

CLARK COUNTY
FINANCE COMMITTEE

FIRST QUARTER, 2004



July 06, 2004

CLARK COUNTY
FINANCE COMMITTEE

INDEX

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SECTION I – March 22, 2004 MINUTES

**REGULAR MEETING MINUTES
CLARK COUNTY FINANCE COMMITTEE MEETING
March 22, 2004
2 p.m.
PSC Conference Room 678, Sixth Floor**

Members in Attendance: Doug Lasher, Chair
Greg Kimsey, Secretary
Betty Sue Morris, Commissioner

Others in Attendance: Barbara Fava, Public Financial Management; Bill Barron, County Executive; Glenn Olson, Office of Budget; John Payne, Cathy Huber Nickerson, Lori Pierce, Margie Edwards, Treasurer's Office.

Recording: Kathleen Smithline

The meeting was called to order by Doug Lasher, Chair, at 2:30 p.m. with a quorum present.

APPROVAL OF MINUTES

MOTION was made by Doug Lasher, seconded by Greg Kimsey, and unanimously carried to approve the Minutes of November 20, 2003.

APPROVAL OF COUNTY FINANCE REPORT

Margie Edwards presented an overview of the fourth-quarter, 2004, County Finance Report, which included investment strategies, economic and market conditions, and a review of the portfolio as of December 31, 2003.

- GDP growth came in at a 4.0% pace.
- Consumer confidence for December was 91.3 compared to 76.8 in September.
- The national unemployment rate was 5.7% at the end of fourth quarter compared to 6.1% in September.
- Clark County Pool balances averaged \$498 million in the fourth quarter compared to an average of \$463 million in 2002.
- Due to record low interest rates, construction spending continues to support the economy with record-breaking sales.
- Accounting for two-thirds of all economic activity in the U.S., consumers continue to be the main force keeping the economy going.

Investment Strategy

- Continue to utilize State LGIP for short-term investing until the interest rate outlook changes.
- Target an average maturity of seven – eight months.
- Wait to place new purchases at higher yields (1.90% or better on the two-year Treasury).
- As rates rise, focus new purchases in U.S. Treasuries until yield spreads are over 25bp.

MOTION was made by Greg Kimsey, seconded by Betty Sue Morris, and unanimously carried to approve the County Finance Report for fourth-quarter, 2003.

PFM REPORT

Barbara Fava of Public Financial Management presented an overview of the County's investments for fourth quarter of 2003:

- Economic growth was modest during 2003.
- Consumer sentiment has improved.
- Expansion in the U.S. economy has not translated into job growth.
- Interest rates remain at their lowest level in over 40 years.
- 2003 was a volatile year for fixed income portfolios.
- The County used a "barbell" strategy during most of 2003
- The average maturity was 8.6 months at year end.
- The portfolio maintained excellent liquidity.
- The portfolio's exposure to securities with a low or low-to-average sensitivity to interest rate was 89% as of December, 2003.
- The credit quality of the portfolio remains very high.
- Despite a low interest rate environment, the Clark County Pool generated superior returns.
- Economists are predicting a modest increase in interest rates.
- Due to the barbell strategy, the portfolio is positioned well if interest rates increase quickly.

PFM recommends maintaining the current maturity target of seven to eight months; maintaining a barbell portfolio structure; and maintaining the current allocation to callables.

OUTSTANDING DEBT REPORT

Lori Pearce presented the County Debt Status Report as of December 31, 2003. At the end of the fourth quarter, the total outstanding debt of Clark County and the junior taxing districts totaled approximately \$795 million compared to \$825 million on September 30, 2003. The report reflects new issues for fourth quarter, 2003; history for line of credit, registered warrants, Clark County Fair, and a listing of outstanding debt.

The meeting was adjourned at 3:35 p.m.

Submitted by: _____
Greg Kimsey, Secretary

Prepared by: _____
Kathleen Smithline, Administrative Assistant

SECTION II - EXECUTIVE SUMMARY

This report provides a retroactive review of the activities occurring during the first quarter, 2004, in compliance with our Investment Policy and Standards adopted November 2002.

During the first quarter of 2004, the average maturity of the portfolio decreased to approximately 7.8 months, compared to 8.6 months in the fourth quarter of 2003. The asset sector distribution of the portfolio changed slightly during the fourth quarter, with approximately 43% of the portfolio invested in Federal Agencies, 48% invested in money markets and 9% invested in U.S. Treasuries. This is compared with the fourth quarter of 2003's asset allocation of 40% of the portfolio invested in Federal Agencies, 51% invested in money markets and 9% invested in U.S. Treasuries. At the end of March 2004, the total book value of the portfolio was approximately \$436 million.

Residual balances for the first quarter averaged \$37 million monthly compared to a \$32 million monthly average in the first quarter of 2003. Interest earnings distributed to the County's General Fund during the first quarter of 2004 were \$139,106 compared to \$179,300 for the first quarter of 2003. The decrease is a result of lower interest rates and lower overall balances in county funds in 2004 compared to 2003. The average interest rate of the Clark County Investment Pool for the first quarter of 2004 was 1.71% compared to 2.56% in the first quarter of 2003. Interest earnings for the first quarter of 2004 were lower than our revised projections by approximately \$26,482.

County Pool balances averaged \$420 million in the first quarter of 2004, compared to an average of \$467 million in the first quarter of 2003. Interest earnings distributed to the County Pool participants for the first quarter of 2004 were \$1.8 million compared to \$3.0 million in the first quarter of 2003. Evergreen School District funds made up 31% of the County Pool. In the first quarter of 2003, Evergreen School District issued \$58,000,000 in bonds causing their overall percentage in the pool to increase substantially. Other major Pool participants include the County funds at 30%, Vancouver School District at 17%, ESD 112 at 4%, Camas School District and the Leichner Landfill reserves (Leichner) each at 3% and all other districts at 12%.

The annualized quarterly total return for the County Pool came in at 2.08% compared to the custom Treasury total return index of 1.46%. On a book value return basis, the County Pool rate yielded 1.70%, compared to the custom Treasury Index's book value return of 1.10%. The net asset value of the County Pool ended the quarter at 1.00121. An unrealized gain of approximately \$524,275 was distributed to the Clark County Pool participants for the fair market value adjustment at the end of March. In accordance with our investment policy, fair market value adjustments are made four times per year. The next adjustment will occur at the end of June.

Our current strategy is to transfer a portion of the overnight investment balances to Federal Agency discount notes when spreads over the U.S. Bank MIA are at least 12 basis points (0.12%); take advantage of market volatility by placing new investments at opportune times; concentrate new purchases in U.S. Treasuries to allow for greater latitude in responding to changes in market conditions; and minimize interest rate risk by targeting an average maturity of 7.0 – 8.5 months.

SECTION III - 2004 YEAR-TO-DATE

INVESTMENT ACTIVITY:

During the first quarter of 2004, County residual principal balances averaged \$5.4 million more than the same period in 2003 on an average monthly basis. Actual monthly average 2004 County residual balances exceeded projections by approximately \$6.9 million for the year as denoted in the chart below.

Date	2003 Residual Balance	2004 Residual Balance	2004 Projected Residual Balance
January	22,190,576	54,596,788	20,000,000
February	43,210,854	28,859,054	37,000,000
March	30,010,925	28,261,393	34,000,000
Average	31,804,118	37,239,078	30,333,333

Since 2001, the Fed has taken aggressive action by lowering interest rates 13 times; bringing the Fed funds short-term interest rate to a 45-year low of 1.00% by the end of December 2003. Actual first quarter interest earnings decreased to approximately \$139,106 in 2004 from \$179,000 in 2003. As shown below, total interest earnings for the year are approximately \$26,482 less than projected.

Date	2003 Interest Earnings	2004 Interest Earnings	2004 Projected Interest Earnings
January	36,650	56,713	36,650
February	79,951	40,971	79,951
March	62,699	41,422	48,587
Total	179,300	139,106	165,588

Shown below, County Pool principal balances averaged nearly \$420 million for 2004, compared to \$467 million during 2003, approximately 10% lower.

Date	2003 Pool Average Balance	2004 Pool Average Balance
January	432,859,337	447,499,544
February	459,652,656	408,942,068
March	507,018,514	402,102,023
Average	466,510,169	419,541,212

The table below reflects County Pool earnings of approximately \$1.8 million in the first quarter of 2004, compared to \$3 million during the same period of 2003, resulting in decreased earnings of approximately 40%. This is due to the lower interest rate environment and lower residual cash balances in 2004 compared to 2003. The average Clark County Pool interest rate for the first quarter of 2004 is 1.71% compared to 2.56% in 2003.

