AGENDA
EXECUTIVE FINANCE COMMITTEE
April 24, 2008 at 1:30 P.M.
Location: Treasury Conference Room, KC Admin. Bldg., Room 610 (6th Floor)

Committee Members: Councilmember Larry Phillips, Chair; Bob Cowan, Director OMB; Ken Guy, Director FBOD; Jim Buck, County Administrative Officer

Staff: Phil Sanders, Treasury Manager; Mike Smith, Investment Officer; Dave Turley, Financial Accounting Supervisor

AGENDA ITEMS

1. Action: Approval of Minutes of the March 27, 2008 Executive Finance Committee meeting. (page 2)
2. Briefing: Update on investment pool fee issue (Handout)
   Ken Guy, Finance Director
3. Briefing: Update on impaired investments.
   Ken Guy, Finance Director
4. Action: Approval of the interfund-borrowing request from the Wastewater Treatment Division (WTD) for ARMS fund 3611. WTD is requesting to increase its interfund borrowing authority from $150 million to $400 million and is requesting to extend the borrowing period from May 31, 2008 until December 31 2008. (page 3)
   Tim Aratani, Manager, Finance and Administrative Services
5. Action: Approval of a one-year extension on the $3.5 million, interest-free loan to the Public Transportation Capital Fund (ARMS fund 3641). (Handout)
   Bob Cowan, Director OMB
   Sid Bender, Budget Supervisor
6. Briefing: Draft portfolio overview report prepared by PFM (Public Financial Management) (Handout)
   Ken Guy, Finance Director
7. Executive Session: Discussion of potential litigation with legal counsel (RCW 42.30.110, (1)(i).)
8. Briefing: Interfund Borrowing for March 2008
   - Automated Lending & Borrowing. County Tier 2 Funds – Interest on Interfund Loans (page 4)
   - Pooled Tier 1 County Funds with Negative Cash Balances (page 5)
   - Excluded County Funds with Negative Balances - Tier 2 Funds Not Paying Interest (page 6)

   Dave Turley, Financial Accounting Supervisor

   - Interfund Loans Among Non-County Funds (page 7)
   - Interfund Borrowings – EFC Approved Loans (page 8)

   Mike Smith, Investment Officer
9. Briefing: March 2008 Investment Summary
   - Investment Purchase Summary (page 9)
   - Reverse Repo Analysis and Policy Compliance (page 10)
   - Residual Investment Fund Summary (page 11)
   - Issuer Diversification and Credit Exposure Report (page 12)
   - Investment performance review (pages 13-18)
   - Interest Rate Summary (page 19)

   Mike Smith, Investment Officer

10 Action: Committee's direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

   Staff Recommendation: Direct the Treasury to maintain the maximum average duration of the core portfolio at the 1.25 to 1.8 year range (no change from last meeting) and the maximum average maturity for the liquidity portfolio at 30 to 100 days (no change from last meeting).
   Mike Smith, Investment Officer

OTHER BUSINESS

ADJOURNMENT

MINUTES
EXECUTIVE FINANCE COMMITTEE
March 27, 2008

The Executive Finance Committee (EFC) Meeting was held March 27, 2008 at 1:30 p.m.

Members Present	Others Present	Others Present (Continued)	Members Absent
Jim Buck	Jodie Fickett, K&L Gates	Pat Hamacher	Larry Phillips
Bob Cowan	Marlyn Keating, Bellevue SD	Caroline McShane	
Ken Guy	Martin Turney, Issaquah SD	Peggy Pahl	
	Barry Tsoi, Seattle SD	Mike Smith	
	Bill Adamo, Snoqualmie Valley SD	Scott Matheson	
	Linda Glenicki, KC Library System	Pete Anthony	
	Mary Ellen Mullen, Advisory Panel	Dave Turley	
	William Nogle	Hall Walker	
	Mamie Marcus		

ACTION ITEMS

1. ***Minutes*** – The Committee approved the Minutes of the February 28, 2008 EFC meeting.

2. ***Pool Fee for County Funds*** – By a 3 to 1 vote the Committee approved the motion to reduce the pool fee paid by King County funds from 20 basis points to 15 basis points effective April 1, 2008.

3. ***Investment Direction*** – The Committee approved the Treasury recommendation to modify the maximum average duration of the core portfolio to the 1.25 to 1.8 year range and maintain the maximum average maturity for the liquidity portfolio at 30 to 100 days.

BRIEFINGS

1. ***Investment Pool Fee*** – The Committee reviewed and discussed the CPI adjusted opportunity cost analysis for investment pool costs. This analysis showed that adjusting the 1994 opportunity costs for establishing the pool by CPI and then adding the actual costs of managing the pool would result in a pool fee of about 12 basis points.

2. ***Mark to Market Frequency & Reporting*** – Staff briefed the Committee on the current policy of marking the portfolio to market on a monthly basis. The Committee requested that the market value information shown in the monthly pool newsletter be reported in future EFC report packages.

3. ***Investment Pool Restructuring Options & Recovery Strategies*** – The Committee reviewed and discussed the presentation that summarized the current status of the impaired investments, the various restructuring options available, the possible impact to county and district funds, and the key decisions that will need to made.

3. ***Interfund Borrowing*** – The Committee was provided a review of interfund borrowings during February 2008.

4. ***Investment Review for February 2008*** – The Committee was provided a review of investment performance, activity, and the distribution of investment holdings by maturity, security type, credit rating, and issuer. Analysis of actual versus budgeted amounts for Pool earnings and fees were reviewed. Reverse repurchase activity for the month was also reviewed, and the Committee was briefed on the current interest rate and economic environment.

OTHER BUSINESS

None

Ken Guy, Finance Director

King County

Wastewater Treatment Division
Department of Natural Resources and Parks
King Street Center
201 South Jackson Street
Seattle, WA 98104-3855

April 18, 2008

TO: The Executive Finance Committee

FM: Tim Aratani, 2a
Manager, Finance and Administrative Services, Wastewater Treatment Division

RE: Borrowing Request

The purpose of this memo is to request approval from the Executive Finance Committee for the Wastewater Treatment Division (WTD) to increase borrowing limits from $150 million to $400 million using the automated interfund borrowing system to provide uninterrupted funding for its capital improvement program (ARMS fund 3611) and extend the borrowing period through December 2008.

In January 2008, WTD received approval from the Executive Finance Committee to borrow funds through May limited to a total of $150 million. Originally it was assumed that WTD would issue bonds by the end of May repaying any amounts owed to the automated interfund borrowing system. It is now anticipated that bonds will not be issued until mid July. Unexpected and significant increases in interest rates for long term municipal bonds has occurred since January due to a continuation of the sub-prime crisis and uncertainties concerning the viability of bond insurance companies. Increasing the borrowing authority and extending the time will provide WTD the flexibility to obtain more favorable borrowing rates when market conditions permit. WTD is currently reviewing closely debt financing options for 2008/2009 and the impact these will have on future sewer rates.

The borrowed amounts will be repaid from the proceeds of the issuance of sewer revenue bonds. As of the end of February, WTD's borrowing level was $28 million. Based on WTD's 2009 rate forecast of capital expenditures for 2008 of $457 million, we anticipate spending on a levelized basis an additional $38 million per month. .

Thank you for consideration of this request.

cc: Theresa Jennings, Director, Department of Natural Resources and Parks (DNRP)
John Bodia, Chief Financial Officer, DNRP
Christie True, Division Director, Wastewater Treatment Division, DNRP
Dennis Barnes, Senior Financial Analyst, Wastewater Treatment Division, DNRP

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REPORT ARM650-4

INTEREST ON INTERFUND LOANS — RECAP BY FUND

FUND	AVG BORROWED	AVG LOANED	BORROWED	LOANED	INTEREST-PAID	INT-RECEIVED	
00-000-001-0	7,771,731.20	21,059.39	240,923,667.06	652,841.10	26,204.61	71.00	CURRENT EXPENSE SUB-FUND
00-000-105-0		114,567.51		3,551,592.80		386.24	RIVER IMPROVEMENTS
00-000-106-0		254,222.62		7,880,901.29		857.21	VETERANS RELIEF
00-000-107-0	147,136.10	530,418.08	4,561,218.97	16,442,960.49	496.09	1,788.46	DEVELOPMENTAL DISABILITY
00-000-120-0		59,113.58		1,832,521.08		199.42	TREASURERS O & M
00-000-126-0		2,824,345.35		87,554,705.76		9,523.06	ALCOHOLISM/SUBSTANCE ABSE
00-000-180-0		1,857,543.56		57,583,850.21		6,263.23	PUBLIC HEALTH
00-000-461-0		2,355,515.03		73,020,965.78		7,942.26	WATER QUALITY OP SUMMARY
00-000-554-1	6,137.71		190,269.06		20.69		IBIS PAYROLL REVOLVING
18-001-553-0	91,780.11		2,845,183.42		309.49		IBIS PAYROLL CLEARING
REPORT TOTAL	8,016,785.11	8,016,785.11	248,520,338.51	248,520,338.51	27,030.88	27,030.88	

