

CLARK COUNTY
FINANCE COMMITTEE

FIRST QUARTER, 2005



April 25, 2005

CLARK COUNTY
FINANCE COMMITTEE
INDEX

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SECTION I – January 18, 2005 MINUTES

**REGULAR MEETING MINUTES
CLARK COUNTY FINANCE COMMITTEE MEETING
January 18, 2005
1:35 p.m.
PSC Conference Room 678, Sixth Floor**

Members in Attendance: **Doug Lasher, Chair
Betty Sue Morris, Chair, BOCC**

Others in Attendance: **Bill Barron, County Executive; Barbara Fava, Public
Financial Management, Inc.; Cathy Huber Nickerson,
John Payne, Jack Rasmusson, Treasurer's Office**

Recording: **Kathleen Smithline**

The meeting was called to order by Doug Lasher, Chair, at 1:35 p.m. with a quorum present.

APPROVAL OF MINUTES

MOTION was made by, Betty Sue Morris, seconded by Doug Lasher, and unanimously carried to approve the Minutes of October 27, 2004.

APPROVAL OF COUNTY FINANCE REPORT

Jack Rasmusson 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, 2004. He stated the County's investment objectives, which are safety of principal, liquidity, and return on investment.

- GDP came in at 4% in the third quarter with fourth quarter expected to be at 3.5% to 4%. For 2005, the GDP was expected to average 3.75% to 4% with the high of 4.5% in the first quarter and the lower of 3.3% in the second quarter.
- The Consumer Confidence in December was 102.3, compared to 96.7 in September indicating that consumers were more confident that the economy is getting better. The U.S. has added about 2.2 million jobs in 2004 and looks positioned to continue this pace of job creating into 2005.
- Unemployment rate remained steady at 5.4% for the quarter. For the year, it has dropped from 5.7% in January to 5.4% for December. The market is expecting the Feds to continue to raise rates at 25 basis points per meeting over the next several meetings with a Fed funds rate at 3.00% by mid summer and possibly a 3.25% to 4.00% by the end of 2005.
- The average pool balance for the year was \$426,622,777. The lowest balance in the pool was in March with \$382,478,561 and the high was in November with \$519,165,982.
- The interest rate projection for 2004 was an average rate of 1.68% while the actual rate of the pool was 1.72%.
- The gap between the fed funds rate and the pool rate continues to be narrow; however, the pool has managed to react to the rate increases and stayed ahead of it through active management of the portfolio.
- State Pool versus County Pool – there has been a significant benefit to be in the County Pool versus the State Pool. A prudent but active strategy will continue to provide a rate of return to the participants with a slightly better-than-current market return given the rising rates that is currently being experienced.

Investment Strategy

- Continue to evaluate, on a daily basis, discount notes and place investments in them when their return is higher than the projected Fed Fund Rate.
- Continue to maintain a maturity rate of 7 to 8.5 months in the portfolio while continuing to look for value in the 1 to 1.5-year sector.
- Continue to shift the portfolio from a barbell structure to a ladder structure to improve rates.

MOTION was made by Betty Sue Morris, seconded by Doug Lasher, and unanimously carried to approve the County Finance Report for fourth quarter, 2004.

PFM REPORT

Barbara Fava of Public Financial Management, Inc. presented an overview of the County’s investments for fourth quarter, 2004. PFM noted that the economic growth was modest during 2004; the economy posted impressive job growth; commodity prices rose sharply; consumer confidence improved modestly; interest rates are on the rise; and the yield curve has flattened in recent months. She recommend maintaining the current maturity target of 7 to 8 ½ months; maintaining a “laddered” portfolio structure; and maintaining the current allocation to callables.

OUTSTANDING DEBT REPORT

Cathy Huber Nickerson presented the County Debt Status Report as of December 31, 2004. At the end of the fourth quarter, the total outstanding debt of Clark County and the junior taxing districts totaled approximately \$816 million compared to \$788 million on September 30, 2004. The report reflects new issues for fourth quarter, 2004 and first quarter, 2005; line of credit history; registered warrants history; lines of credit for Clark County Fair, Clark County Road, Vancouver Housing Authority, and Fairgrounds; and a listing of outstanding debt as of December 31, 2004.

MOTION to adjourn the meeting was made by Betty Sue Morris, seconded by Doug Lasher, and unanimously approved at 2:30 p.m.

Submitted by: _____
Kathleen Smithline on behalf of 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, 2005, in compliance with our Investment Policy and Standards adopted November 2002.

During the first quarter of 2005, the average maturity of the portfolio decreased to approximately 7.6 months from 8.6 months for fourth quarter of 2004. The asset sector distribution of the portfolio changed during the first quarter, with approximately 56.04% of the portfolio invested in Federal Agencies, 39.17% invested in money markets and 4.79% invested in Certificates of Deposits. This is compared with the fourth quarter of 2004's asset allocation of 64.46% of the portfolio invested in Federal Agencies, 25.5% invested in money markets and 9.95% invested in U.S. Treasuries. At the end of March 2005, the total book value of the portfolio was approximately \$420.7 million.

Residual balances for first quarter of 2005 averaged \$29.9 million monthly compared to a \$37.2 million monthly average during first quarter of 2004. Interest earnings distributed to the County's General Fund during first quarter of 2005 were \$149,532 compared to \$160,736 for same period of 2004. The decrease is a result of lower average fund balance in 2005. The average interest rate of the Clark County Investment Pool for the first quarter of 2005 was 1.977% compared to 1.710% in the first quarter of 2004. Interest earnings for 2005 were higher than our projections by approximately \$36,676.

County Pool balances averaged \$409 million in the first quarter of 2005, compared to an average of \$420 million during the same period of 2004. Interest earnings distributed to the County Pool participants for first quarter of 2005 were \$2 million compared to \$1.8 million in first quarter of 2004. Clark County funds made up 38.99% of the County Pool. Other major Pool participants include the Evergreen School District at 25.75%, Vancouver School District at 14.28%, Leichner Landfill reserves (Leichner) at 3.37%, ESD 112 at 2.85%, Battle Ground School District at 2.48%, Camas School District at 2.32%, and all other districts at 9.96%.

The annualized quarterly total return for the County Pool came in at 1.931% compared to the custom Treasury total return index of 1.562%. On a book value return basis, the County Pool rate yielded 2.29%, compared to the custom Treasury Index's book value return of 3.24%. The net asset value of the County Pool ended the quarter at .99863. An unrealized loss of approximately \$537,134 was distributed to the Clark County Pool participants for the fair market value adjustment at the end of March. This is in accordance with our investment policy, fair market value adjustments are made four times per year. The next adjustment will occur at the end of June 2005.

Our current strategy is to maintain an "excess" liquidity level in the Key Bank account and invest it at opportune times. The Key Bank account is tied to the Federal Funds rate plus five basis points and increases its rate faster than the Washington LGIP. We are also investing in Federal Agencies Discount Notes when their yields are higher than Key Bank account. In order to maintain current market yield for the participants, we are replacing lower performing securities with higher performing securities, while protecting the principle of the participants. We are also looking to take advantage of market volatility by placing new investments at opportune times; concentrating on new purchases in Federal Agencies to allow for greater latitude in responding to changes in market conditions; and minimizing interest rate risk by targeting an average maturity of 7.0 – 8.5 months.

SECTION III - 2005 YEAR-TO-DATE

INVESTMENT ACTIVITY:

During first quarter of 2005, County residual principal balances averaged \$7,323,825 less than in 2004 on an average monthly basis. Actual monthly 2005 average County residual balances exceeded projections by approximately \$1,915,253 for the year as denoted in the chart below.

Date	2004 Residual Balance	2005 Residual Balance	2005 Projected Residual Balance
January	54,596,788	31,441,518	22,000,000
February	28,859,054	28,958,387	28,000,000
March	28,261,393	29,345,855	34,000,000
Average	37,239,078	29,915,253	28,000,000

Since June 2004, the Fed has raised interest rates seven times by 25 basis points each time. This action brought the Fed funds from 45-year low of 1.00% to 2.75% by the end of March. Actual interest earnings decreased to \$149,532 in first quarter of 2005 from \$160,736 in first quarter of 2004. As shown below, total interest earnings for the year are approximately \$36,676 more than projected for 2005.

Date	2004 Interest Earnings	2005 Interest Earnings	2005 Projected Interest Earnings
January	78,343	48,411	30,404
February	40,971	43,243	36,737
March	41,422	57,878	45,715
Total	160,736	149,532	112,856

Shown below, County Pool principle balances averaged nearly \$409 million for first quarter of 2005, compared to \$420 million during first quarter of 2004, approximately 2.6% lower.

Date	2004 Pool Average Balance	2005 Pool Average Balance
January	447,499,544	412,745,365
February	408,942,068	403,670,700
March	402,182,023	409,191,900
Average	419,541,212	408,535,988

The table below reflects County Pool earnings of approximately \$2 million in first quarter of 2005, compared to \$1.8 million during the same period of 2004, resulting in increased earnings of approximately 12%. This is due to the raising interest rate environment that started in June of 2004 and has continued through first quarter of 2005.

