

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

THIRD QUARTER 2007



November 5, 2007

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

<b>SECTION I – AUGUST 6, 2007 MINUTES</b>	<b>- 3 -</b>
<b>SECTION II – SEPTEMBER 6, 2007 MINUTES</b>	<b>- 6 -</b>
<b>SECTION III – OCTOBER 25, 2007 MINUTES</b>	<b>- 8 -</b>
<b>SECTION IV – OCTOBER 29, 2007 MINUTES</b>	<b>- 10 -</b>
<b>SECTION V – EXECUTIVE SUMMARY</b>	<b>- 12 -</b>
<b>SECTION VI – 2007 YEAR-TO-DATE</b>	<b>- 13 -</b>
<b>SECTION VII – QUARTERLY ACTIVITY</b>	<b>- 15 -</b>
<b>SECTION VIII – INVESTMENT STRATEGY</b>	<b>- 20 -</b>
<b>SECTION IX – ECONOMIC / MARKET CONDITIONS</b>	<b>- 21 -</b>
<b>SECTION X – PORTFOLIO</b>	<b>- 22 -</b>

## ***Section I – August 6, 2007 Minutes***

### **SECOND-QUARTER, 2007 CLARK COUNTY FINANCE MEETING Monday, August 6, 2007, 9:30 a.m. Clark County BOCC Conference Room 678A**

**Members in Attendance:** Doug Lasher, Chair

Greg Kimsey, Secretary

Steve Stuart, Chair, Board of County Commissioners

**Others in Attendance:**

Bill Thackery, Evergreen SD; Brett Blechschmidt, ESD 112; Tim Merlino, ESD 112; Mike Merlino, Evergreen SD; Kent Simpson, Vancouver SD; Steve Olson, Vancouver School District; Barbara Fava, Public Financial Management (via phone); Bill Barron, Clark County Administrator; Bronson Potter, Clark County Prosecuting Attorney's Office; John Payne, Cathy Huber Nickerson, Michelle Gable, Clark County Treasurer's Office

**Recording:**

Kathleen Smithline, Treasurer's Office

- I. Call to Order** – The meeting was called to order at 9:35 a.m. by Doug Lasher.
- II. Approval of Minutes** – MOTION was made by Greg Kimsey, seconded by Doug Lasher, and unanimously carried to approve the minutes of May 17, 2007. MOTION was made by Greg Kimsey, seconded by Doug Lasher, and unanimously carried to approve the minutes of May 31, 2007.
- III. Second-Quarter County Investment Pool Report**
  - The economy grew at 0.7% for the first quarter – the slowest growth rate in four years.
  - The housing market was the lowest it has been since 1991. It is expected that this will continue to be a drag on the economy for the rest of this year and potentially in next year.
  - Oil prices have increased to an average of \$67 per barrel for the 2<sup>nd</sup> quarter and rose to \$77.02 on July 27 of this year.
  - Consumer confidence decreased to 106 for 2<sup>nd</sup> quarter from 109.8.
  - Unemployment remains at 4.5%.
  - The average pool balance for 2<sup>nd</sup>-quarter barely increased to \$447 million compared to \$446 million in 2006. Greg Kimsey asked why the pool was 50 basis points below the state pool. Cathy Huber Nickerson answered that this was due to the pool having a longer average maturity than the state pool.
  - Of \$409 million, asset allocation reflected \$45 million in CDs; \$20 million in Commercial Paper; \$244 million in Federal Agencies; and \$100 million in Money Market accounts and Municipal Bonds.
  - Maturity distribution – the average maturity on June 30 was 8.9 months. The \$409 million is broken up into different maturity date ranges.
  - Interest earnings – the 2<sup>nd</sup> quarter averaged 5.093% in 2007 compared to 4.31% in 2<sup>nd</sup> quarter, 2006.

- Performance benchmarks – the book value 5.08% interest rate was slightly lower than the 5.24% earned by the Washington State LGIP. When the overnight rates are lowered to 5.25%, the County will be outperforming the state again.

### **Investment Strategy**

- Maintain average maturity to 7.5 – 9 months
- Add two-year Federal Agencies when yields are 5.1%
- Add two to three-year callable when yields are 5.5%
- Increase diversity with Commercial Paper

## **IV. PFM Report**

Michelle Gable presented the Public Financial Management's overview of the County's investments for 2<sup>nd</sup> Quarter, 2007.

### **Second-Quarter, 2007**

- Economists expect growth between 2.5 and 3.0% for the remainder of 2007.
- The Federal open market Committee kept the target rate at 5.25%.
- The housing market faces challenges with falling housing sales and housing prices along with a surge in foreclosures of sub-prime mortgages.

### **County Investment Portfolio**

- The portfolio increased from \$361 million to \$410 million in the second quarter.
- The composition of the portfolio shifted to greater weight in Federal Agency Notes and Commercial Paper.
- Maturity distribution increased from 7.0 to 8.9 months.
- The county pool maintains a diversified portfolio of securities with high-credit quality.
- The portfolio has 12.2% invested in callable securities.
- The total return of the pool was 4.75%.

### **Investment Strategy Recommendations**

- Maintain the average maturity of the pool within 7 ½ and 9 months.
- Purchase commercial paper and CDs.
- Consider callable securities if longer-term investments are warranted.

**Outstanding Debt Report** – was deferred.

### **Fair Market Value**

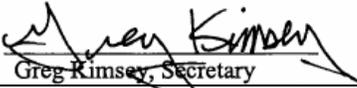
Doug Lasher stated that the Treasurer's Office will reverse gains and losses adjustments as of August 31, 2007, so that schools can balance their records. Barbara Fava of Public Financial Management presented an overview of fair market value practices. Most Pools' average maturity is under 90 days; the County goes out to seven – nine months.

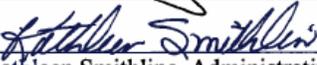
Calculating fair market value fluctuations quarterly (GASB 31 only requires reporting it annually and then reversing it). This is consistent with IRS requirements for bond proceeds and does not require fair market value to be distributed because the maturity is less than 18 months. Barbara Fava stated that since the tracked and accumulated fair market value will be eliminated August 31, fair market value should be reported and then reversed out the next day. Booking fair market value fluctuations and then reversing them the next day allows participants to carry their share at \$1 and complies with GASB 31.

The committee members and participants discussed fair market value for the remainder of the meeting. The purpose of this discussion was to help bring clarity to the discussion of what policy decisions will need to be made in revising the Investment Policy with all committee members, the investment advisor, legal counsel, and other meeting participants listed above.

Greg Kimsey requested a written proposal to amend the current investment service agreement and policy that addresses managing the proposal the way we have it at the next meeting.

The meeting was adjourned at 11:35 a.m.

Submitted by:   
Greg Kimsey, Secretary

Prepared by:   
Kathleen Smithline, Administrative Assistant

## Section II – September 6, 2007 Minutes



proud past, promising future

CLARK COUNTY  
WASHINGTON

AUDITOR  
GREG KIMSEY

**Clark County Finance Committee Meeting  
September 6, 2007, 12:30 p.m.  
BOCC Conference Room B**

**Members in Attendance:** Doug Lasher, Chair  
Greg Kimsey, Secretary  
Steve Stuart, Board of County Commissioners' Chair

**Others in attendance:** Bill Barron, Clark County Administrator  
Curt Wyrick, Clark County Chief Deputy Prosecuting Attorney  
Bronson Potter, Clark County Senior Deputy Prosecuting Attorney  
John Payne, Deputy Treasurer  
Cathy Huber Nickerson, Finance Manager, Treasurer's Office  
Michelle Gable, Investment Officer, Treasurer's Office

The meeting was called to order by Doug Lasher at 12:30 p.m.

It was **MOVED** by Doug Lasher that Section XX of the Clark County Investment Policy be changed as shown in the attached Exhibit ( Sept 6 2007.pdf) to these minutes. Motion was seconded by Steve Stuart for purposes of discussion. Doug stated that the reason for the proposed change is to amend the word "distribute" to "report" for internal reasons. Per GASB 31, participants in the Clark County Investment Pool are required to report the fair value of their investments in the pool on their year end balance sheets.

Greg Kimsey: Asked if the districts are agreeable to this change and further asked if they had been shown the change. Doug said "no." Michelle Gable said that we have told the districts that we need to make this change.

Steve Stuart: The concept of "distribution" versus "reporting" has been discussed.

John Payne Asked that if we actually "show" this change to the districts, would Steve Stuart vote for it. Steve Stuart said he would. John Payne said we would do this today.

- Greg Kimsey requested that in the future Finance Committee members be given copies of any proposed changes to the Clark County Investment Policy with adequate time for those proposals to be reviewed before meetings of the Finance Committee
- Doug Lasher withdrew his motion to change the Investment Policy.
- **MOTION** was made by Steve Stuart to waive the penalty for Early Withdrawal as provided for in the Clark County Investment Pool Information statement for any participant who notifies the Treasurer on, or before, October 31, 2007 of their intent to withdraw their funds to reinvest elsewhere, specifically including Camas, Hockinson, and Washougal School Districts.

1300 Franklin • P.O. Box 5000 • Vancouver, WA 98666-5000

(360) 397-2078 • Fax (360) 397-6007 • [www.clark.wa.gov/auditor](http://www.clark.wa.gov/auditor)

Greg Kimsey seconded and amended the motion to include that all participants be informed of the changes. Doug Lasher noted that extending the date of October 31 for participants to withdraw could have an impact on the investment pool because the market would change and that we need to retain the integrity of the investment policy because we have charged a penalty in the past. The vote was called for, and discussion ceased. Motion was carried with two Ayes and one Nay.

Discussion ensued regarding the reporting the Treasurer's Office has been providing to pool participants. Greg Kimsey asked if the "Sympro" report titled "Clark County Investment Pool Fair Market Value of Investments for the period ending..." that is provided to participants on a quarterly basis showing the fair market value of Camas School District's Capital Project Fund's investment in the County Investment Pool at July 31, 2007 was approximately \$1.2 million dollars (including an approximate \$600,000 accumulated unrealized fair market value gain) was incorrect. Cathy Huber Nickerson responded that yes, this amount was incorrect, that the correct fair market value of this participants investment on that date was approximately \$500,000, (including an approximate \$600.00 unrealized fair market value gain).

Greg Kimsey asked if, after the fair market value is correctly calculated and reported, if those participants who have received the Sympro report showing an accumulated unrealized fair market value loss on their investment(s) in the pool will now have a reduction of their "loss" on the same scale as the change in the "gain" the Camas School District has (i.e. a \$600,000 "gain" is actually a \$600.00 gain). Cathy Huber Nickerson responded "yes, that is correct; those "losses" will be reduced.

Greg Kimsey asked if this means that the value shown on each participant's year end financial statement for the fair value of their investment(s) in the pool have been incorrect for at least the past ten years. Cathy Huber Nickerson responded that this was correct, except that the values shown on Clark County's year end financial statement have been reported accurately.

Bronson Potter observed that because the amount of "misallocation" of gains and losses when participants invest and withdraw funds from the pool appears to be quite small it may be that the pool could be operated on a "dollar in-dollar out" basis.

Greg Kimsey said that at the next meeting he would like to discuss why there should be a penalty for withdrawing funds to reinvest elsewhere without prior notice and requested that the Treasurer's Office provide information at the next County Finance meeting regarding this topic (including a survey of the practice of both "public" and "private" investment pools).

- Steve Stuart requested the Treasurer's Office talk to all participants to get their buy in of any proposed changes to the Clark County Investment Policy.
- Bill Barron requested Bronson Potter to draft any changes that would be necessary in the Investment Services Agreement and Information Statement to reflect any proposed changes in the Clark County Investment Policy.
- Bill Barron summarized the discussion:
  - Need for results from a survey of other investment pools as to whether or not they have a 3% withdrawal penalty in their policies and the reason for having a penalty.
  - Need to get a buy off of the changes in the policy from pool participants before the next meeting.

