AGENDA
EXECUTIVE FINANCE COMMITTEE
February 28, 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 January 31, 2008 Executive Finance Committee meeting. (page 2)

2. Briefing: Investment pool fee (Handout)
   Ken Guy, Finance Director

3. Action: Approval of the request by the Printing/Graphics Fund to increase the amount their interfund loan. The current loan for $2 million expires December 31, 2008. (Page 3 & Handout)
   Dana Spencer, Manager OIRM

4. Briefing: Interfund Borrowing for January 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 (pages 7-8)
   - Interfund Borrowings – EFC Approved Loans (page 9)

   Mike Smith, Investment Officer

5. Briefing: January 2008 Investment Summary
   - Investment Purchase Summary (page 10)
   - Reverse Repo Analysis and Policy Compliance (page 11)
   - Residual Investment Fund Summary (page 12)
   - Issuer Diversification and Credit Exposure Report (page 13)
   - Investment performance review (pages 14-18)
   - Interest Rate Summary (page 19)

   Mike Smith, Investment Officer

6. 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 1.4 to 2.2 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

EXECUTIVE SESSION

ADJOURNMENT

MINUTES
EXECUTIVE FINANCE COMMITTEE
January 31, 2008

The Executive Finance Committee (EFC) Meeting was held January 31, 2008 at 1:30 p.m.

Members Present	Others Present	Others Present (Continued)	Members Absent
Jim Buck	Anthony Cacallori	William Nogle	Bob Ferguson
Bob Cowan	Tim Aratani	Mamie Marcus	
Ken Guy	Dennis Barnes	Pat Hamacher	
	Grace Yuan, K&L Gates	Caroline McShane	
	Janene Fogard, Lake Wash SD	Peggy Pahl	
	Jake Kuper, Issaquah SD	Phil Sanders	
	Martin Turney, Issaquah SD	Mike Smith	
	John Rose, Advisory Panel	Scott Matheson	
	Mary Ellen Mullen, Advisory Panel	Dave Turley	
	John Dobrowolski, Advisory Panel	Hall Walker	

ACTION ITEMS

1. ***Minutes*** – The Committee approved the Minutes of the December 6, 2007 EFC meeting.
2. ***Interfund Loan*** – The Committee unanimously approved the request by the Wastewater Treatment Division (ARMS fund 3611) to borrow up to $150 million through May 31, 2008.
3. ***Interfund Loan*** – The Committee unanimously approved the request by the King County Ferry District (ARMS fund 38-001-0010) to borrow up to $200,000 through May 31, 2008.
4. ***Investment Direction*** – The Committee approved the Treasury recommendation to maintain the maximum average duration of the core portfolio at the 1.4 to 2.2 year range and the maximum average maturity for the liquidity portfolio at 30 to 100 days.

BRIEFINGS

1. ***Investment Pool Fee*** – Representatives from the Issaquah and Lake Washington School Districts requested that the pool's fee structure be reconsidered. They stated that the pool's 15 basis point fee seemed high when compared to the fees charged by other counties and the state's LGIP. They proposed that the county consider a rebate structure like the LGIP uses, a graduated fee structure, or a general reduction in fees. They also requested that the impact fee funds be charged at the district rate and not the county rate. There was a discussion about the differing level of services provided by other counties and how that could impact the fee structures. An example of this is that the King County automatically sweeps the districts' cash into investments every day, while not all other counties provide this service. The districts were promised that options for restructuring the pool fee would be presented to the EFC at the February 28 meeting including consideration to reduce the fee on school Impact Fee Funds.
2. ***Commercial Paper Update*** –The Committee was informed that restructuring proposals for the distressed commercial paper securities may be finalized by mid-year. The Committee was told that Public Financial Management is assisting with valuations, and the Committee was also notified that it will probably be necessary to have special EFC meetings in the future to discuss restructuring proposals.
3. ***Interfund Borrowing*** – The Committee was provided a review of interfund borrowings during December 2007.
4. ***Investment Review for December 2007*** – 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

Phil Sanders, Treasury Operations Manager

King County
Office of Information Resource Management
Service Development & Management
401 5th Ave, Suite 600
Seattle, WA 98104-5002
(206) 263-7981

Memorandum

Date: February 8, 2008

TO: Executive Finance Committee

FR: Dana Spencer, Director of Service Development & Management
Office of Information Resource Management

RG: PGA Cash Balance Current Status and Potential to Exceed the Loan Limit

I am pleased to report to you that the Printing & Graphic Arts (PGA) fund cash balance has stayed within the approved loan balance of $2,000,000 as approved by EFC in October 2007 and extended through December 2008. Specifically, the cash balance as of December 31, 2007 and January 31, 2008 was $1,629,928 and $1,543,694 respectively.

In February 2008, we have submitted entries to process deferred expenses in the amount of $524,000. This will likely cause the cash balance to exceed the current approved loan. We expect the amount to be covered by inter-fund borrowing to not exceed $2,400,000. Per the arrangements between the Department of Executive Services and the Office of Management and Budget, the loan will gradually decrease by $780,000 per year as customer agencies repay the loan.