Date	2003 Pool Interest Earnings	2004 Pool Interest Earnings
January	1,009,481	643,900
February	966,887	580,695
March	1,059,428	589,850
Total	3,035,796	1,814,445

Figure One shows the major participants in the Clark County Investment Pool for the first quarter of 2004. As of March 31, 2004, Evergreen School District made up 31% of the Pool, County funds – 30%, Vancouver School District – 17%, ESD 112 – 4%, Camas School District and Leichner – 3% and all other districts – 12%. In the first quarter of 2003, Evergreen School District issued \$58,000,000 in bonds causing their overall percentage in the pool to increase substantially.

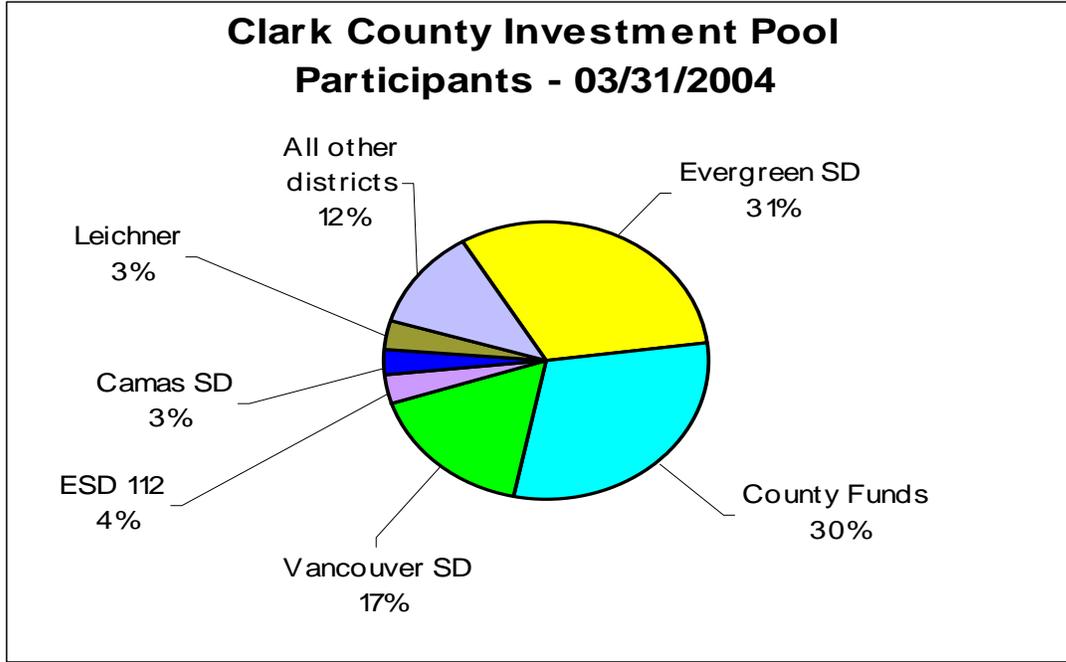


Figure 1

Figure Two illustrates month-end General Fund cash balances beginning with January 2003 through March 2004. For the first quarter of 2004, cash balances in the General Fund increased above the same period in 2003 by a monthly average of approximately \$2.6 million.

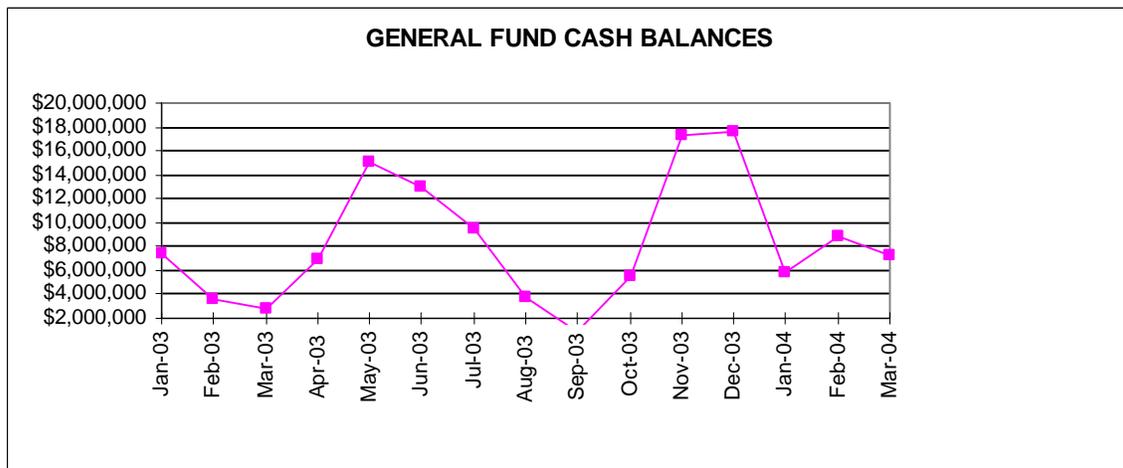


Figure 2

SECTION IV - QUARTERLY ACTIVITY

Figure Three reflects the average principal balances being maintained within the Pool in 2004. For the first quarter of 2004, the average monthly principal balance decreased below the first quarter of 2003 levels by \$140 million.

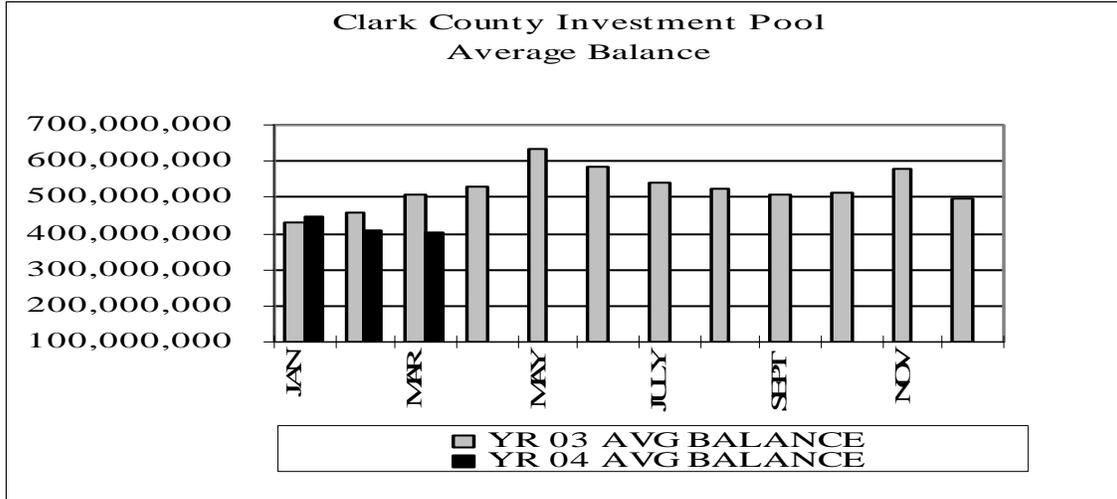


Figure 3

Figure Four reflects the actual monthly residual principal balances managed by the County for 2003 and 2004. Residual balances for the first quarter of 2004 increased above the first quarter of 2003 levels by an average of \$5.4 million per month.

