

CLARK COUNTY
FINANCE COMMITTEE

FOURTH QUARTER 2008



February 26, 2009

CLARK COUNTY
FINANCE COMMITTEE
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Section I – Executive Summary

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

As of December 31, 2008, the average maturity of the total investment portfolio increased to approximately 8.6 months from September's 7.8 months. The asset sector distribution for the total investment portfolio changed slightly during the fourth quarter with approximately 39.6% of the portfolio invested in Federal Agencies, 3.8% invested in money market instruments, 47.9% invested in the Washington State LGIP, 0.3% invested in State and Local Government Series, and 8.4% invested in Certificates of Deposits. This is compared with the third quarter of 2008's asset allocation of which, 44.0% of the portfolio was invested in Federal Agencies, 15.9% invested in money market instruments, 31.3% invested in the Washington State LGIP, 0.6% invested in State and Local Government Series, and 8.2% invested in Certificates of Deposits. The total book value of the portfolio was approximately \$472 million on December 31, 2008.

Residual balances (total cash balances of all funds) through the fourth quarter of 2008 averaged almost \$62 million per month which was \$3.8 million less than the monthly average during 2007. Interest earnings distributed to the County's General Fund through the fourth quarter of 2008 totaled \$2.2 million compared to \$3.3 million for 2007. The decrease is a result of lower average residual balances as well as lower interest rates in 2008. Residual interest earnings for all of 2008 were less than the interest projections by approximately \$401 thousand.

County Pool balances averaged \$420 million through the fourth quarter of 2008, compared to an average of \$409 million through the fourth quarter of 2007. The average interest rate of the Clark County Investment Pool for the fourth quarter of 2008 was 3.1% compared to 4.8% in the fourth quarter of 2007. Interest earnings distributed to the County Pool participants for the fourth quarter of 2008 was almost \$3.6 million compared to almost \$5.4 million in the fourth quarter 2007. Clark County funds made up 45.1% of the County Pool. Other major Pool participants include the Camas School District at 14.8%, Evergreen School District at 10.9%, City of Vancouver at 9.8%, Vancouver School District at 8.7% and all other districts at 10.7%.

The annualized quarterly total return for the County Pool came in at 6.7% compared to the custom Treasury total return index of 5.3%. On a book value return basis, the County Pool yielded 3.3%, compared to the Standard and Poor's LGIP Index's book value return of 0.39%. The net asset value of the County Pool at the end of the quarter was 1.0089 with an unrealized fair value gain of \$4,117,550.82 on December 31, 2008.

The investment strategy for the fourth quarter was to continue to maintain a reasonable level of liquidity in the Washington State LGIP while adding diversification within the Federal Agencies. Our strategy was to capture value above current and future interest rate projections while still meeting the liquidity needs of the pool participants.

Section II – 2008 Year-to-Date

Through the fourth quarter of 2008, County residual principal balances averaged \$3,772,373 less than the same time period for 2007 on a monthly basis. Actual average County residual balances on a monthly basis through the fourth quarter of 2008 have exceeded projections by almost \$2.1 million for the quarter as denoted in the chart below.

Date	2007 Residual Balance	2008 Residual Balance	2008 Projected Residual Balance
January	42,805,902	48,389,270	37,172,482
February	36,398,992	43,661,338	33,898,473
March	37,459,812	43,232,408	33,516,954
April	76,077,319	64,852,159	56,492,091
May	140,244,393	134,502,423	137,020,119
June	81,821,848	78,977,568	74,374,931
July	56,927,365	52,188,285	49,311,781
August	45,101,943	40,029,294	33,303,408
September	44,598,749	33,948,085	32,448,658
October	56,195,886	53,345,309	57,058,097
November	107,339,406	98,027,348	117,139,576
December	60,363,858	48,913,513	53,741,571
Monthly Average	65,444,623	61,672,250	59,623,178

Until September 18, 2007, the Fed held interest rates steady at 5.25%. Since then, the Fed has lowered the Fed Funds Rate ending between 0% and 0.25% on December 16, 2008.

Actual interest earnings totaled \$2,220,128 through the fourth quarter of 2008 down from \$3,322,238 during the same period in 2007. As shown below, interest earnings was \$400,813 less than they were projected to be through the fourth quarter 2008.

Date	2007 Residual Interest Earnings	2008 Residual Interest Earnings	2008 Projected Interest Earnings
January	185,864	232,224	132,520
February	149,284	180,400	109,153
March	152,023	186,990	199,488
April	326,425	198,839	199,605
May	609,805	372,137	500,276
June	346,372	188,267	265,890
July	254,201	152,073	184,289
August	198,331	100,814	124,462
September	189,771	90,270	118,708
October	238,369	146,260	218,152
November	429,296	231,040	438,297
December	242,499	140,814	210,100
Total	3,322,238	2,220,128	2,620,941

County Pool principal balances shown below, averaged slightly more through 2008, compared to 2007.

Date	2007 Pool Average Balance	2008 Pool Average Balance
January	358,967,445	376,986,615
February	347,997,129	365,034,130
March	352,677,413	364,994,816
April	394,280,465	392,963,919
May	510,626,748	532,973,722
June	436,885,614	416,393,882
July	398,158,515	410,122,662
August	390,791,879	408,959,823
September	386,337,921	404,778,705
October	397,535,527	410,118,037
November	514,999,882	531,273,639
December	412,839,269	426,213,637
Monthly Average	408,508,151	420,067,799

The table below reflects County Pool earnings of \$15.6 million through the fourth quarter of 2008, compared to \$20.7 million through the fourth quarter of 2007, resulting in decreased earnings of approximately 24.6%.

Date	2007 Pool Interest Earnings	2008 Pool Interest Earnings
January	1,557,831	1,809,038
February	1,424,443	1,560,269
March	1,429,609	1,576,189
April	1,691,524	1,203,739
May	2,218,694	1,471,538
June	1,845,998	1,085,217
July	1,778,490	1,194,958
August	1,716,045	1,029,665
September	1,628,576	1,075,561
October	1,691,598	1,124,230
November	2,056,340	1,251,172
December	1,649,010	1,222,335
Year-to-Date	20,688,158	15,603,911

Section III – Quarterly Activity

Figure One shows the major participants in the Clark County Investment Pool for the fourth quarter of 2008. As of December 31, 2008, County funds made up 45.1% of the pool, Camas School District – 14.8%, Evergreen School District – 10.9%, City of Vancouver – 9.8%, Vancouver School District – 8.7%, and all other districts – 10.7%.

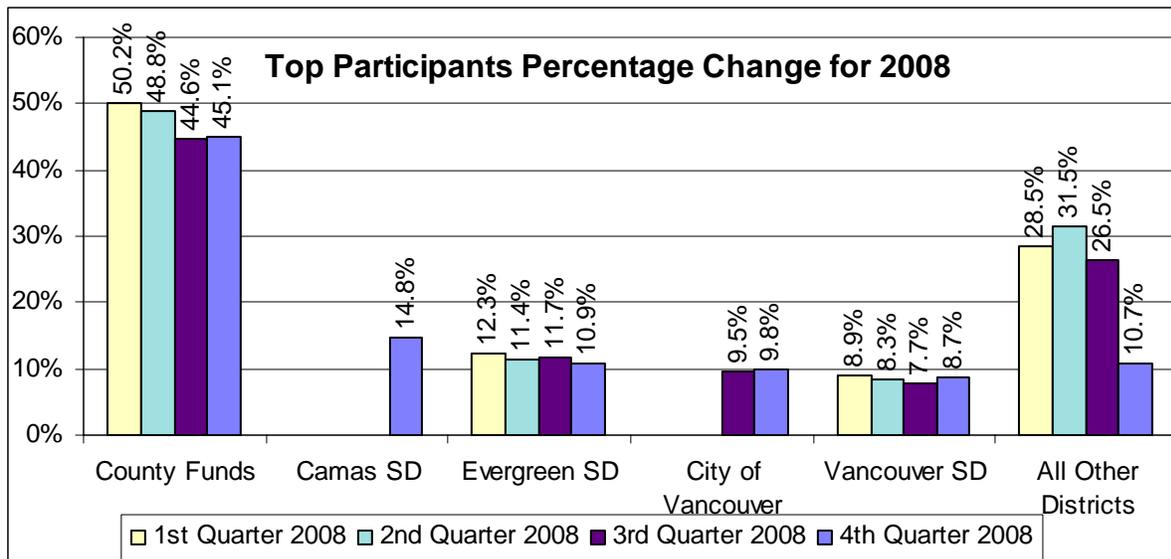


Figure 1

Figure Two illustrates month-end General Fund cash balances beginning with January 2007 through December 2008. For the fourth quarter of 2008, cash balances in the General Fund decreased over the same period in 2007 by a monthly average of almost \$3.7 million.

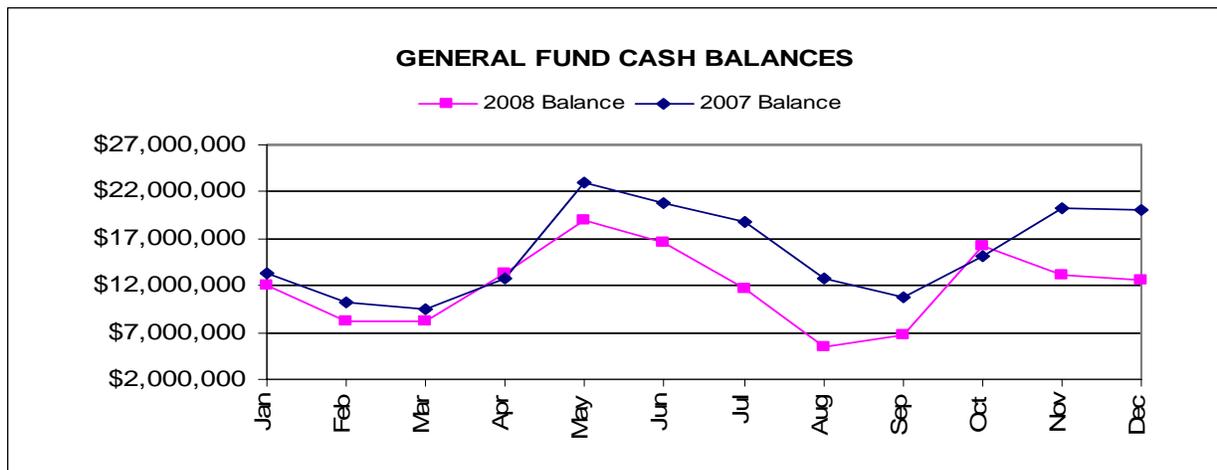


Figure 2

Figure Three reflects the average principal balances being maintained within the Pool in 2008 compared to 2007. Through the fourth quarter 2008, the average monthly principal balance increased from the same period of 2007 by an average of almost \$12 million.