Date	2004 Pool Interest Earnings	2005 Pool Interest Earnings
January	643,900	635,325
February	580,695	581,897
March	589,850	806,636
Total	1,814,445	2,032,858

SECTION IV - QUARTERLY ACTIVITY

Figure One shows the major participants in the Clark County Investment Pool for the first quarter of 2005. As of March 31, 2005, County funds made up 38.99% of the pool, Evergreen School District – 25.75%, Vancouver School District – 14.28%, Leichner – 3.37%, ESD 112 at 2.85%, Battle Ground School District at 2.48%, Camas School District at 2.32% and all other districts at 9.96%.

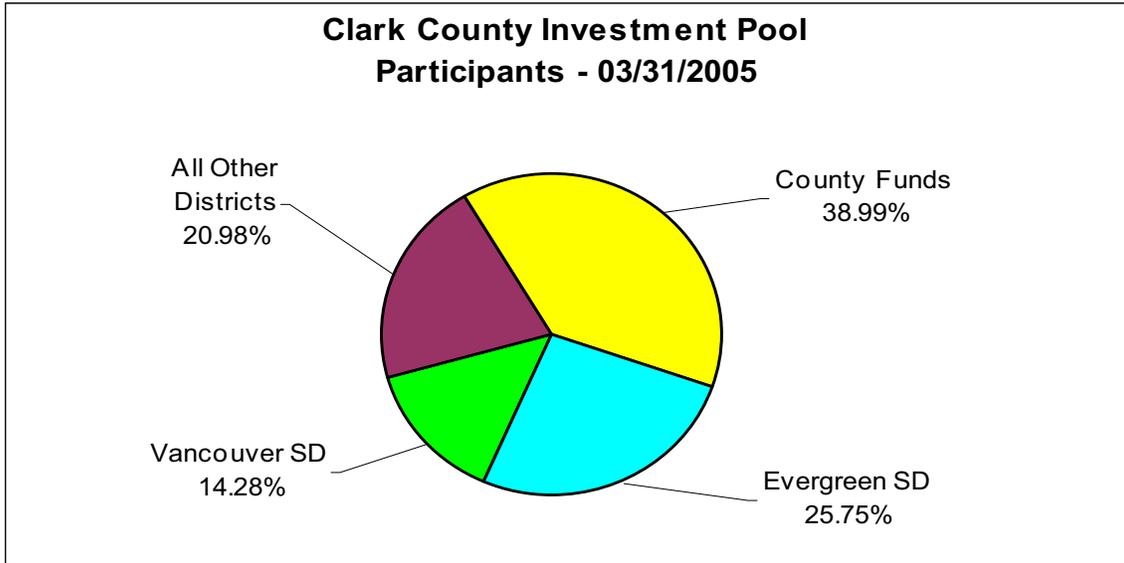


Figure 1

Figure Two illustrates month-end General Fund cash balances beginning with January 2004 through March 2005. For the first quarter of 2005, cash balances in the General Fund decreased over the same period in 2004 by a monthly average of approximately \$1 million.

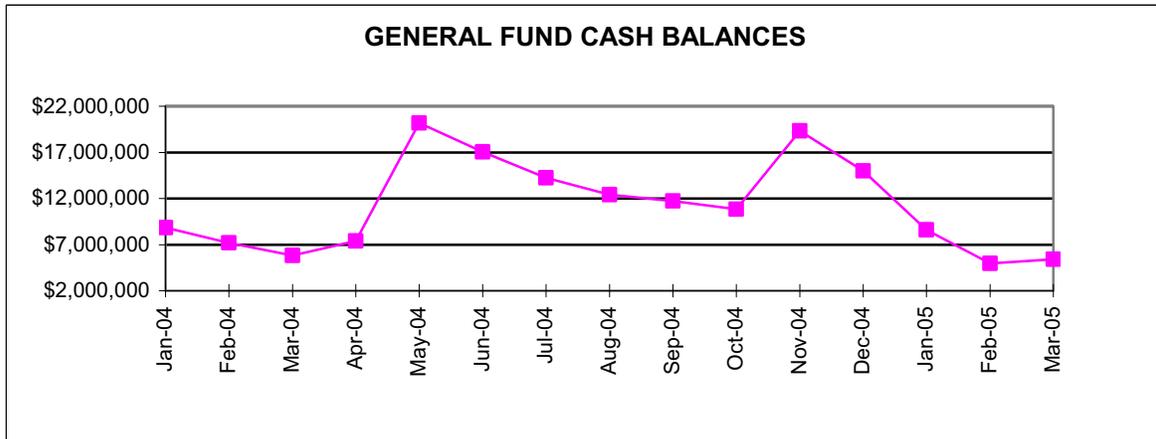


Figure 2

Figure Three reflects the average principal balances being maintained within the Pool in 2005 compared to 2004. For the first quarter of 2005, the average monthly principle balance decreased below the first quarter of 2004 levels by an average of \$11 million.

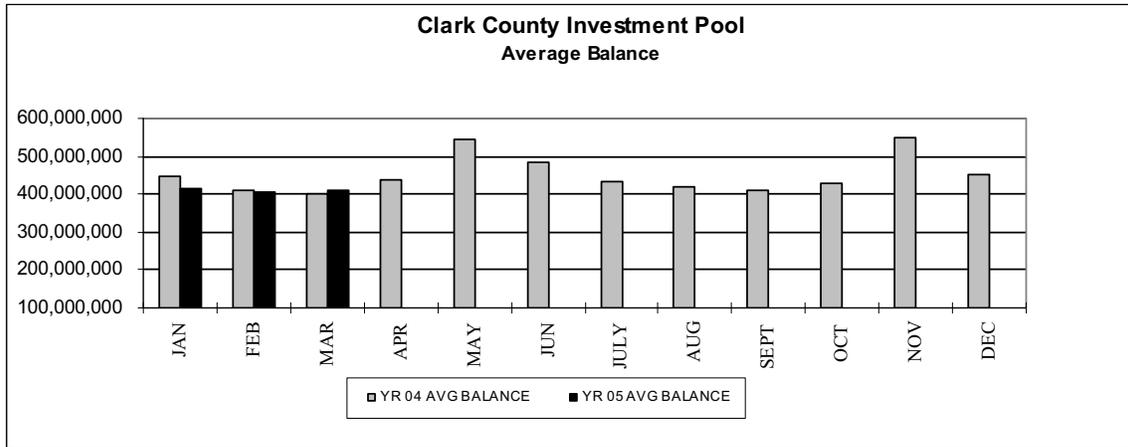


Figure 3

Figure Four reflects the actual monthly residual principle balances managed by the County for 2004 and 2005. For the current year, residual balances average \$7.3 million per month lower than in 2004.

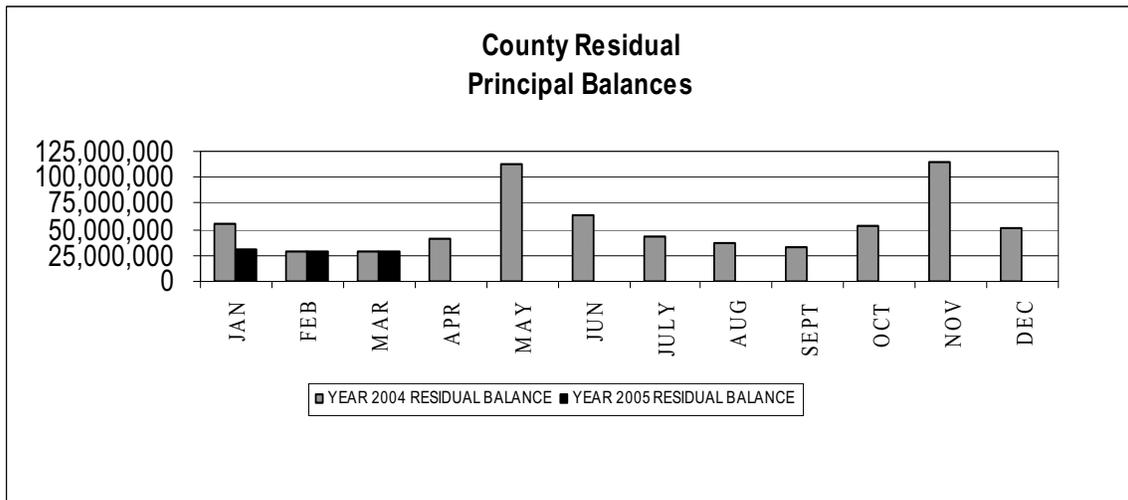


Figure 4

Figure Five shows interest earnings distributed each month to the County’s General fund from 2004 through first quarter of 2005. During 2005, interest earnings averaged \$3,735 less per month than during the same period in 2004. This is due to lower fund balances in 2005. On an average monthly basis, \$53,579 was allocated to the General fund during the first quarter of 2004. For the first quarter of 2005, an average of \$49,844 was distributed to the General fund per month.