The meeting was adjourned at approximately 1:30pm.

Submitted by:   
Greg Kimsey, Secretary

Date: 10/17/2007

Prepared by: 

10/17/07

## ***Section III – October 25, 2007 Minutes***

**CLARK COUNTY FINANCE COMMITTEE MEETING  
October 25, 1997, 2 p.m.  
Board of County Commissioners' Conference Room C  
Public Service Center Building  
1300 Franklin Street  
Vancouver, Washington**

**Members in Attendance:** Doug Lasher, Chair  
Greg Kimsey, Secretary  
Steve Stuart, Chair, Board of County Commissioners

**Others in Attendance:** Mike Andersen, The Columbian  
Bill Barron, Clark County Administrator  
Curt Wyrick, Chief Deputy Prosecuting Attorney  
Bronson Potter, Sr. Deputy Prosecuting Attorney  
John Payne, Deputy Treasurer  
Brian Williams, Investment/Debt Manager  
Michelle Gable, Investment Officer

**Recording:** Kathleen Smithline, Administrative Assistant

The meeting was called to order by Doug Lasher at 2:15 p.m.

The minutes of the previous meetings were deferred until the next meeting.

Greg Kimsey stated that his goal for this process was to finalize a policy that prospective participants and staff will be able to see how their money is managed. He had expected that proposals would be put forward for the Pool to be managed like a "2a-7" money market fund; however, the drafts that he received after the last meeting did not accomplish this. His changes reflect a continued management of the policy as if it were a bond fund. Bronson Potter said that he did not have an opinion on this. John Payne stated that the Pool was created as a bond fund so that we would not have two "2a-7" funds (one being the State Pool and one the County Pool. Doug Lasher indicated that when the Pool was created, we wanted it to be different from the state pool so that it allows the districts and the County to realize additional interest earnings. The policy is the framework and we also have the Investment Pool Information Statement that goes into more detail.

The Policy was reviewed in detail beginning at Section 5, as some of the changes were "housekeeping" items that did not need to be discussed.

**Section V. Delegation of Authority**

To be determined.

**Section VIII. Authorized and Suitable Investments**

**#8. Washington State Local Government Investment Pool (LGIP)**

Regarding following practices and procedures. Per Greg Kimsey, would like to come back to this issue.

**#16. Forward Delivery Agreement**

Allows the County to invest with a third-party investor. Per Doug Lasher, the Treasurer's Office will work on a further clarification of "investor" and "participant."

**Section XV. Reporting**

The word "will" to be changed to "shall."

**Section XIX. Clark County Investment Pool**

Paragraph regarding "The Clark County Investment Policy establishes the parameters for purchasing/selling ....."  
Discussion of need to clarify total return versus amortized cost; what happens to a participant's deposit when entering the Pool and how the interest, realized gains/losses, and unrealized gains/losses are applied and/or reported.

Penalty for Withdrawal: Last paragraph regarding "The Treasurer recommends that the withdrawal provision be retained: ....."  
John Payne agreed that there needs to be more clarity to this statement.

The Committee decided that the following items would be clarified, with examples, at another meeting to be held before the scheduled 3<sup>rd</sup>-Quarter, 2007, meeting of November 5.

**Summary of Items for Clarification for Next Meeting:**

1. **Total return versus amortized cost.** Clarify total return vs. amortized cost.
2. **Penalty for withdrawal.** Greg Kimsey suggested that there not be a penalty for withdrawal from the Pool. It was noted that the rating agencies like to have the penalty. Also a suggestion of placing a threshold on the penalty so that the probability of a penalty would not be low.
3. **Investment Fee.** Agreement that is needs to be clearer.
4. **Delegation of Authority:** Needs to be revisited.

The meeting was adjourned at 3:05 p.m.

Submitted by:   
Greg Kimsey, Secretary

10/29/07  
Date

Prepared by:   
Kathleen Smithline, Administrative Assistant

10/29/07  
Date

## ***Section IV – October 29, 2007 Minutes***

### **CLARK COUNTY FINANCE COMMITTEE SPECIAL MEETING**

**October 29, 2007  
Board of County Commissioners' Conference Room C  
1300 Franklin Street  
Vancouver, Washington  
4 p.m.**

**Members Attending:** Doug Lasher, Chair  
Greg Kimsey, Secretary  
Steve Stuart, Board of County Commissioners' Chair

**Others Attending:** Bill Barron, Clark County Administrator  
Bronson Potter, Sr. Deputy Prosecuting Attorney  
Jim Dickman, Budget Director  
John Payne, Deputy Treasurer  
Cathy Huber Nickerson, Treasurer's Finance Manager  
Brian Williams, Investment/Debt Manager  
Michelle Gable, Investment Officer

**Recording:** Kathleen Smithline, Administrative Assistant

The meeting was called to order by Doug Lasher at 4:05 p.m.

The minutes of the previous meetings were deferred until the November 5, 2007, Third-Quarter Meeting.

The proposed changes to the Clark County Investment Policy were reviewed. Approval is planned to be done at the November 5, 2007, Third-Quarter Meeting due to the need for developing the specific language for these issues.

#### **Section XIX. Clark County Investment Pool**

Relating to establishing parameters for purchasing/selling..... clarification of total return versus amortized cost; method of reporting/applying interest, realized gains/losses, and unrealized gains/losses.

John Payne explained the Treasurer's proposed process of purchasing and redeeming shares including calculating fair market value on a monthly basis and the available balance to spend.

The Committee discussed withdrawal of shares for investments made outside the Pool and/or expenditures. Participants are concerned that they could potentially suffer financial harm should one participant withdraw a large sum of money from the Pool or left the Pool. Unrealized gains and losses would not be distributed but would be reported monthly, and such entries entered as fair market value adjustments into the accounting records would be reversed the following accounting period. The Committee also discussed having no penalty for leaving the Pool unless the withdrawal is a large amount and/or within a short period of time. The "short period of time" and "significant amount" will be determined by the Treasurer's Office. This would allay the districts' concern that the remaining participants of the Pool could potentially suffer if one participant withdrew a large-sum of money from the Pool or left the Pool. The County will include language into the Investment Policy to possibly waive all or part of the penalty.

The Treasurer's Office will have this new language for the Investment Policy available by Thursday, November 1.

**Section XIX. Interest**

Consensus to change the word "interest" to "earnings"

**Section VIII. Forward Delivery Agreement**

This issue of clarifying the terms "participant" and "investor" was discussed with no consensus reached.

**Section XV. Reporting**

Not discussed

**Section VIII. Authorized and Suitable Investments**

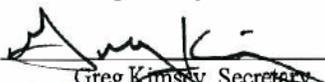
Not discussed

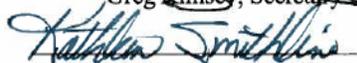
**Section V. Delegation of Authority**

It was the general consensus to leave this out and revisit it later if needed for Investment Policy certification.

Commissioner Stuart requested that changes to the Investment Policy draft be ready in final form (with only the most recent changes that were discussed at this meeting) for the Committee to vote on for the November 5 meeting.

The meeting was adjourned at 5:22 p.m.

  
\_\_\_\_\_  
Greg Kimsey, Secretary

  
\_\_\_\_\_  
Kathleen Smithline, Administrative Assistant

11/2/07  
\_\_\_\_\_  
Date

11/2/07  
\_\_\_\_\_  
Date

## ***Section V – Executive Summary***

This report provides a review of the activities occurring during the third quarter, 2007, in compliance with Clark County Investment Policy adopted July 2006.

As of September 30, 2007, the average maturity of the investment pool portfolio decreased to approximately 8 months which is shorter than the average maturity at the end of the second quarter of 2007. The asset sector distribution of the total investment portfolio changed slightly during the third quarter, with approximately 48.8% of the portfolio was invested in Federal Agencies, 37.6% invested in money markets, 7.2% invested in Certificates of Deposits, 6.1% invested in commercial paper, and .3% invested in State and Local Government Securities. This is compared with the second quarter of 2007's asset allocation of which 48.6% of the portfolio invested in Federal Agencies, 37.1% invested in money markets, 9.8% invested in Certificates of Deposits, 3.8% invested in commercial paper, .3% invested in State and Local Government Securities and .4% invested in Municipal Bonds. At the end of September 2007, the total book value of the portfolio was approximately \$485 million.

Residual balances for the third quarter of 2007 averaged \$48.9 million per month which was \$10 million more than the monthly average during the third quarter of 2006. Interest earnings distributed to the County's General Fund during the third quarter of 2007 were \$642,303 compared to \$455,153 for the third quarter of 2006. The increase is a result of higher average residual balances and higher interest rates in 2007. The average interest rate of the Clark County Investment Pool for the third quarter of 2007 was 5.13% compared to 4.65% in the third quarter of 2006. Interest earnings for all of 2007 were higher than the interest projections by approximately \$559 thousand.

County Pool balances averaged \$392 million in the third quarter of 2007, compared to an average of \$377 million during the third quarter of 2006. Interest earnings distributed to the County Pool participants for the third quarter of 2007 were \$5.1 million compared to \$4.5 million in the third quarter 2006. Clark County funds made up 48.1% of the County Pool. Other major Pool participants include the Evergreen School District at 15.6%, Vancouver School District at 8.4% and all other districts at 27.9%.

The annualized quarterly total return for the County Pool came in at 5.77% compared to the custom Treasury total return index of 6.93%. On a book value return basis, the County Pool rate yielded 5.11%, compared to the Standard and Poor's LGIP Index's book value return of 4.15%. The net asset value of the County Pool at the end of the quarter was 1.000824 with an unrealized fair value gain of \$786,149.35 on September 30, 2007.

The investment strategy for the third quarter was to continue to maintain a high level of liquidity in Key Bank and the LGIP. Short term securities were invested in when their yields to maturity exceeded the LGIP. Commercial Paper was selected to enhance yield. Further, the strategy was to capture value above current and future interest rate projections while still meeting the liquidity needs of the pool participates.

## **Section VI – 2007 Year-To-Date**

During the third quarter of 2007, County residual principal balances averaged \$10 million more than the third quarter of 2006 on an average monthly basis. Actual average County residual balances on a monthly basis during the third quarter of 2007 have exceeded projections by approximately \$45 million for the year to date as denoted in the chart below. The increase is a result of higher average residual balances and higher interest rates in 2007.

Date	2006 Residual Balance	2007 Residual Balance	2007 Projected Residual Balance
January	37,172,482	42,805,902	37,132,754
February	33,898,473	36,398,992	37,490,667
March	33,516,954	37,459,812	33,481,923
April	56,492,091	76,077,319	58,311,948
May	137,020,119	140,244,393	136,866,768
June	74,374,931	81,821,848	76,765,278
July	49,311,781	56,927,365	49,252,634
August	33,303,408	45,101,943	33,262,013
September	32,448,658	44,598,749	33,486,822
Average	54,170,989	62,381,814	55,116,756

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 a level of 5.25% by the end of June 2006. Since then, the Fed has held interest rates steady at 5.25% through the second quarter 2007. On September 18, the Fed lowered the Fed Funds Rate to 4.75%. Actual interest earnings increased to \$642,303 during the third quarter of 2007 from \$455,153 during the same period in 2006 due to higher interest rates in 2007. As shown below, total year-to-date interest earnings are already approximately \$559 thousand more than they were projected to be through the third quarter 2007.