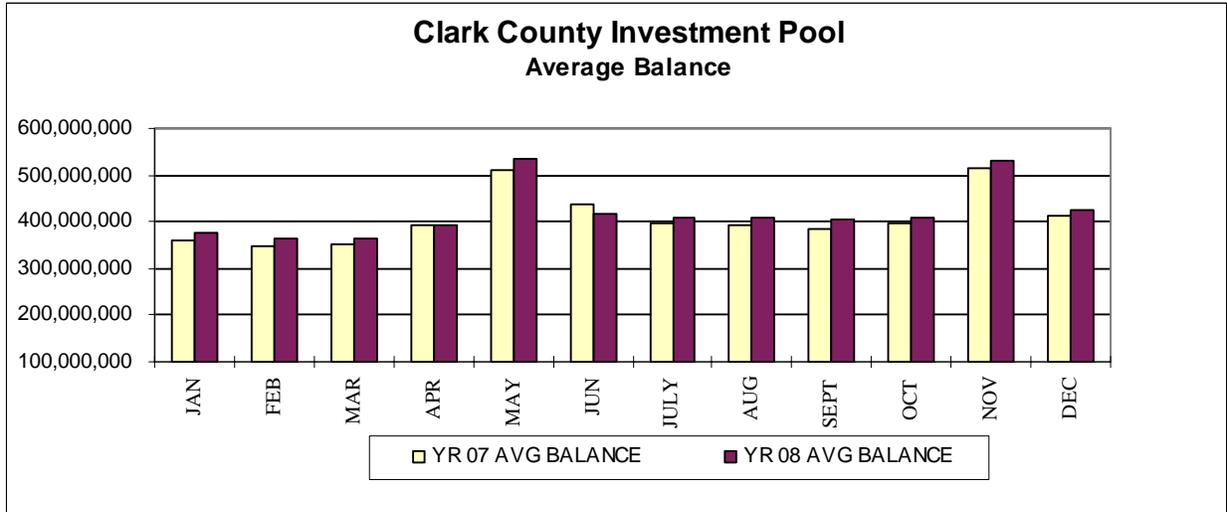


Figure 3

Figure Four reflects the actual monthly residual principal balances managed by the County for 2007 and 2008. For the fourth quarter of 2008, residual balances averaged \$3.8 million per month less than the same period in 2007.

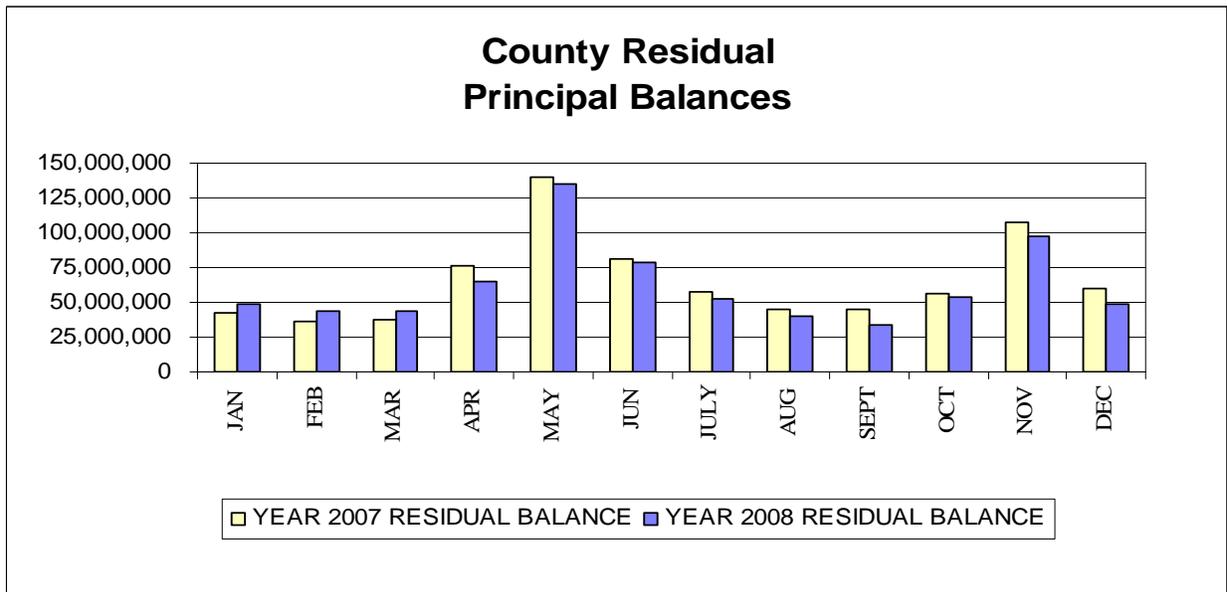


Figure 4

Figure Five shows interest earnings distributed each month to the County’s General fund from 2007 through 2008. During the fourth quarter of 2008, interest earnings averaged \$131 thousand less per month than during the same period in 2007. This is due to a decrease in residual cash principal balances and a decrease in interest rates. On an average monthly basis, \$172 thousand was allocated to the General fund during the fourth quarter of 2008. For the fourth quarter of 2007, an average of \$303 thousand was distributed to the General fund per month.

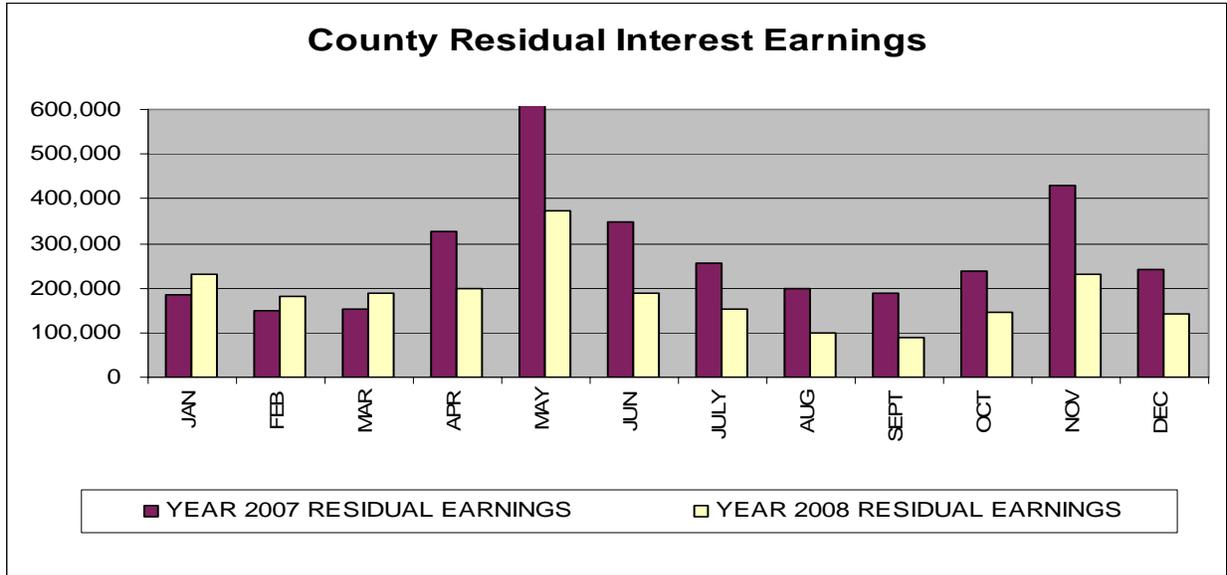


Figure 5

Figure Six shows the County Pool interest rates for 2007 through the fourth quarter of 2008. The County Pool’s gross interest rate, based on the book value of the portfolio, at December 31, 2008 was 3.34% compared to 4.67% at December 31, 2007.