POOLED FUNDS WITH NEGATIVE CASH BALANCES

FUND	DATE	FUND DESCRIPTION	LOWEST CASH	AVERAGE CASH
00-000-103-0	03-20-08	COUNTY ROAD FUND	7,812,439.42-	6,526,466.72-
00-000-113-5	03-31-08	MIDD	1,718.81-	1,164.37-
00-000-121-1	03-05-08	SURFACE WATER MGT FUND	3,516,078.38-	3,230,917.28-
00-000-156-1	03-31-08	KC FLD CNTRL ZNE OPER	678,932.11-	323,875.50-
00-000-215-8	03-27-08	BYRNE JUSTICE ASIST FFY06	7,839.84-	307.35
00-000-316-9	03-01-08	OPEN SPACE ACQ 97 EXCESS	2,511.88-	2,511.88-
00-000-331-0	03-06-08	LONG-TERM LEASES	2,371,547.68-	394,825.99-
00-000-341-6	03-01-08	CULTURAL INIT 97 EXCESS E	1,478.87-	1,478.87-
00-000-344-9	03-01-08	Y2K S/W ENHANCE 97 EXCESS	475.31-	475.31-
00-000-352-2	03-24-08	OS KC NON BND FND SUBFUND	355,946.48-	167,145.52
00-000-352-3	03-01-08	LTGO BAN REDMPTN 2004B	68,906.34-	68,906.34-
00-000-357-1	03-31-08	KC FLD CNTRL ZNE CONST	285,302.30-	230,899.97-
00-000-358-1	03-28-08	PARKS CAPITAL FUND	100,147.06-	91,306.75-
00-000-361-1	03-31-08	WATER QUALITY CONST-UNRES	60,915,340.43-	45,189,639.70-
00-000-380-2	03-01-08	BC & I 2001 BAN PROCEEDS	745,075.36-	745,075.36-
00-000-395-1	03-31-08	BLDG REPAIR/REPL SUBFUND	4,230,728.77-	3,509,871.41-
00-000-395-7	03-01-08	GENL GOV CIP 97 EXC EARN	10,653.25-	10,653.25-
00-000-560-0	03-01-08	PRINTING/GRAPHIC ARTS SRV	1,837,543.12-	1,674,591.86-
00-000-892-1	03-21-08	JR LEIN MULTI-M S REV2006	4,803.50-	464.85-

EXCLUDED FUNDS WITH NEGATIVE CASH BALANCES CONTROL MONTH: 03

FUND	DATE	FUND DESCRIPTION	LOWEST CASH	AVERAGE CASH
00-000-214-0	03-06-08	GRANTS FUND	1,369,723.14-	157,308.80-
00-000-224-0	03-14-08	WORK TRAINING PROGRAM	944,706.37-	864,699.19-
00-000-224-1	03-06-08	DISPLACED WKR PROG ADMIN	928,173.05-	805,462.29-
00-000-621-0	03-01-08	RESIDUAL INVESTMENTS	4,008,519,139.55-	3,808,809,945.64-
00-000-667-0	03-01-08	DEBT SERVICE CLEARING FND	.53-	.53-
00-000-699-0	03-06-08	ASSMT DISTRIBTN / REFUND	69,705.37-	4,890.60-

INTERFUND LOANS AMONG NON-COUNTY FUNDS

FUND	AVG BORROWED	AVG CASH BAL	BORROWED	FUND DESCRIPTION
06-400-001-0	42,489.14	5,050,189.94	1,317,163.59	MERCER IS SCH GEN REG FND
06-409-001-0	.01	11,864,605.89	.31	TAHOMA SCH GENERAL REG FD
06-410-001-0	28,000.92	21,506,173.67	868,028.74	SNOQUAL VLY GEN REG FUND
06-412-001-0	56,416.83	57,194,069.94	1,748,922.00	SHORELINE SCH GEN REG FD
06-415-001-0	11.23	72,144,454.86	348.13	KENT SCH GENERAL REG FUND
07-036-001-0	.57	394,553.90	17.88	BELLEVUE GEN TAX REG FUND
07-061-001-0	275.30	47.12	8,534.49	CARNATION GEN TAX REG T
07-135-001-0	516.75	14,066.00	16,019.34	ENUMCLAW GEN TAX REG C
07-260-001-0	27,588.67	104,466.58	855,249.01	ISSAQUAH GEN TAX REG C
07-366-001-0	40.93	61,010.61	1,269.04	MERCER ISLAND GN TX REG C
07-385-001-0	240.64	47,048.85	7,459.91	NEWCASTLE GENERAL TAX REG
07-451-001-0	1.90	3,120.41	59.07	PACIFIC GEN TAX REG C
07-515-001-0	1.77	126,813.17	55.17	REDMOND GEN TAX REG C
07-530-001-0	2.49	112,237.36	77.28	SAMMAMISH GEN TAX REG
07-551-001-0	1.00	232.68	31.18	SKYKOMISH GEN TAX REG T
09-049-001-0	484.74	1,841,332.63	15,027.07	WATER 49 MAINTENANCE
09-108-001-0	5.01	5,620,126.37	155.31	CEDAR RVR W & S MAINT
10-004-001-0	68,891.88	5,544,547.18	2,135,648.58	SHORELINE FIRE EXP FUND
10-036-001-0	984.45	3,357,042.78	30,518.08	FIRE 36 EXPENSE
14-004-001-0	56,404.35	355,357.03	1,748,535.07	HOSPITAL 4 GENERAL
16-128-001-0	43.03	43.03-	1,333.93	RID 128 ENHANCED
16-131-001-0	9,971.64	9,971.64-	309,120.84	RID 131 ENHANCED
16-133-001-0	48,537.53	48,537.53-	1,504,663.43	
20-000-001-0	1,927,708.61	60,840,570.15	59,758,966.91	KC LIBRARY SYSTEM FUND
20-111-001-0	4,131.05	4,131.05-	128,062.62	
21-000-001-0	12.39	200,112,212.79	384.12	HMC GENERAL OPERATING FND
REPORT TOTAL	2,272,762.93	2,525,965,187.55	70,455,651.10	

Interfund Borrowings (Investment System)

03/31/08

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end	Average Amount Borrowed	Interest Paid in Current Month	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-3611	Waste Water Construction	To prevent interuption of captial improvement program. Repayment from future revenue bond issue.	$150,000,000	($60,915,340)	$45,189,640	$152,327	5/31/2008	Pool Rate	CX/Residual	1/31/2008
King County	00-000-3691	Transfer of Dev Credit Program	Acquire density rights in rural areas. Repayment from future LTGO bond issue or unencumbered Conservation Futures Fund revenues (LTGO bonds never issued),	$1,500,000	$841,696	$0	$0	2/28/2009	Pool Rate	CX/Residual	2/19/1999
King County	00-000-5600	Printing/Graphics Arts Fund	Interim funding to allow the fund to recover from slow business cycle. Repayment from future revenues generated from new customers.	Original Loan $450,000. Revised Amts: $862,000 $1,075,000 $1,730,214, $2,000,000, $2,200,000	($1,486,856)	$1,674,592	$5,645	6/30/2005, 9/30/05, 12/31/05, 1/31/06, 3/31/06, 7/31/06, 10/31/06, 1/31/07, 3/31/07, 5/31/07, 6/30/07, 8/31/07, 10/31/07, 12/31/07, 12/31/08, 12/31/08	Pool Rate	CX/Residual	1/27/2005, 6/23/05, 9/22/05, 12/15/05, 1/26/06, 3/24/06, 7/28/06, 10/27/06, 1/29/07, 3/22/07, 5/24/07, 6/28/07, 8/23/07, 10/25/07, 12/6/07, 2/28/08
Road Improvement District	16-127-3010	RID 127	Road improvements. Repayment from taxpayer assessments	$500,000	$420	$0	$0	Open	Pool Rate	CX/Residual	6/21/2001
Road Improvement District	16-128-3010	RID 128	Road improvements. Repayment from taxpayer assessments	$500,000	($43)	$43	$0	Open	Pool Rate	CX/Residual	6/21/2001
Road Improvement District	16-129-3010	RID 129	Road improvements. Repayment from taxpayer assessments	$500,000	$1,022	$0	$0	Open	Pool Rate	CX/Residual	6/21/2001
Road Improvement District	16-130-3010	RID 130	Road improvements. Repayment from taxpayer assessments	$500,000	$1,410	$0	$0	Open	Pool Rate	CX/Residual	6/21/2001
Road Improvement District	16-131-3010	RID 131	Road improvements. Repayment from taxpayer assessments	$500,000	($9,972)	$9,972	$34	Open	Pool Rate	CX/Residual	6/21/2001
Road Improvement District	16-132-3010	RID 132	Road improvements. Repayment from taxpayer assessments	$500,000	$17,907	$0	$0	Open	Pool Rate	CX/Residual	6/21/2001
Road Improvement District	16-133-3010	RID 133	Road improvements. Repayment from taxpayer assessments	$500,000	($48,538)	$48,538	$164	Open	Pool Rate	CX/Residual	6/21/2001
King County Ferry District	38-001-0010	Ferry District	Pay for district start-up costs. Repayment from property tax levy	$200,000	$710,891	$0	$0	5/31/2008	Pool Rate	CX/Residual	1/31/2008