Date	2006 Interest Earnings	2007 Interest Earnings	2007 Projected Interest Earnings
January	122,180	185,864	149,645
February	103,400	149,284	137,924
March	110,237	152,023	137,527
April	190,160	326,425	224,501
May	518,096	609,805	526,823
June	278,948	346,372	276,355
July	194,199	254,201	176,858
August	133,401	198,331	115,142
September	127,554	189,771	107,995
Total	1,778,176	2,412,074	1,852,770

County Pool principal balances shown below, averaged almost \$403 million through the third quarter of 2007, compared to \$397 million through the third quarter of 2006.

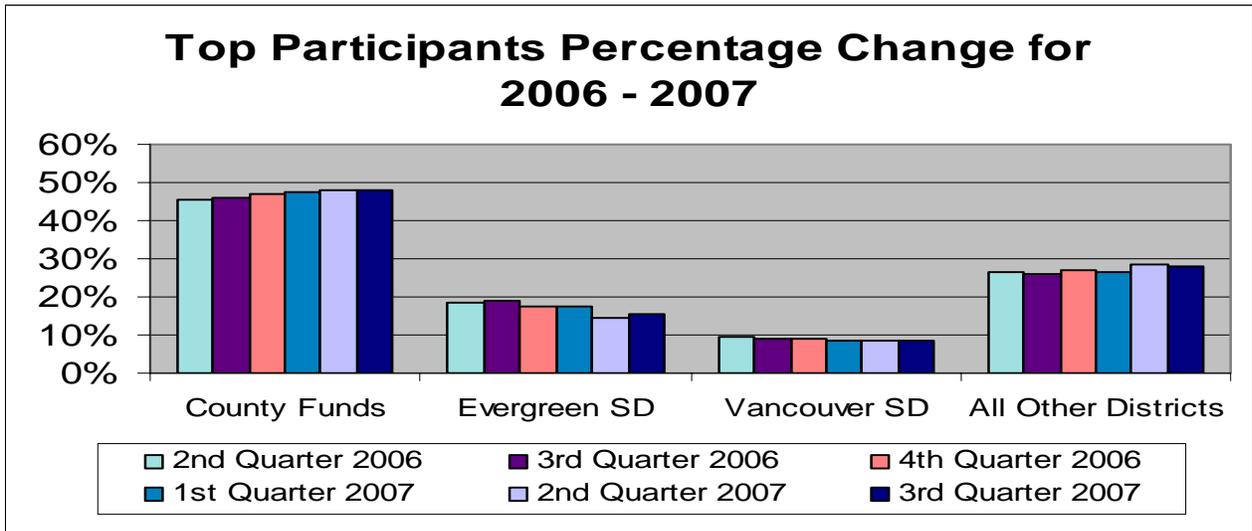
Date	2006 Pool Average Balance	2007 Pool Average Balance
January	407,102,676	358,967,445
February	382,941,849	347,997,1129
March	368,991,583	352,677,413
April	387,059,971	394,280,465
May	512,470,329	510,626,748
June	437,071,313	436,885,614
July	386,039,295	398,158,515
August	374,864,710	390,791,879
September	370,266,837	386,337,921
Average	402,978,729	397,413,681

The table below reflects County Pool earnings of \$5.1 million for the third quarter of 2007, compared to \$4.5 million during the third quarter of 2006, resulting in increased earnings of approximately 13%. 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 remained unchanged until September 18 when the Fed dropped the Fed Funds Rate by 50 basis points to 4.75%.

Date	2006 Pool Interest Earnings	2007 Pool Interest Earnings
January	1,334,998	1,557,831
February	1,128,046	1,424,443
March	1,216,416	1,429,609
1 <sup>st</sup> Qtr Subtotal	3,679,460	4,411,883
April	1,298,123	1,691,524
May	1,935,565	2,218,694
June	1,637,008	1,845,998
2 <sup>nd</sup> Qtr Subtotal	4,870,696	5,756,216
July	1,518,440	1,778,490
August	1,491,176	1,716,045
September	1,458,155	1,628,576
3 <sup>rd</sup> Qtr Subtotal	4,467,771	5,123,111
Year-to-Date	13,017,927	15,291,211

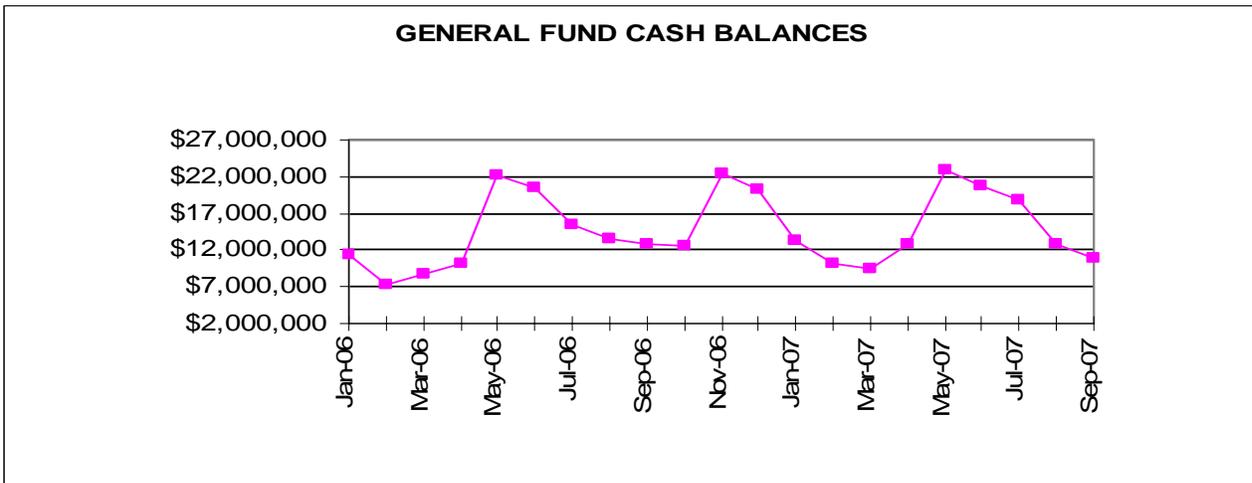
## Section VII – Quarterly Activity

**Figure One** shows the major participants in the Clark County Investment Pool for the third quarter of 2007. As of September 30, 2007, County funds made up 48.1% of the pool, Evergreen School District – 15.6%, Vancouver School District – 8.4%, and all other districts – 27.9%.



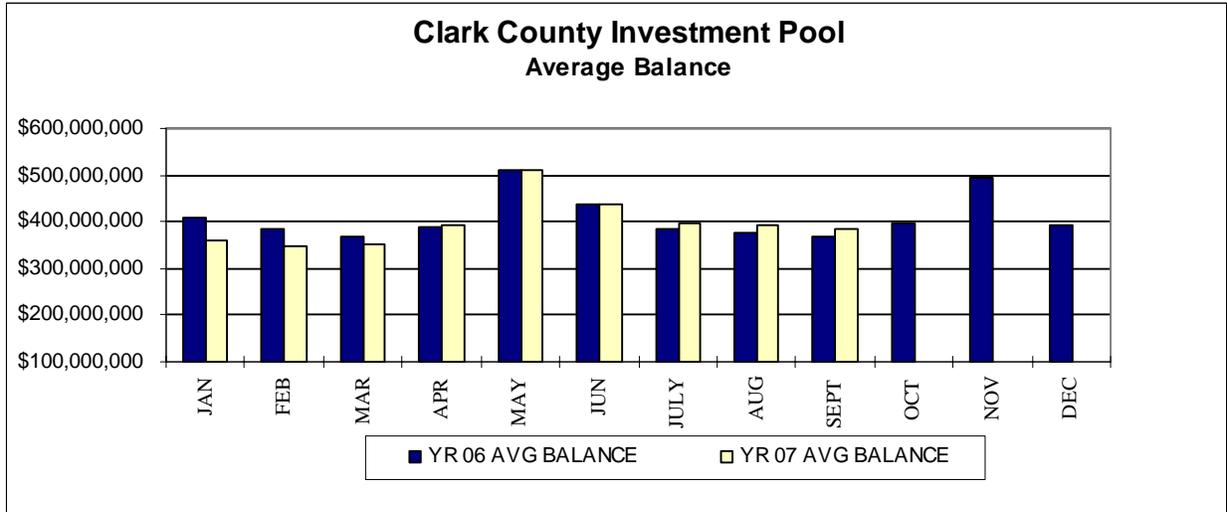
**Figure 1**

**Figure Two** illustrates month-end General Fund cash balances beginning with January 2006 through September 2007. For the third quarter of 2007, cash balances in the General Fund increased over the same period in 2006 by a monthly average of approximately \$1.1 million.



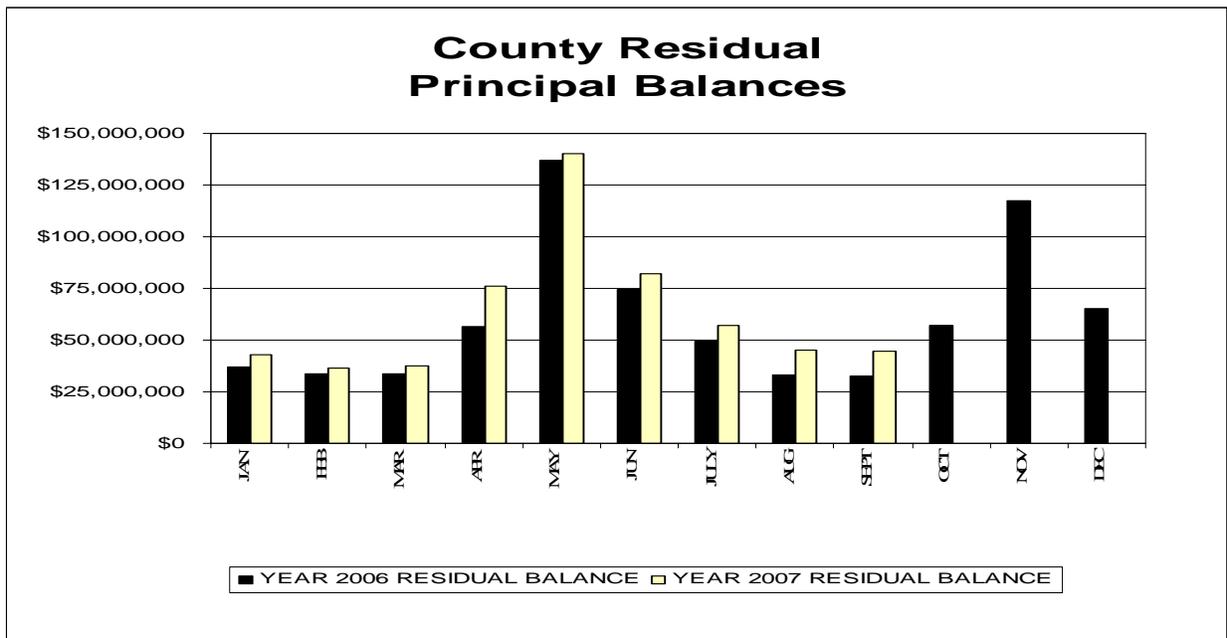
**Figure 2**

**Figure Three** reflects the average principal balances being maintained within the Pool in 2007 compared to 2006. For the third quarter 2007, the average monthly principal balance decreased from the same period of 2006 by an average of \$557 thousand.