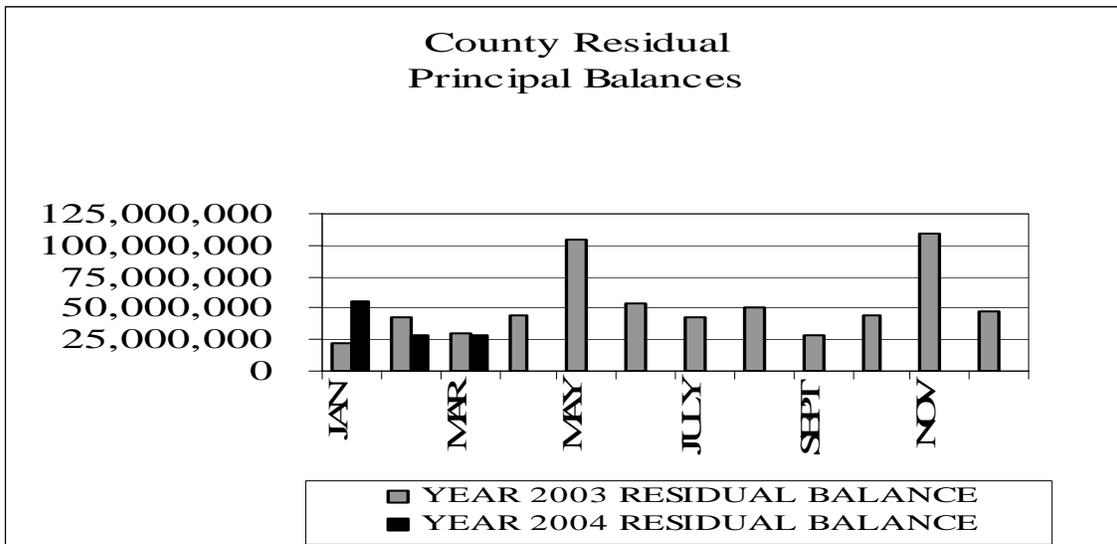


Figure 4

Figure Five shows interest earnings distributed each month to the County's General fund from 2002 through 2004. During the first quarter of 2004, interest earnings averaged \$6,000 less per month than during the same period in 2003. This is due to lower residual balances and lower interest rates in 2004. On an average monthly basis, \$60,000 was allocated to the General fund during first quarter of 2003. For the first quarter of 2004, an average of \$54,000 was distributed to the General fund per month.

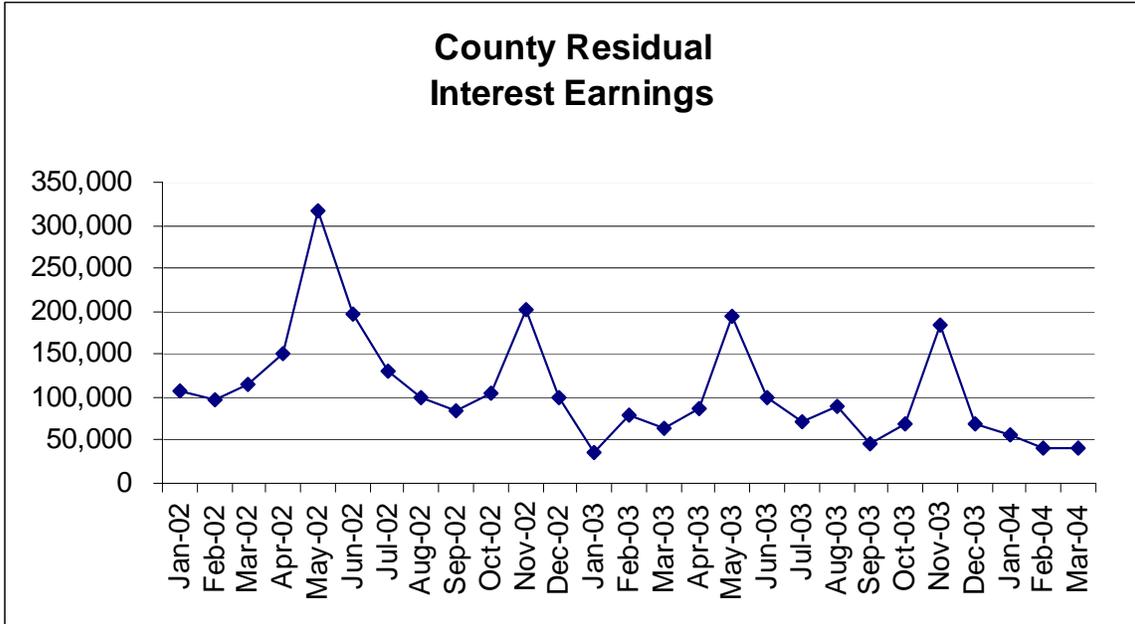


Figure 5

Figure Six shows the County Pool interest rates for 2003 and 2004. The County Pool's book value, gross interest rate at the end of March 2004 was 1.70%, compared to 2.43% on March 31, 2003.

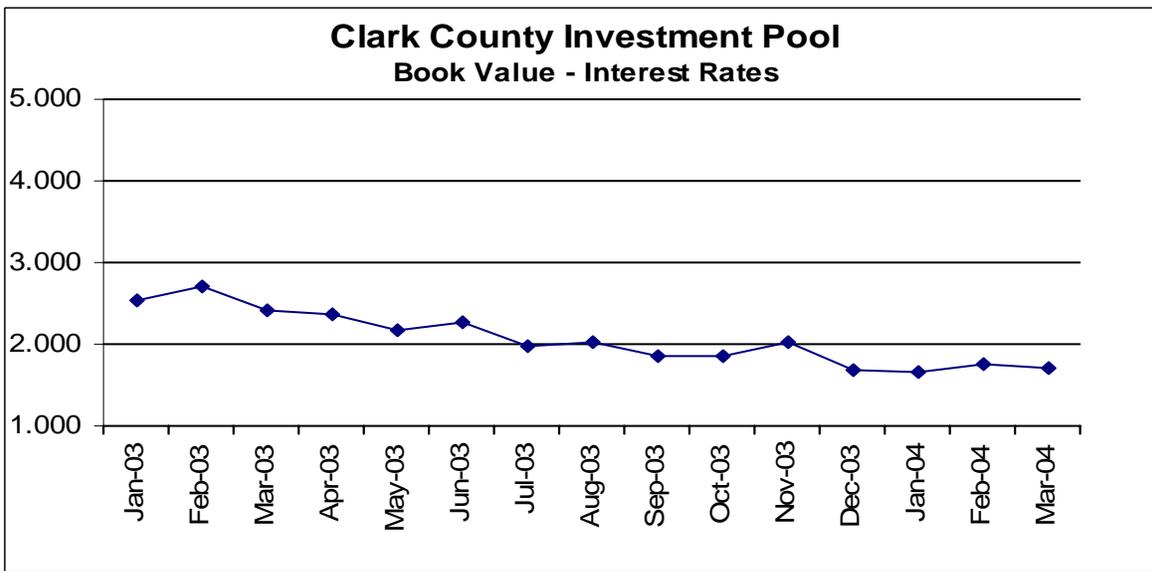


Figure 6

Figures 7 (a) and (b) compare performance on a book value return basis. The County Pool's interest rate is expressed as the net interest rate (the gross rate less the investment fee). The book value return of a portfolio measures the yield based on the yield of the securities at the time the securities are purchased. These performance benchmarks consist of a composite Treasury Index with an average maturity of nine months and the Washington State Local Government Investment Pool (LGIP) with an average maturity of approximately two months. The Clark County Investment Pool has an average maturity of approximately eight months. The Treasury Index and the LGIP closely track current interest rates. At the end of the first quarter, the County Pool's net rate, on a book value return basis was 1.70%, the Treasury Index was 1.10%, and the State Pool's net rate was 1.03%.

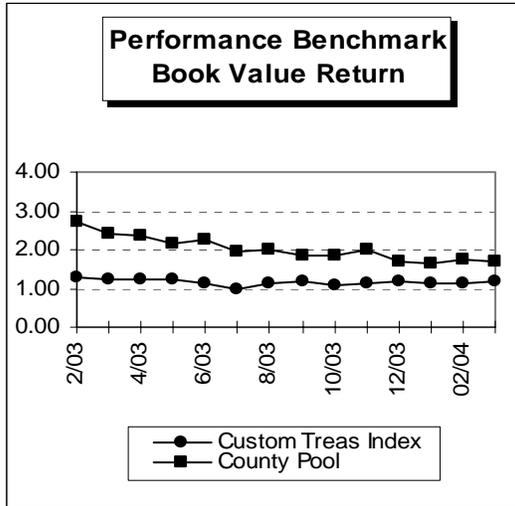


Figure 7(a)

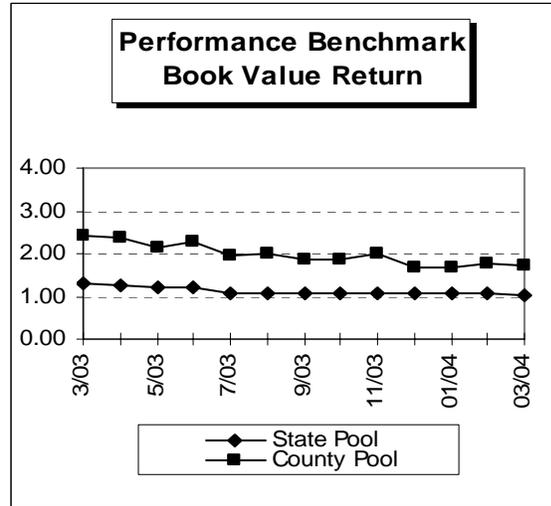


Figure 7(b)

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 first quarter return for 2004 for the County Pool was 2.08% and the Treasury Index was 1.46%. Wide swings in return reflect the volatility in the investment markets. In addition, the custom Treasury total return index typically outperforms the County Pool as the average maturity of the Pool falls below nine months.