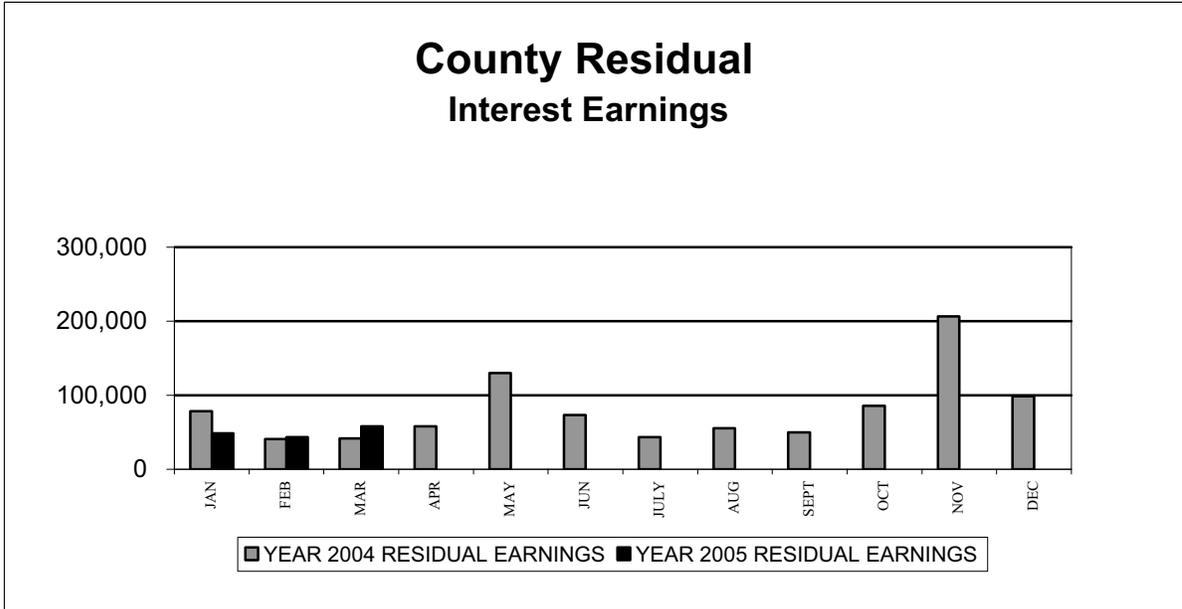


Figure 5

Figure Six shows the County Pool interest rates for 2004 through first quarter of 2005. The book value of the County Pool’s gross interest rate at the end of March 2005 was 2.29%, compared to 1.70% on March 31, 2004.

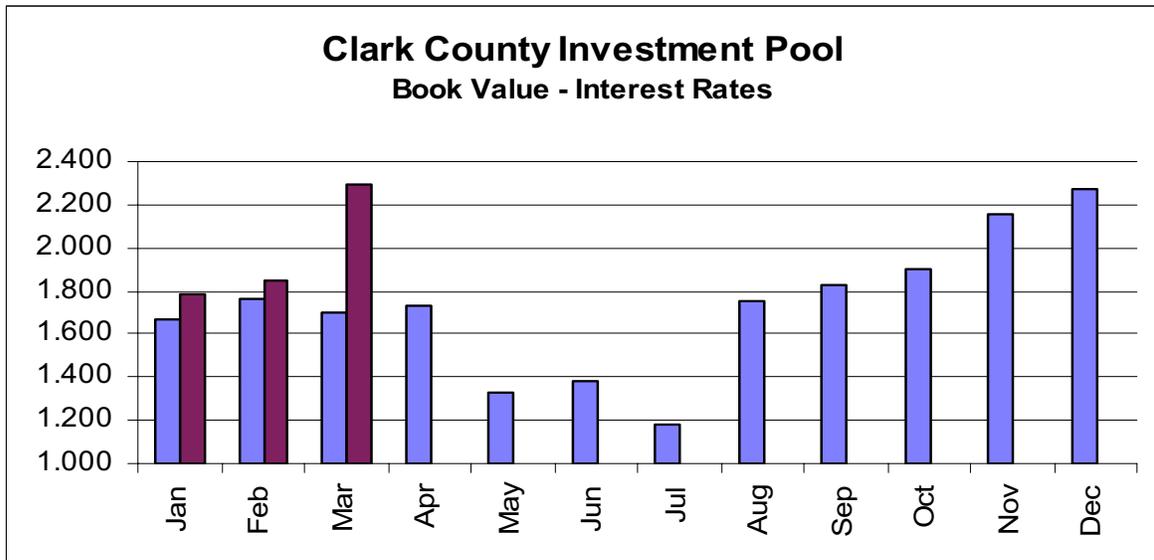


Figure 6

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 30 days. The Clark County Investment Pool has an average maturity of approximately 7.6 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 2.29%, the Treasury Index was 3.24%, and the State Pool's net rate was 2.55%.

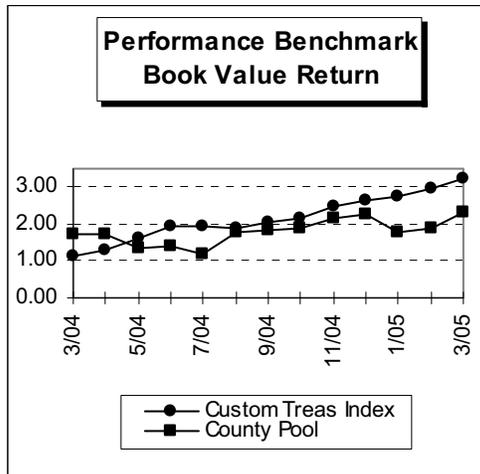


Figure 7(a)

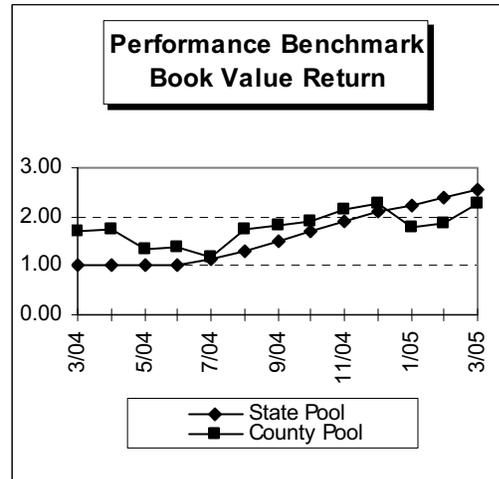


Figure 7(b)

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 of 2005 for the County Pool was 1.94% and the Treasury Index was 1.56%. 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.

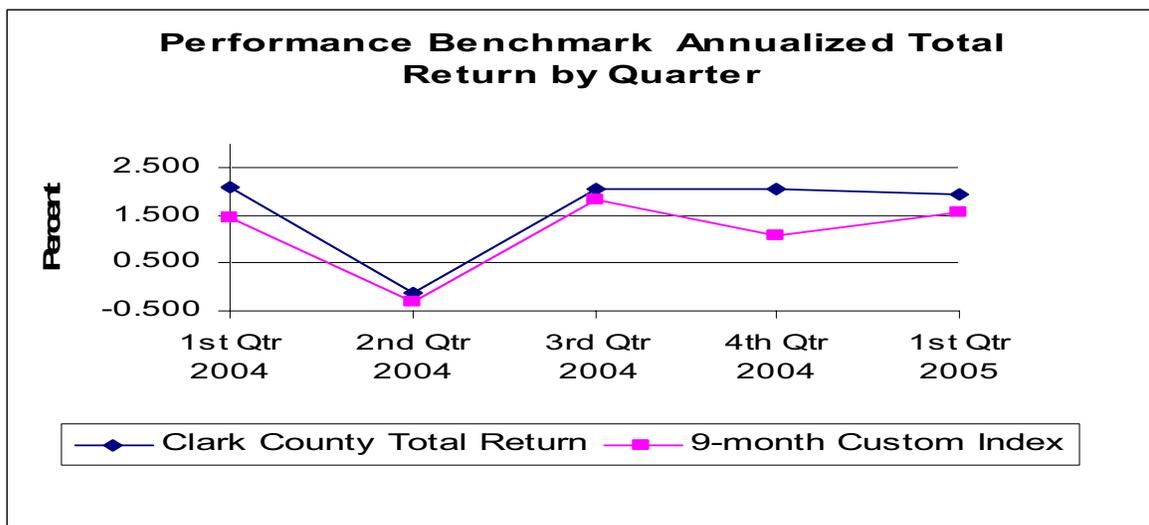


Figure 8

Figure Nine shows the market value of the Pool portfolio based on net asset value (NAV). As of March 31, 2005, the NAV was .99863. 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, 2005, the Treasurer's Office posted approximately \$573 thousand in unrealized losses to the County Pool. The next adjustment for fair market value will occur on June 30, 2005.

