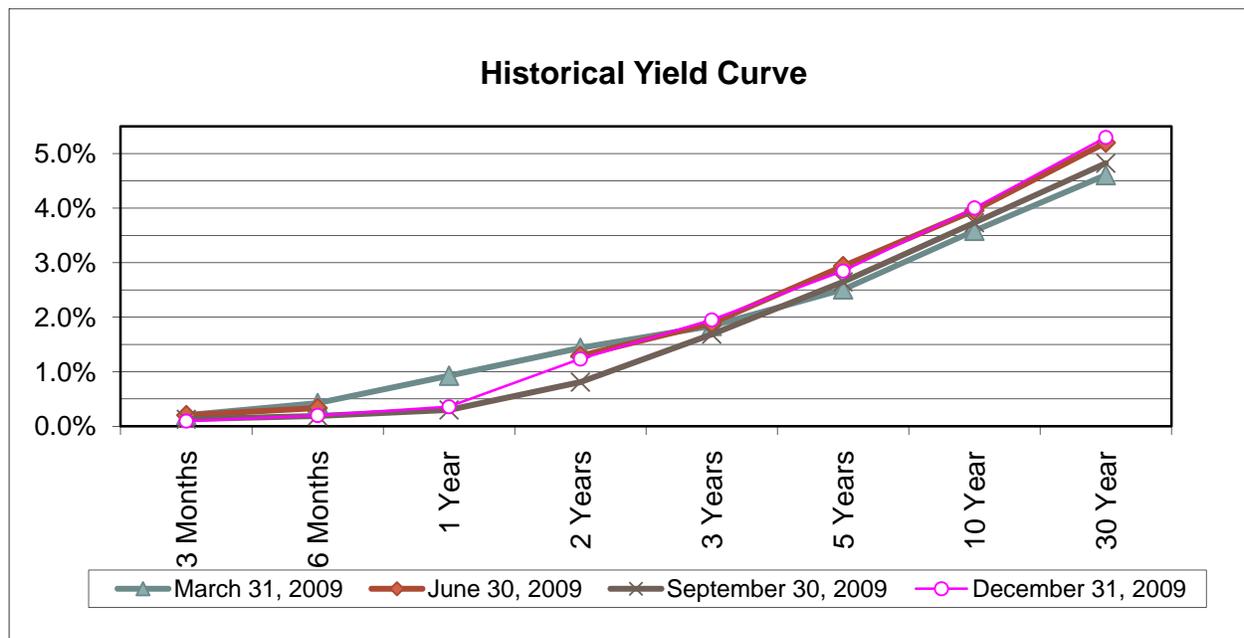
I would like to think 2009 ended on a good note. Retail Sales were up, Labor reports were less weak, and economic indicators are indicating the recovery is gaining some energy.

Retail Sales rose 1.3% in November. Economists were only expecting a gain of 0.6%. After all the numbers were adjusted, November Sales are up even further to 1.8%. Car and gas sales are the cause of most of those gains.

We also saw the best job data in two years. Jobless claims fell quite a bit from March's 674 thousand to 432 thousand for the week ending December 26. The unemployment rate fell from 10.2% to 10.0% in December. Even the nonfarm payroll numbers were revised from a drop of 11 thousand to a *gain* of 4 thousand for November.

A couple of other things working in our favor for our economy are; Producer Price Index up 1.8% in November, Consumer Price Index up 0.4% in November, Existing home sales up 7.4% in November, and Gross Domestic Product gained 2.2% for the 3<sup>rd</sup> quarter. All of these have helped the equity market rally into the New Year.

On December 31, 2009, the 2-year US Agency yielded 1.23%, compared to 0.81% on September 30, 2009. That is a increase of 42 basis points.



# Section VI – Portfolio

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**Exhibit One** shows the makeup of the entire portfolio at the end of the fourth quarter of 2009. 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 complete portfolio listing as of the end of the fourth quarter of 2009. This report shows the book value, the par value, and the market value of the portfolio as of December 31, 2009.

**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 December 31, 2009, the average maturity was approximately 7.2 months. All the percentages are consistent with the current Investment Policy.

**Exhibit Five** show all investment purchases and maturities from October 1, 2009 through December 31, 2009.

**Exhibit Six** shows the makeup of the Clark County Investment Pool at the end of the fourth quarter of 2009. 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 December 31, 2009, the average maturity of the Pool was approximately 7.2 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 fourth quarter. This report contains the book value, the par value, and the market value as of December 31, 2009.

**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  
December 31, 2009**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Bankers Acceptances	\$ 2,787,750	0.58%	3	0.904%	0.917%
Certificates of Deposit	\$ 41,102,627	8.58%	269	1.386%	1.405%
Federal Agencies - Semi-annual	\$ 208,653,701	43.55%	439	2.088%	2.117%
Washington State LGIP	\$ 221,011,481	46.13%	1	0.330%	0.335%
Passbook/Money Market Accts	\$ 4,009,139	0.84%	1	0.444%	0.450%
Treasury Securities - SLGS	\$ 1,562,000	0.33%	329	0.000%	0.000%
<b>Total</b>	<b>\$ 479,126,698</b>	<b>100.00%</b>	<b>216</b>	<b>1.190%</b>	<b>1.206%</b>
Accrued Interest at Purchase	\$ 36,043				
<b>Total Cash and Investments</b>	<b>\$ 479,162,741</b>				