Interfund Borrowings (Direct Loans)

03/31/08

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-2140	Miscellaneous Grants Fund	Cash flow. No repayment scheduled	$700,000	$300,000	$1,115,768	$0	Open	0%	CX/Residual	11/26/1975
King County	00-000-3160	Parks, Recreation & Open Space	Purchase of East Lake Sammamish Trail Property. Repayment over 10 years.	$1,173,449	$44,544	$329,808	$1,501	7/31/2008	Pool Rate	Public Trans Fund (3641)	7/28/1998
King County	00-000-3641	Public Transportation Capital Fd	Compensation for delay of property sale. Repayment from property sale.	$3,500,000	$3,500,000	$85,561,069	$0	4/30/2006, 4/30/2007, 4/30/08	0%	CX/Residual	4/28/2005, 4/28/2006, 4/26/07

INVESTMENT PURCHASES SUMMARY
MARCH 2008

OVERNIGHT REPOS

DEALER	BUYS	TOTAL AMOUNT OF REPOS	AVG DAYS	AVG YIELD
FIRST BOSTON	20	$2,007,000,000	1.45	2.68%

TERM REPOS

DEALER	BUYS	TOTAL AMOUNT OF REPOS	AVG DAYS	AVG YIELD
FIRST BOSTON	1	$ 50,000,000	8.00	2.40%
GOLDMAN SACHS	2	110,000,000	8.50	2.53
TOTAL	3	$ 160,000,000	8.34	2.49%

DISCOUNT NOTES

DEALER	BUYS	TOTAL FACE AMOUNT	TOTAL COST	AVG DAYS	AVG YIELD
DEUTCHEBANK	1	$ 50,000,000	$ 49,497,819	173.00	2.14%
FIRST BOSTON	1	12,000,000	11,820,893	266.00	2.08
LEHMAN BROTHERS	3	125,000,000	123,627,222	192.07	2.11
MERRILL LYNCH	2	75,626,000	74,831,983	182.00	2.13
SMITH BARNEY	1	50,000,000	49,410,333	183.00	2.38
TOTAL	8	$ 312,626,000	$ 309,188,251	187.96	2.16%

TREASURY BILLS

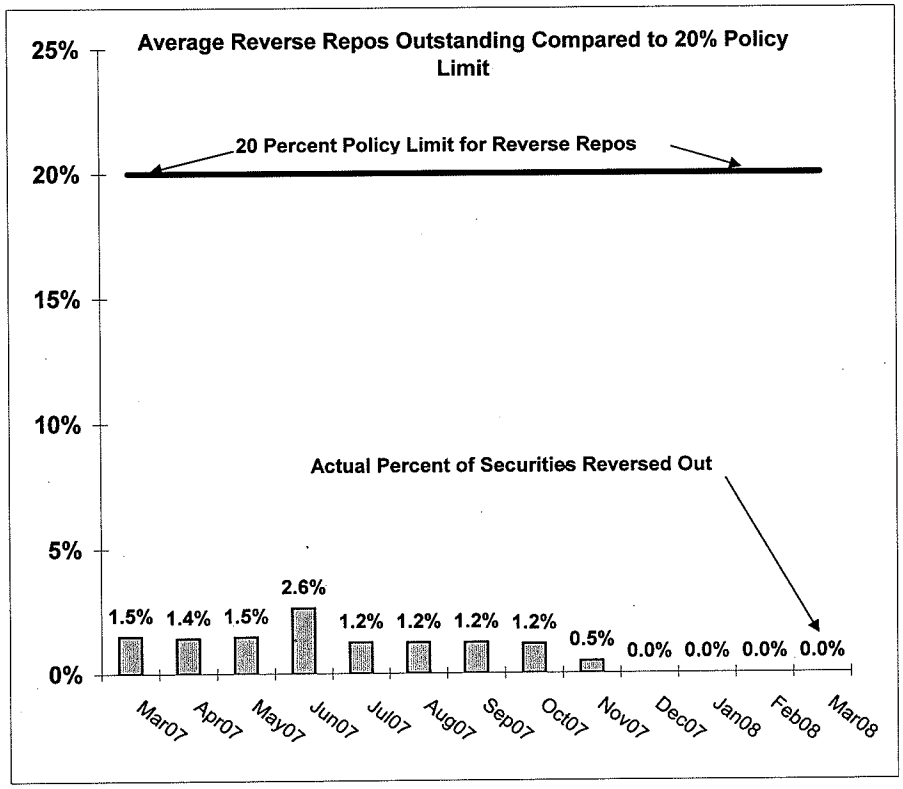
DEALER	BUYS	TOTAL FACE AMOUNT	TOTAL COST	AVG DAYS	AVG YIELD
LEHMAN BROTHERS	1	$ 50,000,000	$ 49,749,750	154.00	1.19%

CERTIFICATES OF DEPOSIT

DEALER	BUYS	TOTAL AMOUNT OF REPOS	AVG DAYS	AVG YIELD
KEY BANK	1	$ 167,226	365.00	2.45%

REVERSE REPO ANALYSIS
Mar-2008

Reverse	Settlement Date	End Date	Par	Security Detail	Credit Rating	Proceeds	Interest Rate	Proceeds at Maturity
NO NEW ACTIVITY								



RESIDUAL INVESTMENT FUND SUMMARY

DATE: 04/22/2008

Maturity Ran	Amount Invested	Percent of Portfolio	Cumulative Percentag	Average Yield
1 - 29 Days	1,376,314,440	34.7%		2.73%
30 - 59 Days	476,579,081	12.0%	46.7%	4.68%
60 - 89 Days	366,931,172	9.3%	56.0%	3.82%
90 - 119 Day	192,958,280	4.9%	60.8%	3.95%
120 - 149 Da	282,486,464	7.1%	68.0%	2.35%
150 - 179 Da	199,335,608	5.0%	73.0%	3.15%
180 - 364 Da	176,743,660	4.5%	77.5%	2.26%
1 - 2 Years	119,573,774	3.0%	80.5%	3.76%
2 - 3 Years	174,357,950	4.4%	84.9%	5.12%
3 - 4 Years	268,457,182	6.8%	91.6%	5.50%
4 - 5 Years	249,959,184	6.3%	97.9%	5.25%
5+ Years	81,881,019	2.1%	100.0%	4.52%
TOTAL	3,965,577,812	100.0%		

Security Type	Amount Invested	Percent Of Portfolio	Limits
Repurchase Agreements	270,000,000	6.8%	40%
Certificates of Deposit	611,648,322	15.4%	20%
State Investment Pool	357,858,747	9.0%	100%
Commercial Paper	194,504,182	4.9%	25%
Bankers' Acceptances	0	0.0%	40%
Treasuries	99,425,531	2.5%	100%
Agencies	2,289,841,550	57.7%	75%
Mortgage Backed Securities	81,881,019	2.1%	25%
Municipals	60,418,461	1.5%	20%
TOTAL	3,965,577,812	100.0%	