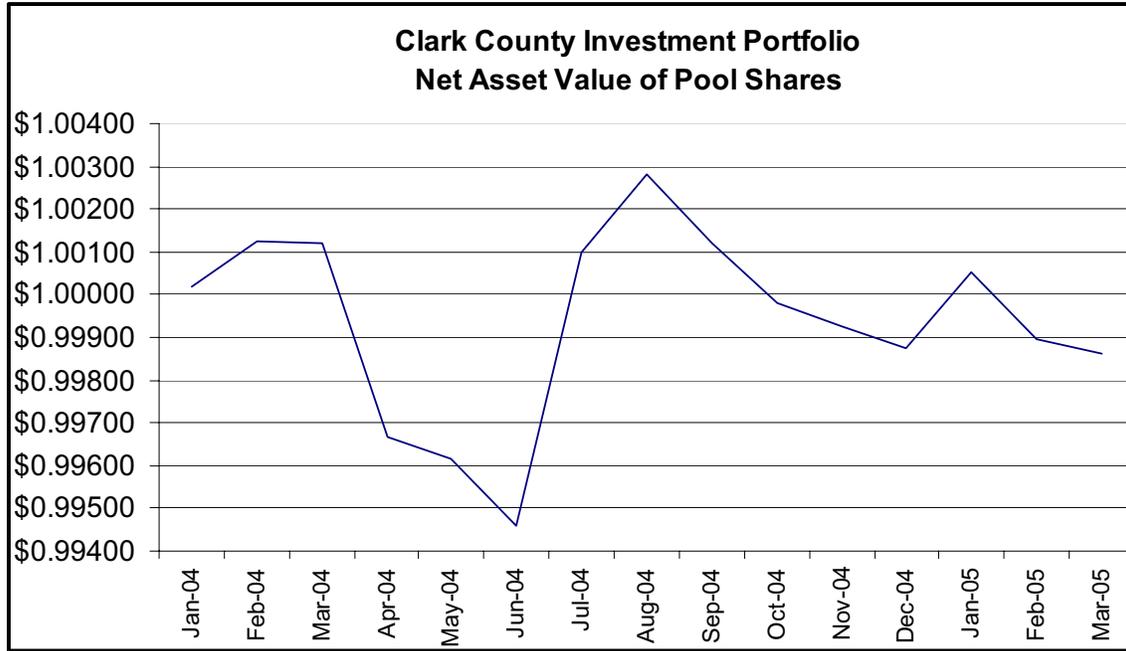


Figure 9

Figure Ten is a breakdown by year reflecting the total unrealized gains/(losses) since 1998. Also depicted in figure ten are the increases in county pool earnings due to being invested in longer term securities than the State Pool. As of March 31, 2005 the County Portfolio has posted approximately \$1.4 million in aggregate unrealized losses on a fair market value basis. The County Pool earned approximately \$17.5 million more than if it had just been invested in the State Pool. Annual unrealized gains/(losses) are the direct result of fluctuating interest rates and longer term maturities. The unrealized loss allocated to pool participants was \$573,139 in the first quarter of 2005 compared to an unrealized gain of \$524,275 in the same period of 2004.

Year	Unrealized gain/(loss)	Earning Difference County Verses State Pool
1998	566,583	624,518
1999	(2,563,593)	157,992
2000	4,038,403	(1,365,529)
2001	2,072,065	4,376,049
2002	295,807	7,060,263
2003	(4,010,663)	5,246,610
2004	(1,270,742)	1,852,820
2005	(573,139)	(411,214)
Cumulative	(1,445,279)	17,541,509

Figure 10

Figure Eleven shows revised projected County Pool interest rates for 2005 compared with actual interest rates.

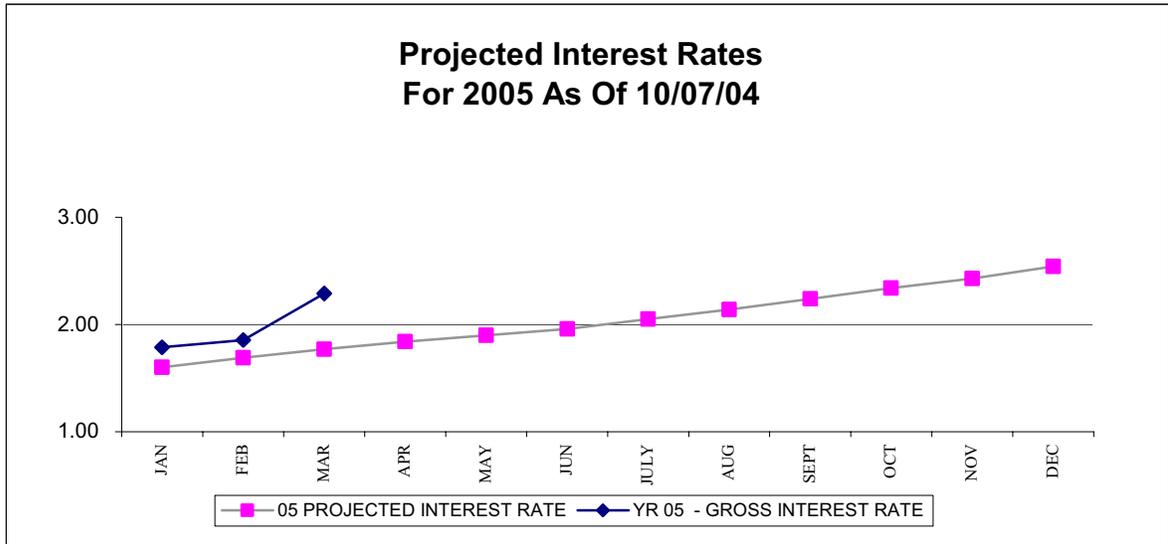


Figure 11

SECTION V - INVESTMENT STRATEGY

The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2004 emphasis was placed on purchasing securities in the 0 - 2 year maturity sector to target an average maturity of 7 - 8.5 months. During 2005 investments were purchased in the 0 - 2 year sector to target an average maturity of 7 - 8.5 months.

Period	0 - 1 year	1 - 2 years	2 - 5 years
1st quarter, 2004	69%	19%	12%
2 nd quarter, 2004	67%	27%	6%
3 rd quarter, 2004	72%	20%	8%
4 th quarter, 2004	66%	34%	0%
1st quarter, 2005	65%	35%	0%

During the second quarter of 2005, we plan to maintain a weighted average maturity of 7.0 to 8.5 months. We will continue to monitor our investment strategy and remain proactive as economic conditions fluctuate.

The first quarter 2005 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.

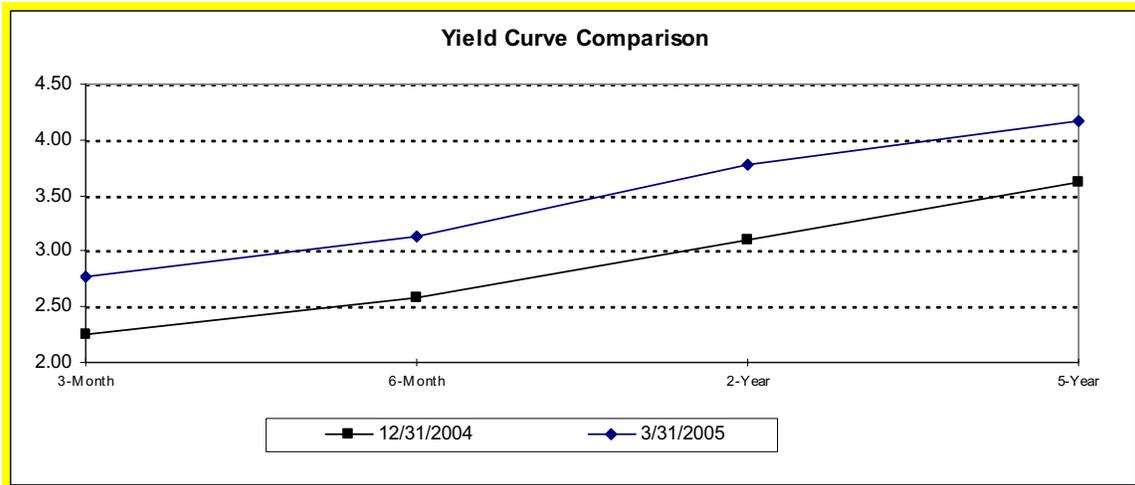
Investment Sector	Recommended Average Maturity	Current Average Maturity	Recommended % of Portfolio	Current % of Portfolio
US Treasury Notes	6 months – 2.00 years	N/A	0% - 20%	0%
Federal Agency Notes/Disc. Notes	6 months – 2.00 years	1.07 years	40% - 75%	56%
Municipal Obligations	0 months – 2.00 years	N/A	0% - 5%	0%
Money Markets - State Pool, CP, CD's & BA's	1 – 60 days	21 days	20% - 50%	44%
Aggregate Avg. Maturity	7.0-8.5 months	7.6 months		

During the first quarter of 2005, the percentage of US Treasury Notes decreased by 10%; there was a 9% decrease in Federal Agencies and an 19% decrease in the money market sector.

SECTION VI - ECONOMIC/MARKET CONDITIONS

The US economy added 518,000 jobs during the first quarter of 2005. This was less than what was expected creating concern about inflationary pressures developing and substantiality of the continual growth of the economy. With higher oil prices since the beginning of the year, and companies lowering their estimated earnings for the rest of this year and into 2006, the market is wondering how much longer the Federal Reserve Board will continue its constant pace of raising short term rates. However, in light of weaker financial data since the last FOMC meeting on March 22, the odds of continuing the 25 basis point increase in the near future has dropped dramatically. The market continues to price in a 25 basis point increase in the Fed Funds Rate at the next FOMC meeting in May, but not another increase at the following meeting at the end of June. This expectation will bring the Fed Funds Rate to 3.00% by the end of June. Consumer confidence has decreased steadily since the beginning of the year; the manufacturing index continues to drop as well, but is still above 50 which shows the manufacturing industry is continuing to grow. As long as the employment growth is maintained, initial unemployment remains below 350,000, the economy will continue to grow for the rest of this year.

On March 31, 2005 the 3-month T-bill yielded 2.77% compared to 2.25% on December 31, 2004. The yield curve continues to move up and flatten out.



SECTION VII - PORTFOLIO

Exhibit One shows the make up of the entire portfolio at the end of the first quarter of 2005. 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 2005. This report shows the book value, the par value, and the market value of the portfolio as of March 31, 2005.