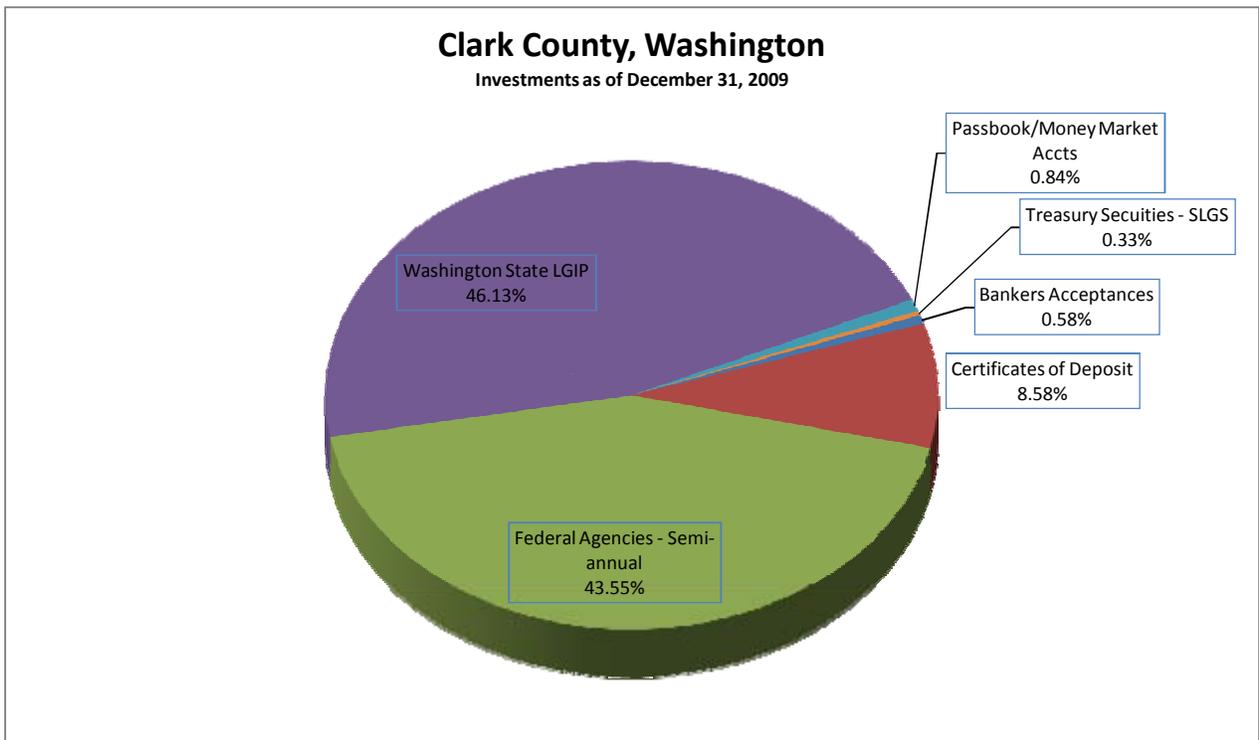


Exhibit 2  
**Clark County, Washington**  
**Investment Portfolio**  
**December 31, 2009**

Investment Number	Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 12/31/09	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
													360 MM	365 BE		
<b>Bankers Acceptances</b>													0.58%			
89983286	7/13/2009	06422TA45	2,787,750.00	12,250.00	2,800,000.00	2,800,000.00	100.00	2,799,860.00	12,110.00	(140.00)	-0.005%	0.900	0.904	0.917	01/04/10	3
<b>Subtotal &amp; Averages</b>			2,787,750.00		2,800,000.00	2,800,000.00		2,799,860.00					0.904	0.917		3
<b>CD's</b>													8.58%			
89983280	5/1/2009		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.500	1.500	1.521	07/30/10	210
89983281	6/24/2009		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.300	1.282	1.300	01/04/10	3
00013284	7/1/2009		50,000.00		50,000.00	50,000.00		50,000.00				1.000	0.986	1.000	06/30/10	180
89983285	7/9/2009		10,050,005.97		10,050,005.97	10,050,005.97		10,050,005.97				1.190	1.174	1.190	08/09/10	220
89983295	10/1/2009		1,002,621.18		1,002,621.18	1,002,621.18		1,002,621.18				1.050	1.036	1.050	01/04/10	3
89983296	10/30/2009		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.650	1.627	1.650	10/31/11	668
<b>Subtotal &amp; Averages</b>			41,102,627.15		41,102,627.15	41,102,627.15		41,102,627.15					1.386	1.406		268
<b>Federal Agencies - Semi-Annual Coupon</b>													40.55%			
89983229	03/12/08	31331XL42	8,098,889.54	(344,407.95)	7,754,481.59	7,651,000.00	102.630	7,852,221.30	(246,668.24)	97,739.71	1.260%	5.250	2.620	2.656	07/16/10	196
89983234	04/18/08	31331XGC0	10,396,900.00	(316,384.53)	10,080,515.47	10,000,000.00	101.894	10,189,400.00	(207,500.00)	108,884.53	1.080%	4.750	2.782	2.821	06/07/10	157
89983252	10/14/08	31331GDC0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	104.253	10,425,300.00	425,300.00	425,300.00	4.253%	3.600	3.551	3.600	10/14/11	651
89983255	10/15/08	31331Y3S7	10,001,100.00	(1,051.75)	10,000,048.25	10,000,000.00	100.131	10,013,100.00	12,000.00	13,051.75	0.131%	3.050	2.997	3.039	01/21/10	20
89983259	11/21/08	31331YG46	4,947,350.00	24,206.90	4,971,556.90	5,000,000.00	102.328	5,116,406.50	169,056.50	144,849.60	2.914%	2.625	3.038	3.080	04/21/11	475
89983303	12/28/09	31331G5Q8	9,982,500.00	681.82	9,983,181.82	10,000,000.00	99.398	9,939,800.00	(42,700.00)	(43,381.82)	-0.435%	1.200	1.263	1.281	03/15/12	804
89983232	04/03/08	3133MYYZ	10,148,900.00	(122,876.74)	10,026,023.26	10,000,000.00	101.108	10,110,830.00	(38,070.00)	84,806.74	0.846%	3.375	2.609	2.645	05/14/10	133
89983235	05/05/08	3133XQYX4	9,957,500.00	29,976.33	9,987,476.33	10,000,000.00	101.787	10,178,650.00	221,150.00	191,173.67	1.914%	3.000	3.137	3.181	09/10/10	252
89983238	05/15/08	3133XR2Y5	9,968,800.00	24,508.31	9,993,308.31	10,000,000.00	101.175	10,117,540.00	148,740.00	124,231.69	1.243%	3.000	3.112	3.155	06/11/10	161
89983258	11/21/08	3133XQQQ8	4,922,650.00	34,416.02	4,957,066.02	5,000,000.00	102.351	5,117,525.00	194,875.00	160,458.98	3.237%	2.625	3.230	3.275	05/20/11	504
89983277	02/24/09	3133XT5X0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.106	10,010,600.00	10,600.00	10,600.00	0.106%	1.050	1.036	1.050	02/24/10	54
89983290	10/07/09	3133XUX24	9,980,000.00	9,333.33	9,989,333.33	10,000,000.00	99.898	9,989,800.00	9,800.00	466.67	0.005%	1.250	1.333	1.352	10/07/11	644
89983291	10/28/09	3133XVAN1	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.035	10,003,500.00	3,500.00	3,500.00	0.035%	1.500	1.479	1.500	10/28/11	665
89983293	10/22/09	3133XVB91	9,995,000.00	2,005.81	9,997,005.81	10,000,000.00	100.027	10,002,700.00	7,700.00	5,694.19	0.057%	0.750	1.436	1.456	10/14/11	651
89983294	11/09/09	3133XVFQ9	10,000,000.00	0.00	10,000,000.00	10,000,000.00	99.990	9,999,000.00	(1,000.00)	(1,000.00)	-0.010%	1.500	1.479	1.500	11/09/11	677
89983295	11/09/09	3133XVFC9	9,997,500.00	1,444.44	9,998,944.44	10,000,000.00	99.990	9,999,000.00	1,500.00	55.56	0.001%	1.500	1.492	1.513	11/09/11	677
89983230	03/20/08	31359MC50	5,246,150.00	(199,471.74)	5,046,678.26	5,000,000.00	101.757	5,087,870.00	(158,280.00)	41,191.74	0.816%	4.625	2.281	2.313	06/01/10	151
89983260	11/26/08	31359MJH7	10,633,400.00	(281,431.95)	10,351,968.05	10,000,000.00	106.958	10,695,750.00	62,350.00	343,781.95	3.321%	6.000	3.262	3.307	05/15/11	499
89983298	12/30/09	3136FJA92	9,993,000.00	38.89	9,993,038.89	10,000,000.00	99.751	9,975,100.00	(17,900.00)	(17,938.89)	-0.180%	1.170	1.189	1.206	12/30/11	728
89983289	09/02/09	3128X9CG3	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.203	10,020,300.00	20,300.00	20,300.00	0.203%	1.750	1.726	1.750	09/02/11	609
89983297	12/21/09	3128X9PG9	9,995,000.00	1,666.67	9,996,666.67	10,000,000.00	99.675	9,967,500.00	(27,500.00)	(29,166.67)	-0.292%	1.250	1.258	1.275	12/21/11	719
<b>Subtotal &amp; Averages</b>			194,264,639.54	(1,137,346.14)	193,127,293.40	192,651,000.00		194,811,892.80	547,253.26	1,684,599.40			2.156	2.186		456