I will plan to provide a detailed briefing on our projections at the regularly scheduled February meeting. I am also available if you would like to schedule a briefing prior to that meeting. I appreciate the support of the committee as we complete the close-out of P&GA operations and transition the fund management responsibilities from our office to the Department of Executive Services.

cc: Mike Strouse, Department of Executive Services
Helene Ellickson, Office of Management and Budget
David Martinez, Office of Information Resource Management
Christine Chou, Office of Information Resource Management

PACKET PAGE: 9
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		5,959,895.41		184,756,757.84		22,170.82	CURRENT EXPENSE SUB-FUND
00-000-180-0	2,347,317.36		72,766,838.05		8,732.04		PUBLIC HEALTH
00-000-571-0	235,874.73		7,312,116.66		877.44		UW WARRANT REVOLVING
00-000-840-7	5,541.21		171,777.50		20.61		HUD SEC 108 LOAN REPAYMNT
18-001-553-0	3,313,906.25		102,731,093.90		12,327.74		IBIS PAYROLL CLEARING
18-001-555-0	57,255.86		1,774,931.73		212.99		IBIS ACCTS PAY CLEARING
REPORT TOTAL	5,959,895.41	5,959,895.41	184,756,757.84	184,756,757.84	22,170.82	22,170.82	

POOLED FUNDS WITH NEGATIVE CASH BALANCES

FUND	DATE	FUND DESCRIPTION	LOWEST CASH	AVERAGE CASH
00-000-103-0	01-30-08	COUNTY ROAD FUND	713,586.67-	2,131,694.21
00-000-113-5	01-31-08	MIDD	572.92-	18.48-
00-000-121-0	01-14-08	SHARED SERVICES FUND	157,437.05-	678,192.26
00-000-121-1	01-31-08	SURFACE WATER MGT FUND	1,373,512.73-	653,742.32-
00-000-137-1	01-01-08	CLARK CONTRACT ADMIN	16.04-	16.04-
00-000-156-1	01-31-08	KC FLD CNTRL ZNE OPER	101,642.46-	34,603.30-
00-000-322-2	01-01-08	RAHP-2060 LOW INCOME HSG	17.10-	86,019.99
00-000-352-2	01-31-08	OS KC NON BND FND SUBFUND	989,002.92-	822,825.75-
00-000-352-3	01-01-08	LTGO BAN REDMPTN 2004B	68,418.13-	68,418.13-
00-000-379-1	01-31-08	HMC/MEI 2000 PROJECTS	2,848,990.46-	364,094.51-
00-000-395-1	01-31-08	BLDG REPAIR/REPL SUBFUND	4,702,452.23-	3,277,061.58-
00-000-560-0	01-30-08	PRINTING/GRAPHIC ARTS SRV	1,946,585.76-	1,825,758.94-

EXCLUDED FUNDS WITH NEGATIVE CASH BALANCES CONTROL MONTH: 01

FUND	DATE	FUND DESCRIPTION	LOWEST CASH	AVERAGE CASH
00-000-224-0	01-29-08	WORK TRAINING PROGRAM	914,844.34-	855,117.73-
00-000-224-1	01-31-08	DISPLACED WKR PROG ADMIN	815,002.61-	600,644.70-
00-000-621-0	01-01-08	RESIDUAL INVESTMENTS	4,265,679,322.79-	4,089,107,187.70-
00-000-677-0	01-04-08	PROPERTY TX SUSPENSE FUND	33,640.07-	1,821.34
00-000-699-0	01-23-08	ASSMT DISTRIBTN / REFUND	8,765.22-	10,172.50