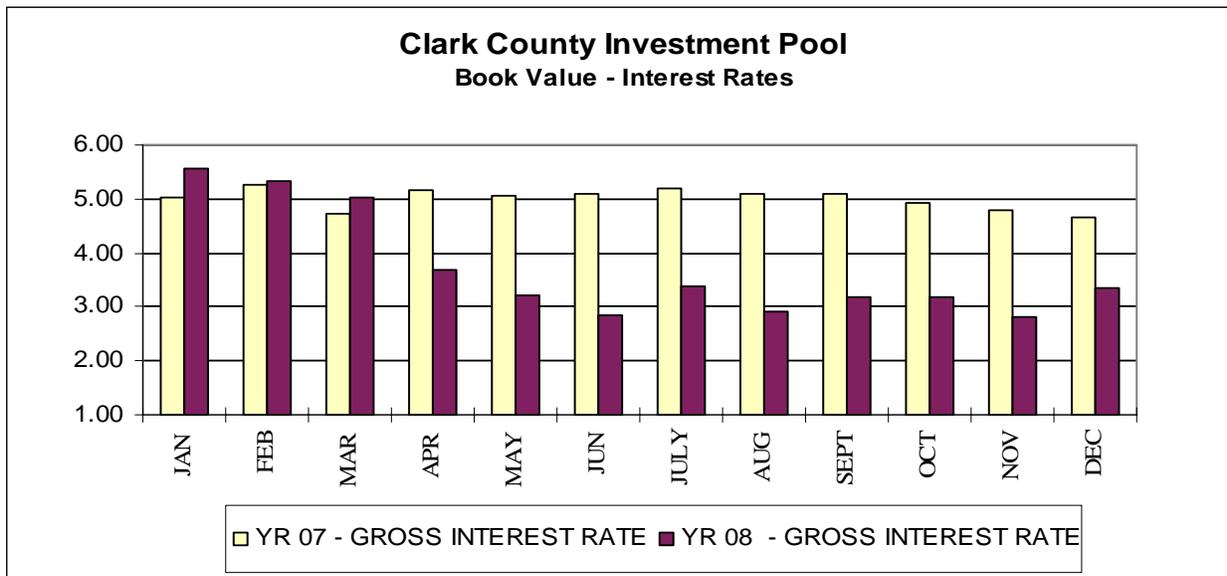


Figure 6

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 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 63 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 263 days. The Standard and Poor's LGIP Index (Figure 7(a)) and the LGIP (Figure 7(b)) closely track current interest rates. At the end of the fourth quarter 2008, the County Pool's net rate, on a book value return basis was 3.34%, the S&P LGIP Index was 0.39%, and the State Pool's net rate was 1.85%.

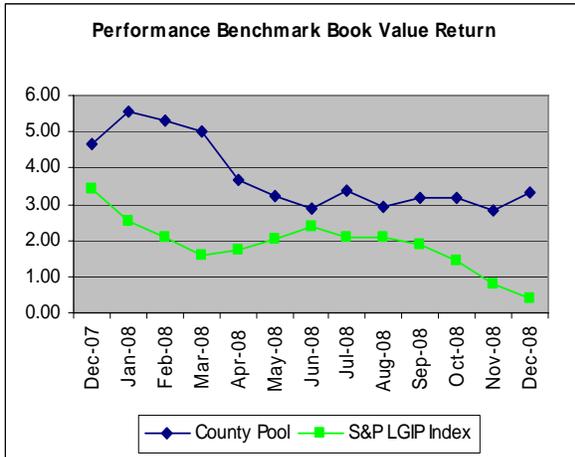


Figure 7(a)

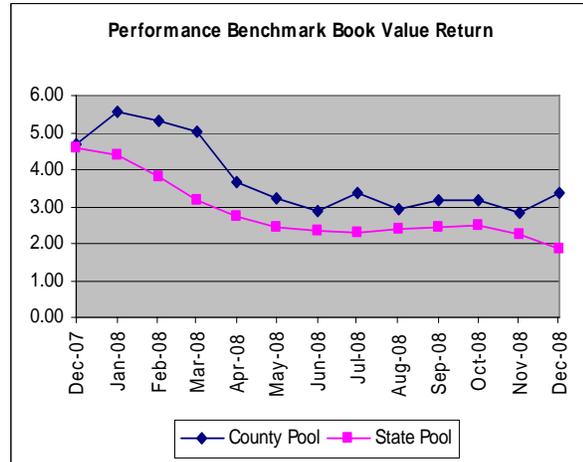


Figure 7(b)

Figure Eight compares performance on a total return basis. Total return measures the market value increase or decrease in the value of the portfolio plus interest earnings on securities, over a given period of time. The customized total return index consists of two Merrill Lynch U.S. Treasury Indexes maturing from six months to one year. The annualized return for the fourth quarter of 2008 for the County Pool was 6.66% and the Treasury Index was 5.28%. During this time frame, the Fed started lowering the federal funds rate in September 2007 ending essentially at 0% (a range of 0% to 0.25%) in December.

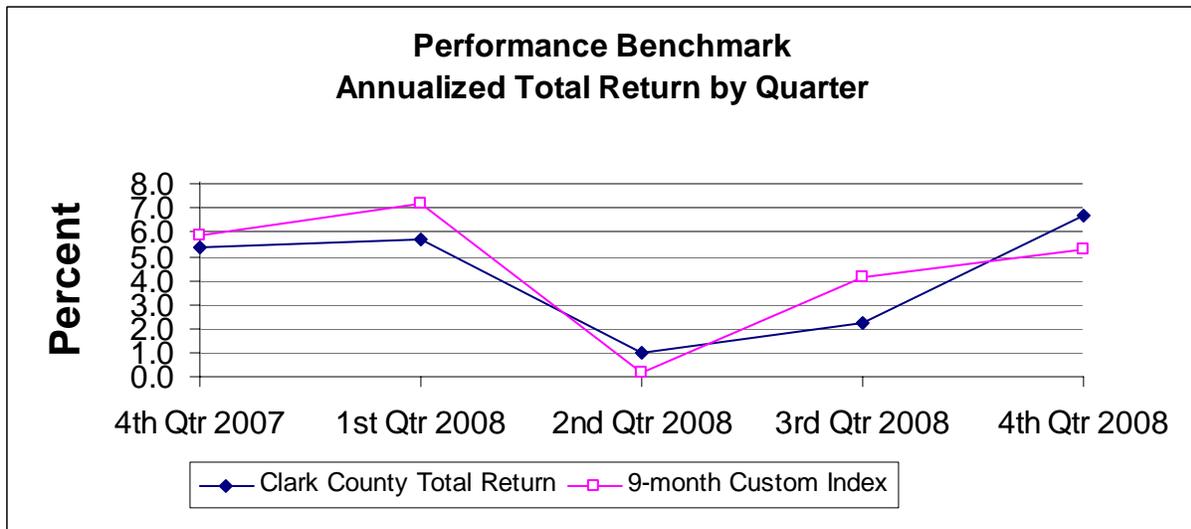


Figure 8

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, 2008 the N.A.V. per share was 1.0089. 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 \$467,728,862.11.

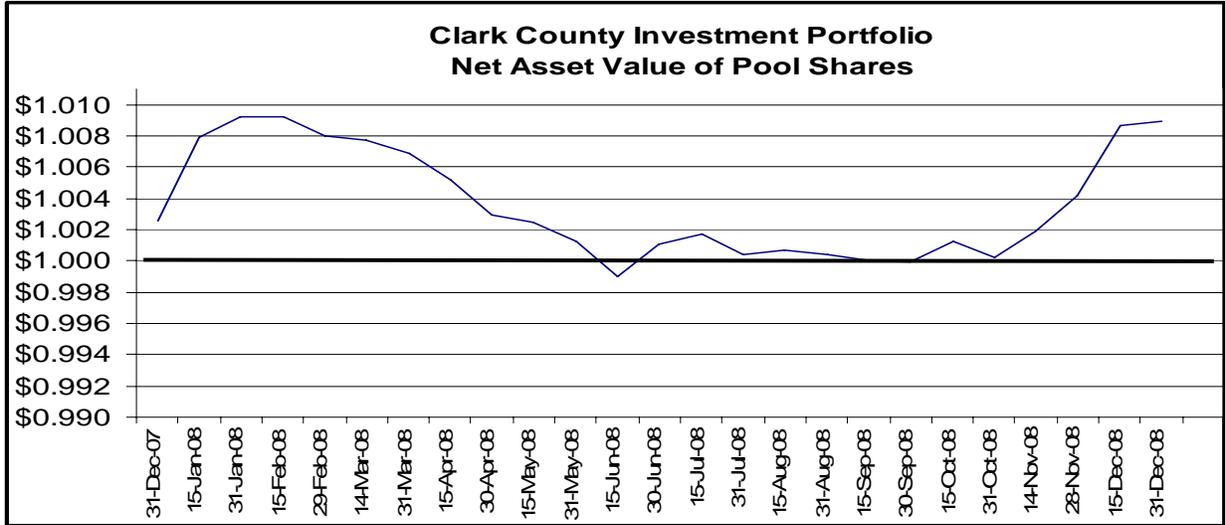


Figure 9

Figure Ten shows projected County Pool interest rates for 2008 compared with actual gross interest rates.

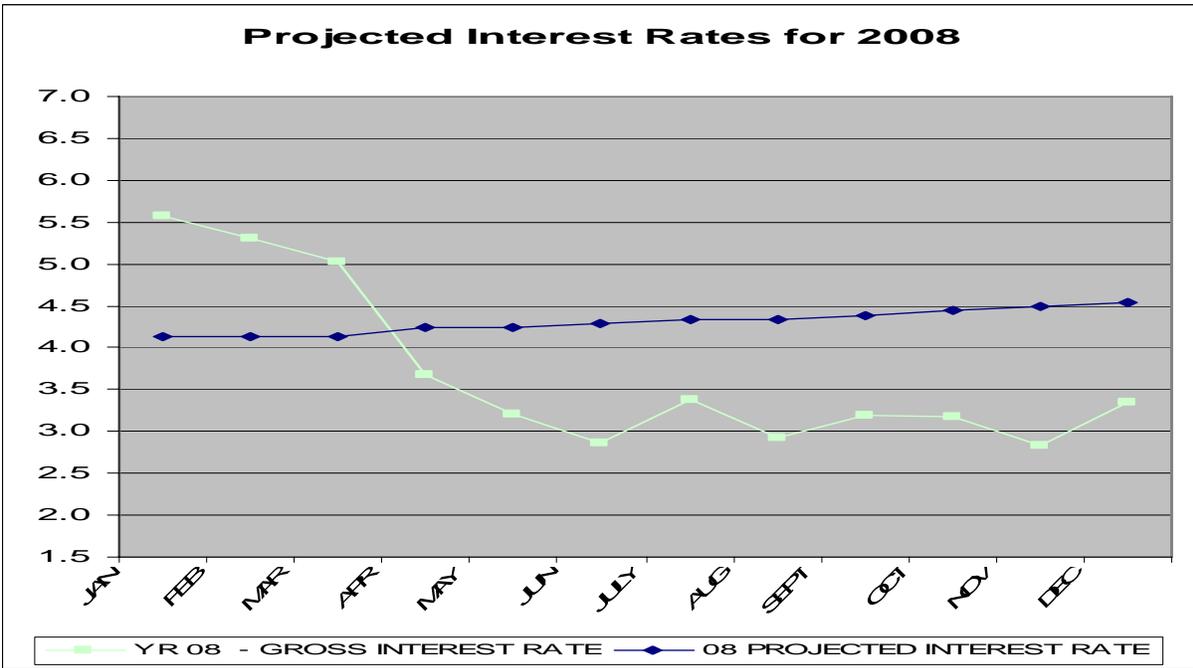


Figure 10

Section IV – Investment Strategy

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 raise in interest rates.