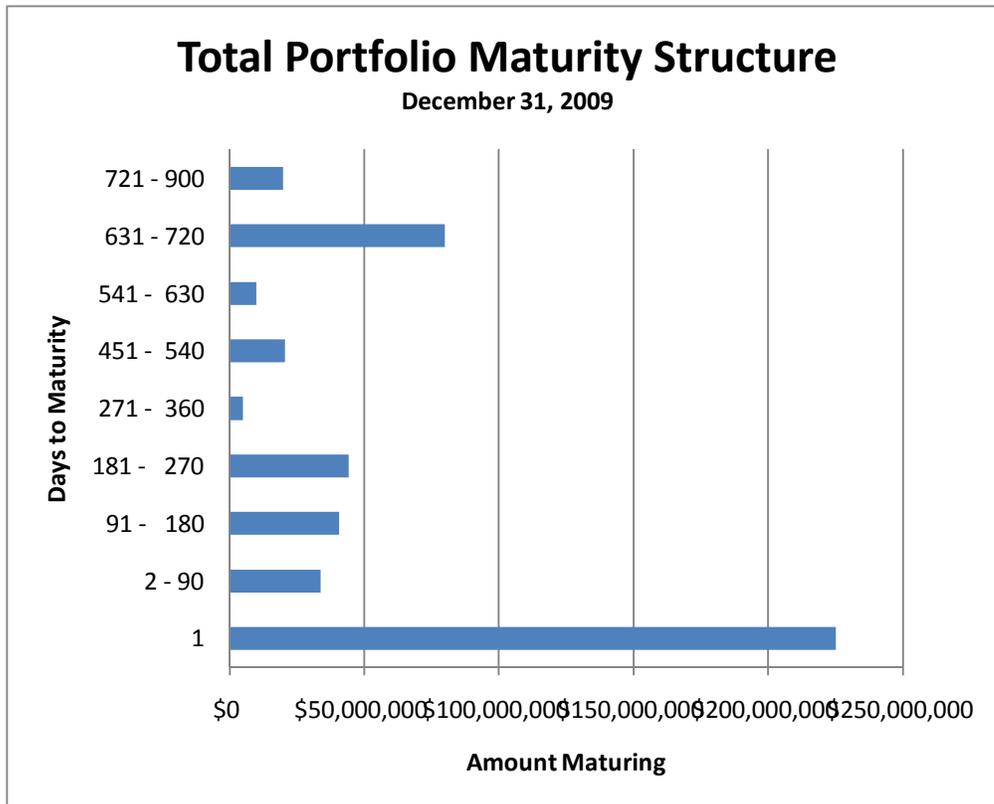
**Clark County, Washington  
Investment Portfolio  
December 31, 2009**