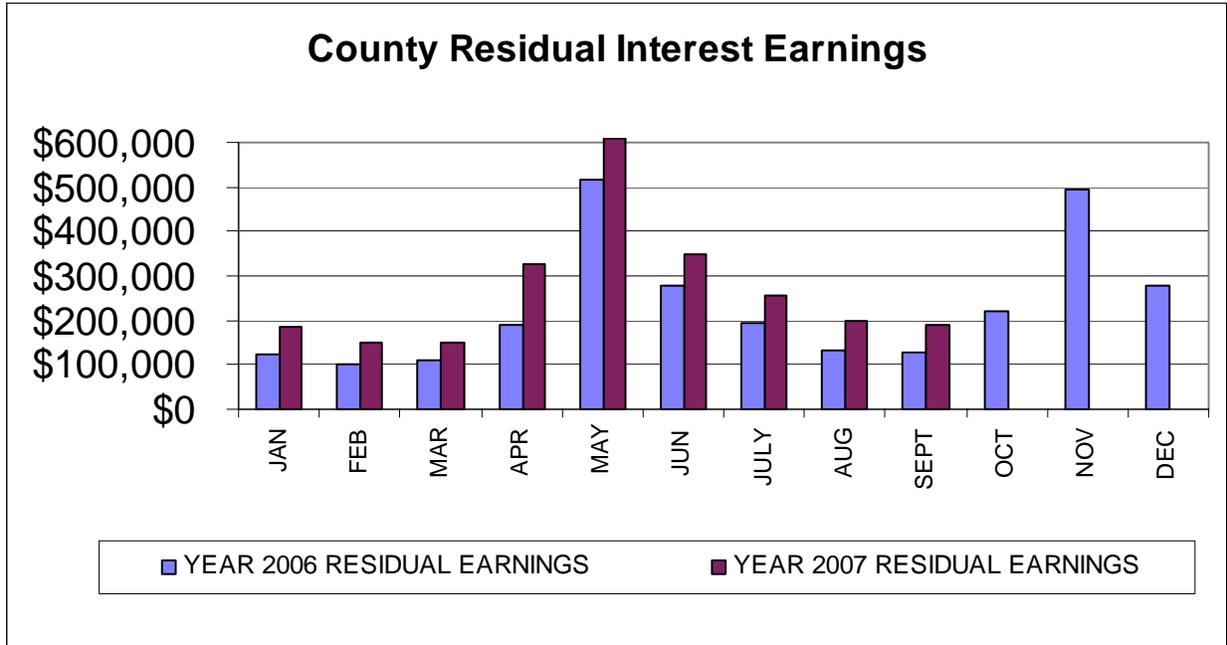
**Figure 3**

**Figure Four** reflects the actual monthly residual principal balances managed by the County for 2006 and 2007. For the third quarter of 2007, residual balances averaged \$10 million per month more than the same period in 2006.



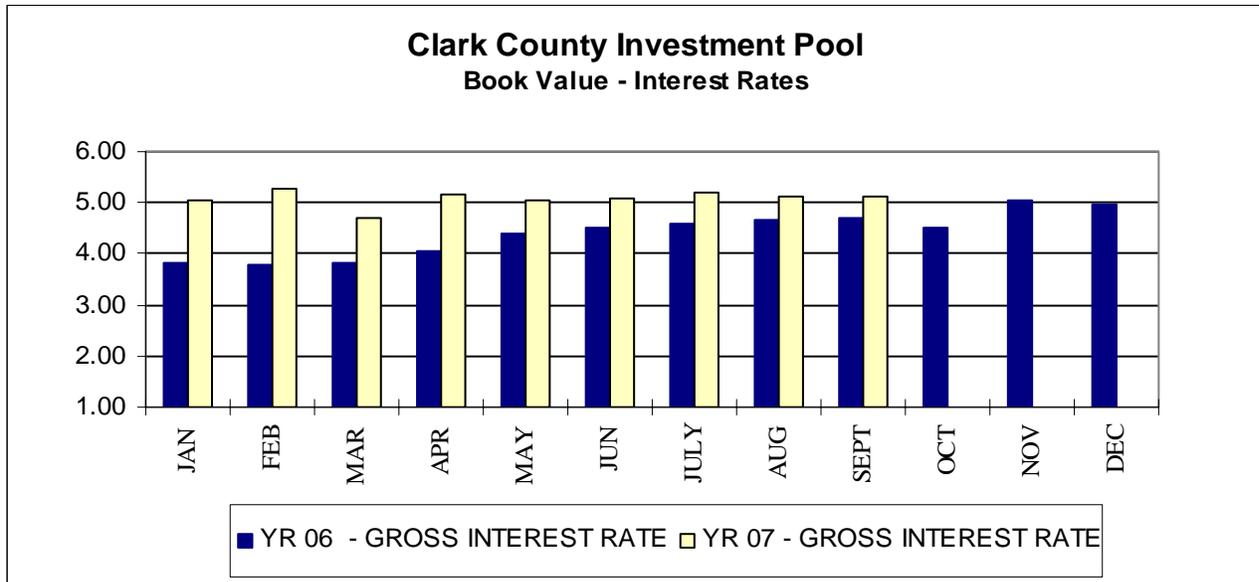
**Figure 4**

**Figure Five** shows interest earnings distributed each month to the County’s General fund from 2006 through 2007. During the third quarter of 2007, interest earnings averaged \$62 thousand more per month than during the same period in 2006. This is due to an increase in interest rates. On an average monthly basis, \$214,101 was allocated to the General fund during the third quarter of 2007. For the third quarter of 2006, an average of \$151,718 was distributed to the General fund per month.



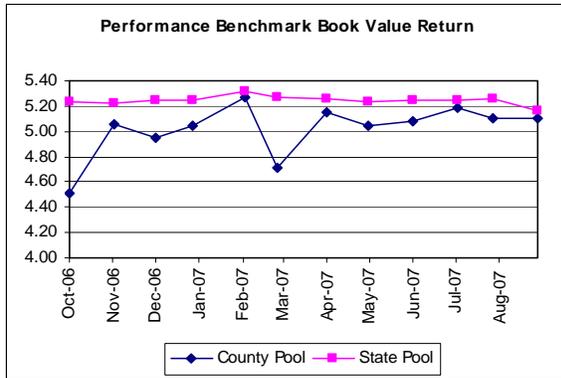
**Figure 5**

**Figure Six** shows the County Pool interest rates for 2006 and through the third quarter of 2007. The book value of the County Pool’s gross interest rate at September 30, 2007 was 5.11% compared to 4.72% at September 30, 2006.

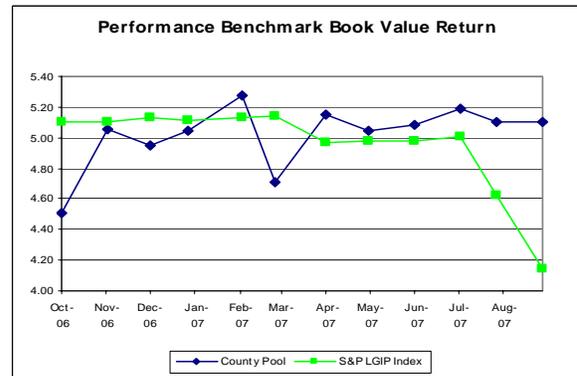


**Figure 6**

**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 the Washington State Local Government Investment Pool (LGIP) with an average maturity of approximately 56 days, Standard and Poor's LGIP Index with an average maturity of less than one month, and the Clark County Investment Pool with an average maturity of 8 months. The Standard and Poor's LGIP Index and the LGIP closely track current interest rates. At the end of the third quarter 2007, the County Pool's net rate, on a book value return basis was 5.11%, the S&P LGIP Index was 4.15%, and the State Pool's net rate was 5.16%.

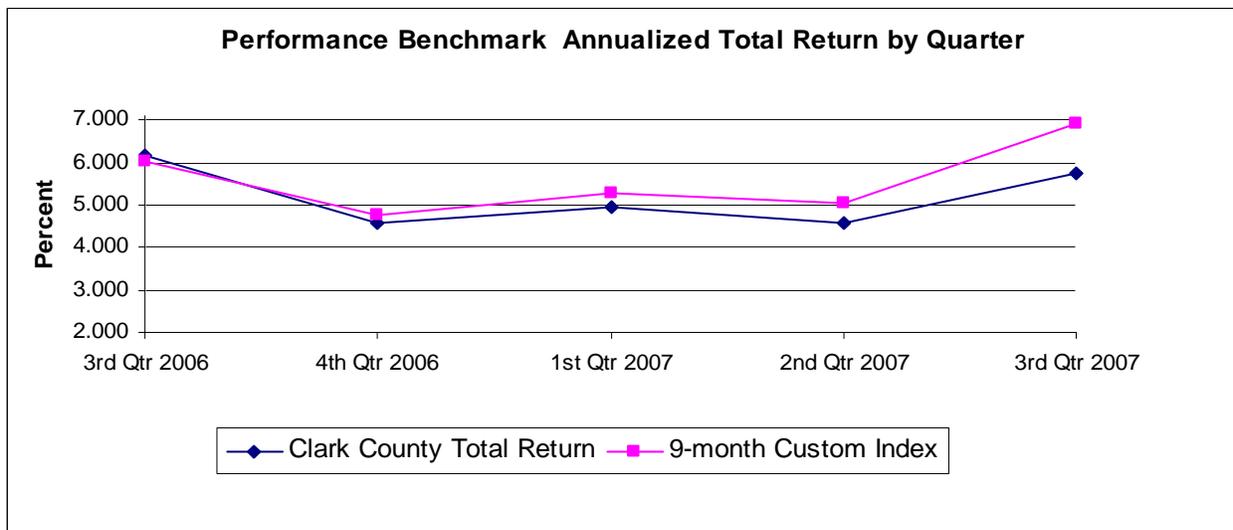


**Figure 7(a)**



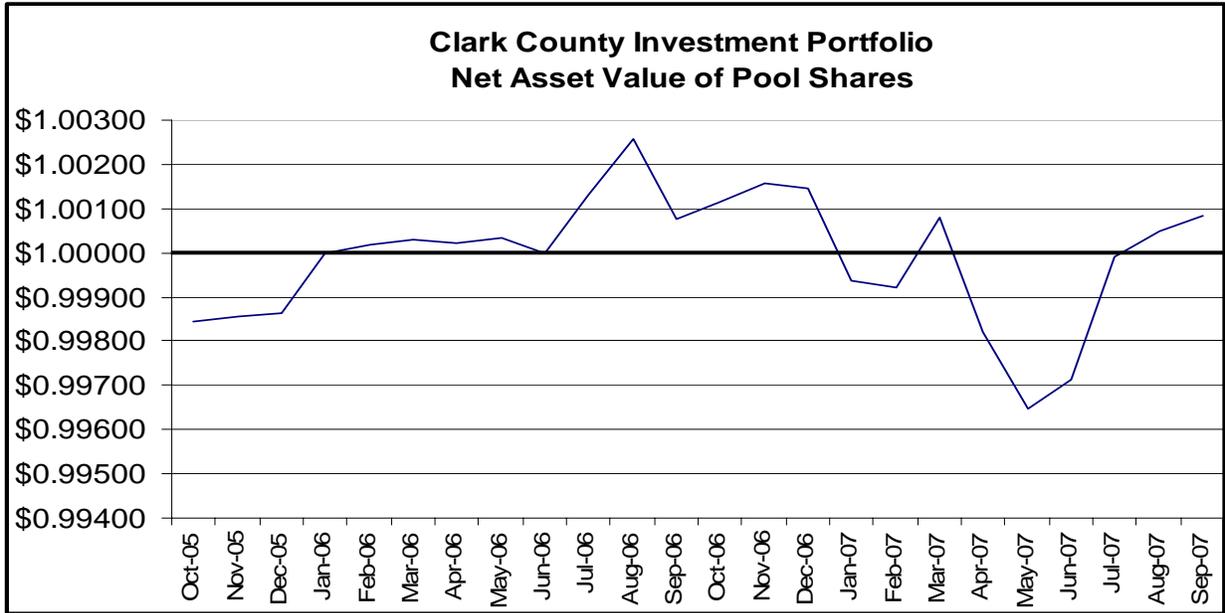
**Figure 7(b)**

**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 2007 for the County Pool was 5.77% and the Treasury Index was 6.93%.