Period	0 - 1 year	1 – 2 years	2 - 5 years
1 st quarter, 2007	77%	21%	2%
2 nd quarter, 2007	65%	33%	2%
3 rd quarter, 2007	70%	25%	5%
4 th quarter, 2007	76%	9%	15%
1 st quarter, 2008	77%	4%	19%
2 nd quarter, 2008	68%	15%	17%
3 rd quarter, 2008	72%	21%	7%
4 th quarter, 2008	67%	18%	15%

During the fourth quarter of 2008, our target range for weighted average maturity was 8 to 9½ months. We continue to monitor our investment strategy and remain proactive as economic conditions fluctuate.

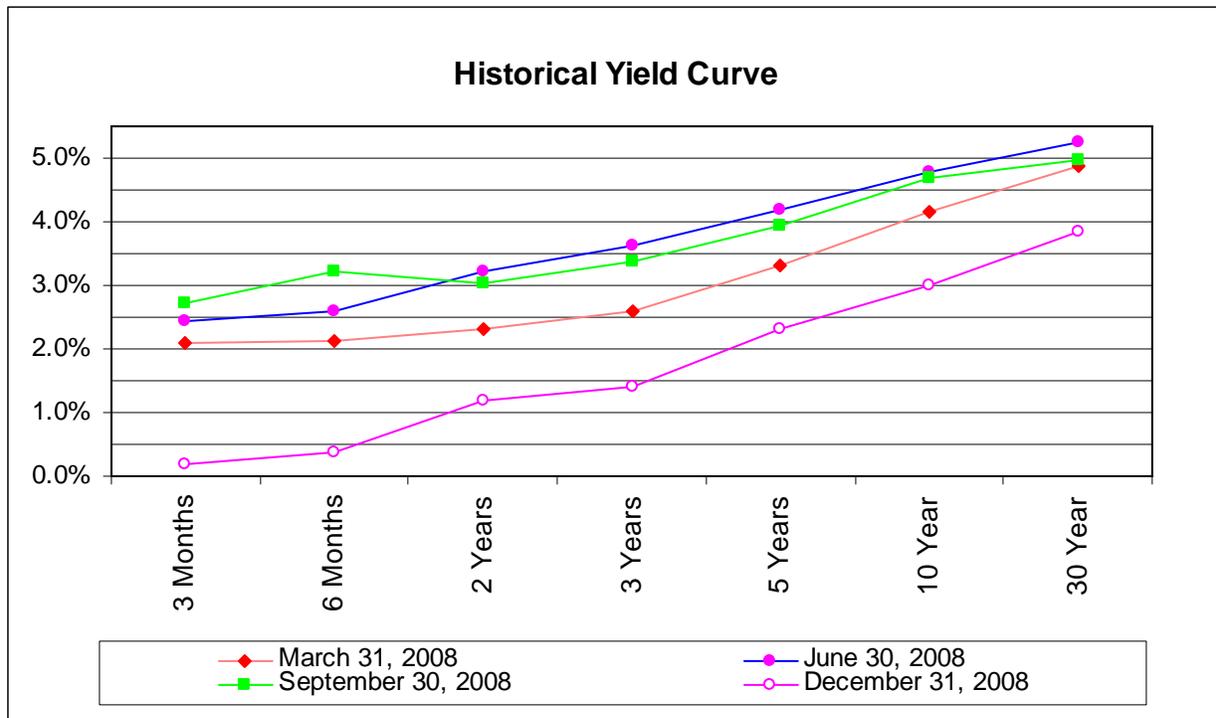
Public Financial Management, Inc (PFM) is the County’s Investment Advisor whom provides various investment advices. The third quarter 2008 report issued by PFM recommended the following sector distributions to maintain the Clark County Investment Pool at an 8 to 9½ month average maturity.

Section V – Economic / Market Conditions

Because of the crumbling of the financial markets, Governments have taken huge steps by adding liquidity and stability to the financial markets. Unfortunately, the credit markets are still not as liquid as they were prior to September 2008. As the economy continued to grow weaker, yields on fixed-income securities fell dramatically. Consequently, the drop in yields pushed the market value of existing bonds up resulting in higher total returns for the fourth quarter.

Fannie Mae and Freddie Mac were placed by the US Government into conservatorship. Then the Fed helped AIG from failing, Lehman Brothers went bankrupt and Merrill Lynch was bought by Bank of America. These events helped cause the collapse of credit markets. Therefore, the Federal Reserve, Treasury Department and Federal Deposit Insurance Corporation (FDIC) put together a few programs to help. These programs include the FDIC insurance coverage increased to \$250,000.00, guaranteeing debt with the Temporary Liquidity Guarantee Program (TLGP), \$700 billion Troubled Asset Relief Program (TARP), Federal Reserve purchasing commercial paper from issuers with the Commercial Paper Funding Facility, and guaranteeing that certain money market mutual funds always have a N.A.V. of \$1.00 per share.

On December 31, 2008, the 2-year US Agency yielded 1.18% compared to 3.04% on September 30, 2008. That is a decrease of 186 basis points for one quarter.



Section VI – Portfolio

Exhibit One shows the make up of the entire portfolio at the end of the fourth quarter of 2008. 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 Investment Policy.

Exhibit Two shows the complete portfolio listings as of the end of the fourth quarter of 2008. This report shows the book value, the par value, and the market value of the portfolio as of December 31, 2008.

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, 2008, the average maturity was approximately 8.6 months. All the percentages are consistent with the current Investment Policy.

Exhibit Five shows all investment purchases and maturities from October 1, 2008 through December 31, 2008.

Exhibit Six shows the make-up of the Clark County Investment Pool at the end of the fourth quarter of 2008. 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, 2008, the average maturity of the Pool was approximately 8.7 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, 2008.

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, 2008**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit	\$ 40,000,000	8.47%	122	3.120	3.163
Federal Agencies - Discount	\$ 27,298,200	5.78%	210	3.202	3.246
Federal Agencies - Semi-annual	\$ 159,461,720	33.77%	697	3.121	3.164
Washington State LGIP	\$ 226,093,792	47.88%	1	1.795	1.820
Passbook/Money Market Accts	\$ 18,021,020	3.82%	1	0.296	0.300
Treasury Securities - SLGS	\$ 1,338,000	0.28%	323	0.030	0.030
Total	\$ 472,212,733	100.00%	259	2.374	2.407
Accrued Interest at Purchase	\$ 115,580				
Total Cash and Investments	<u>\$ 472,328,313</u>				