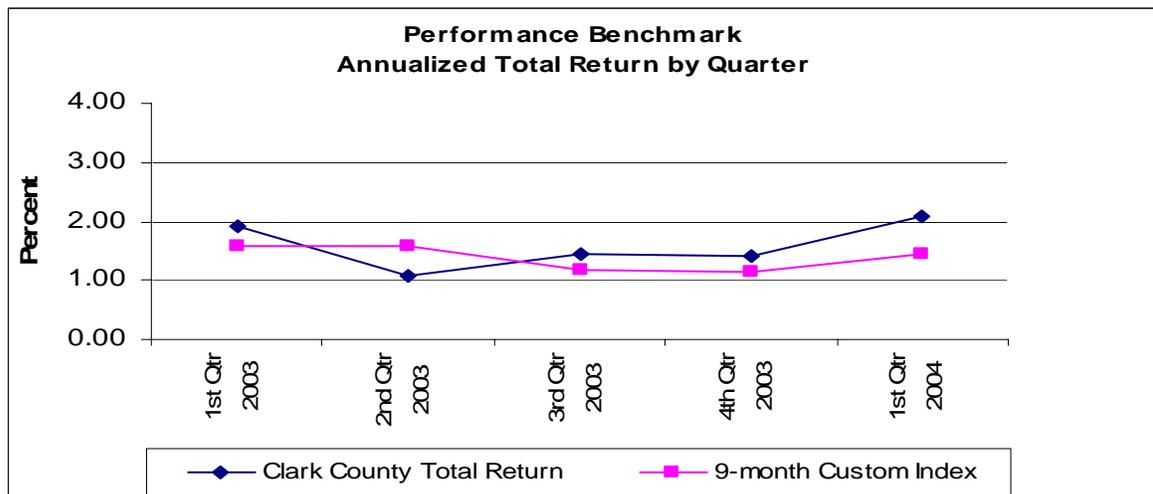


Figure 8

Figure Nine shows the market value of the Pool portfolio based on net asset value (NAV). As of March 31, 2004, the NAV was 1.00121. 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 March 31, 2003, the Treasurer's Office posted approximately \$524,000 in unrealized gains to the County Pool. The next adjustment for fair market value will occur on June 30, 2004.

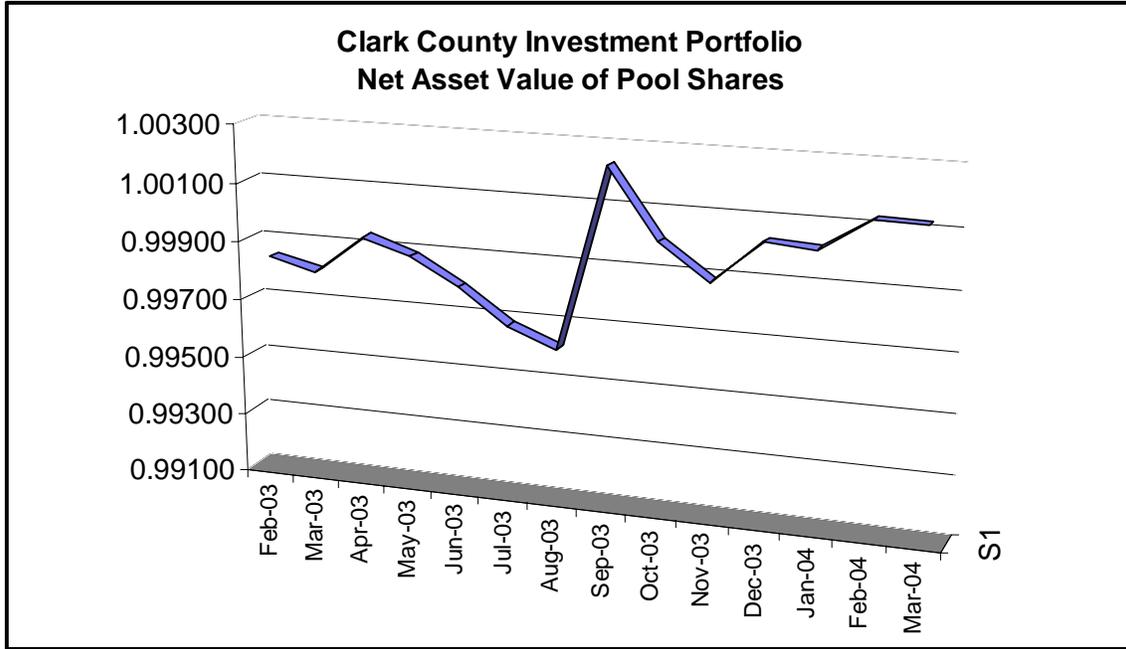


Figure 9

Figure Ten is a breakdown by year reflecting the total unrealized gains/(losses) since 1998. As of March 31, 2003 the County Portfolio has posted approximately \$923,000 in aggregate unrealized gains on a fair market value basis. Unrealized gains of approximately \$524,000 were posted March 31, 2003 and are included in the figure below. Annual unrealized gains/(losses) are the direct result of fluctuating interest rates. Realized gains allocated to pool participants was approximately \$524,000 in the first quarter of 2004 compared to (\$1,010,000) in 2003.

Year	Unrealized gain/(loss)
1998	566,583
1999	(2,563,593)
2000	4,038,403
2001	2,072,065
2002	295,807
2003	(4,010,663)
2004	524,275
Cumulative	922,877

Figure 10

Figure Eleven shows the revised projected County Pool interest rates for 2004 compared with actual interest rates. Projected interest rates have been restated beginning in October 2003 due to significant reductions made by the Federal Reserve as well as lower than anticipated residual cash balances.

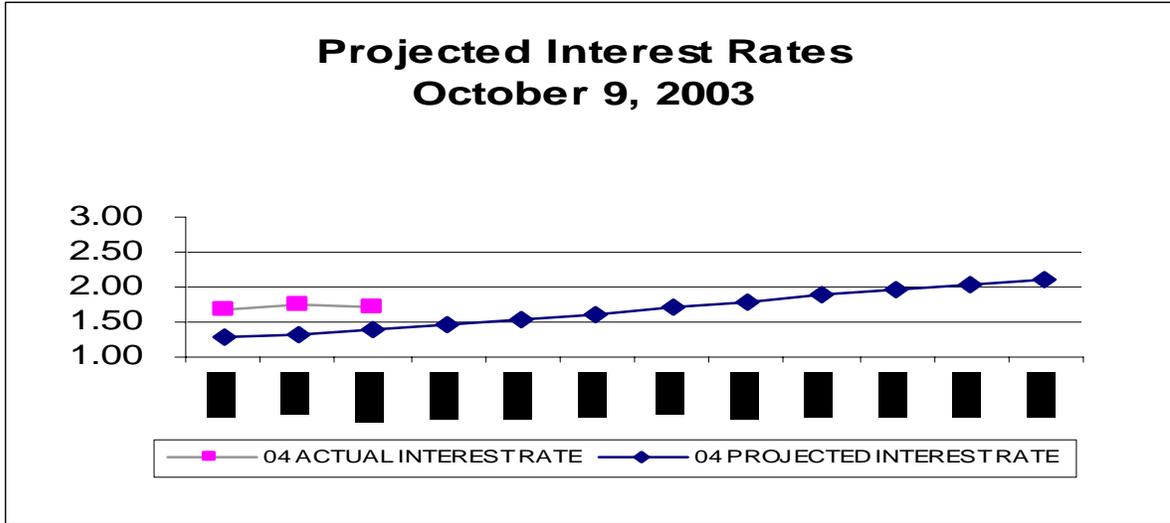


Figure 11

SECTION V - INVESTMENT STRATEGY

The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2002 emphasis was placed on purchasing securities in the 0 - 1 year maturity sector to target an average maturity of 8 months. During 2003 and the first quarter of 2004 investments were purchased in the 0 - 1 year sector to target an average maturity of 7-8 months.