Investment Number	Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 12/31/09	Market Value	Cash Gain/(Loss) on Security	Amortized Gain/(Loss) on Security	Percent Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360 MM	Yield to Maturity 365 BE	Maturity Date	Days to Maturity
<b>Outside Investments - Camas</b>		3.00%														
61293275	Federal Farm Credit	1/20/2009 31331XWL2	2,398,637.60	(79,326.38)	2,319,311.22	2,290,000.00	101.516	2,324,707.93	(73,929.67)	5,396.71	0.233%	4.750	1.043	1.057	05/07/10	126
61293272	Federal Home Loan	1/20/2009 3133XQYX4	1,189,545.20	(17,076.12)	1,172,469.08	1,160,000.00	101.787	1,180,723.40	(8,821.80)	8,254.32	0.704%	3.000	1.403	1.422	09/10/10	252
61293273	Federal Home Loan	1/20/2009 3133XRM49	1,211,040.00	(25,595.06)	1,185,444.94	1,160,000.00	103.118	1,196,163.00	(14,877.00)	10,718.06	0.904%	3.875	1.482	1.503	12/10/10	343
61293274	Federal Home Loan	1/20/2009 3133XRWL0	2,584,725.00	(51,316.56)	2,533,408.44	2,500,000.00	101.825	2,545,635.00	(39,090.00)	12,226.56	0.483%	3.375	1.165	1.181	08/13/10	224
61293271	Federal National Mtg Assoc	1/20/2009 31398ATZ5	1,200,679.90	(17,367.92)	1,183,311.98	1,169,000.00	101.853	1,190,655.73	(10,024.17)	7,343.75	0.621%	2.875	1.265	1.283	10/12/10	284
61293276	Federal National Mtg Assoc	1/20/2009 3136F9RJ4	2,339,377.50	(44,676.81)	2,294,700.69	2,274,000.00	101.214	2,301,606.36	(37,771.14)	6,905.67	0.301%	3.255	1.142	1.158	06/09/10	159
61293269	Federal Home Loan Mtg Corp	1/20/2009 3137EABV0	1,029,930.00	(15,393.86)	1,014,536.14	1,000,000.00	102.078	1,020,783.00	(9,147.00)	6,246.86	0.616%	2.875	1.208	1.225	11/23/10	326
61293270	Federal Home Loan Mtg Corp	1/20/2009 3134A4VB7	2,435,125.77	(66,742.27)	2,368,383.50	2,331,000.00	101.982	2,377,188.77	(57,937.00)	8,805.27	0.372%	4.125	1.055	1.070	07/12/10	192
<b>Subtotal &amp; Averages</b>			14,389,060.97	(317,494.98)	14,071,565.99	13,884,000.00		14,137,463.18	(251,597.79)	65,897.19			9.76	9.90		216
<b>Outside Investments - Camp Bonneville</b>		0.28%														
10130001	Washington State LGIP	12/7/2007	1,328,724.78	0.00	1,328,724.78	1,328,724.78		1,328,724.78				0.335	0.330	0.335		1
<b>Subtotal &amp; Averages</b>			1,328,724.78	0.00	1,328,724.78	1,328,724.78		1,328,724.78	0.00	0.00			0.33	0.34		1.00
<b>U.S. Treasury Securities - SLGS</b>		0.33%														
61093301	State & Local Govt. Series	12/21/2009	225,000.00			225,000.00		225,000.00				0.000	0.000	-	11/26/10	329
61123299	State & Local Govt. Series	12/21/2009	91,000.00			91,000.00		91,000.00				0.000	0.000	-	11/26/10	329
61243300	State & Local Govt. Series	12/21/2009	36,000.00			36,000.00		36,000.00				0.000	0.000	-	11/26/10	329
61273302	State & Local Govt. Series	12/21/2009	1,210,000.00			1,210,000.00		1,210,000.00				0.000	0.000	-	11/26/10	329
<b>Subtotal &amp; Averages</b>			1,562,000.00	0.00	0.00	1,562,000.00		1,562,000.00	0.00	0.00			0.000	-		329.00
<b>Passbook/Money Market Accounts</b>		46.69%														
89983283	First Independent Bank	1%	4,009,139.45	0.00	4,009,139.45	4,009,139.45		4,009,139.45				0.450	0.444	0.450		1
89980001	Washington State LGIP	46%	219,682,755.87	0.00	219,682,755.87	219,682,755.87		219,682,755.87				0.335	0.330	0.335		1
<b>Subtotal &amp; Averages</b>			223,691,895.32	0.00	223,691,895.32	223,691,895.32		223,691,895.32					0.332	0.337		1
<b>Grand Total</b>			<u>479,126,697.76</u>	<u>(1,448,716.12)</u>	<u>476,122,106.64</u>	<u>477,020,247.25</u>		<u>479,434,463.23</u>	<u>301,710.47</u>	<u>1,750,426.59</u>			<u>1.190</u>	<u>1.206</u>		<u>215</u>
7.17 months																
Callable Percentage	14.67%															

EXHIBIT 3

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
AGING OF MATURING INVESTMENTS  
December 31, 2009**

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$225,020,620	46.96%	46.96%
2 - 90	\$33,791,471	7.05%	54.02%
91 - 180	\$40,548,765	8.46%	62.48%
181 - 270	\$44,315,791	9.25%	71.73%
271 - 360	\$5,003,650	1.04%	72.77%
451 - 540	\$20,503,400	4.28%	77.05%
541 - 630	\$10,000,000	2.09%	79.14%
631 - 720	\$79,967,500	16.69%	95.83%
721 - 900	\$19,975,500	4.17%	100.00%
<b>TOTALS</b>	<b>\$479,126,698</b>	<b>100.00%</b>	



**Exhibit 4**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
SUMMARY OF INVESTMENTS BY ISSUER  
December 31, 2009**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Bank of America	1	2,787,750	0.58%	0.92	3
Federal Farm Credit Bank	7	55,825,377	11.65%	2.65	369
Federal Home Loan Bank	13	99,955,660	20.86%	1.96	429
Federal Home Loan Mtg Corp.	4	23,460,056	4.90%	1.45	600
Federal National Mtg Association	6	29,412,607	6.14%	2.16	479
First Independent Bank	2	5,011,761	1.05%	0.57	1
State & Local Govt. Series	4	1,562,000	0.33%	-	329
Umpqua Bank	3	20,050,000	4.18%	1.47	335
US Bank	1	10,000,000	2.09%	1.52	210
Washington State LGIP	2	221,011,481	46.13%	0.34	1
Wells Fargo	1	10,050,006	2.10%	1.19	220
<b>TOTALS and AVERAGES</b>	<b>44</b>	<b>479,126,698</b>	<b>100.00%</b>	<b>1.206%</b>	<b>216</b>