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 7.6 months. All the percentages are consistent with the current policy and PFM recommendations.

Exhibit Five shows all investment purchases and maturities from January 1, 2005 through March 31, 2005.

Exhibit Six shows the make up of the Clark County Investment Pool at the end of the first quarter of 2005. 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, 2005 the average term of the Pool was approximately 7.6 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, 2005.

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, 2005**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit - 360	20,000,000.00	4.75%	182	3.180	3.224
Federal Agencies - Discount	57,610,892.58	13.69%	92	2.688	2.725
Federal Agencies - Semi-annual	176,482,172.63	41.95%	490	2.948	2.989
Treasury Securities - SLGS	2,187,000.00	0.52%	265	0.986	1.000
Passbook/Money Market Accts	164,406,875.95	39.08%	1	2.603	2.639
Total	420,686,941.16	100.00%	228	2.78	2.82
Accrued Interest at Purchase	182,388.89				
Total Cash and Investments	<u>420,869,330.05</u>				

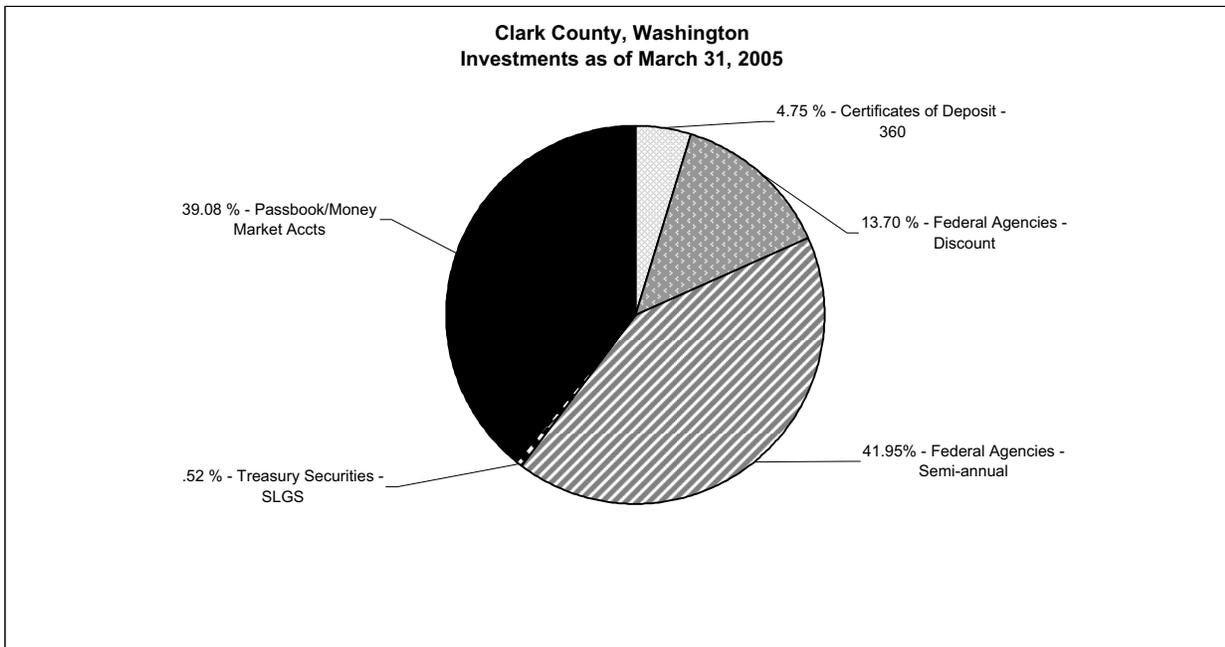


EXHIBIT 2
**Clark County, Washington
Investment Portfolio
March 31, 2005**

Investment Number	Purchase Date	Cusip Number	Book Value	Par Value	Market Price 03/31/05	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
Certificates of Deposit - 360												
89983059	3/7/2005		10,000,000.00	10,000,000.00		10,000,000.00	-	3.380	3.38	3.427	12/30/05	273
89983060	3/11/2005		10,000,000.00	10,000,000.00		10,000,000.00	-	2.980	2.98	3.021	6/30/05	90
			20,000,000.00	20,000,000.00		20,000,000.00	-		3.180	3.224		182
Federal Agencies - Discount												
89983001	09/07/04	313364DY4	9,881,875.00	10,000,000.00	99.963	9,996,299.00	114,424.00	-	2.063	2.092	04/05/05	4
89983027	11/18/04	313397FK2	8,287,285.64	8,385,000.00	99.696	8,359,518.82	72,233.18	-	2.454	2.488	05/10/05	39
89983050	01/20/05	313397JAO	9,867,126.39	10,000,000.00	99.127	9,912,736.00	45,609.61	-	2.802	2.841	07/12/05	102
89983053	02/09/05	313397JX0	9,862,733.33	10,000,000.00	98.992	9,899,163.00	36,429.67	-	2.880	2.920	08/02/05	123
89983054	02/15/05	313589KF9	9,859,688.89	10,000,000.00	98.871	9,887,067.00	27,378.11	-	2.911	2.951	08/10/05	131
89983057	02/24/05	313385KV7	9,852,183.33	10,000,000.00	98.768	9,876,798.00	24,614.67	-	2.985	3.026	08/24/05	145
			57,610,892.58	58,385,000.00		57,931,581.82	320,689.24		2.689	2.726		92
Federal Agencies - Semi Annual Coupon												
89983056	02/22/05	3133X8SY9	5,094,500.00	5,000,000.00	101.101	5,055,025.00	(39,475.00)	4.600	3.522	3.571	01/23/07	662
89983004	09/28/04	3133X8RV	14,995,312.50	15,000,000.00	98.453	14,767,950.00	(227,362.50)	3.000	2.972	3.013	11/28/06	606
89983034	11/22/04	3133X9KN9	9,975,300.00	10,000,000.00	99.000	9,900,000.00	(75,300.00)	2.875	3.002	3.044	05/22/06	416
89983055	02/17/05	3133MEU66	10,237,370.00	10,000,000.00	101.729	10,172,900.00	(64,470.00)	5.375	3.359	3.406	05/15/06	409
89983058	03/01/05	31331LA32	9,901,180.00	10,000,000.00	98.804	9,880,400.00	(20,780.00)	2.500	3.391	3.438	03/30/06	363
89982965	04/24/03	3134A4RA4	10,201,953.13	10,000,000.00	99.766	9,876,582.50	(225,390.63)	2.875	1.978	2.005	09/15/05	167
89982975	09/23/03	3134A4SX	10,073,900.00	10,000,000.00	98.692	9,869,200.00	(204,700.00)	2.375	2.047	2.075	04/15/06	379
89983013	10/15/2004	3128X3GT4	7,999,375.00	8,000,000.00	98.092	7,927,360.00	(72,015.00)	3.000	2.963	3.004	6/2/06	427
89983021	11/5/2004	3128X2AH8	9,998,500.00	10,000,000.00	98.578	9,857,751.00	(140,749.00)	3.000	2.966	3.007	11/17/06	595
89982966	05/21/03	3136F3SH0	10,006,250.00	10,000,000.00	99.118	9,911,757.00	(94,493.00)	2.050	1.996	2.024	11/21/05	234
89983003	09/22/04	3136F6CF40	10,000,000.00	10,000,000.00	98.774	9,877,424.00	(122,576.00)	3.000	2.959	3.000	09/22/06	539
89983005	10/12/04	3136F6EP0	10,000,000.00	10,000,000.00	98.719	9,871,890.00	(128,110.00)	3.010	2.969	3.010	10/12/06	559
89983007	09/28/04	31359MVS96	8,029,272.00	8,000,000.00	99.275	7,942,000.00	(87,272.00)	3.250	2.989	3.031	06/28/06	453
89983014	10/26/04	3136FAF458	10,007,000.00	10,000,000.00	98.629	9,862,874.00	(144,126.00)	3.125	3.048	3.090	12/29/06	637
89983022	11/8/2004	3136FAF458	9,987,000.00	10,000,000.00	98.629	9,862,900.00	(124,100.00)	3.125	3.143	3.187	12/29/06	637
89983036	12/17/04	31359MWW0	9,989,260.00	10,000,000.00	99.164	9,916,400.00	(82,860.00)	3.150	3.111	3.154	06/30/06	455
89983049	01/05/05	3159MMX7	9,984,000.00	10,000,000.00	99.084	9,908,419.00	(75,581.00)	3.375	3.413	3.460	12/15/06	623
89983051	02/01/05	31359MXN8	9,992,000.00	10,000,000.00	99.252	9,925,239.00	(66,761.00)	3.550	3.543	3.592	01/30/07	669
			176,482,172.63	176,000,000.00		174,486,051.50	(1,996,121.13)		2.948	2.989		490
Subtotal & Averages												
			176,482,172.63	176,000,000.00		174,486,051.50	(1,996,121.13)		2.948	2.989		490
Treasury Securities - SLGS												
61093038	12/27/04		564,000.00	564,000.00	100.00	564,000.00	0.00	0.250	0.986	1.000	12/19/05	262
61123040	12/27/04		41,000.00	41,000.00	100.00	41,000.00	0.00	0.250	0.986	1.000	12/21/05	264
61183039	12/27/04		213,000.00	213,000.00	100.00	213,000.00	0.00	0.250	0.986	1.000	12/20/05	263
61243041	12/27/04		551,000.00	551,000.00	100.00	551,000.00	0.00	0.250	0.986	1.000	12/22/05	265
61273042	12/27/04		353,000.00	353,000.00	100.00	353,000.00	0.00	0.250	0.986	1.000	12/23/05	266
61303043	12/27/04		465,000.00	465,000.00	100.00	465,000.00	0.00	0.250	0.986	1.000	12/27/05	270
			2,187,000.00	2,187,000.00		2,187,000.00	0.00		0.986	1.000		265
Subtotal & Averages												