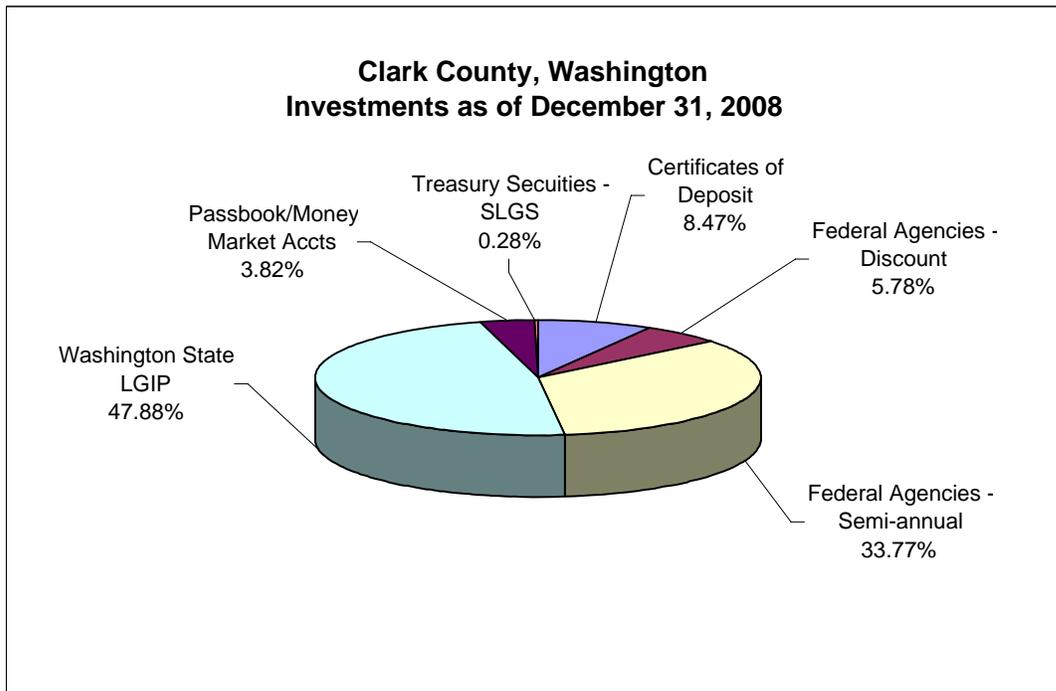


Exhibit 2
Clark County, Washington
Investment Portfolio
December 31, 2008

Investment Number	Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 12/31/08	Market Value	Cash	Amortized	Percent	Coupon Rate	Yield to Maturity		Maturity Date	Days to Maturity
									Gain/(Loss) on Security	Gain/(Loss) on Security	Gain/(Loss) on Security		360 MM	365 BE		
CD's		8.47%														
89983246	6/30/2008		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				3.500	3.452	3.500	01/05/09	4
89983251	9/29/2008		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				3.650	3.650	3.701	04/24/09	113
89983261	12/18/2008		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				2.320	2.320	2.352	12/16/09	349
89983247	8/20/2008		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				3.100	3.353	3.400	01/23/09	22
Subtotal & Averages			40,000,000.00		40,000,000.00	40,000,000.00		40,000,000.00					3.194	3.238		122
Federal Agencies - Discount		5.78%														
89983250	09/26/08	313385JN7	9,725,755.56	274,244.44	10,000,000.00	10,000,000.00	99.699	9,969,938.00	244,182.44	(30,062.00)	-0.301%	3.280	3.397	3.444	07/24/09	204
89983257	10/28/08	313385NH5	7,756,000.00	244,000.00	8,000,000.00	8,000,000.00	99.545	7,963,609.60	207,609.60	(36,390.40)	-0.455%	3.050	3.165	3.209	10/23/09	295
89983256	10/17/08	313589GE7	9,816,444.44	183,555.56	10,000,000.00	10,000,000.00	99.858	9,985,789.00	169,344.56	(14,211.00)	-0.142%	2.950	3.039	3.081	05/29/09	148
Subtotal & Averages			27,298,200.00	701,800.00	28,000,000.00	28,000,000.00		27,919,336.60	621,136.60	(80,663.40)			3.202	3.247		210
Federal Agencies - Semi-Annual Coupon		33.33%														
89983229	03/12/08	31331XL42	8,098,889.54	(153,365.02)	7,945,524.52	7,651,000.00	106.310	8,133,748.26	34,858.72	188,223.74	2.369%	5.250	2.620	2.656	07/16/10	561
89983234	04/18/08	31331XGC0	10,396,900.00	(130,579.58)	10,266,320.42	10,000,000.00	105.280	10,528,017.00	131,117.00	261,696.58	2.549%	4.750	2.782	2.821	06/07/10	522
89983252	10/14/08	31331GDC0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	105.301	10,530,109.00	530,109.00	530,109.00	5.301%	3.600	3.551	3.600	10/14/11	1016
89983255	10/15/08	31331Y3S7	10,001,100.00	(183.33)	10,000,916.67	10,000,000.00	102.421	10,242,121.00	241,021.00	241,204.33	2.412%	3.050	2.997	3.039	01/21/10	385
89983259	11/21/08	31331YG46	4,947,350.00	2,420.69	4,949,770.69	5,000,000.00	102.281	5,114,062.50	166,712.50	164,291.81	3.319%	2.625	3.038	3.080	04/21/11	840
89983232	04/03/08	3133MYYZ	10,148,900.00	(52,437.84)	10,096,462.16	10,000,000.00	103.248	10,324,841.00	175,941.00	228,378.84	2.262%	3.375	2.609	2.645	05/14/10	498
89983235	05/05/08	3133XQYX4	9,957,500.00	11,869.82	9,969,369.82	10,000,000.00	102.960	10,295,980.00	338,480.00	326,610.18	3.276%	3.000	3.137	3.181	09/10/10	617
89983238	05/15/08	3133XR2Y5	9,968,800.00	9,452.01	9,978,252.01	10,000,000.00	102.805	10,280,538.00	311,738.00	302,285.99	3.029%	3.000	3.112	3.155	06/11/10	526
89983258	11/21/08	3133XQQQ8	4,922,650.00	3,441.60	4,926,091.60	5,000,000.00	102.529	5,126,460.00	203,810.00	200,368.40	4.067%	2.625	3.230	3.275	05/20/11	869
89983227	02/04/08	3136F8Q40	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.299	10,029,854.00	29,854.00	29,854.00	0.299%	3.500	3.452	3.500	02/04/11	764
89983228	02/20/08	31398AMX7	5,000,000.00	0.00	5,000,000.00	5,000,000.00	100.373	5,018,662.50	18,662.50	18,662.50	0.373%	3.000	2.959	3.000	02/19/10	414
89983230	03/20/08	31359MC50	5,246,150.00	(87,443.93)	5,158,706.07	5,000,000.00	105.062	5,253,102.50	6,952.50	94,396.43	1.830%	4.625	2.281	2.313	06/01/10	516
89983237	05/21/08	31398ARK0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	101.130	10,112,955.00	112,955.00	112,955.00	1.130%	3.250	3.205	3.250	05/21/10	505
89983253	10/14/08	31398AUB6	9,972,500.00	6,119.94	9,978,619.94	10,000,000.00	102.203	10,220,345.00	247,845.00	241,725.06	2.422%	3.800	3.846	3.899	09/30/11	1002
89983260	11/26/08	31359MJH7	10,633,400.00	(24,937.01)	10,608,462.99	10,000,000.00	108.742	10,874,236.00	240,836.00	265,773.01	2.505%	6.000	3.262	3.307	05/15/11	864
89983262	12/23/08	31398AUP5	10,080,300.00	(1,784.44)	10,078,515.56	10,000,000.00	101.264	10,126,380.00	46,080.00	47,864.44	0.475%	2.680	1.840	1.866	12/23/11	1086
89983236	05/05/08	3128X1RU3	8,000,000.00	0.00	8,000,000.00	8,000,000.00	100.046	8,003,640.80	3,640.80	3,640.80	0.046%	3.600	3.509	3.558	07/07/10	552
89983254	10/14/08	3128X72B9	10,008,000.00	(1,711.11)	10,006,288.89	10,000,000.00	102.447	10,244,663.00	236,663.00	238,374.11	2.382%	4.000	3.864	3.918	10/14/11	1016
Subtotal & Averages			157,382,439.54	(419,138.20)	156,963,301.34	155,651,000.00		160,459,715.56	3,077,276.02	3,496,414.22			3.094	3.137		706
Outside Investments Hockinson		0.03%														
61080001	09/01/07	Washington State LGIP	120,913.26	0.00	120,913.26	120,913.26		120,913.26				2.389	2.389	2.422		1
Subtotal & Averages			120,913.26	0.00	120,913.26	120,913.26		120,913.26	0.00	0.00			2.389	2.422		1

**Clark County, Washington
Investment Portfolio
December 31, 2008**

Investment Number		Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 12/31/08	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
Outside Investments - FVRL Capital Facility A		1.55%															
67320004	Key Bank	06/08/07		5,228,598.41	0.00	5,228,598.41	5,228,598.41		5,228,598.41				4.750	4.734	4.800		1
67323197	Federal Home Loan Bank	06/26/07	3133m74s2	1,094,370.90	(4,284.43)	1,090,086.47	1,090,000.00	100.148	1,091,614.51	(2,756.39)	1,528.04	0.140%	5.475	5.128	5.199	01/12/09	11
67323196	Federal Nat'l Mtg Assoc.	06/26/07	3136f5jm4	984,910.00	13,116.51	998,026.51	1,000,000.00	100.981	1,009,805.40	24,895.40	11,778.89	1.180%	4.000	5.124	5.195	03/23/09	81
Subtotal & Averages				7,307,879.31	8,832.08	7,316,711.39	7,318,598.41		7,330,018.32	22,139.01	13,306.93			14.99	15.19		13
Outside Investments - Camp Bonneville		0.27%															
10130001	Washington State LGIP	12/7/2007		1,284,489.76	0.00	1,284,489.76	1,284,489.76		1,284,489.76				2.389	2.389	2.422		1
Subtotal & Averages				1,284,489.76	0.00	1,284,489.76	1,284,489.76		1,284,489.76	0.00	0.00			2.39	2.42		2.00
U.S. Treasury Securities - SLGS		0.28%															
61243264	State & Local Govt. Series	12/26/2008	2008-05123	204,000.00			204,000.00		204,000.00				0.030	0.030	0.030	11/20/09	323
61093266	State & Local Govt. Series	12/26/2008	2008-05125	188,000.00			188,000.00		188,000.00				0.030	0.030	0.030	11/20/09	323
61123268	State & Local Govt. Series	12/26/2008	2008-05127	104,000.00			104,000.00		104,000.00				0.030	0.030	0.030	11/20/09	323
61183267	State & Local Govt. Series	12/26/2008	2008-05126	47,000.00			47,000.00		47,000.00				0.030	0.030	0.030	11/20/09	323
61273265	State & Local Govt. Series	12/26/2008	2008-05124	795,000.00			795,000.00		795,000.00				0.030	0.030	0.030	11/20/09	323
Subtotal & Averages				1,338,000.00	0.00	0.00	1,338,000.00		1,338,000.00	0.00	0.00			0.030	0.030		323.00
Passbook/Money Market Accounts		50.29%															
89980003	Key Bank- Saving Account		3%	12,792,421.83	0.00	12,792,421.83	12,792,421.83		12,792,421.83				2.000	2.022	2.050		1
89980001	Washington State LGIP		48%	224,688,389.44	0.00	224,688,389.44	224,688,389.44		224,688,389.44				2.389	2.389	2.422		1
Subtotal & Averages				237,480,811.27	0.00	237,480,811.27	237,480,811.27		237,480,811.27					2.369	2.402		1
Grand Total				<u>472,212,733.14</u>	<u>291,493.88</u>	<u>471,166,227.02</u>	<u>471,193,812.70</u>		<u>475,933,284.77</u>	<u>3,720,551.63</u>	<u>3,429,057.75</u>			<u>2,703</u>	<u>2,741</u>		<u>259</u>
Callable Percentage		7.00%															8.63 months

EXHIBIT 3

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
AGING OF MATURING INVESTMENTS
December 31, 2008**