Average Yield = 3.62%
Average Days to Maturity = 410.88

RESIDUAL INVESTMENT POOL
ISSUER DIVERSIFICATION AND CREDIT EXPOSURE
3/31/08

			Credit Agency Ratings (1)			Bank Ratings (2)	
CDs --7.5% PER ISSUER. IDC RATING: 3 OR BETTER	**Book Value**	**% of Portfolio**	**S&P**	**Moody's**	**Fitch**	**IDC**	**CAEL℠**
Key Bank	262,848,321.74	6.7%	A-1	P-1	F1	1	3
U.S. Bank	100,000,000.00	2.6%	A-1+	P-1	F1+	1	2
Bank of America	100,000,000.00	2.6%	A-1+	P-1	F1+	1	3
Commerce Bank	50,000,000.00	1.3%			F1	1	2
Sterling Savings Bank	50,000,000.00	1.3%			F3	1	3
Washington Federal S&L	50,000,000.00	1.3%			F1	1	2
Homestreet Bank	30,000,000.00	0.8%				1	3
Frontier Bank	25,000,000.00	0.6%				1	2
COMMERCIAL PAPER -- 5% PER ISSUER. RATED BY 2 AGENCIES; RATING OF AT LEAST A-1, P-1, OR F1.							
Mainsail II LLC	52,950,977.63	1.4%	NR	NP			
Victoria Finance LLC	51,937,148.61	1.3%	D	NP			
Cheyne Finance LLC	48,688,083.13	1.2%	D	NP			
Rhinebridge LLC	40,927,972.22	1.0%	D	NP	D		
REPURCHASE AGREEMENTS -- 10% PER ISSUER							
Goldman Sachs & Co	110,000,000.00	2.8%	A-1+	P-1			
Credit Suisse LLC	100,000,000.00	2.6%	A-1+	P-1	F1+		
INVESTMENT POOLS -- 100% PER ISSUER							
Washington State Treasurer's LGIP	356,894,503.21	9.1%	NR	NR	NR		
U.S. GOVERNMENT (Full Faith & Credit) -- 100% PER ISSUER							
U.S. Treasury Obligations	49,749,750.00	1.3%	AAA	Aaa	AAA		
MUNICIPAL OBLIGATIONS (Taxable) -- 5% PER ISSUER. CREDIT RATING OF AT LEAST "A"							
Seattle School District No. 1	22,798,958.98	0.6%	AA+	Aa1			
Sacramento County, CA	20,284,502.03	0.5%	A+	A2			
City of Phoenix, AZ	15,000,000.00	0.4%	AAA	Aa1			
State of New Jersey	3,150,000.00	0.1%	AA	Aa3	AA-		
Westchester County, NY	2,335,000.00	0.1%	AAA	Aaa	AA+		
FEDERAL AGENCY OBLIGATIONS (GSEs) -- 50% PER ISSUER							
Federal National Mortgage Association (FNMA)	916,997,501.42	23.4%	AAA	Aaa	AAA		
Federal Home Loan Bank (FHLB)	858,176,141.79	21.9%	AAA	Aaa	AAA		
Federal Home Loan Mortgage Corporation (FHLMC)	592,775,759.96	15.2%	AAA	Aaa	AAA		
	3,910,514,620.72	100.0%					

(1) The table in the lower-right corner gives the range of investment grade credit ratings.

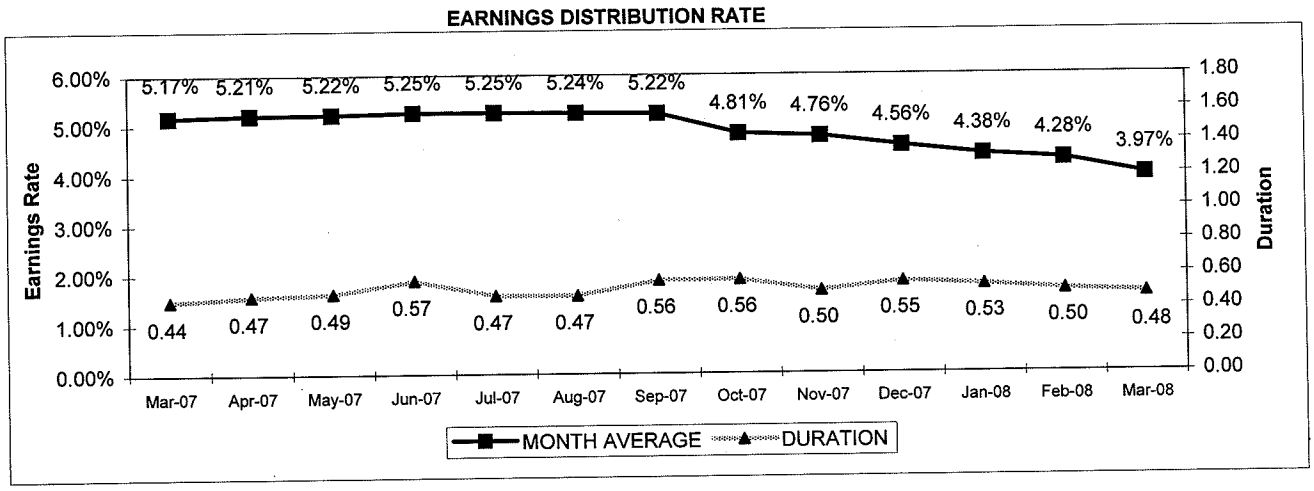
(2) IDC Bank ratings are provided by IDC Financial Publishing: 1=Superior, 2=Excellent, 3=Average, 4=Below Average, 5=Lowest. Safe & Sound CAEL is a bank rating service provided by Bankrate.com: 1=Superior, 2=Sound, 3=Performing, 4=Below Average, 5=Weak.

Note:(NW) equals negative credit watch & (NO) equals negative outlook.

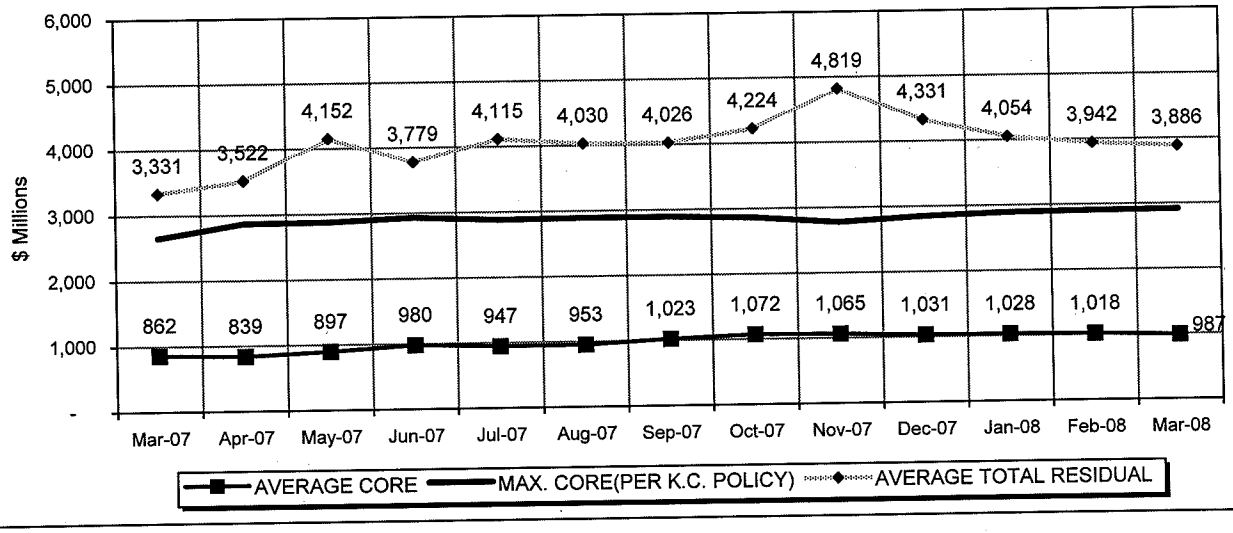
Overview of Rating Agency Credit Scores

	Short-term Investment Grade		Long-term Investment Grade	
	Highest	Lowest	Highest	Lowest
S&P	A-1+	A-3	AAA	BBB-
Moody's	P-1	P-3	Aaa	Baa3
Fitch	F1+	F3	AAA	BBB-

TOTAL RESIDUAL FUND



AVERAGE BALANCE



CX FUND YTD INTEREST EARNINGS
March 31, 2008

	BUDGET (1)	ACTUAL	DIFFERENCE
YTD AVG BALANCE (millions)	$191	$161	($29.5)
YTD YIELD	4.07%	4.23%	0.16%
INTEREST DISTRIBUTION ($)	$1,930,825	$1,697,341	($233,484)
AUTOMATIC INTEREST ($)	$0	$49,358	$49,358
TOTAL INTEREST ($)	**$1,930,825**	**$1,746,699**	($184,126)