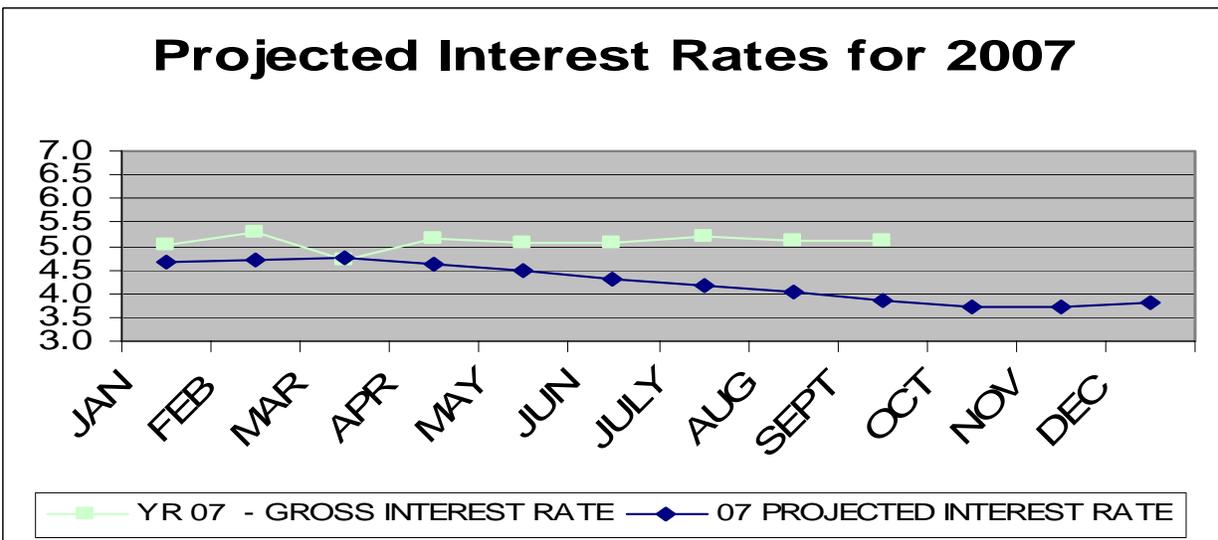
**Figure 8**

**Figure Nine** shows the market value of the Pool portfolio based on net asset value (NAV). As of September 30, 2007 the NAV was 1.000824. 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 September 30, 2007, the Treasurer's Office reported approximately \$786,149.35 in unrealized gains to the County Pool.



**Figure 9**

**Figure Ten** shows revised projected County Pool interest rates for 2007 compared with actual gross interest rates.



**Figure 10**

## ***Section VIII – Investment Strategy***

The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2006 emphasis was placed on purchasing securities in the one year maturity sector to target an average maturity of 7 – 8.5 months. In 2007, the emphasis is to continue to purchase securities in the one year maturity sector and maintain the average maturity of 7 to 9 months.

<b>Period</b>	<b>0 - 1 year</b>	<b>1 – 2 years</b>	<b>2 - 5 years</b>
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%
4 <sup>th</sup> quarter, 2006	77%	21%	2%
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%

During the third quarter of 2007, our target range for weighted average maturity was 7 to 9 months. We continue to monitor our investment strategy and remain proactive as economic conditions fluctuate.

The second quarter 2007 report issued by Public Financial Management, Inc. (PFM) recommended the following sector distributions to maintain the Clark County Investment Pool at a 7.5 to 9 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	1.07 years	40% - 75%	59.3%
Municipal Obligations	0 months – 2.00 years	0 months	0% - 5%	0%
Commercial Paper, Certificates of Deposit, Domestic Banker's Acceptances	0 – 9 months	1.67 months	0% - 40%	16.8%
State Pool, Bank Deposits	1 day	1 day	10% - 40%	23.8%
Aggregate Avg. Maturity	7.5 – 9 months	8 months		

## Section IX – Economic / Market Conditions

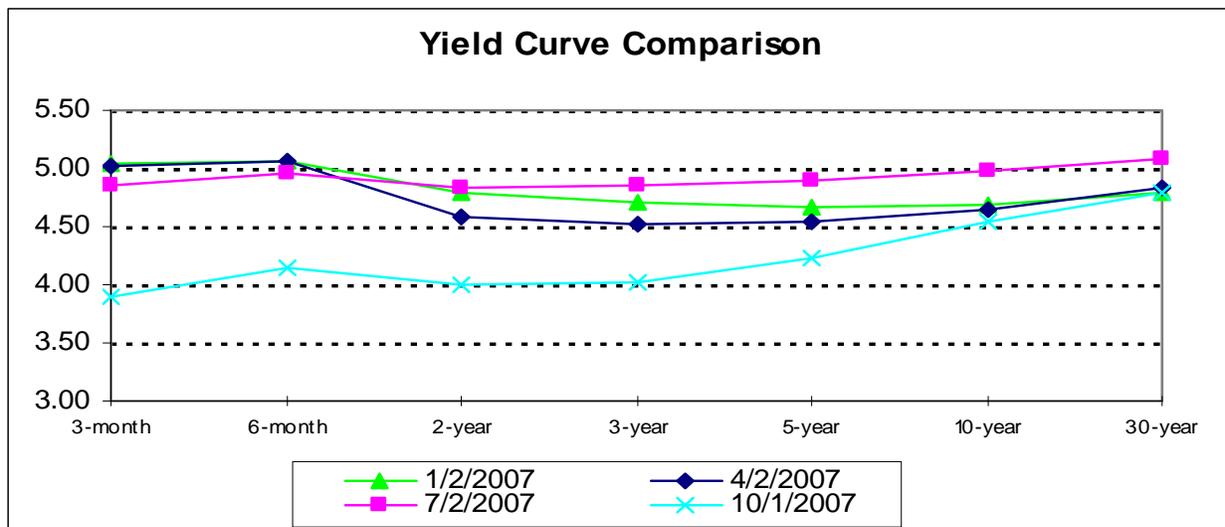
Third quarter 2007 turned out to be a volatile quarter. Lending standards became tighter, Commercial Paper virtually disappeared, and the Federal Reserve shocked the nation by cutting rates by 50 basis points. All of these results were from the continuing housing recession.

We received the final GDP figure for the second quarter 2007. The economy expanded at the fastest pace in more than a year at a 3.8% rate because of the growing foreign exports. The average growth expected for the third quarter is 2.3%. Sales of new homes fell more than expected by 8.3% to 795,000 as well as Existing Home Sales dropped 4.3% to 5.5 million homes. Lower home values and tighter lending standards are preventing home owners from extending equity lines of credit for consumer spending.

With the current housing crunch, investors who purchased Asset-Backed Commercial Paper (used to buy mortgages, bonds, credit card receivables) experienced a near elimination of liquidity for such paper causing the Fed to inject liquidity into the market. Rest assured that the commercial paper in our portfolio is not asset backed.

Responding to the credit crunch, the Fed dropped the 5.25% overnight rates by 50 basis points to 4.75% on September 18 to help reduce short-term borrowing costs.

On October 01, 2007, the 3-month T-bill yielded 3.89% compared to 4.86% on July 02, 2007. The yield curve is starting to look a little more normal.



## ***Section X – Portfolio***

**Exhibit One** shows the make up of the entire portfolio at the end of the third quarter of 2007. 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 2007. This report shows the book value, the par value, and the market value of the portfolio as of September 30, 2007.

**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, 2007, the average maturity was approximately 6.6 months. All the percentages are consistent with the current policy and PFM recommendations.

**Exhibit Five** shows all investment purchases and maturities from July 1, 2007 through September 30, 2007.

**Exhibit Six** shows the make up of the Clark County Investment Pool at the end of the third quarter of 2007. 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, 2007, the average maturity of the Pool was approximately 8 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, 2007.

**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 LGIP.

**Exhibit 1**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
DISTRIBUTION OF INVESTMENTS BY TYPE  
September 30, 2007**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit	\$ 35,000,000.00	7.221%	56	5.234	5.307
Commercial Paper - Discount	29,680,858.34	6.124%	43	5.539	5.616
Federal Agencies - Discount	4,672,865.00	0.964%	204	5.067	5.137
Federal Agencies - Semi-annual	231,752,529.60	47.814%	393	5.031	5.101
Municipal Bonds	0.00	0.000%	0	0.000	0.000
Passbook/Money Market Accts/LGIP	182,264,069.10	37.604%	1	4.785	4.851
Treasury Securities - SLGS	1,328,967.00	0.274%	45	3.768	3.820
<b>Total</b>	<b>484,699,289.04</b>	<b>100.00%</b>	<b>197</b>	<b>4.981</b>	<b>5.050</b>
Accrued Interest at Purchase	408,568.13				
<b>Total Cash and Investments</b>	<b><u>\$ 485,107,857.17</u></b>				

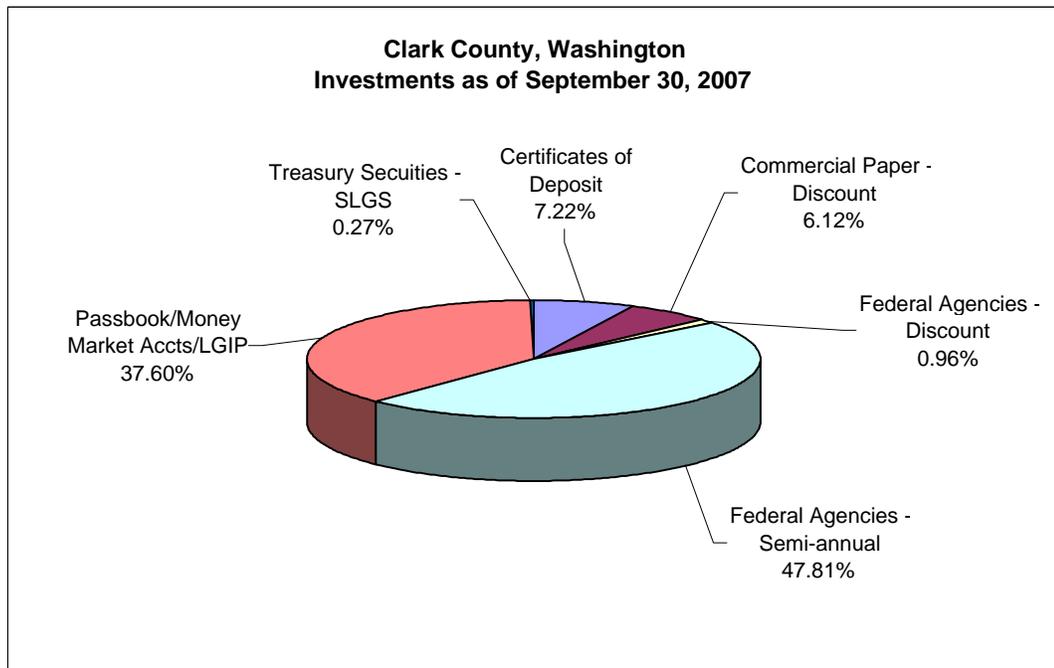


Exhibit 2  
**Clark County, Washington**  
**Investment Portfolio**  
**September 30, 2007**