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$244,114,813	51.70%	51.70%
2 - 90	\$22,079,281	4.68%	56.37%
91 - 180	\$19,816,444	4.20%	60.57%
181 - 270	\$9,725,756	2.06%	62.63%
271 - 360	\$19,094,000	4.04%	66.67%
361 - 450	\$15,001,100	3.18%	69.85%
451 - 540	\$45,760,750	9.69%	79.54%
541 - 630	\$26,056,390	5.52%	85.06%
721 - 900	\$30,503,400	6.46%	91.52%
901 - 1200	\$40,060,800	8.48%	100.00%
TOTALS	\$472,212,733	100.00%	

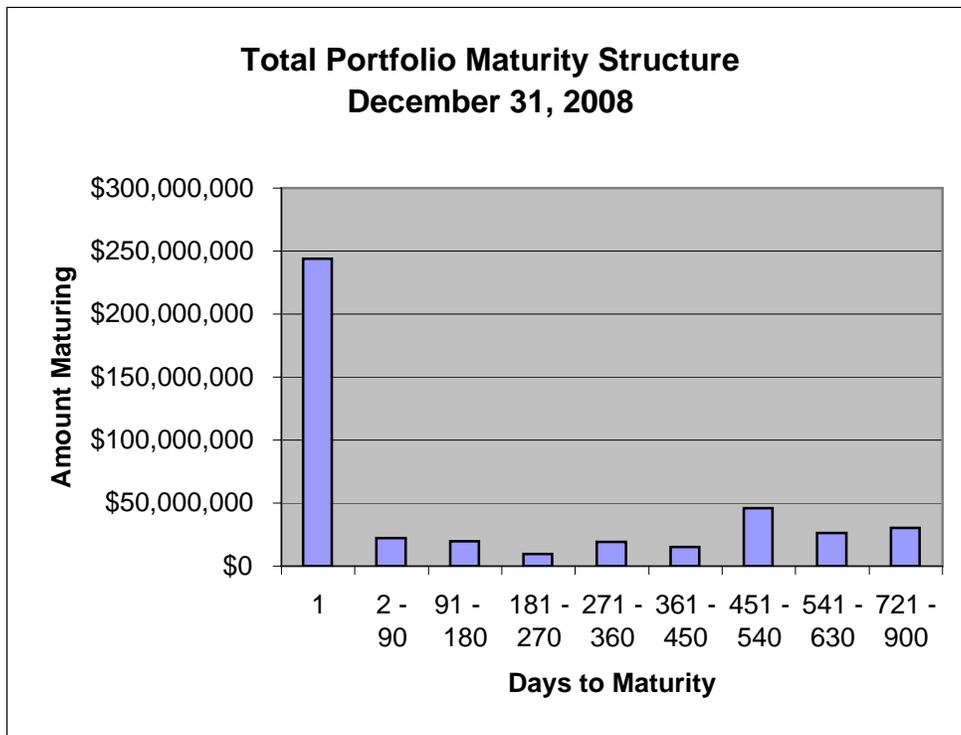


Exhibit 4

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
SUMMARY OF INVESTMENTS BY ISSUER
December 31, 2008**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Bank of America	1	10,000,000	2.12%	3.701	113
Federal Farm Credit Bank	5	43,444,240	9.20%	2.088	443
Federal Home Loan Bank	7	53,573,976	11.35%	3.176	467
Federal Home Loan Mtg Corp.	2	18,008,000	3.81%	5.575	810
Federal National Mtg Association	9	71,733,704	15.19%	3.107	685
Key Bank	2	18,021,020	3.82%	0.300	1
State & Local Govt. Series	5	1,338,000	0.28%	0.030	323
Sterling Savings	1	10,000,000	2.12%	3.500	4
Umpqua Bank	1	10,000,000	2.12%	3.400	22
US Bank	1	10,000,000	2.12%	2.352	349
Washington State LGIP	3	226,093,792	47.88%	2.389	1
TOTALS and AVERAGES	37	472,212,733	100.00%	2.407	259

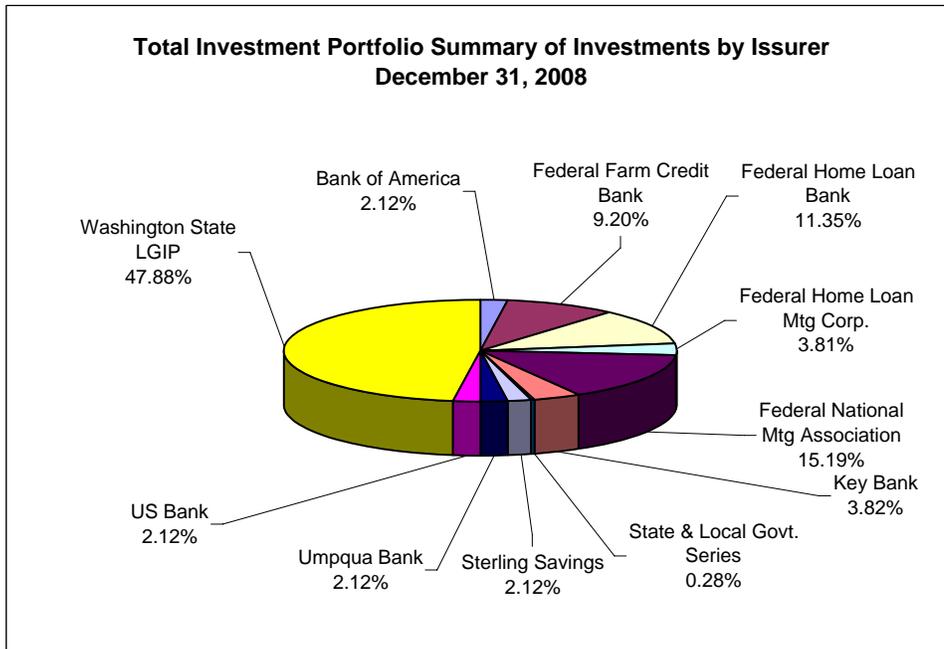


EXHIBIT 5

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
INVESTMENT ACTIVITY BY TYPE
As of December 31, 2008**

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
CERTIFICATES OF DEPOSIT				BEGINNING BALANCE:		20,000,000.00
89983261	US Bank	2.320	12/18/08	10,000,000.00		
SUBTOTALS and ENDING BALANCE - OCTOBER				10,000,000.00	0.00	30,000,000.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	0.00	30,000,000.00
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	0.00	30,000,000.00
CERTIFICATES OF DEPOSIT - 365				BEGINNING BALANCE:		20,000,000.00
89983248	Banner Bank	2.990	10/24/08		10,000,000.00	
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	10,000,000.00	10,000,000.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	0.00	10,000,000.00
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	0.00	10,000,000.00
FEDERAL AGENCIES - ANNUAL COUPON				BEGINNING BALANCE:		9,973,400.00
89983249	Federal Home Loan Bank	3.000	12/22/08		9,973,400.00	
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	0.00	9,973,400.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	0.00	9,973,400.00
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	9,973,400.00	0.00
FEDERAL AGENCIES - DISCOUNT				BEGINNING BALANCE:		9,725,755.56
89983256	Federal National Mtg Association	2.950	10/17/08	9,816,444.44		
89983257	Federal Home Loan Bank	3.050	10/28/08	7,756,000.00		
SUBTOTALS and ENDING BALANCE - OCTOBER				17,572,444.44	0.00	27,298,200.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	0.00	27,298,200.00
SUBTOTALS and ENDING BALANCE - DECEMBER				0.00	0.00	27,298,200.00
FEDERAL AGENCIES - SEMI ANNUAL COUPON				BEGINNING BALANCE:		194,798,465.44
89983252	Federal Farm Credit Bank	3.600	10/14/08	10,000,000.00		
89983253	Federal National Mtg Association	3.800	10/14/08	9,972,500.00		
89983254	Federal Home Loan Mtg Corp	4.000	10/14/08	10,008,000.00		
89983255	Federal Farm Credit Bank	3.050	10/15/08	10,001,100.00		
89983217	Federal National Mtg Association	5.000	10/15/08		10,051,500.00	
89983175	Federal Home Loan Mtg Corp	4.750	10/17/08		9,939,400.00	
67323195	Federal Home Loan Mtg Corp	4.900	11/03/08		1,195,380.00	
89983209	Federal Home Loan Mtg Corp	4.900	11/03/08		10,035,700.00	
89983218	Federal Home Loan Bank	4.500	11/06/08		10,015,625.00	
89983167	Federal National Mtg Association	3.875	11/17/08		9,817,000.00	
89983259	Federal Farm Credit Bank	2.625	11/21/08	4,947,350.00		
89983258	Federal Home Loan Bank	2.625	11/21/08	4,922,650.00		
89983260	Federal National Mtg Association	6.000	11/26/08	10,633,400.00		
89983219	Federal Home Loan Bank	4.625	11/19/08		10,018,140.00	
89983262	Federal National Mtg Association	2.680	12/23/08	10,080,300.00		
89983210	Federal National Mtg Association	3.740	12/22/08		9,877,400.00	
89983179	Federal Farm Credit Bank	5.000	12/22/08		5,007,850.00	
89983181	Federal Home Loan Bank	4.750	12/12/08		9,951,650.00	
89983188	Federal Home Loan Bank	5.000	12/12/08		9,983,500.00	
89983226	Federal Farm Credit Bank	4.100	12/24/08		10,008,900.00	
SUBTOTALS and ENDING BALANCE - OCTOBER				39,981,600.00	19,990,900.00	214,789,165.44
SUBTOTALS and ENDING BALANCE - NOVEMBER				20,503,400.00	41,081,845.00	194,210,720.44
SUBTOTALS and ENDING BALANCE - DECEMBER				10,080,300.00	44,829,300.00	159,461,720.44

EXHIBIT 5

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
INVESTMENT ACTIVITY BY TYPE
As of December 31, 2008**