YTD POOL FEE REVENUE

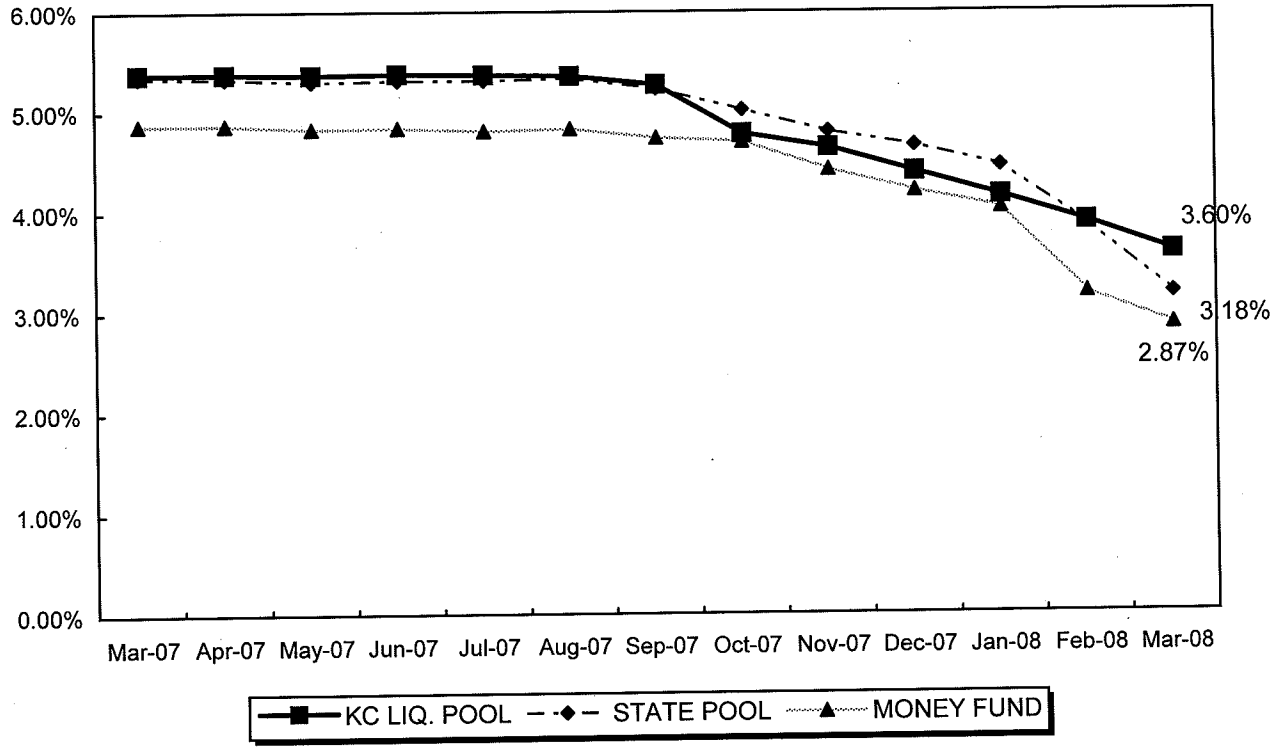
	BUDGET	ACTUAL	DIFFERENCE
POOL FEE DUE TO CX	$1,416,250	$1,537,145	$120,895
POOL FEE DUE TO FBOD	$37,500	$35,935	($1,565)
TOTAL YTD POOL FEES	**1,453,750**	**1,573,081**	**$119,331**

YTD TOTAL POOL DISTRIBUTION	$41,595,065

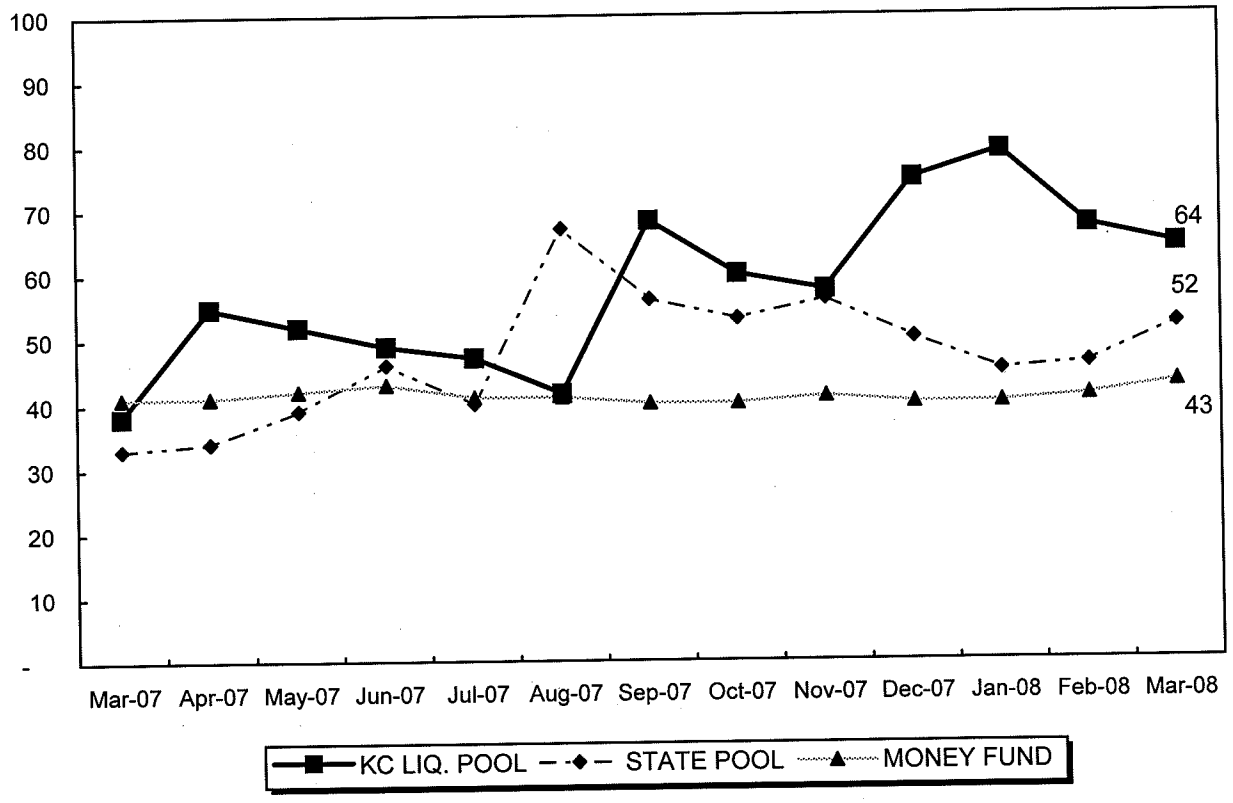
(1) Average budgeted yield for the entire year is 3.48% (simple average).

LIQUIDITY POOL

COMPARATIVE EARNINGS RATES



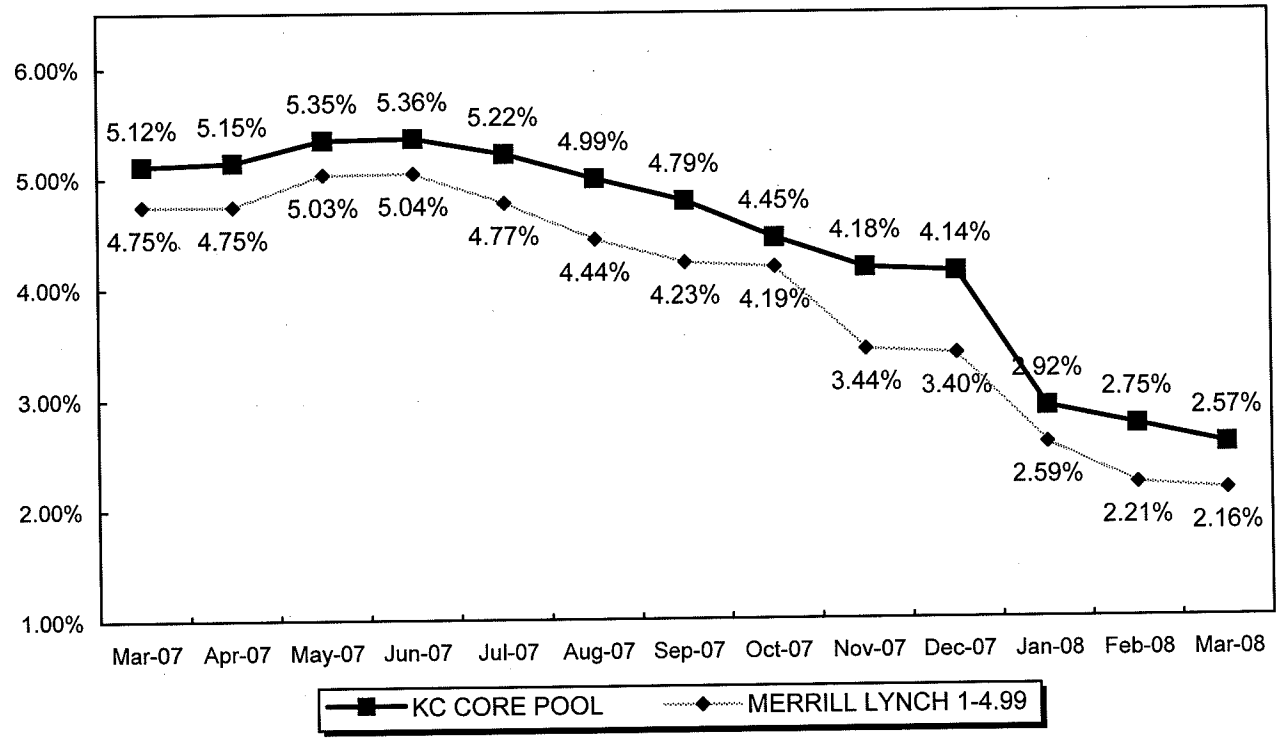
COMPARISON OF AVERAGE DAYS TO MATURITY



Sources: Money fund data: IBC/Donoghue Money Fund Report Averages seven day money market fund indexes. "Public Investor".
State Pool data: Monthly State of Washington Local Government Investment Pool report.