**Clark County, Washington
Investment Portfolio
March 31, 2005**

Investment Number	Purchase Date	Cusip Number	Book Value	Par Value	Market Price 03/31/05	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
Passbook/Money Market Accounts												
0001-3			190,162.14	190,162.14		190,162.14	0.00	4.125	4.068	4.125		1
3051			610,066.29	610,066.29		610,066.29	0.00	0.000	0.000	0.000		1
89980002			50,011,507.73	50,011,507.73		50,011,507.73	0.00	2.800	2.762	2.800		1
89980002			68,271,080.77	68,271,080.77		68,271,080.77	0.00	2.600	2.564	2.600		1
89980001			45,324,059.02	45,324,059.02		45,324,059.02	0.00	2.550	2.515	2.550		1
Subtotal & Averages			164,406,875.95	164,406,875.95		164,406,875.95	0.00		2.603	2.639		1
Grand Total			420,686,941.16	400,978,875.95		399,011,509.27	(1,675,431.89)		2.777	2.817		228

EXHIBIT 3

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
AGING OF MATURING INVESTMENTS
March 31, 2005**

<u>Days to Maturity</u>	<u>Book Value</u>	<u>% Maturing</u>	<u>Cumulative % Maturing</u>
1	164,406,875.95	39.08%	39.08%
2 - 30	9,881,875.00	2.35%	41.43%
31 - 60	8,287,285.64	1.97%	43.40%
61 - 90	10,000,000.00	2.38%	45.78%
91 - 120	9,867,126.39	2.35%	48.12%
121 - 183	39,776,558.68	9.46%	57.58%
184 - 365	32,094,430.00	7.63%	65.21%
366 - 730	146,372,789.50	34.79%	100.00%
TOTALS	\$420,686,941.16	100.00%	

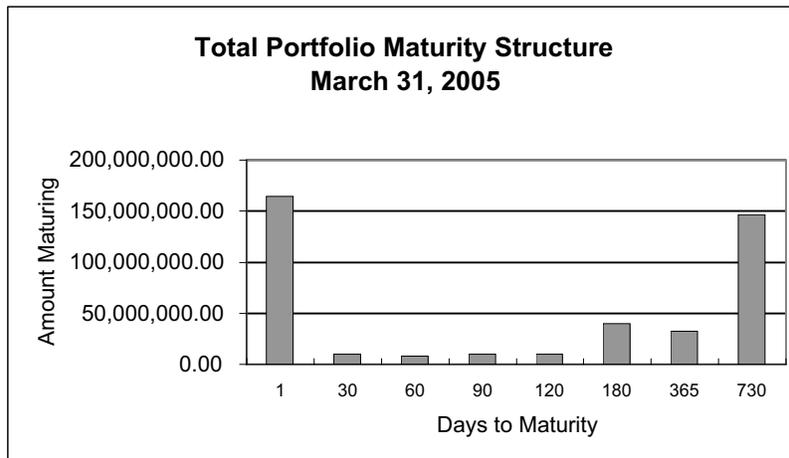


Exhibit 4

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
SUMMARY OF INVESTMENTS BY ISSUER
March 31, 2005**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	1	5,094,500.00	1.21%	3.571	662
Federal Home Loan Bank	5	54,961,345.83	13.06%	3.185	388
Federal Home Loan Mtg Corp.	8	76,172,748.49	18.11%	2.554	230
Federal National Mtg Association	10	97,864,470.89	23.26%	3.050	494
Key Bank	1	50,011,507.73	11.89%	2.800	1
Registered Warrants @ 4.125%	1	187,659.13	0.04%	4.125	1
Registered Warrants @ 4.3125%	1	2,503.01	0.00%	4.313	1
State and Local Govt. Series	6	2,187,000.00	0.52%	1.000	355
US Bank - Municipal Investor Account	1	68,271,080.77	16.23%	2.750	1
US Bank - Retainage Account	1	610,066.29	0.15%	0.000	1
Washington Mutual Bank	2	20,000,000.00	4.75%	3.224	182
Washington State Pool	1	45,324,059.02	10.77%	2.550	1
TOTALS and AVERAGES	38	\$ 420,686,941.16	100.00%	2.817	228

EXHIBIT 5

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
INVESTMENT ACTIVITY BY TYPE
As of March 31, 2005

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE	
CERTIFICATES OF DEPOSIT - 360						BEGINNING BALANCE:	0.00
	Washington Mutual Bank	3.380	03/07/05	10,000,000.00			
	Washington Mutual Bank	2.980	03/11/05	10,000,000.00			
SUBTOTALS and ENDING BALANCE - January				0.00	0.00	0.00	
SUBTOTALS and ENDING BALANCE - February				0.00	0.00	0.00	
SUBTOTALS and ENDING BALANCE - March				20,000,000.00	0.00	20,000,000.00	
FEDERAL AGENCIES - DISCOUNT						BEGINNING BALANCE:	89,315,649.03
313397JA0	Federal Home Loan Mtg Corp	2.802	01/20/05	9,867,126.39			
313589JB0	Federal Nat'l Mtg Assoc.	2.790	01/28/05	9,871,350.00			
313397BL4	Federal Home Loan Mtg Corp	2.200	02/04/05		7,271,965.17		
313397JX	Federal Home Loan Mtg Corp	2.840	02/09/05	9,862,733.33			
313589KF9	Federal Nat'l Mtg Assoc.	2.870	02/15/05	9,859,688.89			
313589GH	Federal Nat'l Mtg Assoc.	2.590	02/16/05		4,526,949.61		
313589DK6	Federal Nat'l Mtg Assoc.	2.450	02/16/05		9,938,195.83		
313589JB0	Federal Nat'l Mtg Assoc.	2.790	02/16/05		9,871,350.00		
313589DK6	Federal Nat'l Mtg Assoc.	2.075	02/17/05		9,899,708.33		
313589DFZ	Federal Nat'l Mtg Assoc.	2.200	02/17/05		9,905,888.89		
313589GC1	Federal Nat'l Mtg Assoc.	2.130	02/18/05		9,802,975.00		
313589DZ3	Federal Nat'l Mtg Assoc.	2.080	02/18/05		9,898,300.00		
313589EB5	Federal Nat'l Mtg Assoc.	2.201	02/18/05		9,902,505.56		
313385KV7	Federal Home Loan Bank	2.940	02/23/05	9,852,183.33			
SUBTOTALS and ENDING BALANCE - January				19,738,476.39	0.00	109,054,125.42	
SUBTOTALS and ENDING BALANCE - February				29,574,605.55	81,017,838.39	57,610,892.58	
SUBTOTALS and ENDING BALANCE - March				0.00	0.00	57,610,892.58	
FEDERAL AGENCIES - SEMI ANNUAL COUPON						BEGINNING BALANCE:	181,470,064.83
31359MWX7	Federal Nat'l Mtg Assoc.	3.460	01/05/05	9,984,000.00			
3128X1KH9	Federal Home Loan Mtg. Corp.	2.131	01/05/05		10,011,700.00		
3134A4RV8	Federal Home Loan Mtg. Corp.	2.050	01/15/05		9,993,900.00		
3128X1LY1	Federal Home Loan Mtg. Corp.	2.300	02/01/05		10,000,000.00		
31359MXN	Federal Nat'l Mtg Assoc.	3.550	02/01/05	9,992,000.00			
3134A4KQ6	Federal Home Loan Mtg Corp	2.105	02/15/05		10,049,152.20		
31359MFH1	Federal Home Loan Mtg Corp	2.100	02/15/05		10,142,190.00		
3133MUEU6	Federal Home Loan Bank	3.406	02/17/05	10,237,370.00			
31331LA32	Federal Farm Credit Bank	3.571	02/22/05	5,094,500.00			
3133MEU66	Federal Home Loan Bank	3.438	03/01/05	9,901,180.00			
SUBTOTALS and ENDING BALANCE - January				9,984,000.00	20,005,600.00	171,448,464.83	
SUBTOTALS and ENDING BALANCE - February				25,323,870.00	30,191,342.20	166,580,992.63	
SUBTOTALS and ENDING BALANCE - March				9,901,180.00	0.00	176,482,172.63	
TREASURY SECURITIES - COUPON						BEGINNING BALANCE:	9,932,812.50
912828CD	US Treasury	1.500	03/01/05		9,932,812.50		
SUBTOTALS and ENDING BALANCE - January				0.00	0.00	9,932,812.50	
SUBTOTALS and ENDING BALANCE - February				0.00	0.00	9,932,812.50	
SUBTOTALS and ENDING BALANCE - March				0.00	9,932,812.50	0.00	
TREASURY SECURITIES - SLGS						BEGINNING BALANCE:	2,187,000.00
SUBTOTALS and ENDING BALANCE - January				0.00	0.00	2,187,000.00	
SUBTOTALS and ENDING BALANCE - February				0.00	0.00	2,187,000.00	
SUBTOTALS and ENDING BALANCE - March				0.00	0.00	2,187,000.00	
TREASURY SECURITIES - T-BILLS						BEGINNING BALANCE:	29,637,265.27
912795T9	US T-Bill	2.415	01/04/05		9,885,287.50		
912795SV6	US T-Bill	2.490	01/28/05		9,878,366.67		
912795SV4	US T-Bill	2.532	03/11/05		9,873,611.10		
SUBTOTALS and ENDING BALANCE - January				0.00	19,763,654.17	9,873,611.10	
SUBTOTALS and ENDING BALANCE - February				0.00	0.00	9,873,611.10	
SUBTOTALS and ENDING BALANCE - March				0.00	9,873,611.10	0.00	
CLARK COUNTY						BEGINNING BALANCE:	0.00
January	Registered Warrant Invest Acct			1,721,426.33	1,721,426.33	0.00	