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
TREASURY SECURITIES - SLGS				BEGINNING BALANCE:		2,890,000.00
61033245	SLGS	1.41	11/21/08		109,000.00	
61093241	SLGS	1.45	11/21/08		585,000.00	
61123239	SLGS	1.45	11/21/08		111,000.00	
61183240	SLGS	1.45	11/21/08		53,000.00	
61303242	SLGS	1.41	11/21/08		1,769,000.00	
61333244	SLGS	1.41	11/21/08		246,000.00	
61363243	SLGS	1.41	11/21/08		17,000.00	
61093266	SLGS	0.030	12/26/08	188,000.00		
61123268	SLGS	0.030	12/26/08	104,000.00		
61183267	SLGS	0.030	12/26/08	47,000.00		
61243264	SLGS	0.030	12/26/08	204,000.00		
61273265	SLGS	0.030	12/26/08	795,000.00		
SUBTOTALS and ENDING BALANCE - OCTOBER				0.00	0.00	2,890,000.00
SUBTOTALS and ENDING BALANCE - NOVEMBER				0.00	2,890,000.00	0.00
SUBTOTALS and ENDING BALANCE - DECEMBER				1,338,000.00	0.00	1,338,000.00
CLARK COUNTY				BEGINNING BALANCE:		0.00
OCTOBER	Registered Warrant Invest Acct	3.75%		156,122.99	156,122.99	0.00
NOVEMBER	Registered Warrant Invest Acct	3.00%		22,078.34	0.00	22,078.34
DECEMBER	Registered Warrant Invest Acct	3.00%		1,884,998.03	1,907,076.37	0.00
KEY BANK				BEGINNING BALANCE:		17,653,993.40
OCTOBER	Money Market Savings Accounts	4.550		24,533.89	269,203.02	17,409,324.27
NOVEMBER	Money Market Savings Accounts	4.550		1,237,767.25	0.00	18,647,091.52
DECEMBER	Money Market Savings Accounts	4.300		11,572.68	637,643.96	18,021,020.24
Morgan Stanley - Repurchase Agreement				BEGINNING BALANCE:		60,328,331.58
OCTOBER	Municipal Investor Account	4.725		1,566,513.00	3,580,369.02	58,314,475.56
NOVEMBER	Municipal Investor Account	4.725		0.00	2,950,431.82	55,364,043.74
DECEMBER	Municipal Investor Account	4.725		660,951.36	56,024,995.10	0.00
STATE POOL				BEGINNING BALANCE:		152,483,477.65
OCTOBER	Washington State Pool	4.359		147,026,919.62	71,853,441.63	227,656,955.64
NOVEMBER	Washington State Pool	3.787		84,090,187.80	74,016,561.47	237,730,581.97
DECEMBER	Washington State Pool	5.230		111,433,798.77	123,070,588.28	226,093,792.46
OCTOBER	TOTALS			477,880,023.63	216,328,133.94	588,358,120.91
NOVEMBER	TOTALS			588,358,120.91	105,853,433.39	573,272,716.01
DECEMBER	TOTALS			573,272,716.01	125,409,620.84	472,212,733.14

Exhibit 6

**CLARK COUNTY INVESTMENT PORTFOLIO POOL
DISTRIBUTION OF INVESTMENTS BY TYPE
December 31, 2008**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit	\$ 40,000,000	8.65%	122	3.120	3.163
Federal Agencies - Discount	\$ 27,298,200	5.91%	210	3.202	3.246
Federal Agencies - Semi-annual	\$ 157,382,440	34.05%	706	3.094	3.137
Washington State LGIP	\$ 224,688,389	48.62%	1	1.820	1.845
Passbook/Money Market Accts	\$ 12,792,422	2.77%	1	0.296	0.300
Total	\$ 462,161,451	100.00%	264	2.406	2.439
Accrued Interest at Purchase	\$ 115,580				
Total Cash and Investments	<u>\$ 462,277,031</u>				