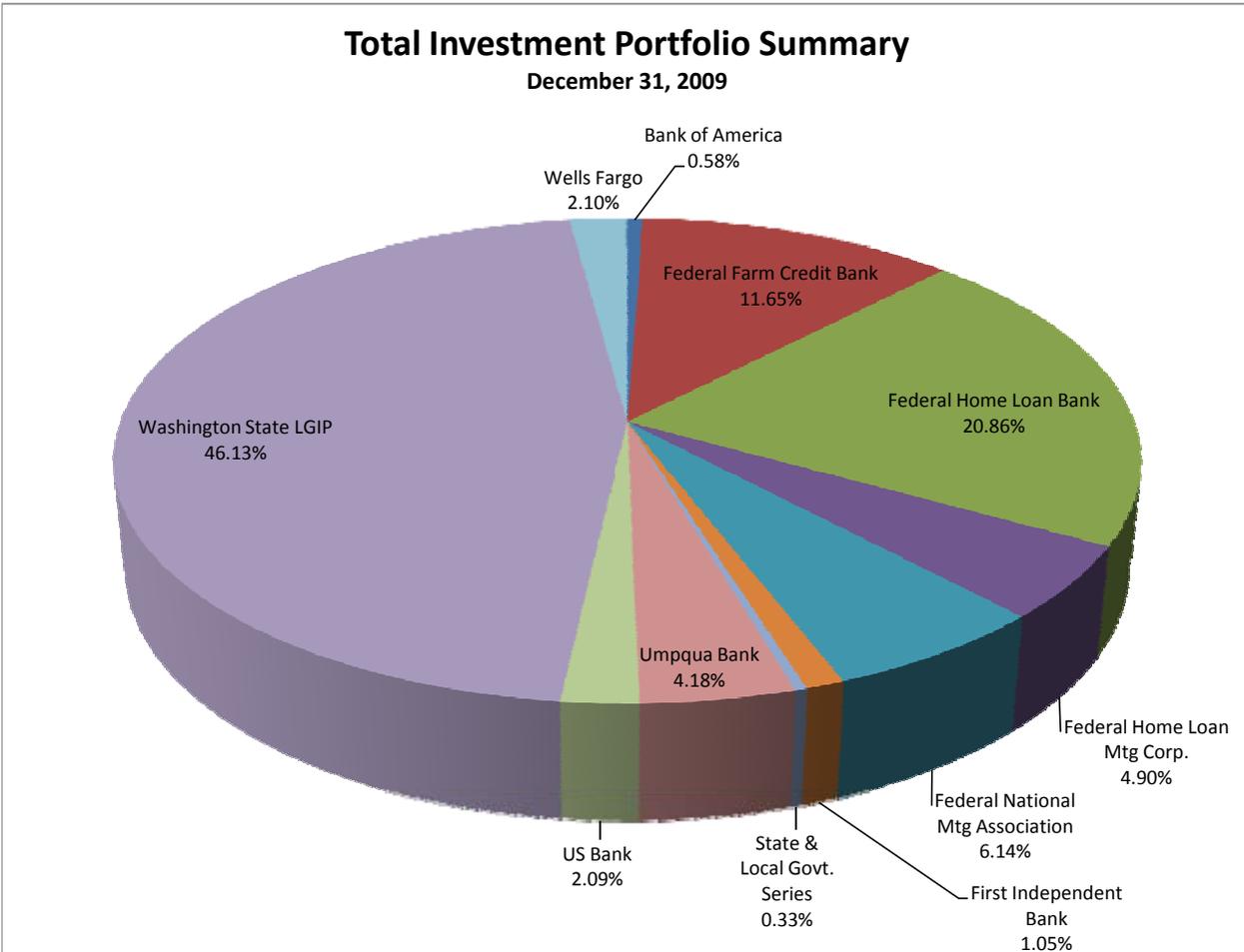


EXHIBIT 5

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
INVESTMENT ACTIVITY BY TYPE  
As of December 31, 2009

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE	
<b>BANKERS ACCEPTANCES</b>				<b>BEGINNING BALANCE:</b>		<b>7,767,680.56</b>	
89983287	Bank of America	0.850	12/30/09		4,979,930.56		
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	0.00	7,767,680.56	
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	0.00	7,767,680.56	
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	4,979,930.56	2,787,750.00	
<b>CERTIFICATES OF DEPOSIT</b>				<b>BEGINNING BALANCE:</b>		<b>41,070,233.80</b>	
89983282	First Independent Bank	1.050	10/01/09		1,000,000.00		
89983282	First Independent Bank	1.050	10/01/09	1,002,621.18			
89983285	Wells Fargo	1.190	10/09/09	9,805.24			
89983296	Umpqua Bank	1.650	10/30/09	10,000,000.00			
89983285	Wells Fargo	1.190	11/09/09	10,142.17			
89983285	Wells Fargo	1.190	12/09/09	9,824.76			
89983261	US Bank	2.320	12/16/09		10,000,000.00		
SUBTOTALS and ENDING BALANCE - OCTOBER				11,012,426.42	1,000,000.00	51,082,660.22	
SUBTOTALS and ENDING BALANCE - NOVEMBER				10,142.17	0.00	51,092,802.39	
SUBTOTALS and ENDING BALANCE - DECEMBER				9,824.76	10,000,000.00	41,102,627.15	
<b>FEDERAL AGENCIES - DISCOUNT</b>				<b>BEGINNING BALANCE:</b>		<b>7,756,000.00</b>	
89983257	Federal Home Loan Bank	3.050	10/23/09		7,756,000.00		
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	7,756,000.00	0.00	
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	0.00	0.00	
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	0.00	0.00	
<b>FEDERAL AGENCIES - SEMI ANNUAL COUPON</b>				<b>BEGINNING BALANCE:</b>		<b>158,799,000.51</b>	
89983290	Federal Home Loan Bank	1.250	10/07/09	9,980,000.00			
89983254	Federal Home Loan Mtg Corp	4.000	10/14/09		10,008,000.00		
89983293	Federal Home Loan Bank	0.750	10/22/09	9,995,000.00			
89983291	Federal Home Loan Bank	1.500	10/28/09	10,000,000.00			
89983294	Federal Home Loan Bank	1.500	11/09/09	10,000,000.00			
89983295	Federal Home Loan Bank	1.500	11/09/09	9,997,500.00			
89983288	Federal Home Loan Bank	1.500	11/17/09		10,000,000.00		
89983297	Federal Home Loan Mtg Corp	1.250	12/21/09	9,995,000.00			
89983262	Federal National Mtg Assoc	2.680	12/23/09		10,080,300.00		
89983303	Federal Farm Credit Bank	1.200	12/28/09	9,982,500.00			
89983298	Federal National Mtg Assoc	1.170	12/30/09	9,993,000.00			
SUBTOTALS and ENDING BALANCE - OCTOBER				29,975,000.00	10,008,000.00	178,766,000.51	
SUBTOTALS and ENDING BALANCE - NOVEMBER				19,997,500.00	10,000,000.00	188,763,500.51	
SUBTOTALS and ENDING BALANCE - DECEMBER				29,970,500.00	10,080,300.00	208,653,700.51	
<b>TREASURY SECURITIES - SLGS</b>				<b>BEGINNING BALANCE:</b>		<b>1,338,000.00</b>	
61093266	State & Local Govt Series	0.030	11/20/09		188,000.00		
61123268	State & Local Govt Series	0.030	11/20/09		104,000.00		
61183267	State & Local Govt Series	0.030	11/20/09		47,000.00		
61243264	State & Local Govt Series	0.030	11/20/09		204,000.00		
61273265	State & Local Govt Series	0.030	11/20/09		795,000.00		
61093301	State & Local Govt Series	0.000	12/21/09	225,000.00			
61123299	State & Local Govt Series	0.000	12/21/09	91,000.00			
61243300	State & Local Govt Series	0.000	12/21/09	36,000.00			
61273302	State & Local Govt Series	0.000	12/21/09	1,210,000.00			
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	0.00	1,338,000.00	
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	1,338,000.00	0.00	
SUBTOTALS and ENDING BALANCE - DECEMBER				1,562,000.00	0.00	1,562,000.00	
<b>CLARK COUNTY</b>				<b>BEGINNING BALANCE:</b>		<b>569,538.18</b>	
OCTOBER	Registered Warrant Invest Acct	2.44%			569,538.18	0.00	
NOVEMBER	Registered Warrant Invest Acct	2.44%				0.00	
DECEMBER	Registered Warrant Invest Acct	2.44%				0.00	
<b>First Independent Bank</b>				<b>BEGINNING BALANCE:</b>		<b>4,004,583.17</b>	
OCTOBER	Public Checking Account	0.450		1,004,164.06	1,002,621.18	4,006,126.05	
NOVEMBER	Public Checking Account	0.450		1,481.72	0.00	4,007,607.77	
DECEMBER	Public Checking Account	0.450		1,531.68	0.00	4,009,139.45	
<b>STATE POOL</b>				<b>BEGINNING BALANCE:</b>		<b>234,480,013.37</b>	
OCTOBER	Washington State Pool	0.616		128,813,770.45	34,130,115.23	329,163,668.59	
NOVEMBER	Washington State Pool	0.568		40,289,173.63	129,004,054.60	240,448,787.62	
DECEMBER	Washington State Pool	0.470		48,971,693.03	68,409,000.00	221,011,480.65	
				<b>BEGINNING BALANCE:</b>	<b>PURCHASES</b>	<b>MATURITIES</b>	<b>ENDING BALANCE:</b>
OCTOBER	<b>TOTALS</b>			455,785,049.59	170,805,360.93	54,466,274.59	572,124,135.93
NOVEMBER	<b>TOTALS</b>			572,124,135.93	60,298,297.52	140,342,054.60	492,080,378.85
DECEMBER	<b>TOTALS</b>			492,080,378.85	80,515,549.47	93,469,230.56	479,126,697.76

