

INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2008
(IN THOUSANDS)

ASSETS	TOTAL	EXTERNAL INVESTMENT POOL	EXTERNAL IMPAIRED INVESTMENT POOL	INDIVIDUAL INVESTMENT ACCOUNTS
Investments at fair value				
Certificates of deposit & saving accounts	\$ 240,047	\$ 239,918	\$ -	\$ 129
Commercial paper	4,424	-	4,424	-
Taxable municipal notes	9,296	9,296	-	-
US Treasury bills	153,283	153,283	-	-
US Treasury notes	228,613	226,504	-	2,109
US Agency notes	412,316	362,235	-	50,081
US Agency discount notes	1,083,092	1,083,092	-	-
US Agency collateralized mortgage obligations	41,003	41,003	-	-
State Treasurer's investment pool	243,441	243,441	-	-
Total investments	<u>2,415,515</u>	<u>2,358,772</u>	<u>4,424</u>	<u>52,319</u>
Interest receivable	5,758	5,197	-	561
TOTAL ASSETS	<u><u>2,421,273</u></u>	<u><u>2,363,969</u></u>	<u><u>4,424</u></u>	<u><u>52,880</u></u>
NET ASSETS				
Held in trust for pool participants	2,363,969	2,363,969	-	-
Held in trust for pool participants - impaired	4,424	-	4,424	-
Held in trust for individual investment account participants	52,880	-	-	52,880
TOTAL NET ASSETS	<u><u>\$ 2,421,273</u></u>	<u><u>\$ 2,363,969</u></u>	<u><u>\$ 4,424</u></u>	<u><u>\$ 52,880</u></u>

INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008
(IN THOUSANDS)

ADDITIONS	TOTAL	EXTERNAL INVESTMENT POOL	EXTERNAL IMPAIRED INVESTMENT POOL	INDIVIDUAL INVESTMENT ACCOUNTS
Contributions	\$ 6,971,428	\$ 6,876,896	\$ 26,535	\$ 67,997
Net investment earnings (losses)				
Interest	77,826	77,749	-	77
Increase (decrease) in the fair value of investments	<u>(3,451)</u>	<u>4,120</u>	<u>(9,037)</u>	<u>1,466</u>
TOTAL ADDITIONS	<u><u>7,045,803</u></u>	<u><u>6,958,765</u></u>	<u><u>17,498</u></u>	<u><u>69,540</u></u>
DEDUCTIONS				
Distributions	<u>7,103,286</u>	<u>7,022,014</u>	<u>13,074</u>	<u>68,198</u>
Change in net assets	<u>(57,483)</u>	<u>(63,249)</u>	<u>4,424</u>	<u>1,342</u>
Net assets - January 1, 2008	2,478,756	2,427,218	-	51,538
Net assets - December 31, 2008	<u><u>\$ 2,421,273</u></u>	<u><u>\$ 2,363,969</u></u>	<u><u>\$ 4,424</u></u>	<u><u>\$ 52,880</u></u>

**FIDUCIARY FUNDS
DECEMBER 31, 2008**

AGENCY FUNDS

Agency Funds are clearing accounts employed to account for assets held by King County in its capacity as custodian or agent and are offset by equal and related liabilities. Accounting for Agency Funds is on the accrual basis. There is no measurement of operational results.

There are two major classifications of Agency Funds: (1) those that are used with the operations of King County government; and (2) those that are used to account for cash received and disbursed in King County's capacity as *ex officio* treasurer or collection agent for special districts and other governments.

AGENCY FUNDS – COUNTY GOVERNMENT

Enhanced-911 PSAP Escrow Fund – Utilized to account for receipt of Enhanced-911 excise tax revenue and subsequent distribution to the Public Safety Answering Points (PSAP) in King County.

Judicial Administration Agency Fund – Utilized to account for money deposited with King County Superior Court pending outcome of litigation.

King County Fiscal Agent / Debt Service Funds – Funds established to account for money held by King County as fiscal agent for the payment of debt service on bonds.

Miscellaneous Agency Funds – Funds established to account for amounts associated with short-term or relatively minor custodial activities. Activities in these funds account for the receipts and disbursements associated with the Plan to Achieve Self-Sufficiency (PASS), unclaimed effects and assets of deceased individuals, employee charitable payroll deductions, certificates of redemption and purchase associated with delinquent assessments in local improvement districts, and Community Development Block Grants held on the behalf of homeowners who qualify for one of several programs of housing and improvements for health, safety, and blight elimination.

Miscellaneous Property Tax Funds – Various property tax funds used to process and distribute real and personal property tax refunds authorized by the County Treasurer; to account for proceeds of foreclosure sales in excess of delinquent taxes, interest, penalties, and costs; and to account for required prepayment of real property taxes when a property owner plats a parcel of property. These funds are also used to record property tax payments in excess of liability and to process related refunds to taxpayers; to suspend tax receipts requiring further identification or additional payment before they can be distributed; and to distribute assessment and interest payments of local improvement districts and to process assessment refunds.

Miscellaneous Tax Distribution Fund – Established for distribution of certain revenues other than property taxes, such as state private harvest timber tax, leasehold excise tax, real estate excise tax, state forest board earnings, and proceeds from sales of tax title property.

Payroll and Accounts Payable Clearing Funds – Established to centralize issuance of payroll and accounts payable warrants that are reimbursed by each benefiting fund.