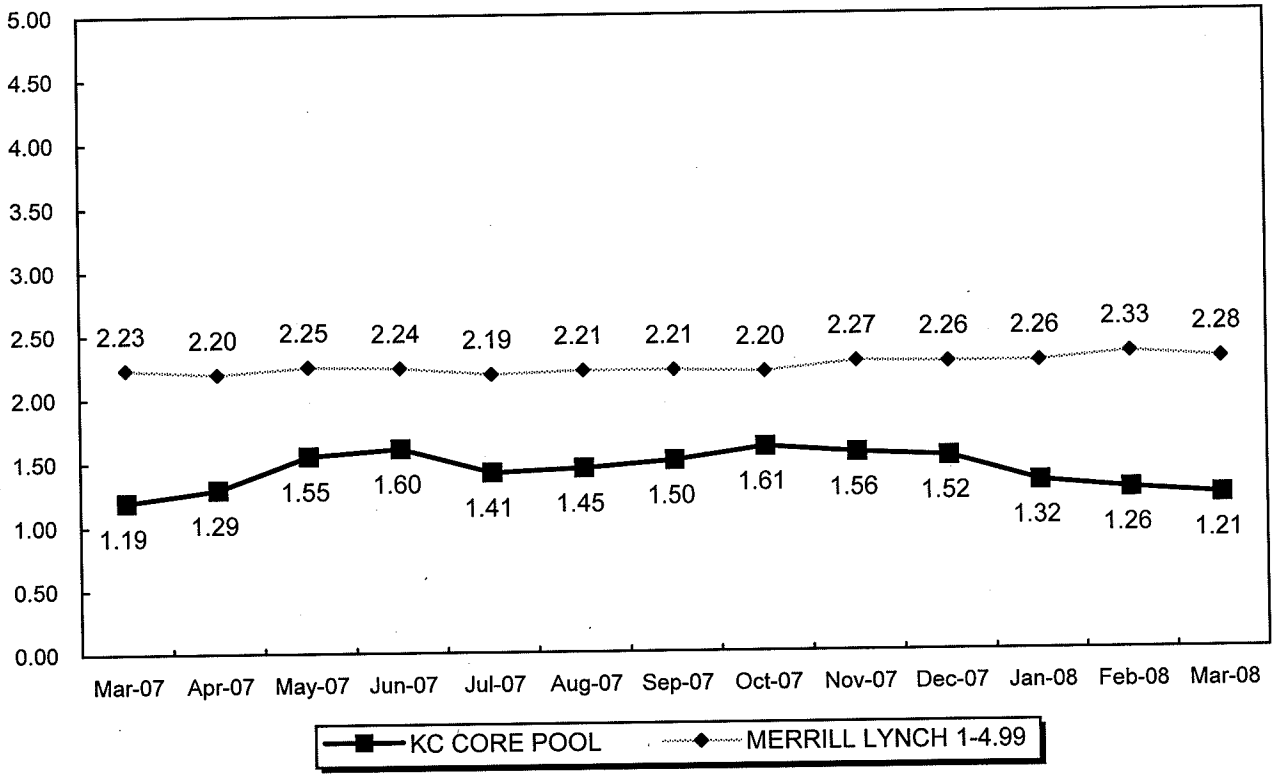
CORE POOL

COMPARATIVE MONTHLY MARKET YIELD RETURNS



Core portfolio rate is reported as market yield, not accrual basis, and therefore the liquidity rate and core rate may not equal pool distribution rate.