**Exhibit 6**

**CLARK COUNTY INVESTMENT PORTFOLIO POOL  
DISTRIBUTION OF INVESTMENTS BY TYPE  
December 31, 2009**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Bankers Acceptances	\$ 2,787,750	0.60%	3	0.904%	0.917%
Certificates of Deposit	\$ 41,052,627	8.89%	268	1.386%	1.406%
Federal Agencies - Semi-annual	\$ 194,264,640	42.07%	455	2.156%	2.186%
Washington State LGIP	\$ 219,682,756	47.57%	1	0.329%	0.334%
Passbook/Money Market Accts	\$ 4,009,139	0.87%	1	0.444%	0.450%
<b>Total</b>	<b>\$ 461,796,912</b>	<b>100.00%</b>	<b>216</b>	<b>1.196%</b>	<b>1.213%</b>
Accrued Interest at Purchase	\$ 6,000				
<b>Total Cash and Investments</b>	<b><u>\$ 461,802,912</u></b>				

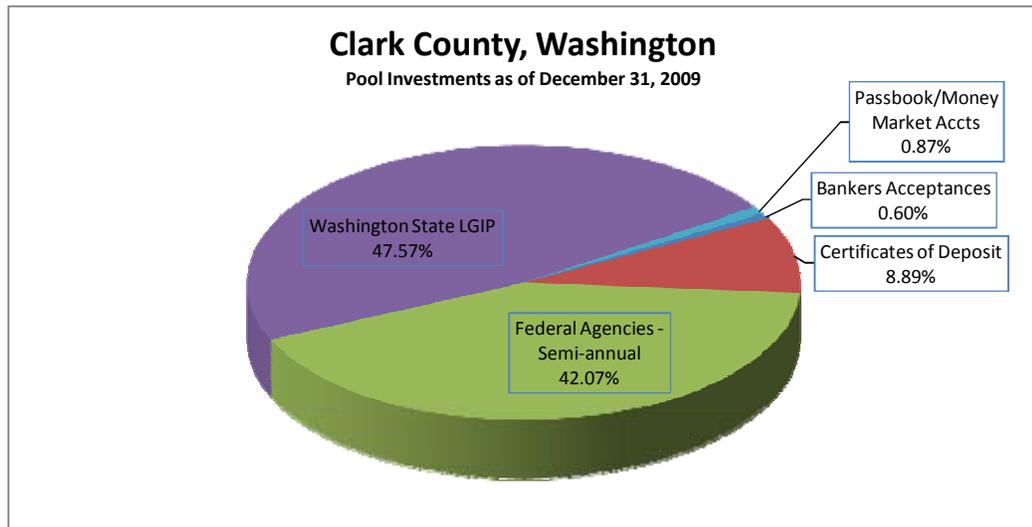


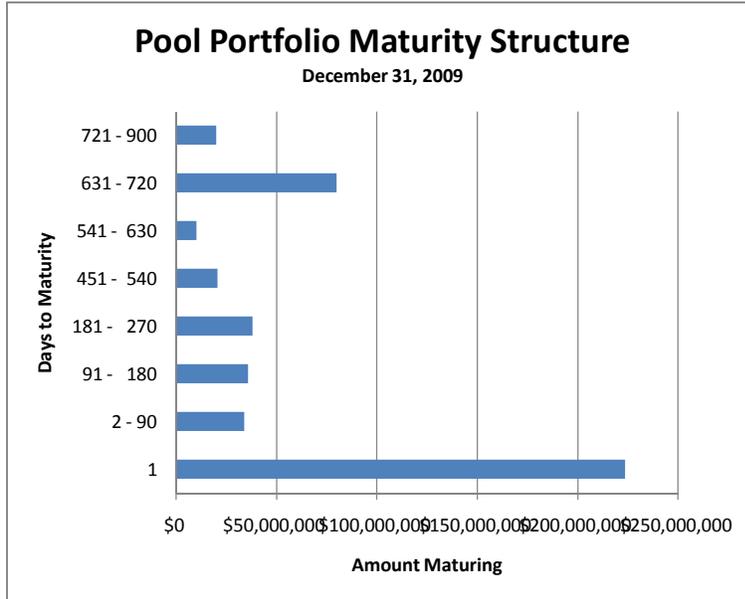
Exhibit 7  
**Clark County, Washington**  
**Pooled Investment Portfolio**  
**December 31, 2009**