Investment Number	Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 09/30/07	Market Value	Cash Gain/(Loss) on Security	Amortized Gain/(Loss) on Security	Percent Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360 MM	365 BE	Maturity Date	Days to Maturity
<b>CD's</b>		7.22%														
89983166	12/5/2006		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				5.450	5.375	5.450	11/09/07	39
89983158	10/5/2006		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				5.300	5.227	5.300	12/03/07	63
89983153	9/22/2006		5,000,000.00		5,000,000.00	5,000,000.00		5,000,000.00				5.510	5.435	5.510	12/03/07	63
89983157	10/5/2006		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				5.000	5.001	5.070	12/03/07	63
<b>Subtotal &amp; Averages</b>			35,000,000.00		35,000,000.00	35,000,000.00		35,000,000.00				5.234	5.307			56
<b>Commercial Paper</b>		6.12%														
89983206	09/13/07	06737JYD1	9,905,450.00	26,350.00	9,905,450.00	10,000,000.00	99.376	9,937,644.44	32,194.44	5,844.44	0.325%	5.580	5.504	5.712	11/13/07	43
89983205	08/17/07	83365SYD9	9,867,755.56	66,122.22	9,867,755.56	10,000,000.00	99.387	9,938,666.67	70,911.11	4,788.89	0.719%	5.410	5.336	5.559	11/13/07	43
89983207	09/13/07	90262DYD1	9,907,652.78	25,736.11	9,907,652.78	10,000,000.00	99.387	9,938,666.67	31,013.89	5,277.78	0.313%	5.450	5.375	5.577	11/13/07	43
<b>Subtotal &amp; Averages</b>			29,680,858.34	118,208.33	29,680,858.34	30,000,000.00		29,814,977.78	134,119.44	15,911.11		5.539	5.616			43
<b>Federal Agencies - Discount</b>		0.96%														
89983168	12/15/06	3136F3QM1	4,672,865.00	191,380.60	4,672,865.00	5,000,000.00	97.593	4,879,658.50	206,793.50	15,412.90	4.425%	0.000	5.067	5.137	04/22/08	204
<b>Subtotal &amp; Averages</b>			4,672,865.00	191,380.60	4,672,865.00	5,000,000.00		4,879,658.50	206,793.50	15,412.90		5.067	5.137			204
<b>Federal Agencies - Semi-Annual Coupon</b>		47.81%														
89983179	03/30/07	31331XRJ3	5,007,850.00	(2,053.25)	5,005,796.75	5,000,000.00	100.673	5,033,632.50	25,782.50	27,835.75	0.556%	5.000	4.844	4.911	03/02/09	518
67323200	06/26/07	31331SJK0	1,079,169.52	5,221.36	1,084,390.88	1,100,000.00	98.922	1,088,140.68	8,971.16	3,749.80	0.346%	3.375	5.173	5.245	07/15/08	288
89983150	08/01/06	3133XFJX5	9,966,000.00	21,250.00	9,987,250.00	10,000,000.00	100.180	10,018,000.00	52,000.00	30,750.00	0.308%	5.125	5.236	5.309	06/13/08	256
89983154	09/25/06	3133XEQ69	9,975,680.00	17,873.73	9,993,553.73	10,000,000.00	100.026	10,002,637.00	26,957.00	9,083.27	0.091%	5.010	5.119	5.190	02/13/08	135
89983174	12/22/06	3133XEQB8	4,988,250.00	7,571.02	4,995,821.02	5,000,000.00	99.930	4,996,500.00	8,250.00	678.98	0.014%	4.875	5.003	5.072	03/05/08	156
89983178	03/30/07	3133XCX40	9,928,900.00	24,843.82	9,953,743.82	10,000,000.00	99.840	9,984,000.00	55,100.00	30,256.18	0.304%	4.500	4.947	5.016	09/08/08	343
89983181	04/16/07	3133XDT76	9,951,650.00	13,385.49	9,965,035.49	10,000,000.00	100.160	10,016,000.00	64,350.00	50,964.51	0.511%	4.750	4.685	4.750	12/12/08	438
89983184	05/02/07	3133XJQP6	10,009,600.00	(2,263.29)	10,007,336.71	10,000,000.00	100.616	10,061,606.00	52,006.00	54,269.29	0.542%	5.000	4.869	4.937	02/04/09	492
89983185	05/21/07	3133XKS30	10,001,000.00	(180.56)	10,000,819.44	10,000,000.00	100.062	10,006,182.00	5,182.00	5,362.56	0.054%	5.450	5.335	5.409	05/21/09	598
89983188	05/23/07	3133XHTU6	9,983,500.00	3,778.18	9,987,278.18	10,000,000.00	100.380	10,038,000.00	54,500.00	50,721.82	0.508%	5.000	5.039	5.109	12/12/08	438
67323197	06/26/07	3133M74S2	1,094,370.90	(746.83)	1,093,624.07	1,090,000.00	101.157	1,102,614.35	8,243.45	8,990.28	0.822%	5.475	5.128	5.199	01/12/09	469
67323198	06/26/07	3133XKTY1	349,765.50	103.62	349,869.12	350,000.00	100.066	350,231.63	466.13	362.51	0.104%	5.250	5.258	5.331	02/01/08	123
67323201	06/26/07	3133XBRV9	1,239,870.35	3,045.31	1,242,915.66	1,250,000.00	99.664	1,245,806.00	5,935.65	2,890.34	0.233%	4.300	5.179	5.251	05/12/08	224
89983204	08/20/07	3133XLZC	10,001,000.00	(37.96)	10,000,962.04	10,000,000.00	100.111	10,011,113.70	10,113.70	10,151.66	0.102%	5.750	5.631	5.709	08/20/10	1054
89983110	10/24/05	3128X4SL6	9,999,500.00	500.00	10,000,000.00	10,000,000.00	99.987	9,998,657.00	(843.00)	(1,343.00)	-0.013%	4.750	4.687	4.753	10/24/07	23
89983116	12/02/05	3128X4SL6	9,974,700.00	24,446.77	9,999,146.77	10,000,000.00	99.987	9,998,657.00	23,957.00	(489.77)	-0.005%	4.750	4.821	4.889	10/24/07	23
89983125	01/18/06	3128X4XW	4,999,500.00	500.00	5,000,000.00	5,000,000.00	100.017	5,000,859.50	1,359.50	859.50	0.017%	5.000	4.936	5.005	01/18/08	109
89983126	01/18/06	3128X4XW	4,999,750.00	250.00	5,000,000.00	5,000,000.00	100.017	5,000,859.50	1,109.50	859.50	0.017%	5.000	4.934	5.003	01/18/08	109
89983144	06/12/06	3128X4BD02	9,822,000.00	117,580.28	9,939,580.28	10,000,000.00	99.690	9,968,993.00	146,993.00	29,412.72	0.296%	4.350	5.239	5.312	06/02/08	245
89983155	09/28/06	3128X4ASO	4,946,500.00	33,657.71	4,980,157.71	5,000,000.00	99.790	4,989,500.00	43,000.00	9,342.29	0.188%	4.300	4.932	5.000	05/05/08	217
89983175	01/18/07	3128X4RC7	9,939,400.00	24,374.88	9,963,774.88	10,000,000.00	100.179	10,017,911.00	78,511.00	54,136.12	0.543%	4.750	5.042	5.112	10/17/08	382
89983186	05/15/07	3128X56G8	9,996,980.00	571.24	9,997,551.24	10,000,000.00	100.040	10,003,978.00	6,998.00	6,426.76	0.064%	5.300	5.243	5.316	05/14/09	591

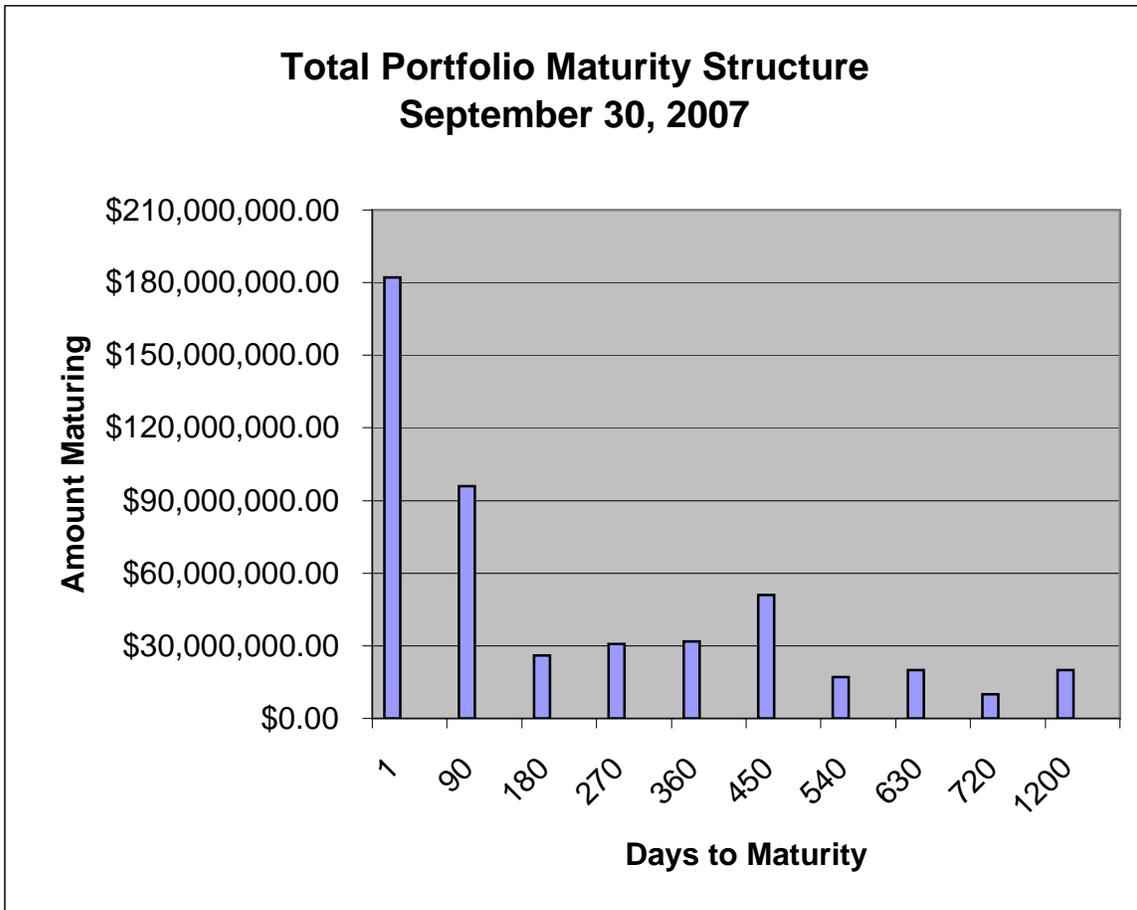
**Investment Portfolio  
September 30, 2007**