Period	0 - 1 year	1 – 2 years	2 - 5 years
1 st quarter, 2002	60%	27%	12%
2 nd quarter, 2002	56%	42%	2%
3 rd quarter, 2002	63%	32%	5%
4 th quarter, 2002	66%	29%	5%
1 st quarter, 2003	71%	22%	7%
2 nd quarter, 2003	79%	7%	14%
3 rd quarter, 2003	76%	10%	14%
4 th quarter, 2003	68%	21%	11%
1 st quarter, 2004	69%	19%	12%

During the second quarter of 2004, we plan to maintain a weighted average maturity of 7.0 to 8.5 months using a "barbell" structure. We are going to continually monitor our investment strategy to be proactive as economic conditions fluctuate.

The first quarter, 2004 report issued by Public Financial Management, Inc. (PFM) recommended the following sector distributions to maintain the Clark County Investment Pool at a 7.0 to 8.5 month average maturity.

Investment Sector	Recommended Average Maturity	Current Average Maturity	Recommended % of Portfolio	Current % of Portfolio
US Treasury Notes	6 months – 2.00 years	1.54 Years	10% - 25%	9%
Federal Agency Notes/Disc. Notes	6 months – 2.00 years	1.17 Years	30% - 60%	43%
Municipal Obligations	0 months – 2.00 years	N/A	0% - 5%	0%
Money Markets - State Pool, CP, CD's & BA's	1 – 60 days	1 Day	30% - 60%	48%
Aggregate Avg. Maturity	7.0-8.5 months	7.8 months		

During the fourth quarter of 2004, the percentage of US Treasury Notes increased by 1%; there was a 3% increase in Federal Agencies and a 3% decrease in the money market sector.

SECTION VI - ECONOMIC/MARKET CONDITIONS

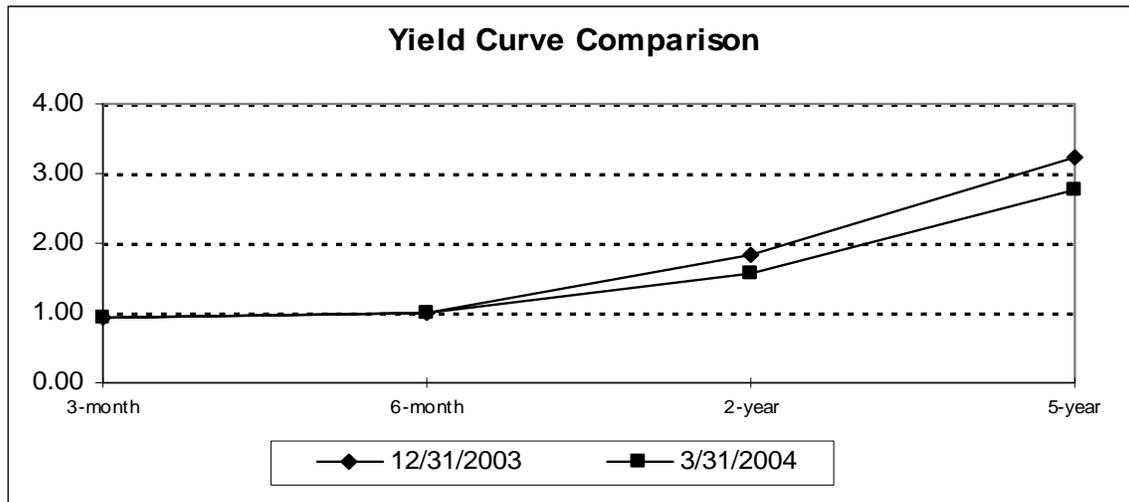
The economy began to pick up in the first quarter leading economist to believe that higher rates are on the horizon. GDP grew at a 4.3% pace in 2003 with an expected range of 4.0% to 5.0% in 2004. Manufacturing activity continued to grow in the first quarter of 2004 as purchasing manager survey results, industrial production and capacity utilization reports were all positive.

“The labor markets continued to disappoint, leading some commentators to characterize this as a “jobless recovery.” Although the March employment report, released April 2nd, reported that the economy added more than 500,000 jobs in the first quarter, payrolls remained nearly two million lower than three years ago. The average work week is significantly below levels in 1995-2000 and aggregate hours worked is lagging.”

“Interest rates generally declined in the quarter and the yield curve flattened, as investors incorporated an outlook of moderate growth with low inflation. Moreover, concern about international terrorism and sustained buying of U.S. government securities by foreign buyers all served to push down bond yields.”

Source: PFM, INC, Clark County, Washington Investment Mgmt Review, First Quarter 2004

On March 31, 2004 the 3-month T-bill yielded 0.938% compared to 0.917% on December 31, 2003. The yield curve begins to shift upward after the 6-month sector.



SECTION VII - PORTFOLIO

Exhibit One shows the make up of the entire portfolio at the end of the first quarter of 2004. 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 first quarter of 2004. This report shows the book value, the par value, and the market value of the portfolio as of March 31, 2004.

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 March 31st, the average maturity was approximately 7.8 months. All the percentages are consistent with the current policy and PFM recommendations.

Exhibit Five shows all investment purchases and maturities from January 1, 2004 through March 31, 2004.

Exhibit Six shows the make up of the Clark County Investment Pool at the end of the first quarter of 2004. 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 March 31, 2004 the average term of the Pool was approximately 7.8 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 first quarter. This report contains the book value, the par value, and the market value as of March 31, 2004.

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

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

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

Exhibit 1

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
DISTRIBUTION OF INVESTMENTS BY TYPE
MARCH 31, 2004**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Federal Agencies - Semi-annual	187,466,414.98	43.04%	423	2.357	2.390
Treasury Securities - Coupon	39,806,250.00	9.14%	555	1.944	1.971
Treasury Securities - SLGS	1,399,000.00	0.32%	264	0.986	1.000
Passbook/Money Market Accts	206,863,828.07	47.50%	1	1.028	1.042
Total	435,535,493.05	100.00%	234	1.68	1.71
Accrued Interest at Purchase	7,589.29				
Total Cash and Investments	<u>435,543,082.34</u>				