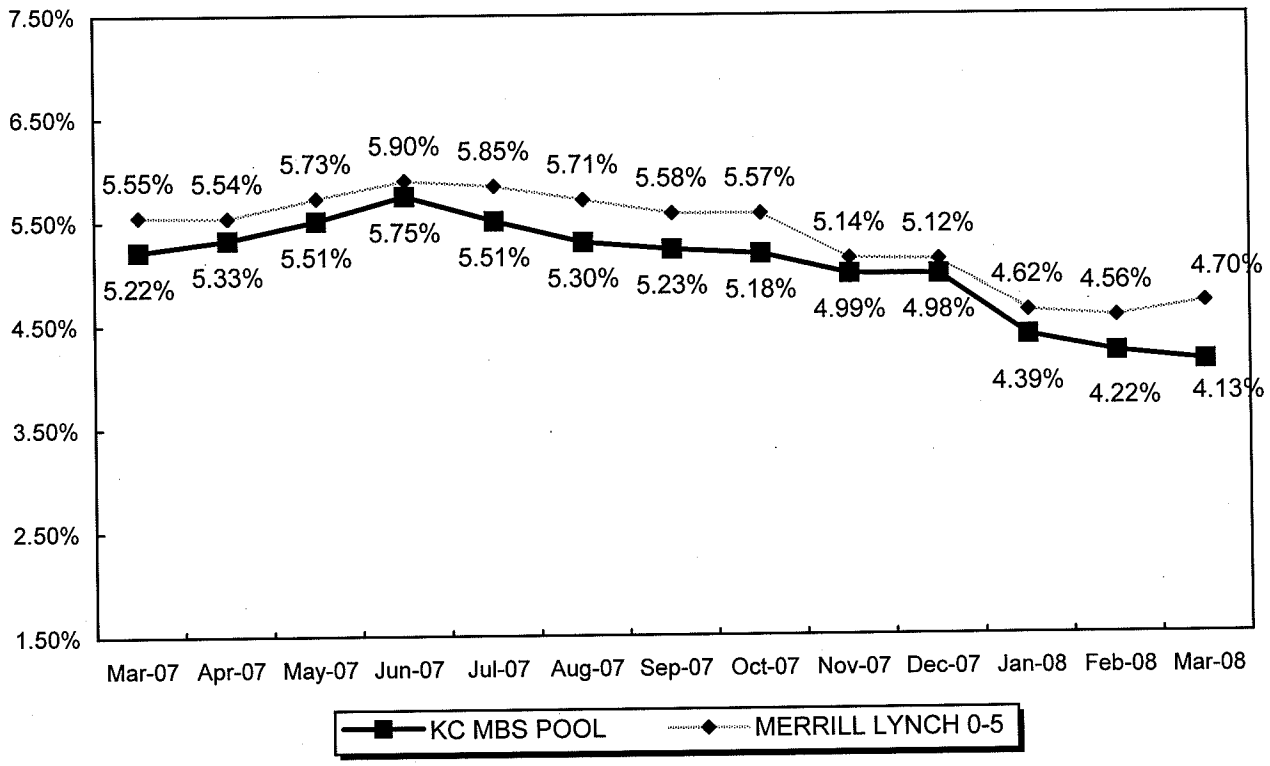
COMPARISON OF AVERAGE DURATION



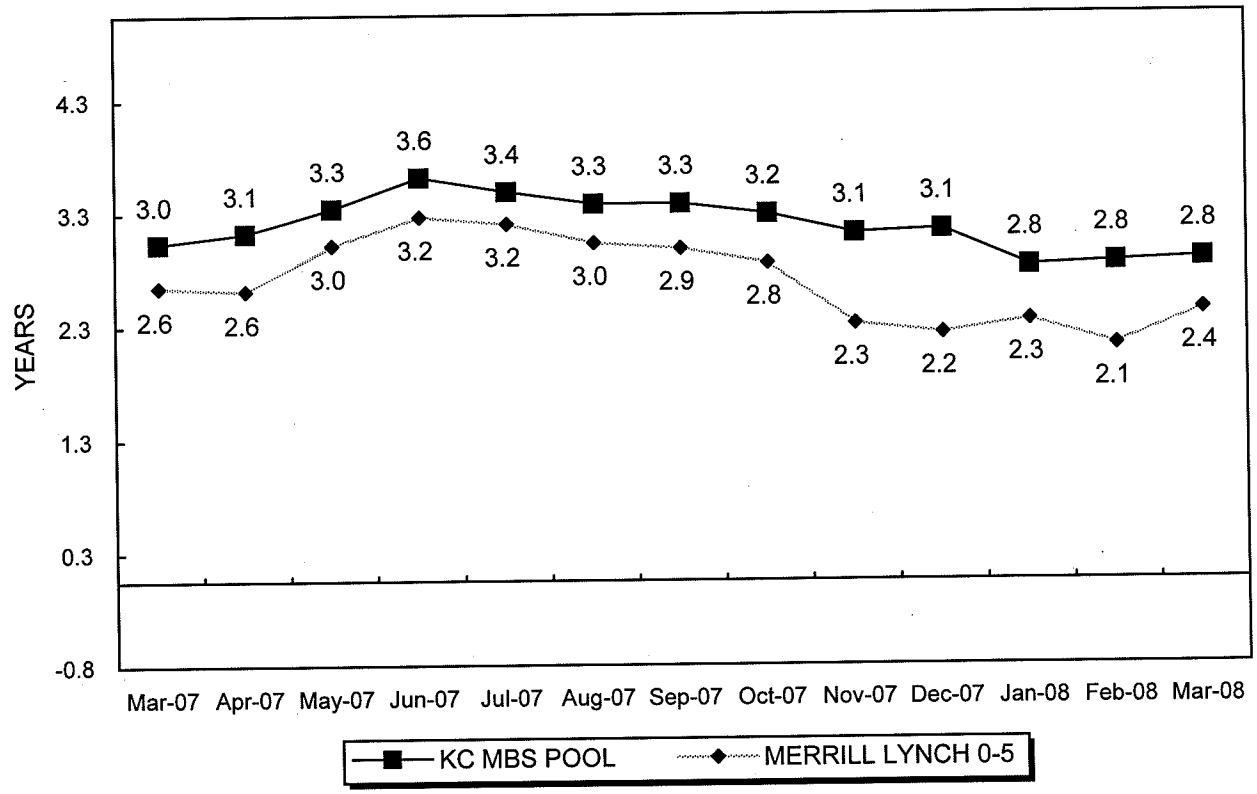
Source: Merrill Lynch index: Bloomberg Financial Markets

MORTGAGE-BACKED POOL

COMPARATIVE MONTHLY MARKET YIELD RETURNS



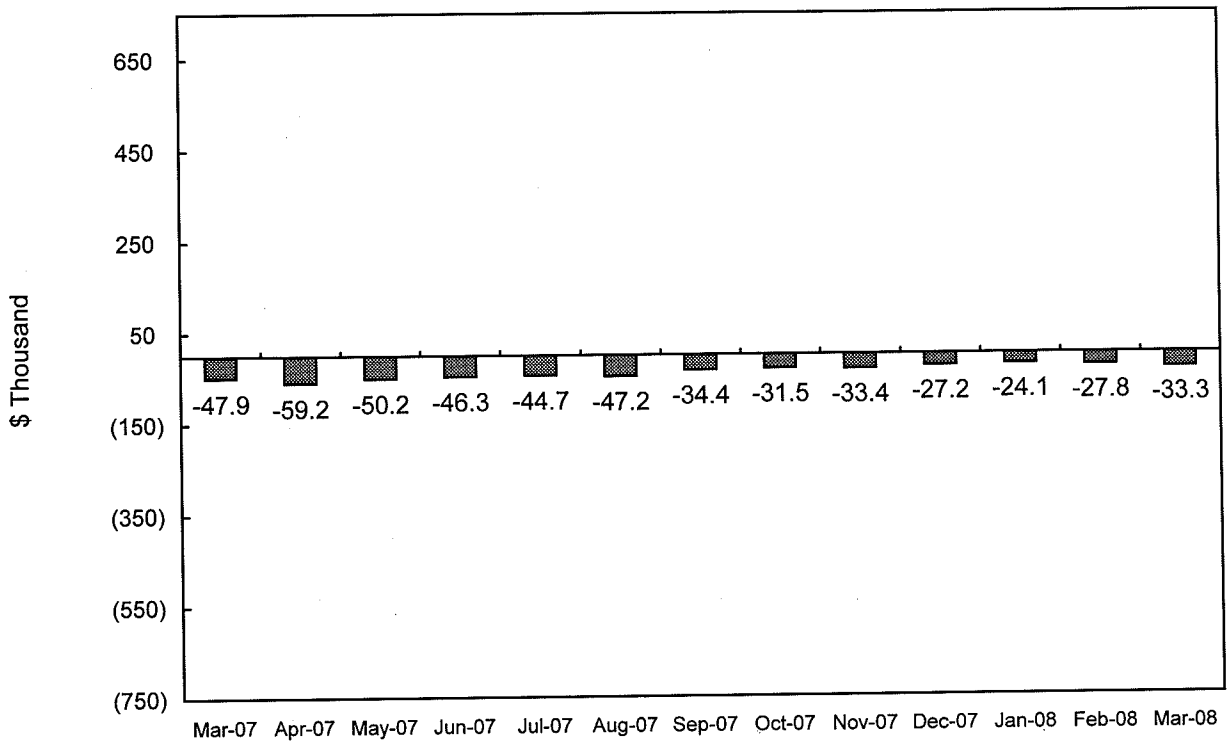
COMPARISON OF AVERAGE DURATION



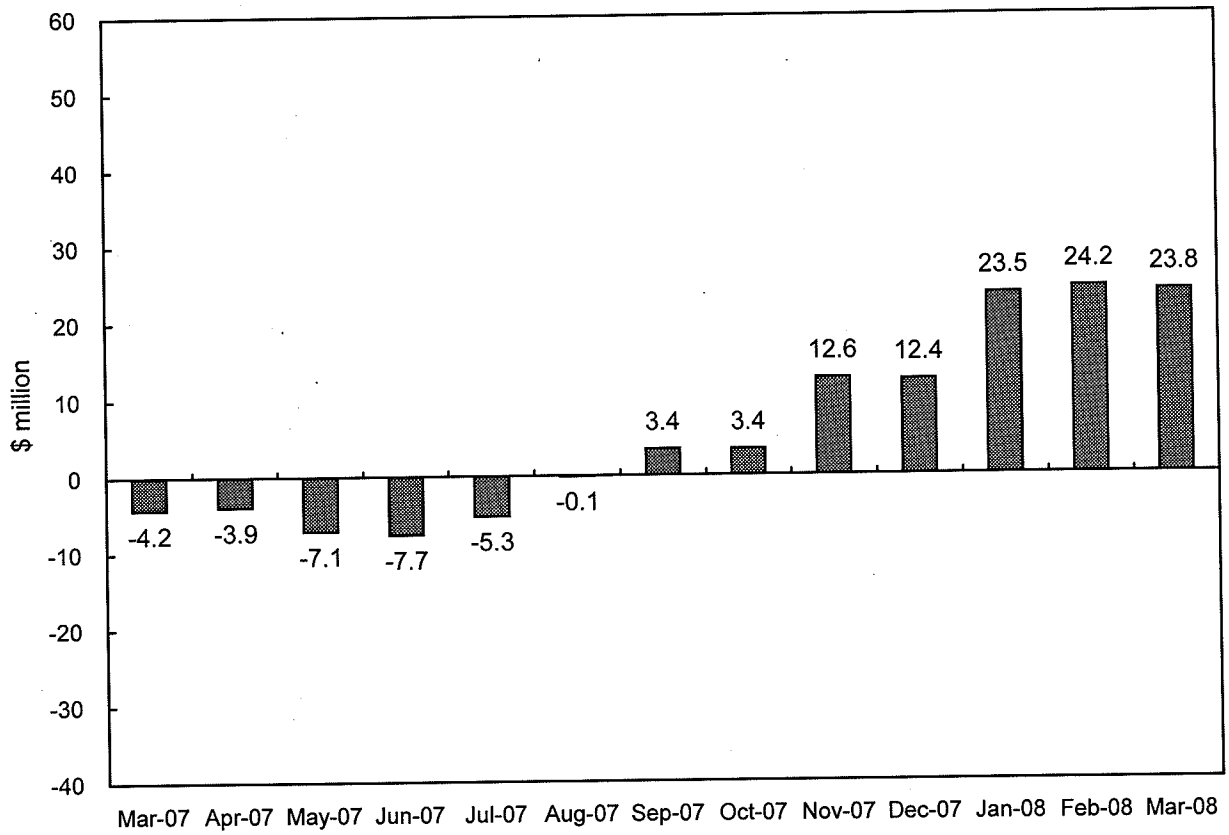
Source: Merrill Lynch index: Bloomberg Financial Markets