EXHIBIT 5

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
INVESTMENT ACTIVITY BY TYPE
As of March 31, 2005

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
February	Registered Warrant Invest Acct			387,086.81	0.00	387,086.81
March	Registered Warrant Invest Acct			9,457.88	206,382.55	190,162.14
Key Bank				BEGINNING BALANCE:	0.00	0.00
January	Money Market Savings Account			0.00	0.00	0.00
February	Money Market Savings Account			0.00	0.00	0.00
March	Money Market Savings Account			50,011,507.73	0.00	50,011,507.73
US BANK				BEGINNING BALANCE:	0.00	52,908,547.64
January	Municipal Investor Account			101,199.49	0.00	53,009,747.13
February	Municipal Investor Account			15,112,334.23	0.00	68,122,081.36
March	Municipal Investor Account			148,999.41	0.00	68,271,080.77
US BANK				BEGINNING BALANCE:	0.00	452,860.52
January	Escrow Retainage Account			136,016.94	0.00	588,877.46
February	Escrow Retainage Account			21,188.83	0.00	610,066.29
March	Escrow Retainage Account			0.00	0.00	610,066.29
STATE POOL				BEGINNING BALANCE:		53,593,606.36
January	Washington State Pool			48,612,331.35	38,300,000.00	63,905,937.71
February	Washington State Pool			76,035,087.85	44,300,000.00	95,641,025.56
March	Washington State Pool			44,183,140.40	94,500,106.94	45,324,059.02
January	TOTALS		BEGINNING BALANCE:	419,497,806.15	80,293,450.50	420,000,576.15
February	TOTALS			420,000,576.15	146,454,173.27	410,945,568.83
March	TOTALS			410,945,568.83	114,512,913.09	420,686,941.16

Exhibit 6

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
DISTRIBUTION OF INVESTMENTS BY TYPE
March 31, 2005**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Certificates of Deposit - 360	20,000,000.00	4.79%	182	3.180	3.224
Federal Agencies - Discount	57,610,892.58	13.79%	92	2.688	2.725
Federal Agencies - Semi-annual	176,482,172.63	42.25%	490	2.948	2.989
Passbook/Money Market Accts	163,606,647.52	39.17%	1	2.603	2.639
Total	417,699,712.73	100.00%	228	2.78	2.82
Accrued Interest at Purchase	182,388.89				
Total Cash and Investments	<u>417,882,101.62</u>				

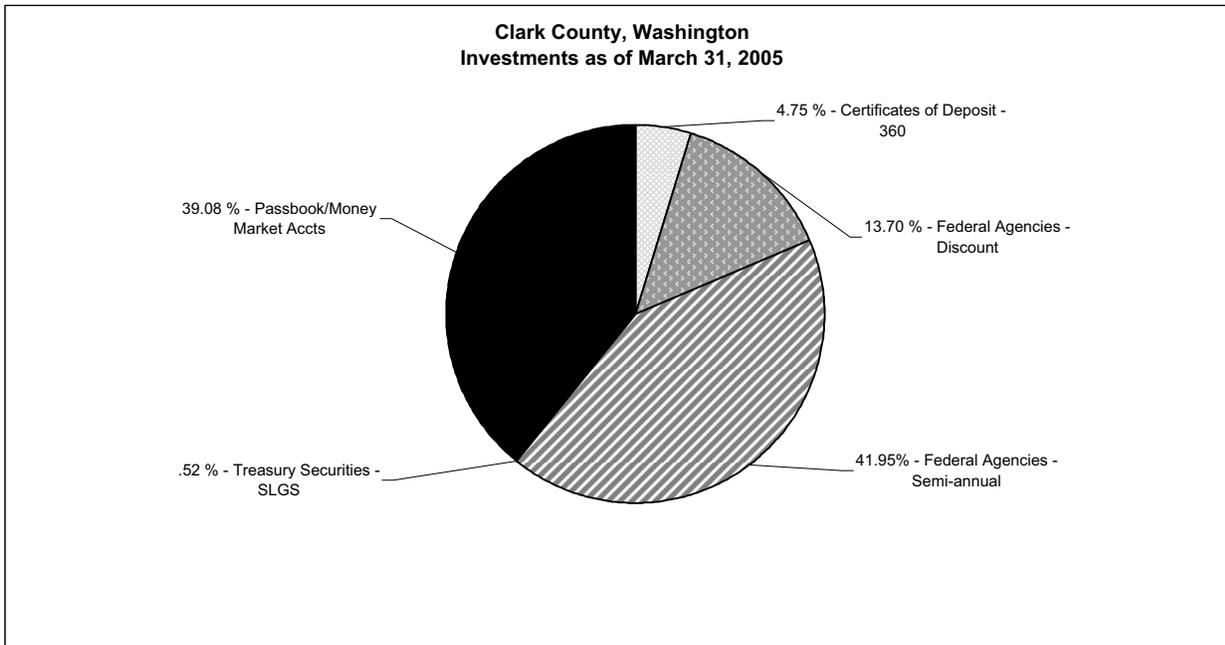


EXHIBIT 7
**Clark County, Washington
Investment Portfolio
March 31, 2005**

Investment Number	Purchase Date	Cusip Number	Book Value	Par Value	Market Price 03/31/05	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
Certificates of Deposit - 360												
89983059	3/7/2005		10,000,000.00	10,000,000.00		10,000,000.00	-	3.380	3.38	3.427	12/30/05	273
89983060	3/11/2005		10,000,000.00	10,000,000.00		10,000,000.00	-	2.980	2.98	3.021	6/30/05	90
			20,000,000.00	20,000,000.00		20,000,000.00	-		3.180	3.224		182
Federal Agencies - Discount												
89983001	09/07/04	313364DY4	9,881,875.00	10,000,000.00	99.963	9,996,299.00	114,424.00	-	2.063	2.092	04/05/05	4
89983027	11/18/04	313397FK2	8,287,285.64	8,385,000.00	99.696	8,359,518.82	72,233.18	-	2.454	2.488	05/10/05	39
89983050	01/20/05	313397JAO	9,867,126.39	10,000,000.00	99.127	9,912,736.00	45,609.61	-	2.802	2.841	07/12/05	102
89983053	02/09/05	313397JX0	9,862,733.33	10,000,000.00	98.992	9,899,163.00	36,429.67	-	2.880	2.920	08/02/05	123
89983054	02/15/05	313589KF9	9,859,688.89	10,000,000.00	98.871	9,887,067.00	27,378.11	-	2.911	2.951	08/10/05	131
89983057	02/24/05	313385KV7	9,852,183.33	10,000,000.00	98.768	9,876,798.00	24,614.67	-	2.985	3.026	08/24/05	145
			57,610,892.58	58,385,000.00		57,931,581.82	320,689.24		2.689	2.726		92
Federal Agencies - Semi Annual Coupon												
89983056	02/22/05	3133X8SY9	5,094,500.00	5,000,000.00	101.101	5,055,025.00	(39,475.00)	4.600	3.522	3.571	01/23/07	662
89983004	09/28/04	3133X8RV	14,995,312.50	15,000,000.00	98.453	14,767,950.00	(227,362.50)	3.000	2.972	3.013	11/28/06	606
89983034	11/22/04	3133X9KN9	9,975,300.00	10,000,000.00	99.000	9,900,000.00	(75,300.00)	2.875	3.002	3.044	05/22/06	416
89983055	02/17/05	3133MEU66	10,237,370.00	10,000,000.00	101.729	10,172,900.00	(64,470.00)	5.375	3.359	3.406	05/15/06	409
89983058	03/01/05	31331LA32	9,901,180.00	10,000,000.00	98.804	9,880,400.00	(20,780.00)	2.500	3.391	3.438	03/30/06	363
89982965	04/24/03	3134A4RA4	10,201,953.13	10,000,000.00	99.766	9,976,582.50	(225,390.63)	2.875	1.978	2.005	09/15/05	167
89982975	09/23/03	3134A4SX	10,073,900.00	10,000,000.00	98.692	9,869,200.00	(204,700.00)	2.375	2.047	2.075	04/15/06	379
89983013	10/15/2004	3128X3GT4	7,999,375.00	8,000,000.00	99.092	7,927,360.00	(72,015.00)	3.000	2.963	3.004	6/2/06	427
89983021	11/5/2004	3128X2AH8	9,998,500.00	10,000,000.00	98.578	9,857,751.00	(140,749.00)	3.000	2.966	3.007	11/17/06	595
89982966	05/21/03	3136F3SH0	10,006,250.00	10,000,000.00	99.118	9,911,757.00	(94,493.00)	2.050	1.996	2.024	11/21/05	234
89983003	09/22/04	3136F6CF40	10,000,000.00	10,000,000.00	98.774	9,877,424.00	(122,576.00)	3.000	2.959	3.000	09/22/06	539
89983005	10/12/04	3136F6EP0	10,000,000.00	10,000,000.00	98.719	9,871,890.00	(128,110.00)	3.010	2.969	3.010	10/12/06	559
89983007	09/28/04	31359MVS96	8,029,272.00	8,000,000.00	99.275	7,942,000.00	(87,272.00)	3.250	2.989	3.031	06/28/06	453
89983014	10/26/04	3136FAF458	10,007,000.00	10,000,000.00	98.629	9,862,874.00	(144,126.00)	3.125	3.048	3.090	12/29/06	637
89983022	11/8/2004	3136FAF458	9,987,000.00	10,000,000.00	98.629	9,862,900.00	(124,100.00)	3.125	3.143	3.187	12/29/06	637
89983036	12/17/04	31359MVM0	9,989,260.00	10,000,000.00	99.164	9,916,400.00	(82,860.00)	3.150	3.111	3.154	06/30/06	455
89983049	01/05/05	3159MMX7	9,984,000.00	10,000,000.00	99.084	9,908,419.00	(75,581.00)	3.375	3.413	3.460	12/15/06	623
89983051	02/01/05	31359MXN8	9,992,000.00	10,000,000.00	99.252	9,925,239.00	(66,761.00)	3.550	3.543	3.592	01/30/07	669
			176,482,172.63	176,000,000.00		174,486,051.50	(1,996,121.13)		2.948	2.989		490
Subtotal & Averages												
			176,482,172.63	176,000,000.00		174,486,051.50	(1,996,121.13)		2.948	2.989		490
Passbook/Money Market Accounts												
89980002			50,011,507.73	50,011,507.73		50,011,507.73	0.00	2.800	2.762	2.800		1
89980002			68,271,080.77	68,271,080.77		68,271,080.77	0.00	2.600	2.564	2.600		1
89980001			45,324,059.02	45,324,059.02		45,324,059.02	0.00	2.550	2.515	2.550		1
			163,606,647.52	163,606,647.52		163,606,647.52	0.00	2.603	2.603	2.639		1
			417,699,712.73	397,991,647.52		396,024,280.84	(1,675,431.89)		2.777	2.817		228
Grand Total												