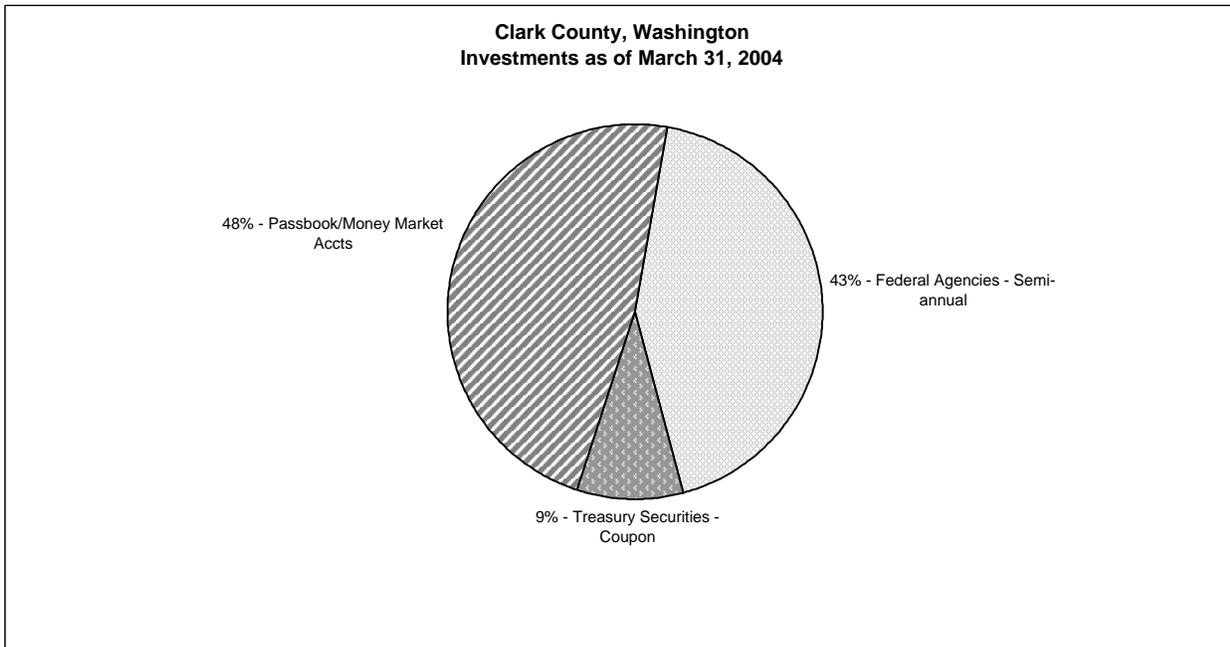


EXHIBIT 2
Clark County, Washington
Investment Portfolio
March 31, 2004

Investment Number	Purchase Date	Cusip Number	Book Value	Par Value	Market Price	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity		Maturity Date	Days to Maturity	
					03/31/04				360	365			
Federal Agencies - Semi Annual Coupon													
89982979	Federal Farm Credit Bank	11/25/03	31331TKT7	9,971,490.00	10,000,000.00	100.180	10,018,040.00	46,550.00	2.250	2.363	2.396	11/25/05	603
89982942	Federal Home Loan Bank	03/14/02	3133MEHL8	10,214,000.00	10,000,000.00	100.141	10,014,062.50	(199,937.50)	4.875	3.745	3.797	04/16/04	15
89982943	Federal Home Loan Bank	03/19/02	3133MEHL8	10,190,200.00	10,000,000.00	100.141	10,014,062.50	(176,137.50)	4.875	3.856	3.910	04/16/04	15
89982959	Federal Home Loan Bank	10/23/02	3133MP4B9	10,163,281.25	10,000,000.00	100.469	10,046,875.00	(116,406.25)	3.375	2.318	2.350	06/15/04	75
89982972	Federal Home Loan Bank	08/21/03	3133XOE88	9,926,562.50	10,000,000.00	102.030	10,203,000.00	276,437.50	3.125	3.278	3.324	08/15/07	1231
89982960	Federal Nat'l Mtg Assoc.	10/25/02	31359MNG4	10,126,500.00	10,000,000.00	100.391	10,039,062.50	(87,437.50)	3.000	2.181	2.211	06/15/04	75
89982966	Federal Nat'l Mtg Assoc.	05/21/03	3136f3SH0	10,006,250.00	10,000,000.00	100.125	10,012,500.00	6,250.00	2.050	1.996	2.024	11/21/05	599
89982967	Federal Nat'l Mtg Assoc.	05/27/03	31359MQZ	10,096,200.00	10,000,000.00	100.656	10,065,625.00	(30,575.00)	2.125	1.756	1.780	04/15/06	744
89982947	Federal Home Loan Mtg. Corp.	04/19/02	3134A4PH1	10,030,200.00	10,000,000.00	100.094	10,009,375.00	(20,825.00)	3.750	3.542	3.591	04/15/04	14
89982961	Federal Home Loan Mtg. Corp.	11/08/02	3134A4EX8	15,729,619.20	15,000,000.00	100.469	15,070,312.50	(659,306.70)	5.000	1.718	1.742	05/15/04	44
89982965	Federal Home Loan Mtg. Corp.	04/24/03	3134A4RA4	10,201,953.13	10,000,000.00	101.953	10,195,312.50	(6,640.63)	2.875	1.978	2.005	09/15/05	532
89982968	Federal Home Loan Mtg. Corp.	06/05/03	3134A4RV8	10,107,700.00	10,000,000.00	100.547	10,054,687.50	(53,012.50)	1.875	1.181	1.197	01/15/05	289
89982969	Federal Home Loan Mtg. Corp.	06/26/03	3128X1LY1	10,000,000.00	10,000,000.00	100.081	10,008,090.00	8,090.00	2.300	2.268	2.300	12/26/06	999
89982970	Federal Home Loan Mtg. Corp.	06/18/03	3128X1KH9	10,011,700.00	10,000,000.00	100.030	10,003,040.00	(8,660.00)	2.250	2.185	2.215	12/18/06	991
89982974	Federal Home Loan Mtg. Corp.	09/29/03	3134A4RA	10,221,900.00	10,000,000.00	101.953	10,195,312.50	(26,587.50)	2.875	1.695	1.719	09/15/05	532
89982975	Federal Home Loan Mtg. Corp.	09/29/03	3134A4SX	10,073,900.00	10,000,000.00	101.130	10,113,000.00	39,100.00	2.375	2.047	2.075	04/15/06	744
89982971	Student Loan Market Assoc.	06/24/03	86387UBJ3	10,140,000.00	10,000,000.00	100.641	10,064,062.50	(75,937.50)	2.000	1.161	1.177	03/15/05	348
89982940	Student Loan Market Assoc.	01/25/02	86387UAW5	10,254,958.90	10,000,000.00	100.063	10,006,250.00	(248,708.90)	4.750	3.506	3.555	04/23/04	22
Subtotal & Averages				187,466,414.98	185,000,000.00		186,132,670.00	(1,333,744.98)		2.357	2.390		423
Treasury Securities - Coupon													
89982973	US Treasury Note	08/28/03	912828BJ8	10,007,812.50	10,000,000.00	100.953	10,095,312.50	87,500.00	2.000	1.932	1.959	08/31/05	517
89982976	US Treasury Note	10/21/03	912828BL34	9,953,906.25	10,000,000.00	100.406	10,040,625.00	86,718.75	1.625	1.841	1.867	09/30/05	547
89982977	US Treasury Note	11/07/03	912828BL34	9,930,468.75	10,000,000.00	100.359	10,035,937.50	105,468.75	1.625	1.957	1.984	10/31/05	578
89982978	US Treasury Note	11/10/03	912828BL34	9,914,062.50	10,000,000.00	100.359	10,035,937.50	121,875.00	1.625	2.043	2.071	10/31/05	578
Subtotal & Averages				39,806,250.00	40,000,000.00		40,207,812.50	401,562.50		1.944	1.971		555
Treasury Securities - SLGS													
89982980	State & Local Govt Series	12/30/03		4,000.00	4,000.00	100.00	4,000.00	0.00	0.250	0.986	1.000	12/22/04	265
89982981	State & Local Govt Series	12/30/03		206,000.00	206,000.00	100.00	206,000.00	0.00	0.250	0.986	1.000	12/21/04	264
89982982	State & Local Govt Series	12/30/03		910,000.00	910,000.00	100.00	910,000.00	0.00	0.250	0.986	1.000	12/20/04	263
89982983	State & Local Govt Series	12/30/03		279,000.00	279,000.00	100.00	279,000.00	0.00	0.250	0.986	1.000	12/23/04	266
Subtotal & Averages				1,399,000.00	1,399,000.00		1,399,000.00	0.00		0.986	1.000		264
Passbook/Money Market Accounts													
0001-3	Registered Warrant Investments			2,521,148.91	2,521,148.91		2,521,148.91		3.000	2.959	3.000		1
89980002	U.S. Bank - Municipal Investment Account			83,418,018.61	83,418,018.61		83,418,018.61		1.000	1.036	1.050		1
89980001	WA State Local Government Invest. Pool			120,924,660.55	120,924,660.55		120,924,660.55		1.033	1.053	1.068		1
Subtotal & Averages				206,863,828.07	206,863,828.07		206,863,828.07			1.045	1.060		1
Grand Total				435,535,493.05	433,262,828.07		434,603,310.57	(932,182.48)		1.691	1.716		234

EXHIBIT 3

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
AGING OF MATURING INVESTMENTS
MARCH 31, 2004**

<u>Days to Maturity</u>	<u>Book Value</u>	<u>% Maturing</u>	<u>Cumulative % Maturing</u>
1	\$206,863,828.07	47.50%	47.50%
2 - 30	40,689,358.90	9.34%	56.84%
31 - 60	15,729,619.20	3.61%	60.45%
61 - 90	20,289,781.25	4.66%	65.11%
184 - 365	21,646,700.00	4.97%	70.08%
366 - 730	80,207,843.13	18.41%	88.49%
731 - 1290	50,108,362.50	11.51%	100.00%
TOTALS	\$435,535,493.05	100.00%	