Investment Number	Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 12/31/09	Market Value	Cash Gain/(Loss) on Security	Amortized Gain/(Loss) on Security	Percent Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360 MM	Yield to Maturity 365 BE	Maturity Date	Days to Maturity
<b>Bankers Acceptances</b>			0.60%													
89983286	7/13/2009	06422TA45	2,787,750.00	12,250.00	2,800,000.00	2,800,000.00	100.00	2,799,860.00	12,110.00	(140.00)	-0.005%	0.900	0.904	0.917	01/04/10	3
<b>Subtotal &amp; Averages</b>			2,787,750.00		2,800,000.00	2,800,000.00		2,799,860.00					0.904	0.917		3
<b>CD's</b>			8.89%													
89983280	5/1/2009		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.500	1.500	1.521	07/30/10	210
89983281	6/24/2009		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.300	1.282	1.300	01/04/10	3
89983285	7/9/2009		10,050,005.97		10,050,005.97	10,050,005.97		10,050,005.97				1.190	1.174	1.190	08/09/10	220
89983295	10/1/2009		1,002,621.18		1,002,621.18	1,002,621.18		1,002,621.18				1.050	1.036	1.050	01/04/10	3
89983296	10/30/2009		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				1.650	1.627	1.650	10/31/11	668
<b>Subtotal &amp; Averages</b>			41,052,627.15		41,052,627.15	41,052,627.15		41,052,627.15					1.387	1.406		269
<b>Federal Agencies - Semi-Annual Coupon</b>			42.07%													
89983229	03/12/08	31331XL42	8,098,889.54	(344,407.95)	7,754,481.59	7,651,000.00	102.630	7,852,221.30	(246,668.24)	97,739.71	1.260%	5.250	2.620	2.656	07/16/10	196
89983234	04/18/08	31331XGC0	10,396,900.00	(316,384.53)	10,080,515.47	10,000,000.00	101.894	10,189,400.00	(207,500.00)	108,884.53	1.080%	4.750	2.782	2.821	06/07/10	157
89983252	10/14/08	31331GDC0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	104.253	10,425,300.00	425,300.00	425,300.00	4.253%	3.600	3.551	3.600	10/14/11	651
89983255	10/15/08	31331Y3S7	10,001,100.00	(1,051.75)	10,000,048.25	10,000,000.00	100.131	10,013,100.00	12,000.00	13,051.75	0.131%	3.050	2.997	3.039	01/21/10	20
89983259	11/21/08	31331YG46	4,947,350.00	24,206.90	4,971,556.90	5,000,000.00	102.328	5,116,406.50	169,056.50	144,849.60	2.914%	2.625	3.038	3.080	04/21/11	475
89983303	12/28/09	31331G5Q8	9,982,500.00	681.82	9,983,181.82	10,000,000.00	99.398	9,939,800.00	(42,700.00)	(43,381.82)	-0.435%	1.200	1.263	1.281	03/15/12	804
89983232	04/03/08	3133MYYZ	10,148,900.00	(122,876.74)	10,026,023.26	10,000,000.00	101.108	10,110,830.00	(38,070.00)	84,806.74	0.846%	3.375	2.609	2.645	05/14/10	133
89983235	05/05/08	3133XQYX4	9,957,500.00	29,976.33	9,987,476.33	10,000,000.00	101.787	10,178,650.00	221,150.00	191,173.67	1.914%	3.000	3.137	3.181	09/10/10	252
89983238	05/15/08	3133XR2Y5	9,968,800.00	24,508.31	9,993,308.31	10,000,000.00	101.175	10,117,540.00	148,740.00	124,231.69	1.243%	3.000	3.112	3.155	06/11/10	161
89983258	11/21/08	3133XQQQ8	4,922,650.00	34,416.02	4,957,066.02	5,000,000.00	102.351	5,117,525.00	194,875.00	160,458.98	3.237%	2.625	3.230	3.275	05/20/11	504
89983277	02/24/09	3133XT5X0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.106	10,010,600.00	10,600.00	10,600.00	0.106%	1.050	1.036	1.050	02/24/10	54
89983290	10/07/09	3133XUX24	9,980,000.00	9,333.33	9,989,333.33	10,000,000.00	99.898	9,989,800.00	9,800.00	466.67	0.005%	1.250	1.333	1.352	10/07/11	644
89983291	10/28/09	3133XVAN1	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.035	10,003,500.00	3,500.00	3,500.00	0.035%	1.500	1.479	1.500	10/28/11	665
89983293	10/22/09	3133XVB91	9,995,000.00	2,005.81	9,997,005.81	10,000,000.00	100.027	10,002,700.00	7,700.00	5,694.19	0.057%	0.750	1.436	1.456	10/14/11	651
89983294	11/09/09	3133XVFG9	10,000,000.00	0.00	10,000,000.00	10,000,000.00	99.990	9,999,000.00	(1,000.00)	(1,000.00)	-0.010%	1.500	1.479	1.500	11/09/11	677
89983295	11/09/09	3133XVFG9	9,997,500.00	1,444.44	9,998,944.44	10,000,000.00	99.990	9,999,000.00	1,500.00	55.56	0.001%	1.500	1.492	1.513	11/09/11	677
89983230	03/20/08	31359MC50	5,246,150.00	(199,471.74)	5,046,678.26	5,000,000.00	101.757	5,087,870.00	(158,280.00)	41,191.74	0.816%	4.625	2.281	2.313	06/01/10	151
89983260	11/26/08	31359MJH7	10,633,400.00	(281,431.95)	10,351,968.05	10,000,000.00	106.958	10,695,750.00	62,350.00	343,781.95	3.321%	6.000	3.262	3.307	05/15/11	499
89983298	12/30/09	3136FJA92	9,993,000.00	38.89	9,993,038.89	10,000,000.00	99.751	9,975,100.00	(17,900.00)	(17,938.89)	-0.180%	1.170	1.189	1.206	12/30/11	728
89983289	09/02/09	3128X9CG3	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.203	10,020,300.00	20,300.00	20,300.00	0.203%	1.750	1.726	1.750	09/02/11	609
89983297	12/21/09	3128X9PG9	9,995,000.00	1,666.67	9,996,666.67	10,000,000.00	99.675	9,967,500.00	(27,500.00)	(29,166.67)	-0.292%	1.250	1.258	1.275	12/21/11	719
<b>Subtotal &amp; Averages</b>			194,264,639.54	(1,137,346.14)	193,127,293.40	192,651,000.00		194,811,892.80	547,253.26	1,684,599.40			2.156	2.186		456
<b>Passbook/Money Market Accounts</b>			48.44%													
89983283			4,009,139.45	0.00	4,009,139.45	4,009,139.45		4,009,139.45				0.450	0.444	0.450		1
89980001			219,682,755.87	0.00	219,682,755.87	219,682,755.87		219,682,755.87				0.335	0.330	0.335		1
<b>Subtotal &amp; Averages</b>			223,691,895.32	0.00	223,691,895.32	223,691,895.32		223,691,895.32					0.332	0.337		1
<b>Grand Total</b>			<u>461,796,912.01</u>	<u>(1,131,221.14)</u>	<u>460,671,815.87</u>	<u>460,195,522.47</u>		<u>462,356,275.27</u>	<u>553,308.26</u>	<u>1,684,529.40</u>			<u>1.197</u>	<u>1.213</u>		<u>216</u>
															7.20 months	
Callable Percentage			15.21%													