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	\$163,606,647.52	39.17%	39.17%
2 - 30	9,881,875.00	2.37%	41.53%
31 - 60	8,287,285.64	1.98%	43.52%
61 - 90	10,000,000.00	2.39%	45.91%
91 - 120	9,867,126.39	2.36%	48.27%
121 - 183	39,776,558.68	9.52%	57.80%
184 - 365	29,907,430.00	7.16%	64.96%
366 - 730	146,372,789.50	35.04%	100.00%
TOTALS	\$417,699,712.73	100.00%	

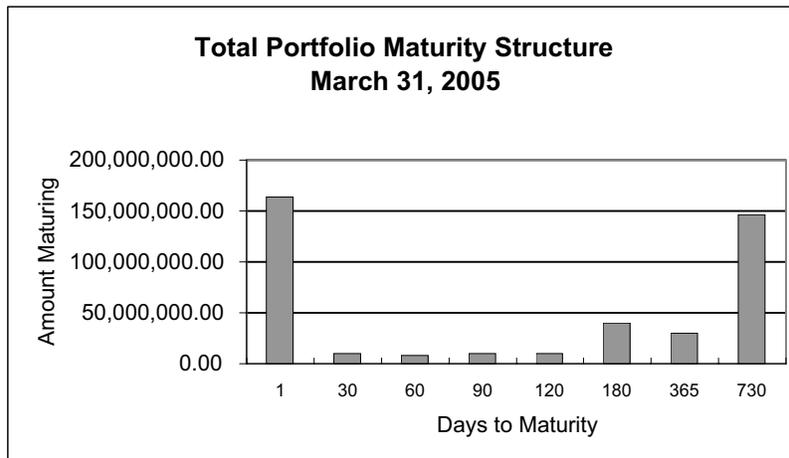


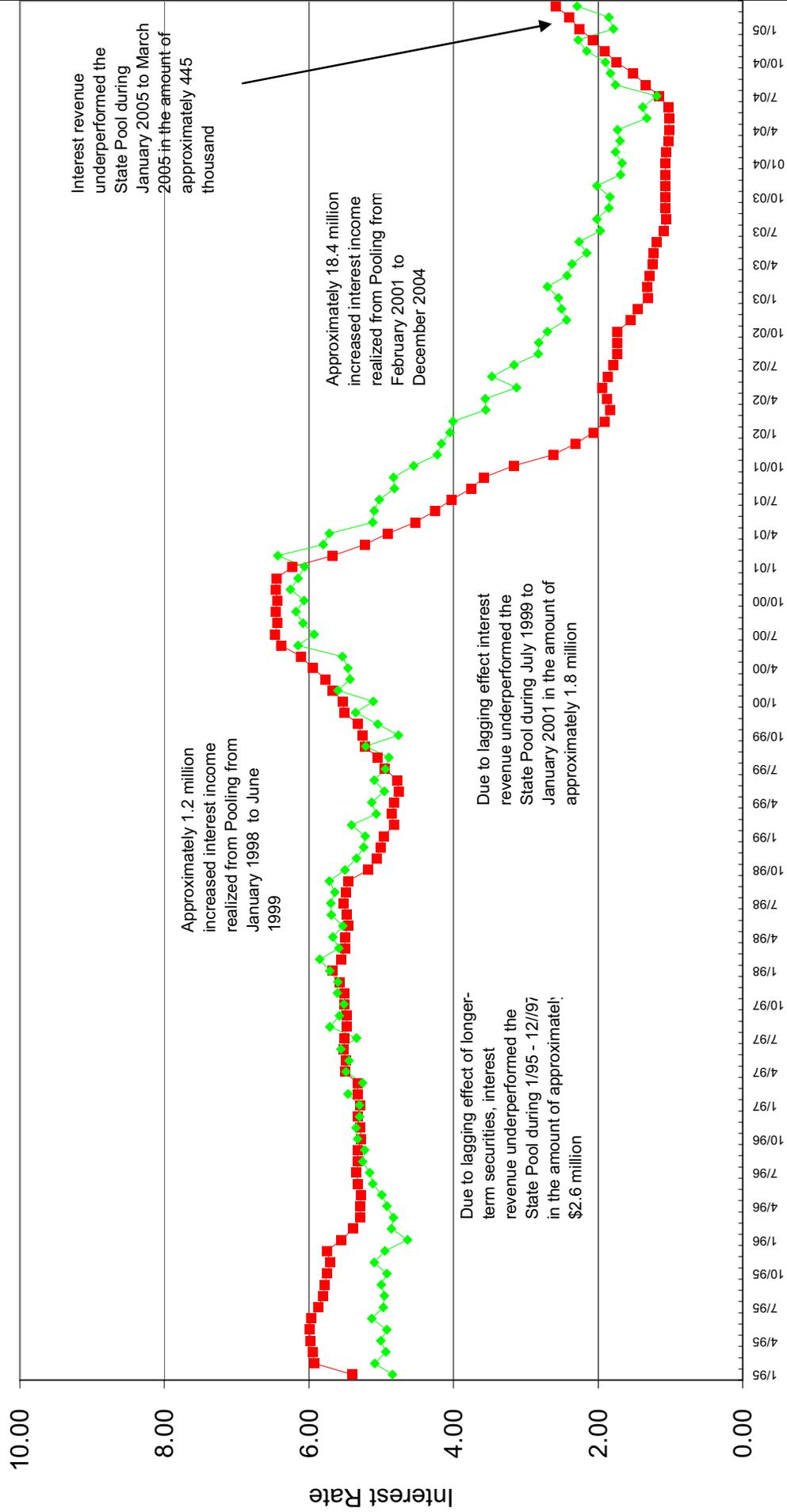
Exhibit 9

CLARK COUNTY INVESTMENT PORTFOLIO
SUMMARY OF INVESTMENTS BY ISSUER
March 31, 2005

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	1	5,094,500.00	1.22%	3.571	662
Federal Home Loan Bank	5	54,961,345.83	13.16%	3.185	388
Federal Home Loan Mtg Corp.	8	76,172,748.49	18.24%	2.554	230
Federal National Mtg Association	10	97,864,470.89	23.43%	3.050	494
Key Bank	1	50,011,507.73	11.97%	2.800	1
US Bank - Municipal Investor Account	1	68,271,080.77	16.34%	2.750	1
Washington Mutual Bank	2	20,000,000.00	4.79%	3.224	182
Washington State Pool	1	45,324,059.02	10.85%	2.550	1
TOTALS and AVERAGES	29	\$ 417,699,712.73	100.00%	2.817	228

Exhibit 10 County Pool vs. State Pool 1/95 - 3/05

Overall, \$22.5 million increased interest income realized from Pooling from January 1989 to March 2005



■ State Pool ◆ County Pool