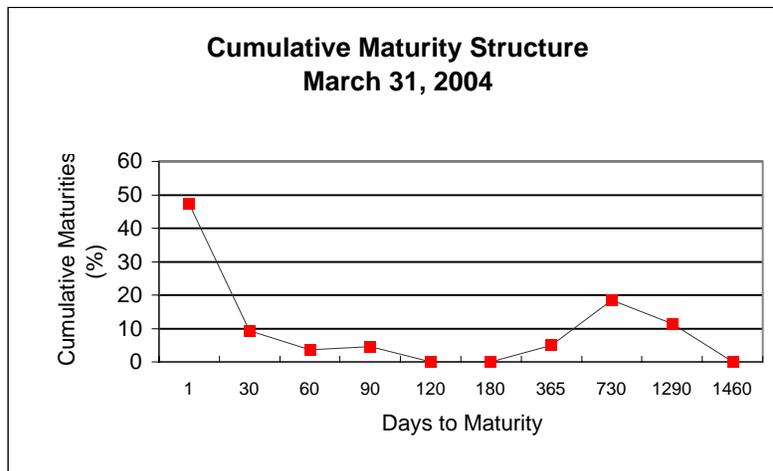
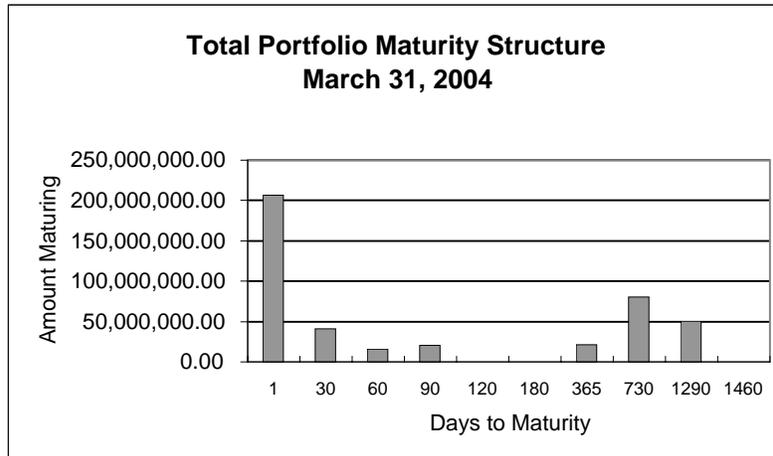


Exhibit 4

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
SUMMARY OF INVESTMENTS BY ISSUER
MARCH 31, 2004**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	1	9,971,490.00	2.29%	2.396	603
Federal Home Loan Bank	4	40,494,043.75	9.30%	3.345	334
Federal National Mtg Association	3	30,228,950.00	6.94%	2.005	472
Federal Home Loan Mtg Corp.	8	86,376,972.33	19.83%	2.106	518
Registered Warrants @ 3.00%	1	2,521,148.91	0.58%	3.000	1
Student Loan Market Assoc.	2	20,394,958.90	4.68%	2.366	185
State and Local Govt. Series	4	1,399,000.00	0.32%	1.000	265
US Bank - Municipal Investor Account	1	83,418,018.61	19.15%	1.000	1
US Treasury Note	4	39,806,250.00	9.14%	1.970	555
Washington State Pool	1	120,924,660.55	27.77%	1.033	1
TOTALS and AVERAGES	29	\$ 435,535,493.05	100.00%	1.707	234

EXHIBIT 5

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
INVESTMENT ACTIVITY BY TYPE
JANUARY 1, 2004 - MARCH 31, 2004**

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
FEDERAL AGENCIES - SEMI ANNUAL COUPON				BEGINNING BALANCE:		192,456,314.98
89982900	Federal Farm Credit Bank	5.400	01/23/04	0.00	4,989,900.00	187,466,414.98
SUBTOTALS and ENDING BALANCE - JANUARY				0.00	4,989,900.00	187,466,414.98
SUBTOTALS and ENDING BALANCE - FEBRUARY				0.00	0.00	187,466,414.98
SUBTOTALS and ENDING BALANCE - MARCH				0.00	0.00	187,466,414.98
TREASURY SECURITIES - COUPON				BEGINNING BALANCE:		39,806,250.00
SUBTOTALS and ENDING BALANCE - JANUARY				0.00	0.00	39,806,250.00
SUBTOTALS and ENDING BALANCE - FEBRUARY				0.00	0.00	39,806,250.00
SUBTOTALS and ENDING BALANCE - MARCH				0.00	0.00	39,806,250.00
TREASURY SECURITIES - SLGS				BEGINNING BALANCE:		1,399,000.00
SUBTOTALS and ENDING BALANCE - JANUARY				0.00	0.00	1,399,000.00
SUBTOTALS and ENDING BALANCE - FEBRUARY				0.00	0.00	1,399,000.00
SUBTOTALS and ENDING BALANCE - MARCH				0.00	0.00	1,399,000.00
CLARK COUNTY				BEGINNING BALANCE:		0.00
JANUARY	Registered Warrant Invest Acct			4,071,293.37	808,177.22	3,263,116.15
FEBRUARY	Registered Warrant Invest Acct			66,589.32	741,967.24	2,587,738.23
MARCH	Registered Warrant Invest Acct			47,985.55	114,574.87	2,521,148.91
US BANK				BEGINNING BALANCE:		0.00
JANUARY	Municipal Investor Account			113,718.91	6,520,025.00	130,662,320.80
FEBRUARY	Municipal Investor Account			95,397.60	60,000,065.00	70,757,653.40
MARCH	Municipal Investor Account			12,660,365.21	0.00	83,418,018.61
STATE POOL				BEGINNING BALANCE:		107,104,421.83
JANUARY	Washington State Pool			20,275,937.90	58,400,000.00	68,980,359.73
FEBRUARY	Washington State Pool			80,652,103.18	31,600,000.00	118,032,462.91
MARCH	Washington State Pool			42,842,197.64	39,950,000.00	120,924,660.55
		BEGINNING BALANCE:		PURCHASES	MATURITIES	ENDING BALANCE:
JANUARY	TOTALS	477,834,613.70		24,460,950.18	70,718,102.22	431,577,461.66
FEBRUARY	TOTALS	431,577,461.66		80,814,090.10	92,342,032.24	420,049,519.52
MARCH	TOTALS	420,049,519.52		55,550,548.40	40,064,574.87	435,535,493.05

EX-6 Chart 1

**Clark County Investment Pool
Investments as of March 31, 2004**

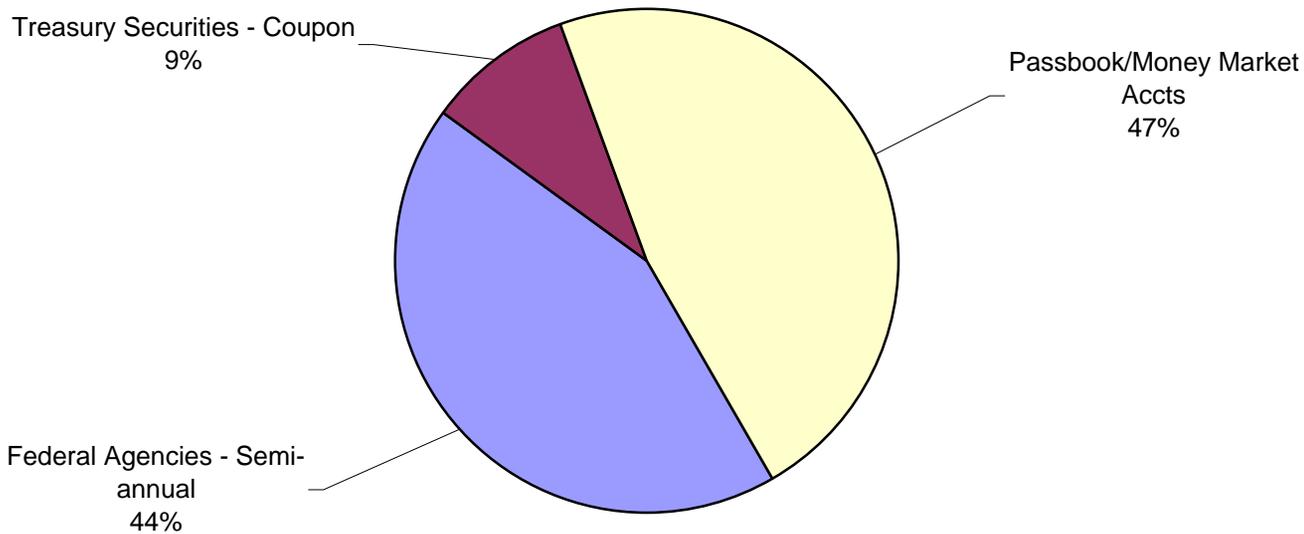


EXHIBIT 8

**CLARK COUNTY INVESTMENT POOL
AGING OF MATURING INVESTMENTS
MARCH 31, 2004**

<u>Days to Maturity</u>	<u>Book Value</u>	<u>% Maturing</u>	<u>Cumulative % Maturing</u>
1	202,943,679.16	47.02%	47.02%
2 - 30	40,689,358.90	9.43%	56.45%
31 - 60	15,729,619.20	3.64%	60.09%
61 - 90	20,289,781.25	4.70%	64.79%
184 - 365	21,646,700.00	5.02%	69.81%
366 - 730	80,207,843.13	18.58%	88.39%
731 - 1290	50,108,362.50	11.61%	100.00%
TOTALS	\$431,615,344.14	100.00%	