Investment Number		Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 09/30/07	Market Value	Cash Gain/(Loss) on Security	Amortized Gain/(Loss) on Security	Percent Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360 MM	365 BE	Maturity Date	Days to Maturity
67323195	Federal Home Loan Mtg. Corp.	06/26/07	3128X4ST9	1,195,380.00	901.23	<b>1,196,281.23</b>	1,200,000.00	<b>100.250</b>	1,203,000.00	7,620.00	6,718.77	0.562%	4.900	5.122	5.193	11/03/08	399
67323202	Federal Home Loan Mtg. Corp.	06/26/07	3128X0Q28	642,070.00	2,942.77	<b>645,012.77</b>	650,000.00	<b>99.374</b>	645,928.92	3,858.92	916.15	0.142%	3.500	5.190	5.262	03/12/08	163
89983203	Federal Home Loan Mtg. Corp.	08/13/07	3128X6JU1	10,000,000.00	0.00	<b>10,000,000.00</b>	10,000,000.00	<b>100.063</b>	10,006,338.00	6,338.00	6,338.00	0.063%	5.500	5.425	5.500	08/13/09	682
89983209	Federal Home Loan Mtg. Corp.	09/27/07	3128X4ST9	10,035,700.00	(360.61)	<b>10,035,339.39</b>	10,000,000.00	<b>100.250</b>	10,025,000.00	(10,700.00)	(10,339.39)	-0.103%	4.900	4.497	4.559	11/03/08	399
89983127	Federal Nat'l Mtg Assoc.	01/12/06	31359MZN6	9,999,000.00	1,000.00	<b>10,000,000.00</b>	10,000,000.00	<b>100.012</b>	10,001,188.00	2,188.00	1,188.00	0.012%	5.000	4.934	5.003	12/13/07	73
89983163	Federal Nat'l Mtg Assoc.	11/16/06	31359MYM99	9,744,307.28	41,129.78	<b>9,785,437.06</b>	9,825,000.00	<b>99.839</b>	9,809,164.07	64,856.79	23,727.00	0.242%	4.500	4.933	5.001	08/04/08	308
89983167	Federal Nat'l Mtg Assoc.	12/12/06	31359MTQ6	9,817,000.00	76,096.40	<b>9,893,096.40</b>	10,000,000.00	<b>99.250</b>	9,925,000.00	108,000.00	31,903.60	0.322%	5.000	4.811	4.878	11/17/08	413
89983176	Federal Nat'l Mtg Assoc.	03/12/07	31359MF32	9,998,100.00	766.94	<b>9,998,866.94</b>	10,000,000.00	<b>100.224</b>	10,022,401.00	24,301.00	23,534.06	0.235%	5.000	4.941	5.010	07/25/08	298
67323196	Federal Nat'l Mtg Assoc.	06/26/07	3136F5JM4	984,910.00	2,286.36	<b>987,196.36</b>	1,000,000.00	<b>99.778</b>	997,777.20	12,867.20	10,580.84	1.072%	4.000	5.124	5.195	03/23/09	539
67323199	Federal Nat'l Mtg Assoc.	06/26/07	31359MTF0	1,081,126.05	4,084.34	<b>1,085,210.39</b>	1,100,000.00	<b>99.160</b>	1,090,760.00	9,633.95	5,549.61	0.511%	3.750	5.144	5.215	09/15/08	350
89983208	Federal Nat'l Mtg Assoc.	09/14/07	31359MZJ5	10,000,000.00	0.00	<b>10,000,000.00</b>	10,000,000.00	<b>99.996</b>	9,999,613.00	(387.00)	(387.00)	-0.004%	5.200	5.037	5.107	11/08/10	1134
<b>Subtotal &amp; Averages</b>				231,752,529.60	422,518.73	<b>232,175,048.33</b>	232,565,000.00		232,660,049.05	907,519.45	485,000.72		5.018	5.088		393	
<b>Treasury Securities - SLGS</b>		10.74%															
61093171	State & Local Govt. Series	12/27/06	2006-06423	390,928.00			390,928.00						3.820	3.768	3.820	11/15/07	45
61183169	State & Local Govt. Series	12/27/06	2006-06421	86,336.00			86,336.00						3.820	3.768	3.820	11/15/07	45
61243170	State & Local Govt. Series	12/27/06	2006-06422	66,347.00			66,347.00						3.820	3.768	3.820	11/15/07	45
61273172	State & Local Govt. Series	12/27/06	2006-06424	359,367.00			359,367.00						3.820	3.768	3.820	11/15/07	45
61333173	State & Local Govt. Series	12/27/06	2006-06425	425,989.00			425,989.00						3.820	3.768	3.820	11/15/07	45
<b>Subtotal &amp; Averages</b>				1,328,967.00	0.00	0.00	1,328,967.00		0.00	0.00	0.00		3.768	3.820		45	
<b>Passbook/Money Market Accounts</b>		37.60%															
0001-15	Registered Warrants			575.43	0.00	<b>575.43</b>	575.43		575.43					0.000	-		
0001-3	Registered Warrants			41,002.86	0.00	<b>41,002.86</b>	41,002.86		41,002.86					0.000	-		
89980005	Columbia River Bank	0%		<b>0.00</b>	0.00	0.00	0.00		0.00				5.250	5.227	5.300		1
10130002	US National Bank	1%		<b>1,997,961.07</b>	0.00	1,997,961.07	1,997,961.07		1,997,961.07				5.250	5.178	5.250		1
61293180	Morgan Stanley	38%		<b>68,398,981.08</b>	0.00	68,398,981.08	68,398,981.08		68,398,981.08				4.725	4.660	4.725		1
67320004	Key Bank SD 119	1%		<b>2,211,849.05</b>	0.00	2,211,849.05	2,211,849.05		2,211,849.05				5.300	5.227	5.300		1
62190004	Key Bank SD 119	0%		<b>260,298.02</b>	0.00	260,298.02	260,298.02		260,298.02				5.300	5.227	5.300		1
61320004	Key Bank SD 119	3%		<b>15,314,820.62</b>	0.00	15,314,820.62	15,314,820.62		15,314,820.62				5.300	5.227	5.300		1
89980003	Key Bank- Saving Account	3%		<b>12,375,324.27</b>	0.00	12,375,324.27	12,375,324.27		12,375,324.27				5.300	5.277	5.350		1
61080001	WA State LGIP	0%		<b>446,971.57</b>	0.00	446,971.57	446,971.57		446,971.57				5.120	5.120	5.191		1
61230001	WA State LGIP	0%		<b>1,386,716.48</b>	0.00	1,386,716.48	1,386,716.48		1,386,716.48				5.120	5.120	5.191		1
61290001	WA State LGIP	0%		<b>546,593.65</b>	0.00	546,593.65	546,593.65		546,593.65				5.120	5.120	5.191		1
89980001	WA State LGIP	16%		<b>79,282,975.00</b>	0.00	79,282,975.00	79,282,975.00		79,282,975.00				5.120	5.120	5.191		1
<b>Subtotal &amp; Averages</b>				182,264,069.10	0.00	<b>182,264,069.10</b>	182,264,069.10		182,264,069.10				4.968	5.037		1	
<b>Grand Total</b>				<u>484,699,289.04</u>	<u>732,107.66</u>	<u>483,792,840.77</u>	<u>486,158,036.10</u>		<u>484,618,754.43</u>	<u>1,248,432.39</u>	<u>516,324.73</u>		<u>5.438</u>	<u>5.514</u>		<u>197</u>	
Callable Percentage		4.11%		6.57 months													

EXHIBIT 3

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
AGING OF MATURING INVESTMENTS  
September 30, 2007**

<u>Days to Maturity</u>	<u>Book Value</u>	<u>% Maturing</u>	<u>Cumulative % Maturing</u>
1	\$182,264,069.10	37.60%	37.60%
2 - 90	95,983,025.34	19.80%	57.41%
91 - 180	25,955,015.50	5.35%	62.76%
181 - 270	30,647,235.35	6.32%	69.08%
271 - 360	31,831,602.85	6.57%	75.65%
361 - 450	50,922,630.00	10.51%	86.16%
451 - 540	17,096,730.90	3.53%	89.68%
541 - 630	19,997,980.00	4.13%	93.81%
631 - 720	10,000,000.00	2.06%	95.87%
720- 1200	20,001,000.00	4.13%	100.00%
<b>TOTALS</b>	<b>\$484,699,289.04</b>	<b>100.00%</b>	



#### Exhibit 4

### CLARK COUNTY TOTAL INVESTMENT PORTFOLIO SUMMARY OF INVESTMENTS BY ISSUER September 30, 2007

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Barclays	1	\$ 9,905,450.00	2.04%	5.712	4.712
Federal Farm Credit Bank	2	6,087,019.52	1.26%	4.970	477
Federal Home Loan Bank	12	87,489,586.75	18.05%	5.175	447
Federal Home Loan Mtg Corp.	12	86,551,480.00	17.86%	5.060	308
Federal National Mtg Association	8	56,297,308.33	11.61%	5.019	426
Key Bank	4	30,162,291.96	6.22%	5.321	1
Morgan Stanley	1	68,398,981.08	14.11%	4.725	1
Registered Warrants	2	41,578.29	0.01%	5.818	1
Societe Generale	1	9,867,755.56	2.04%	5.559	43
State & Local Govt. Series	5	1,328,967.00	0.27%	3.820	45
Sterling Savings	2	20,000,000.00	4.13%	5.380	51
UBS Financial	1	9,907,652.78	2.04%	5.577	43
Umpqua Bank	1	5,000,000.00	1.03%	5.510	63
US Bank	1	10,000,000.00	2.06%	5.070	63
US National Bank	1	1,997,961.07	0.41%	5.250	1
Washington State LGIP	4	81,663,256.70	16.85%	5.191	1
<b>TOTALS and AVERAGES</b>	<b>58</b>	<b>\$ 484,699,289.04</b>	<b>100.00%</b>	<b>5.115</b>	<b>198</b>

## EXHIBIT 5

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO**  
**INVESTMENT ACTIVITY BY TYPE**  
**As of September 30, 2007**

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
<b>CERTIFICATES OF DEPOSIT</b>				<b>BEGINNING BALANCE:</b>		<b>51,000,000.00</b>
61323182	Anchor Bank	5.326	07/16/07		6,000,000.00	
89983165	Sterling Savings	5.450	09/10/07		10,000,000.00	
SUBTOTALS and ENDING BALANCE - JULY				0.00	6,000,000.00	45,000,000.00
SUBTOTALS and ENDING BALANCE - AUGUST				0.00	0.00	45,000,000.00
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	10,000,000.00	35,000,000.00
<b>COMMERCIAL PAPER - DISCOUNT</b>				<b>BEGINNING BALANCE:</b>		<b>19,777,959.72</b>
89983193	UBS Financial Services	5.215	08/15/07		9,915,577.78	
89983205	Societe Generale	5.410	08/17/07	9,867,755.56		
89983193	UBS Financial Services	5.215	09/21/07		9,862,381.94	
89983206	Barclays	5.580	09/13/07	9,905,450.00		
89983207	UBS Financial Services	5.450	09/13/07	9,907,652.78		
SUBTOTALS and ENDING BALANCE - JULY				0.00	0.00	19,777,959.72
SUBTOTALS and ENDING BALANCE - AUGUST				9,867,755.56	9,915,577.78	19,730,137.50
SUBTOTALS and ENDING BALANCE - SEPTEMBER				19,813,102.78	9,862,381.94	29,680,858.34
<b>FEDERAL AGENCIES - DISCOUNT</b>				<b>BEGINNING BALANCE:</b>		<b>5,070,870.00</b>
67323194	Federal National Mtg Association	5.130	07/31/07		398,005.00	
SUBTOTALS and ENDING BALANCE - JULY				0.00	398,005.00	4,672,865.00
SUBTOTALS and ENDING BALANCE - AUGUST				0.00	0.00	4,672,865.00
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	0.00	4,672,865.00
<b>FEDERAL AGENCIES - SEMI ANNUAL COUPON</b>				<b>BEGINNING BALANCE:</b>		<b>246,529,679.60</b>
89983191	Federal Home Loan Mtg Association	4.625	07/30/07		9,907,400.00	
89983189	Federal Home Loan Bank	5.250	08/02/07		10,028,800.00	
89983137	Federal Home Loan Bank	4.625	08/08/07		9,922,400.00	
89983135	Federal National Mtg Assoc	4.375	08/17/07		4,948,500.00	
89983204	Federal Home Loan Bank	5.750	08/20/07	10,001,000.00		
89983203	Federal Home Loan Mtg Association	5.500	08/13/07	10,000,000.00		
89983162	Federal National Mtg Assoc	5.550	08/24/07		5,007,750.00	
89983190	Federal Home Loan Mtg Association	5.600	09/05/07		4,999,000.00	
89983208	Federal National Mtg Assoc	5.200	09/14/07	10,000,000.00		
89983209	Federal Home Loan Mtg Association	4.90	09/27/07	10,035,700.00		
89983187	Federal National Mtg Assoc	5.50	09/27/07		10,000,000.00	
SUBTOTALS and ENDING BALANCE - JULY				0.00	9,907,400.00	236,622,279.60
SUBTOTALS and ENDING BALANCE - AUGUST				20,001,000.00	29,907,450.00	226,715,829.60
SUBTOTALS and ENDING BALANCE - SEPTEMBER				20,035,700.00	14,999,000.00	231,752,529.60
<b>MUNICIPAL BONDS</b>				<b>BEGINNING BALANCE:</b>		<b>2,015,840.00</b>
89983097	Washington State	4.500	07/01/07		2,015,840.00	
SUBTOTALS and ENDING BALANCE - JULY				0.00	2,015,840.00	0.00
SUBTOTALS and ENDING BALANCE - AUGUST				0.00	0.00	0.00
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	0.00	0.00