EXHIBIT 8

**CLARK COUNTY Pool INVESTMENT PORTFOLIO  
AGING OF MATURING INVESTMENTS  
December 31, 2009**

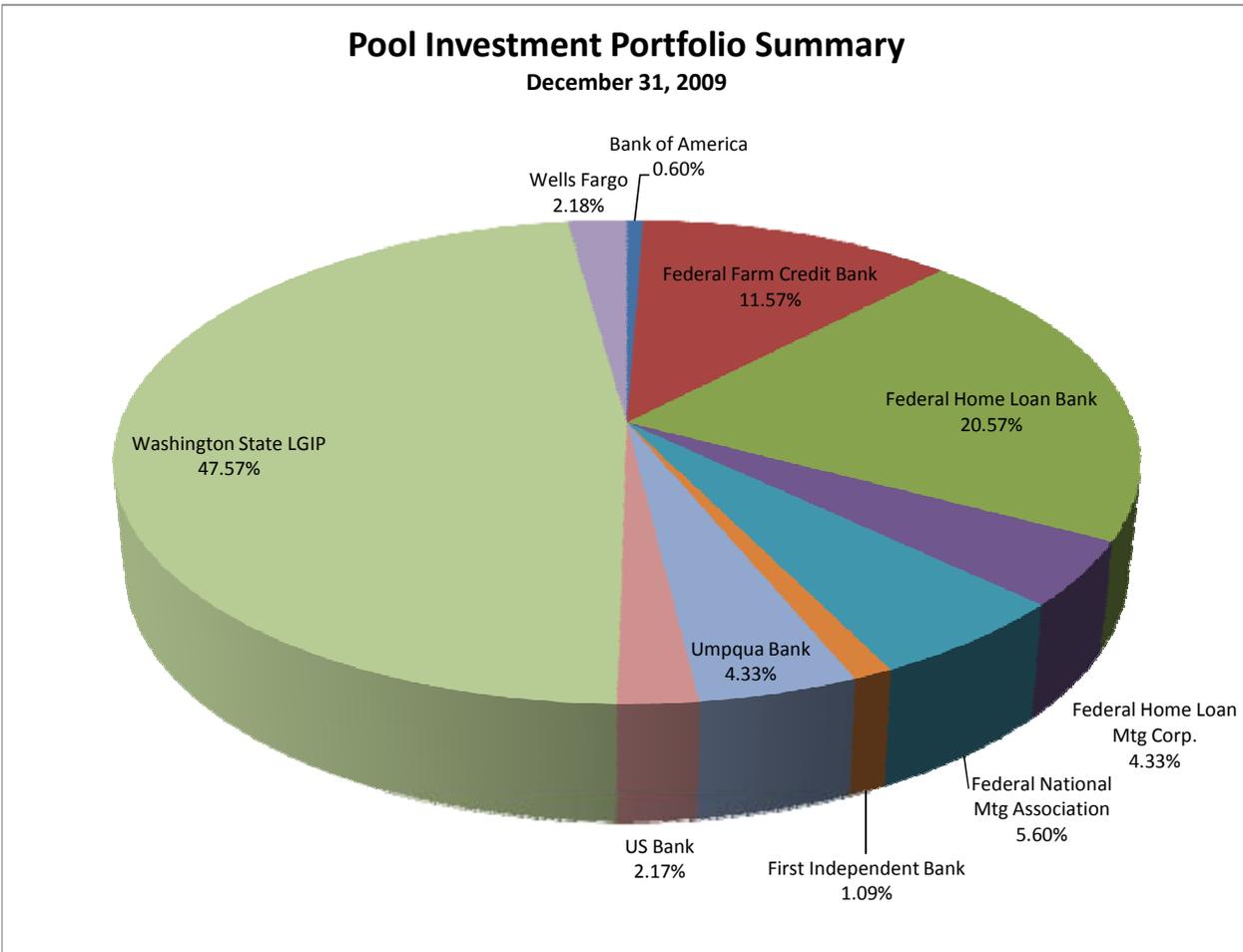
Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$223,691,895	48.44%	48.44%
2 - 90	\$33,791,471	7.32%	55.76%
91 - 180	\$35,760,750	7.74%	63.50%
181 - 270	\$38,106,396	8.25%	71.75%
451 - 540	\$20,503,400	4.44%	76.19%
541 - 630	\$10,000,000	2.17%	78.36%
631 - 720	\$79,967,500	17.32%	95.67%
721 - 900	\$19,975,500	4.33%	100.00%
<b>TOTALS</b>	<b>\$461,796,912</b>	<b>100.00%</b>	



**Exhibit 9**

**CLARK COUNTY Pool INVESTMENT PORTFOLIO  
SUMMARY OF INVESTMENTS BY ISSUER  
December 31, 2009**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Bank of America	1	2,787,750	0.60%	0.92	3
Federal Farm Credit Bank	6	53,426,740	11.57%	2.72	380
Federal Home Loan Bank	10	94,970,350	20.57%	2.00	438
Federal Home Loan Mtg Corp.	2	19,995,000	4.33%	1.51	664
Federal National Mtg Association	3	25,872,550	5.60%	2.29	517
First Independent Bank	2	5,011,761	1.09%	0.57	1
Umpqua Bank	2	20,000,000	4.33%	1.48	336
US Bank	1	10,000,000	2.17%	1.52	210
Washington State LGIP	1	219,682,756	47.57%	0.34	1
Wells Fargo	1	10,050,006	2.18%	1.19	220
<b>TOTALS and AVERAGES</b>	<b>29</b>	<b>461,796,912</b>	<b>100.00%</b>	<b>1.213%</b>	<b>216</b>



**Exhibit 10**  
**County Pool vs. State Pool**  
**1/99 - 12/09**