GAIN / LOSS SUMMARY

RESIDUAL FUND: TOTAL REALIZED GAIN OR LOSS

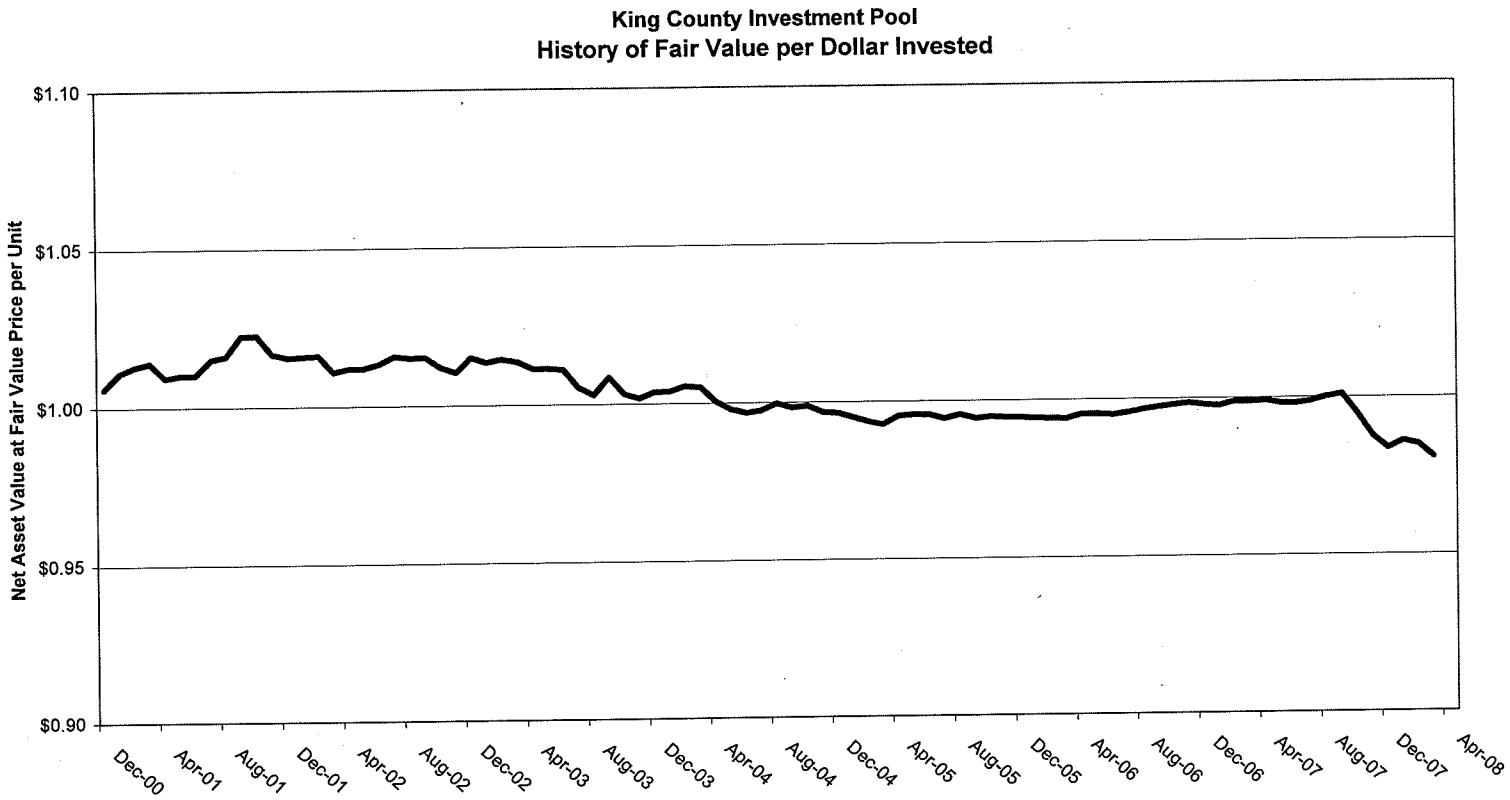


NET UNREALIZED GAIN OR LOSS (CORE PORTFOLIO ONLY)

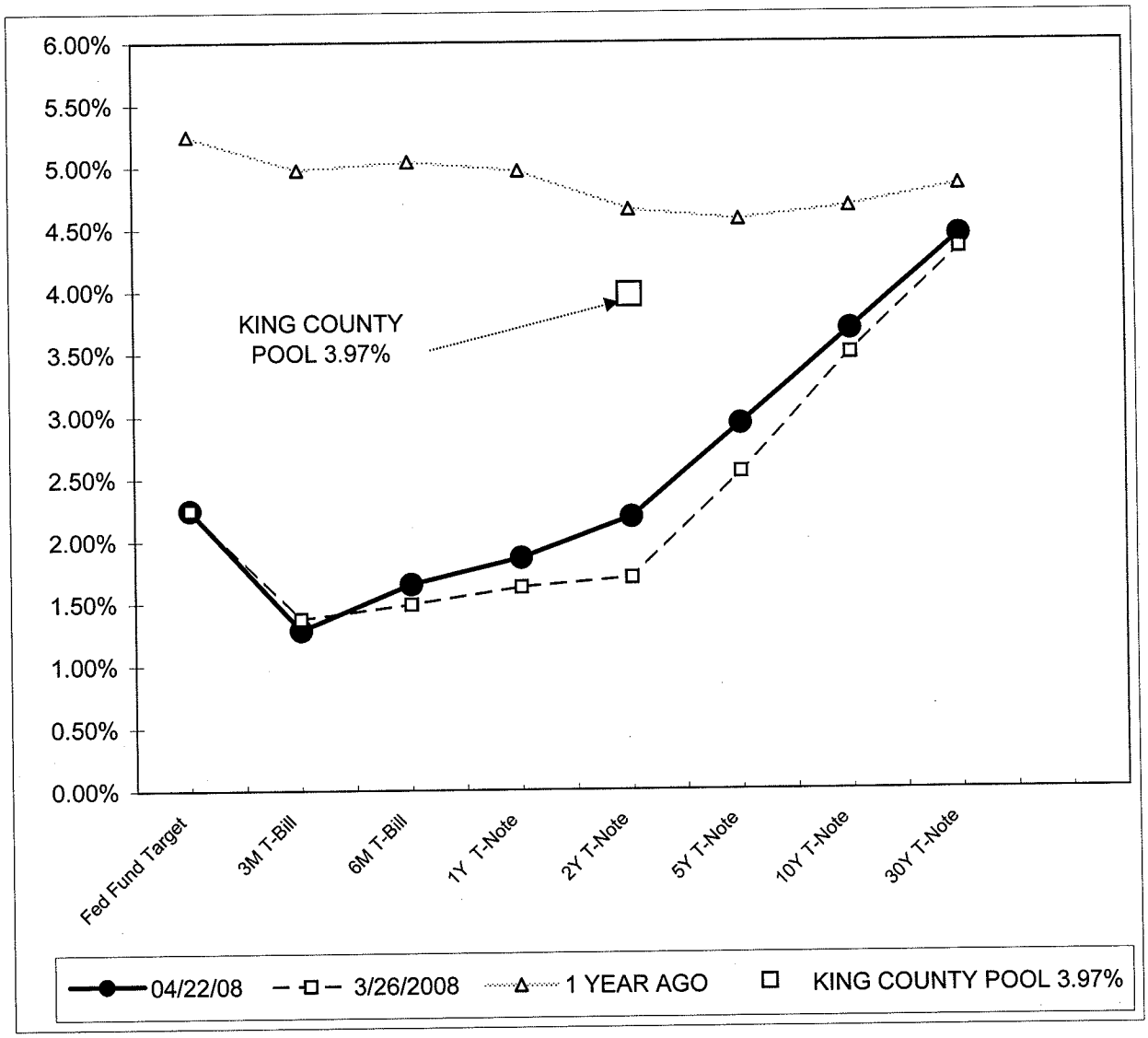


King County Investment Pool
Fair Value Report

	01/31/08	02/29/08	03/31/08
Net Assets			
Net Assets held in trust for pool participants	$ 4,004,678,054.50	$ 3,962,398,410.26	$ 3,851,138,026.98
Net assets consist of:			
Participant units outstanding ($1.00 par)	$ 4,061,829,880.84	$ 4,023,434,485.03	$ 3,926,467,609.70
Undistributed and unrealized gains(losses)	$ (57,151,826.34)	$ (61,036,074.77)	$ (75,329,582.72)
Net Assets	$ 4,004,678,054.50	$ 3,962,398,410.26	$ 3,851,138,026.98
Net asset value at fair value price per unit	0.9859	0.9848	0.9808



INTEREST RATE SUMMARY



	04/22/08	3/26/2008	1 YEAR AGO
Fed Fund Target	2.25%	2.25%	5.25%
3M T-Bill	1.29%	1.38%	4.98%
6M T-Bill	1.65%	1.49%	5.04%
1Y T-Note	1.86%	1.63%	4.97%
2Y T-Note	2.19%	1.70%	4.65%
5Y T-Note	2.93%	2.55%	4.57%
10Y T-Note	3.69%	3.50%	4.67%
30Y T-Note	4.44%	4.34%	4.85%