## EXHIBIT 5

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO**  
**INVESTMENT ACTIVITY BY TYPE**  
As of September 30, 2007

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE	
<b>TREASURY SECURITIES - SLGS</b>			<b>BEGINNING BALANCE:</b>			<b>1,328,967.00</b>	
SUBTOTALS and ENDING BALANCE - JULY				0.00	0.00	1,328,967.00	
SUBTOTALS and ENDING BALANCE - AUGUST				0.00	0.00	1,328,967.00	
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	0.00	1,328,967.00	
<b>CLARK COUNTY</b>			<b>BEGINNING BALANCE:</b>			<b>23,616.27</b>	
JULY	Registered Warrant Invest Acct	6.19%			23,616.27	0.00	
AUGUST	Registered Warrant Invest Acct	6.19%		575.43		575.43	
SEPTEMBER	Registered Warrant Invest Acct	5.81%		41,002.86		41,578.29	
<b>COLUMBIA RIVER BANK</b>			<b>BEGINNING BALANCE:</b>			<b>5,329,707.40</b>	
JULY	Money Market Savings Accounts	5.300		24,820.71	0.00	5,354,528.11	
AUGUST	Money Market Savings Accounts	5.300		15,596.50	5,354,527.11	15,597.50	
SEPTEMBER	Money Market Savings Accounts	5.300			15,597.50	0.00	
<b>KEY BANK</b>			<b>BEGINNING BALANCE:</b>			<b>92,893,922.77</b>	
JULY	Money Market Savings Accounts	5.300		6,920,409.34	22,243,694.95	77,570,637.16	
AUGUST	Money Market Savings Accounts	5.300		20,383,024.98	20,131,689.88	77,821,972.26	
SEPTEMBER	Money Market Savings Accounts	5.300		20,303,691.42	67,963,371.72	30,162,291.96	
<b>Morgan Stanley - Repurchase Agreement</b>			<b>BEGINNING BALANCE:</b>			<b>69,443,517.75</b>	
JULY	Municipal Investor Account	4.725			307,923.96	69,135,593.79	
AUGUST	Municipal Investor Account	4.725			168,569.91	68,967,023.88	
SEPTEMBER	Municipal Investor Account	4.725			568,042.80	68,398,981.08	
<b>US BANK</b>			<b>BEGINNING BALANCE:</b>			<b>2,861,154.59</b>	
JULY	Municipal Investor Account	5.250		19,425.33	876,528.09	2,004,051.83	
AUGUST	Municipal Investor Account	5.250		7,234.12	728,459.49	1,282,826.46	
SEPTEMBER	Municipal Investor Account	5.250		715,134.61		1,997,961.07	
<b>STATE POOL</b>			<b>BEGINNING BALANCE:</b>			<b>21,648,651.41</b>	
JULY	Washington State Pool	5.240		51,103,902.45	25,000,000.00	47,752,553.86	
AUGUST	Washington State Pool	5.230		59,557,170.48	60,050,000.00	47,259,724.34	
SEPTEMBER	Washington State Pool	5.230		83,103,532.36	48,700,000.00	81,663,256.70	
				<b>BEGINNING BALANCE:</b>	<b>PURCHASES</b>	<b>MATURITIES</b>	<b>ENDING BALANCE:</b>
JULY	<b>TOTALS</b>			<b>517,923,886.51</b>	<b>58,068,557.83</b>	<b>66,773,008.27</b>	<b>509,219,436.07</b>
AUGUST	<b>TOTALS</b>			<b>509,219,436.07</b>	<b>109,832,357.07</b>	<b>126,256,274.17</b>	<b>492,795,518.97</b>
SEPTEMBER	<b>TOTALS</b>			<b>492,795,518.97</b>	<b>144,012,164.03</b>	<b>152,108,393.96</b>	<b>484,699,289.04</b>

**Exhibit 6**

**CLARK COUNTY INVESTMENT PORTFOLIO POOL  
DISTRIBUTION OF INVESTMENTS BY TYPE  
September 30, 2007**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit	\$ 35,000,000.00	9.089%	56	5.234	5.307
Commercial Paper - Discount	29,680,858.34	7.707%	43	5.539	5.616
Federal Agencies - Discount	4,672,865.00	1.213%	204	5.067	5.137
Federal Agencies - Semi-annual	224,085,867.28	58.189%	395	5.027	5.097
Passbook/Money Market Accts/LGIP	91,658,299.27	23.801%	1	5.007	5.077
<b>Total</b>	<b>385,097,889.89</b>	<b>100.00%</b>	<b>240</b>	<b>5.080</b>	<b>5.151</b>
Accrued Interest at Purchase	408,568.13				
<b>Total Cash and Investments</b>	<b><u>\$ 385,506,458.02</u></b>				

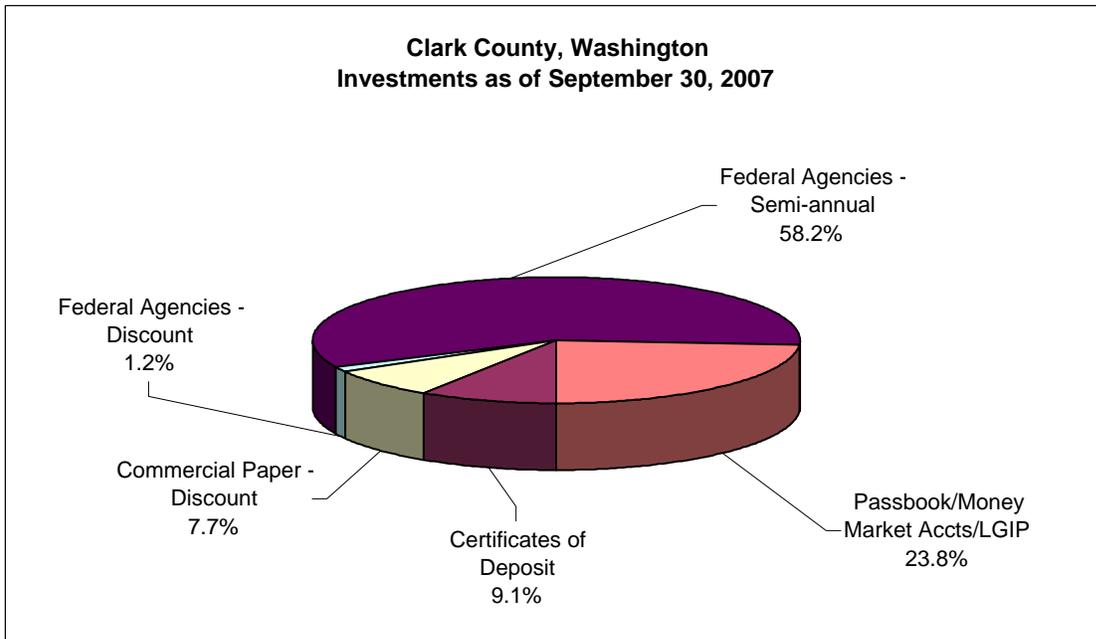




EXHIBIT 8

**CLARK COUNTY INVESTMENT PORTFOLIO POOL  
AGING OF MATURING INVESTMENTS  
September 30, 2007**

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$91,658,299.27	23.80%	23.80%
2 - 90	94,654,058.34	24.58%	48.38%
91 - 180	24,963,180.00	6.48%	54.86%
181 - 270	29,407,365.00	7.64%	62.50%
271 - 360	29,671,307.28	7.70%	70.20%
361 - 450	49,727,250.00	12.91%	83.12%
451 - 540	15,017,450.00	3.90%	87.02%
541 - 630	19,997,980.00	5.19%	92.21%
631 - 720	10,000,000.00	2.60%	94.81%
720- 1200	20,001,000.00	5.19%	100.00%
<b>TOTALS</b>	<b>\$385,097,889.89</b>	<b>100.00%</b>	

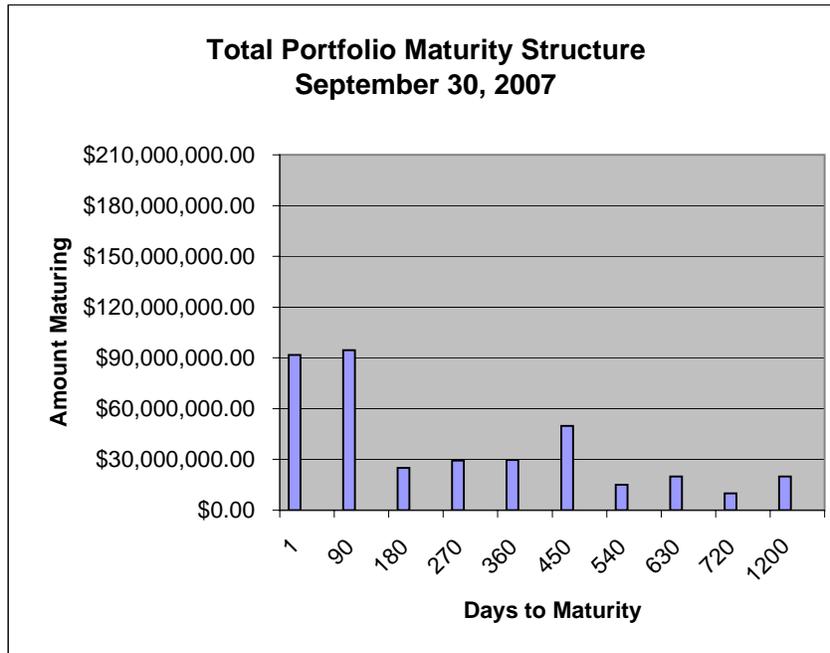


Exhibit 9

CLARK COUNTY INVESTMENT PORTFOLIO POOL  
SUMMARY OF INVESTMENTS BY ISSUER  
September 30, 2007

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Barclays	1	\$ 9,905,450.00	2.57%	5.712	43
Federal Farm Credit Bank	1	5,007,850.00	1.30%	4.911	518
Federal Home Loan Bank	9	84,805,580.00	22.02%	5.173	451
Federal Home Loan Mtg Corp.	10	84,714,030.00	22.00%	5.050	302
Federal National Mtg Association	6	54,231,272.28	14.08%	5.010	425
Key Bank	1	12,375,324.27	3.21%	5.300	1
Societe Generale	1	9,867,755.56	2.56%	5.559	43
Sterling Savings	2	20,000,000.00	5.19%	5.380	51
UBS Financial	1	9,907,652.78	2.57%	5.577	43
Umpqua Bank	1	5,000,000.00	1.30%	5.510	63
US Bank	1	10,000,000.00	2.60%	5.070	63
Washington State LGIP	1	79,282,975.00	20.59%	5.120	1
TOTALS and AVERAGES	35	\$ 385,097,889.89	100.00%	5.159	240

**Exhibit 10**  
**County Pool vs. State Pool**  
**1/99 - 09/07**