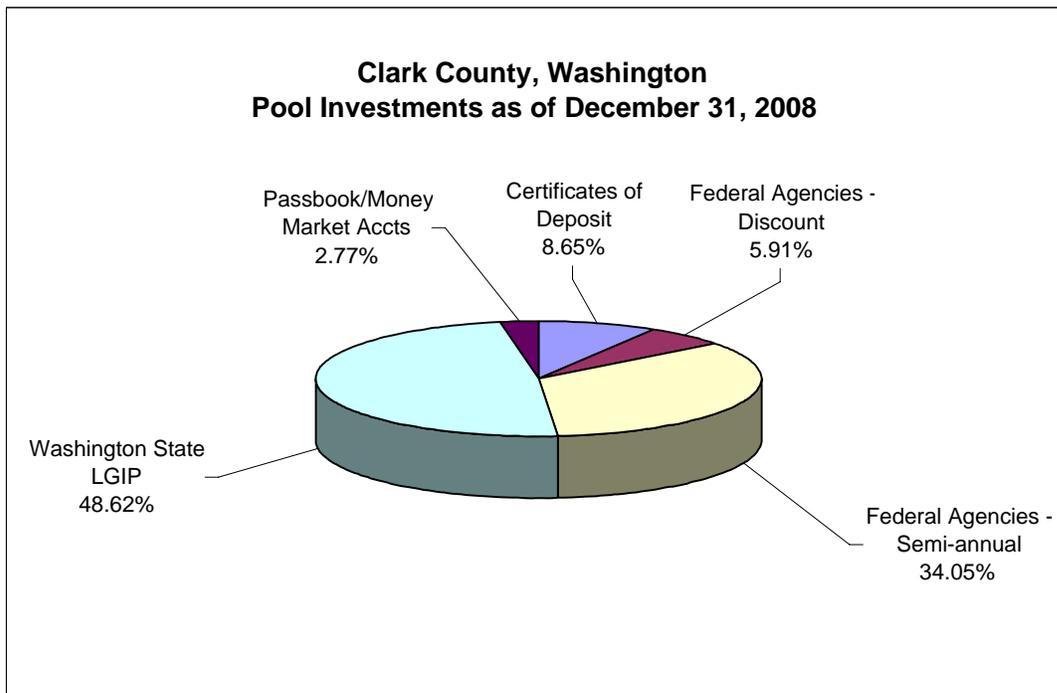


Exhibit 7
Clark County, Washington
Investment Portfolio Pool
December 31, 2008

Investment Number		Purchase Date	Cusip Number	Book Value	Amortized Disc/(Prem)	Amortized Book Value	Par Value	Market Price 12/31/08	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	
CD's		8.65%																
89983246	Sterling Savings	6/30/2008		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				3.500	3.452	3.500	01/05/09	4	
89983251	Bank of America	9/29/2008		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				3.650	3.650	3.701	04/24/09	113	
89983261	US Bank	12/18/2008		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				2.320	2.320	2.352	12/16/09	349	
89983247	Umpqua Bank	8/20/2008		10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00				3.100	3.353	3.400	01/23/09	22	
Subtotal & Averages				40,000,000.00		40,000,000.00	40,000,000.00		40,000,000.00					3.194	3.238		122	
Federal Agencies - Discount		5.91%																
89983250	Federal Home Loan Bank	09/26/08	313385JN7	9,725,755.56	274,244.44	10,000,000.00	10,000,000.00	99.699	9,969,938.00	244,182.44	(30,062.00)	-0.301%	3.280	3.397	3.444	07/24/09	204	
89983257	Federal Home Loan Bank	10/28/08	313385NH5	7,756,000.00	244,000.00	8,000,000.00	8,000,000.00	99.545	7,963,609.60	207,609.60	(36,390.40)	-0.455%	3.050	3.165	3.209	10/23/09	295	
89983256	Federal Nat'l Mtg Assoc.	10/17/08	313589GE7	9,816,444.44	183,555.56	10,000,000.00	10,000,000.00	99.858	9,985,789.00	169,344.56	(14,211.00)	-0.142%	2.950	3.039	3.081	05/29/09	148	
Subtotal & Averages				27,298,200.00	701,800.00	28,000,000.00	28,000,000.00		27,919,336.60	621,136.60	(80,663.40)			3.202	3.247		210	
Federal Agencies - Semi-Annual Coupon		34.05%																
89983229	Federal Farm Credit Bank	03/12/08	31331XL42	8,098,889.54	(153,365.02)	7,945,524.52	7,651,000.00	106.310	8,133,748.26	34,858.72	188,223.74	2.369%	5.250	2.620	2.656	07/16/10	561	
89983234	Federal Farm Credit Bank	04/18/08	31331XGC0	10,396,900.00	(130,579.58)	10,266,320.42	10,000,000.00	105.280	10,528,017.00	131,117.00	261,696.58	2.549%	4.750	2.782	2.821	06/07/10	522	
89983252	Federal Farm Credit Bank	10/14/08	31331GDC0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	105.301	10,530,109.00	530,109.00	530,109.00	5.301%	3.600	3.551	3.600	10/14/11	1016	
89983255	Federal Farm Credit Bank	10/15/08	31331Y3S7	10,001,100.00	(183.33)	10,000,916.67	10,000,000.00	102.421	10,242,121.00	241,201.00	241,204.33	2.412%	3.050	2.997	3.039	01/21/10	385	
89983259	Federal Farm Credit Bank	11/21/08	31331YG46	4,947,350.00	2,420.69	4,949,770.69	5,000,000.00	102.281	5,114,062.50	166,712.50	164,291.81	3.319%	2.625	3.038	3.080	04/21/11	840	
89983232	Federal Home Loan Bank	04/03/08	3133MYYZ	10,148,900.00	(52,437.84)	10,096,462.16	10,000,000.00	103.248	10,324,841.00	175,941.00	228,378.84	2.262%	3.375	2.609	2.645	05/14/10	498	
89983235	Federal Home Loan Bank	05/05/08	3133XQYX4	9,957,500.00	11,869.82	9,969,369.82	10,000,000.00	102.960	10,295,980.00	338,480.00	326,610.18	3.276%	3.000	3.137	3.181	09/10/10	617	
89983238	Federal Home Loan Bank	05/15/08	3133XR2Y5	9,968,800.00	9,452.01	9,978,252.01	10,000,000.00	102.805	10,280,538.00	311,738.00	302,285.99	3.029%	3.000	3.112	3.155	06/11/10	526	
89983258	Federal Home Loan Bank	11/21/08	3133XQQQ8	4,922,650.00	3,441.60	4,926,091.60	5,000,000.00	102.529	5,126,460.00	203,810.00	200,368.40	4.067%	2.625	3.230	3.275	05/20/11	869	
89983227	Federal Nat'l Mtg Assoc.	02/04/08	3136F8Q40	10,000,000.00	0.00	10,000,000.00	10,000,000.00	100.299	10,029,854.00	29,854.00	29,854.00	0.299%	3.500	3.452	3.500	02/04/11	764	
89983228	Federal Nat'l Mtg Assoc.	02/20/08	31398AMX7	5,000,000.00	0.00	5,000,000.00	5,000,000.00	100.373	5,018,662.50	18,662.50	18,662.50	0.373%	3.000	2.959	3.000	02/19/10	414	
89983230	Federal Nat'l Mtg Assoc.	03/20/08	31359MC50	5,246,150.00	(87,443.93)	5,158,706.07	5,000,000.00	105.062	5,253,102.50	6,952.50	94,396.43	1.830%	4.625	2.281	2.313	06/01/10	516	
89983237	Federal Nat'l Mtg Assoc.	05/21/08	31398ARK0	10,000,000.00	0.00	10,000,000.00	10,000,000.00	101.130	10,112,955.00	112,955.00	112,955.00	1.130%	3.250	3.205	3.250	05/21/10	505	
89983253	Federal Nat'l Mtg Assoc.	10/14/08	31398AUB6	9,972,500.00	6,119.94	9,978,619.94	10,000,000.00	102.203	10,220,345.00	247,845.00	241,725.06	2.422%	3.800	3.846	3.899	09/30/11	1002	
89983260	Federal Nat'l Mtg Assoc.	11/26/08	31359MJH7	10,633,400.00	(24,937.01)	10,608,462.99	10,000,000.00	108.742	10,874,236.00	240,836.00	265,773.01	2.505%	6.000	3.262	3.307	05/15/11	864	
89983262	Federal Nat'l Mtg Assoc.	12/23/08	31398AUP5	10,080,300.00	(1,784.44)	10,078,515.56	10,000,000.00	101.264	10,126,380.00	46,080.00	47,864.44	0.475%	2.680	1.840	1.866	12/23/11	1086	
89983236	Federal Home Loan Mtg. Corp.	05/05/08	3128X1RU3	8,000,000.00	0.00	8,000,000.00	8,000,000.00	100.046	8,003,640.80	3,640.80	3,640.80	0.046%	3.600	3.509	3.558	07/07/10	552	
89983254	Federal Home Loan Mtg. Corp.	10/14/08	3128X72B9	10,008,000.00	(1,711.11)	10,006,288.89	10,000,000.00	102.447	10,244,663.00	236,663.00	238,374.11	2.382%	4.000	3.864	3.918	10/14/11	1016	
Subtotal & Averages				157,382,439.54	(419,138.20)	156,963,301.34	155,651,000.00		160,459,715.56	3,077,276.02	3,496,414.22			3.094	3.137		706	
Passbook/Money Market Accounts		51.38%																
89980003	Key Bank- Saving Account			12,792,421.83	0.00	12,792,421.83	12,792,421.83		12,792,421.83				2.000	2.022	2.050		1	
89980001	Washington State LGIP			224,688,389.44	0.00	224,688,389.44	224,688,389.44		224,688,389.44				2.389	2.389	2.422		1	
Subtotal & Averages				237,480,811.27	0.00	237,480,811.27	237,480,811.27		237,480,811.27					2.369	2.402		1	
Grand Total				462,161,450.81	282,661.80	462,444,112.61	461,131,811.27		465,859,863.43	3,698,412.62	3,415,750.82			2.737	2.775		264	
8.80 months																		
Callable Percentage		7.16%																

EXHIBIT 8

**CLARK COUNTY INVESTMENT POOL PORTFOLIO
AGING OF MATURING INVESTMENTS
December 31, 2008**

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$237,480,811	51.38%	51.38%
2 - 90	\$20,000,000	4.33%	55.71%
91 - 180	\$19,816,444	4.29%	60.00%
181 - 270	\$9,725,756	2.10%	62.10%
271 - 360	\$17,756,000	3.84%	65.95%
361 - 450	\$15,001,100	3.25%	69.19%
451 - 540	\$45,760,750	9.90%	79.09%
541 - 630	\$26,056,390	5.64%	84.73%
721 - 900	\$30,503,400	6.60%	91.33%
901 - 1200	\$40,060,800	8.67%	100.00%
TOTALS	\$462,161,451	100.00%	

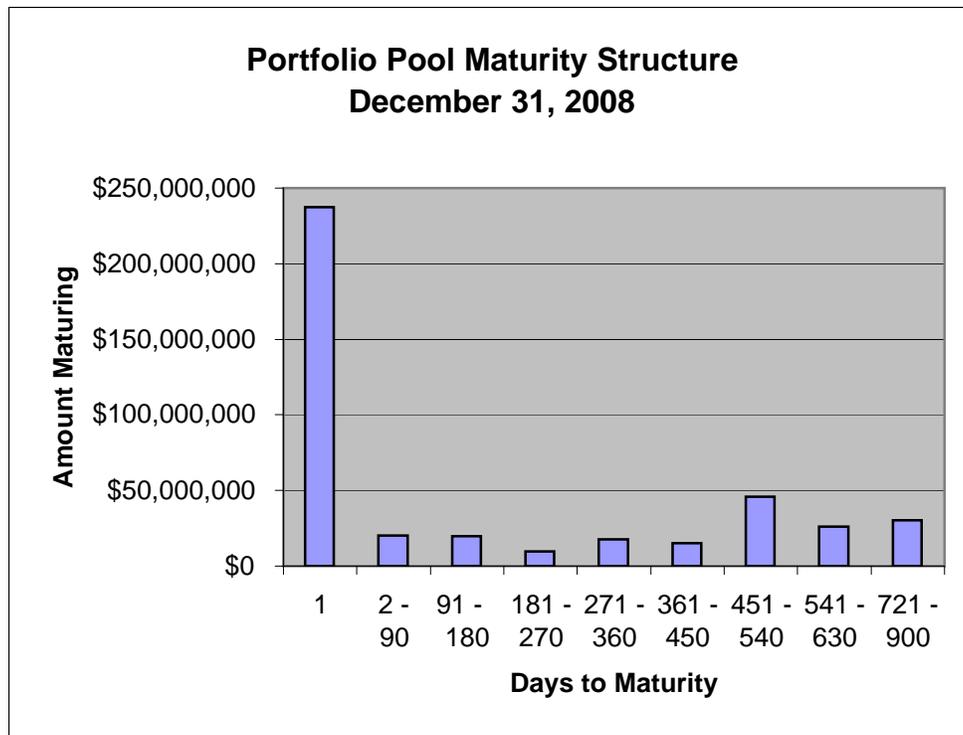


Exhibit 9

**CLARK COUNTY INVESTMENT PORTFOLIO POOL
SUMMARY OF INVESTMENTS BY ISSUER
December 31, 2008**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Bank of America	1	10,000,000	2.16%	3.701	113
Federal Farm Credit Bank	5	43,444,240	9.40%	2.088	443
Federal Home Loan Bank	6	52,479,606	11.36%	3.134	476
Federal Home Loan Mtg Corp.	2	18,008,000	3.90%	5.575	810
Federal National Mtg Association	8	70,748,794	15.31%	3.078	693
Key Bank	1	12,792,422	2.77%	0.300	1
Sterling Savings	1	10,000,000	2.16%	3.500	4
Umpqua Bank	1	10,000,000	2.16%	3.400	22
US Bank	1	10,000,000	2.16%	2.352	349
Washington State LGIP	1	224,688,389	48.62%	2.389	1
TOTALS and AVERAGES	27	462,161,451	100.00%	2.427	263

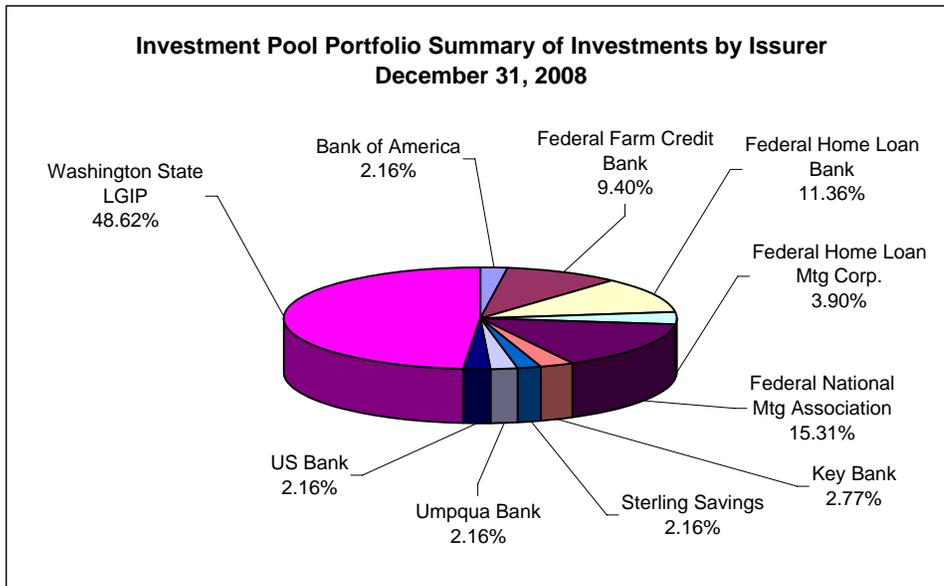


Exhibit 10
County Pool vs. State Pool
1/99 - 12/08