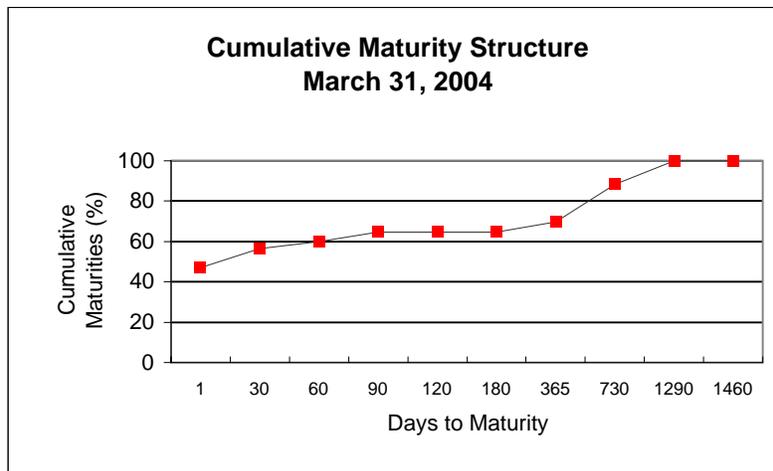
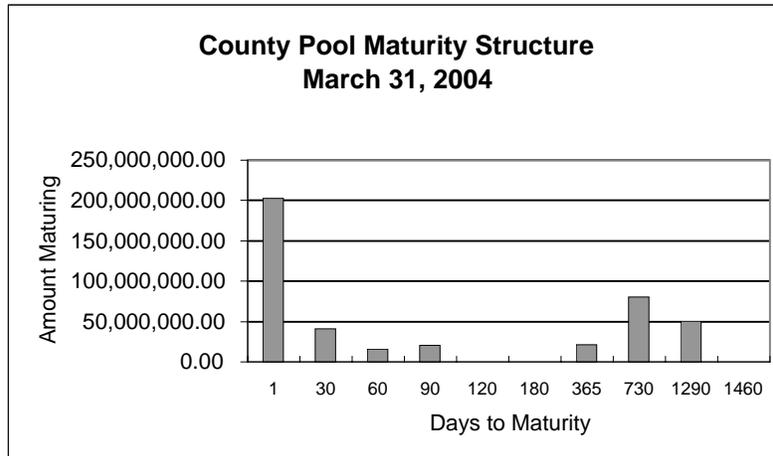


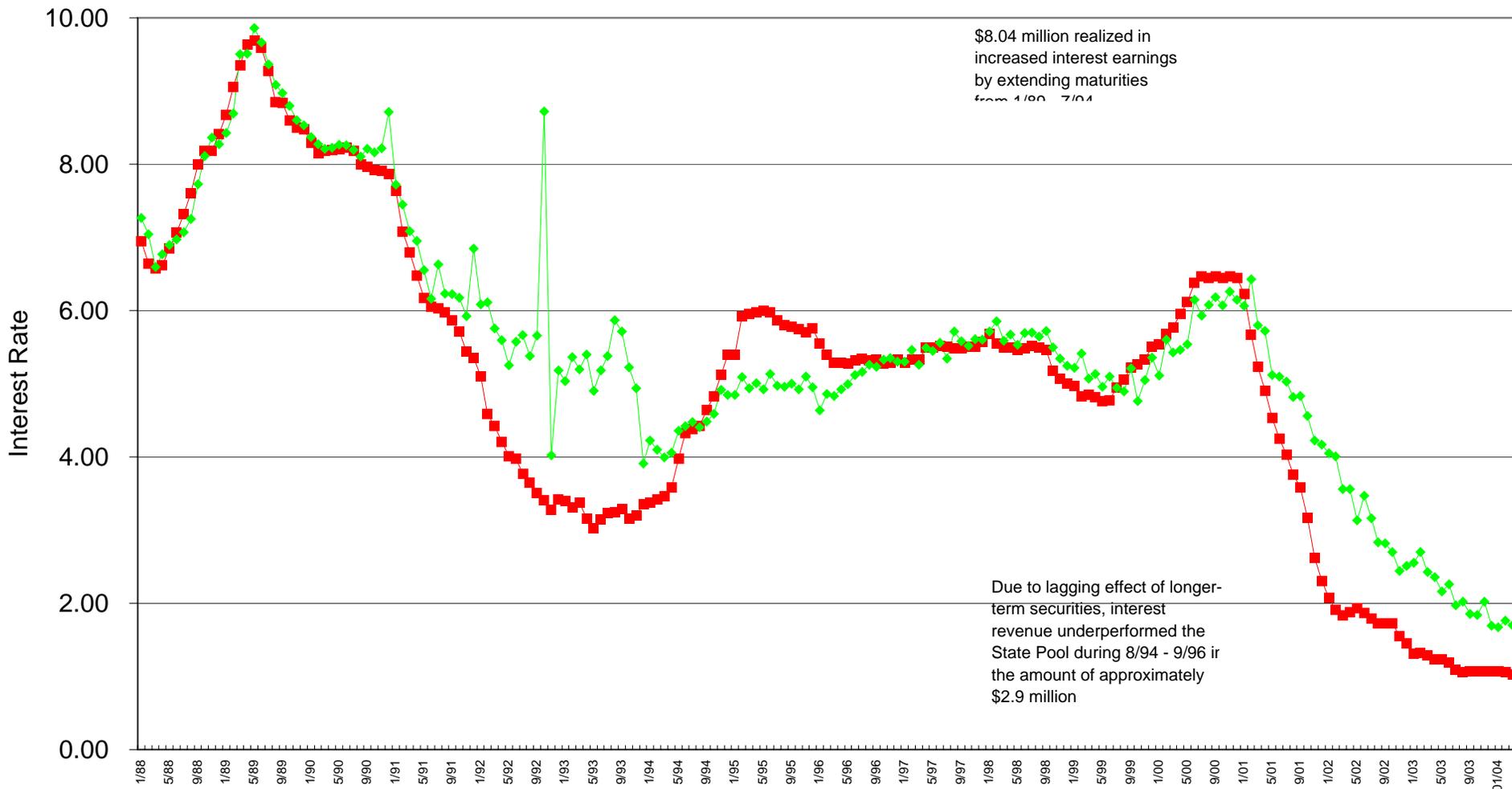
Exhibit 9

CLARK COUNTY TOTAL INVESTMENT POOL
SUMMARY OF INVESTMENTS BY ISSUER
MARCH 31, 2004

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	1	9,971,490.00	2.31%	3.935	358
Federal Home Loan Bank	4	40,494,043.75	9.38%	3.345	425
Federal National Mtg Association	3	30,228,950.00	7.00%	2.005	564
Federal Home Loan Mtg Corp.	8	86,376,972.33	20.01%	2.106	609
Student Loan Market Assoc.	2	20,394,958.90	4.73%	2.366	276
US Bank - Municipal Investor Account	1	83,418,018.61	19.33%	1.100	1
US Treasury Note	4	39,806,250.00	9.22%	1.970	646
Washington State Pool	1	120,924,660.55	28.02%	1.069	1
TOTALS AND AVERAGES	24	\$431,615,344.14	100.00%	1.434	257

Exhibit 10
County Pool vs. State Pool
1/88 - 03/04

Overall, \$17.5 million
 increased interest
 income realized from
 Pooling



\$8.04 million realized in
 increased interest earnings
 by extending maturities
 from 1/88 - 7/04

Due to lagging effect of longer-
 term securities, interest
 revenue underperformed the
 State Pool during 8/94 - 9/96 in
 the amount of approximately
 \$2.9 million

■ State Pool ◆ County Pool