INTERFUND LOANS AMONG NON-COUNTY FUNDS

FUND	AVG BORROWED	AVG CASH BAL	BORROWED	FUND DESCRIPTION
05-001-001-0	315.78	35,954.31	9,789.27	PORT-GENERAL FUND
06-121-001-0	2.07	105,701,086.50	64.26	PUGET SD ESD GENERAL FUND
06-216-001-0	21,344.92	8,454,004.98	661,692.52	ENUMCLAW SCH GEN REG FUND
06-409-001-0	.01	11,952,706.53	.31	TAHOMA SCH GENERAL REG FD
06-412-001-0	74,298.42	57,937,766.55	2,303,251.26	SHORELINE SCH GEN REG FD
06-415-001-0	11.15	75,866,573.32	345.65	KENT SCH GENERAL REG FUND
07-021-001-0	96.99	58,204.23	3,006.90	AUBURN GEN TAX REG FUND
07-035-001-0	3.62	43.46	112.28	BEAUX ARTS GEN TAX REG FD
07-036-001-0	268.40	635,656.45	8,320.67	BELLEVUE GEN TAX REG FUND
07-042-001-0	293.56	5,012.62	9,100.39	BLACK DIAMOND GEN TX RG C
07-045-001-0	877.16	24,620.23	27,192.01	BOTHELL GENERAL TAX REG C
07-053-001-0	741.67	82,470.41	22,991.88	BURIEN GENERAL
07-061-001-0	125.31	1,392.59	3,884.90	CARNATION GEN TAX REG T
07-072-001-0	384.96	118.86	11,933.98	CLYDE HILL GEN TAX REG T
07-080-001-0	727.09	53,152.18	22,540.04	COVINGTON GENERAL TAX
07-095-001-0	341.10	33,659.42	10,574.21	DES MOINES GEN TAX REG C
07-135-001-0	568.80	14,932.17	17,632.95	ENUMCLAW GEN TAX REG C
07-164-001-0	2,736.89	100,520.57	84,843.65	FEDERAL WAY GEN TAX REG
07-260-001-0	28,234.88	190,508.91	875,281.29	ISSAQUAH GEN TAX REG C
07-280-001-0	390.54	80,857.23	12,106.87	CITY OF KENMORE
07-305-001-0	177.07	170,743.91	5,489.35	KENT GEN TAX REG C
07-309-001-0	2,770.60	139,014.45	85,888.82	KIRKLAND GEN TAX REG C
07-331-001-0	306.75	11,827.10	9,509.28	LAKE FOREST PK GN TX RG C
07-350-001-0	464.39	32,412.78	14,396.17	MAPLE VALLEY GENERAL TAX
07-365-001-0	4,546.80	3,399.75-	140,950.82	MEDINA GEN TAX REGULR C
07-366-001-0	151.37	87,575.93	4,692.62	MERCER ISLAND GN TX REG C
07-385-001-0	1,010,682.10	1,009,866.20-	31,331,145.36	NEWCASTLE GENERAL TAX REG
07-405-001-0	256.11	8,166.75	7,939.68	NORMANDY PARK GN TX RG C

INTERFUND LOANS AMONG NON-COUNTY FUNDS

FUND	AVG BORROWED	AVG CASH BAL	BORROWED	FUND DESCRIPTION	
07-451-001-0	5.65	8,301.43	175.32	PACIFIC GEN TAX REG	C
07-515-001-0	31.63	112,665.98	980.54	REDMOND GEN TAX REG	C
07-520-001-0	157.94	98,324.94	4,896.20	RENTON GEN TAX REG	C
07-530-001-0	2,004.29	99,062.74	62,133.00	SAMMAMISH GEN TAX REG	
07-542-001-0	12,594.26	7,034.62-	390,422.25	SEATAC GEN TAX REG	
07-545-001-0	35,848.77	1,010,326.92	1,111,312.16	SEATTLE GEN TAX REG	C
07-548-001-0	2,533.18	62,595.27	78,528.64	SHORELINE GENERAL TAX	
07-551-001-0	16.97	4.54	526.35	SKYKOMISH GEN TAX REG	T
07-554-001-0	201.78	93,465.82	6,255.35	SNOQUALMIE GEN TAX REG	T
07-591-001-0	816.07	87,614.68	25,298.19	TUKWILA GEN TAX REG	C
07-651-001-0	714.77	21,749.86	22,157.96	WOODINVILLE GENERAL	
07-721-001-0	55.94	250.92	1,734.20	YARROW POINT GN TX REG	T
09-108-001-0	2.62	5,162,052.30	81.36	CEDAR RVR W & S MAINT	
10-004-001-0	6.71	7,394,445.28	208.24	SHORELINE FIRE EXP FUND	
10-036-001-0	3,190.76	5,016,686.15	98,913.60	FIRE 36 EXPENSE	
10-044-001-0	9,062.33	2,843,473.03	280,932.33	FIRE 44 EXPENSE	
11-333-001-0	13,725.03	25,360,998.95	425,476.16	LAKEHAVEN MAINTENANCE	
11-525-001-0	121,524.37	1,013,432.87	3,767,255.52	RWD MAINT/OPER FUND	
14-004-001-0	124,361.94	191,645.96	3,855,220.30	HOSPITAL 4 GENERAL	
16-105-001-0	12.00	12.00-	372.00		
16-128-001-0	42.73	42.73-	1,324.63	RID 128 ENHANCED	
16-129-001-0	1,055.18	1,055.18-	32,710.58	RID 129 ENHANCED	
16-131-001-0	9,900.99	9,900.99-	306,930.69	RID 131 ENHANCED	
16-133-001-0	48,193.63	48,193.63-	1,494,002.53		
26-101-001-0	2,957.12	12,355.44	91,670.84	KC SOIL CONSERV DISTRICT	
REPORT TOTAL	1,540,135.36	2,610,054,508.80	47,744,196.33		

Interfund Borrowings (Investment System)

01/31/08

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	00-000-3691	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	$843,994	$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	($1,693,116)	$1,825,759	$6,793	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	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
Road Improvement District	16-127-3010	RID 127	Road improvements. Repayment from taxpayer assessments	$500,000	$160	$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	($1,055)	$1,055	$4	Open	Pool Rate	CX/Residual	6/21/2001
Road Improvement District	16-130-3010	RID 130	Road improvements. Repayment from taxpayer assessments	$500,000	$1,401	$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	($9,901)	$9,901	$37	Open	Pool Rate	CX/Residual	6/21/2001
Road Improvement District	16-132-3010	RID 132	Road improvements. Repayment from taxpayer assessments	$500,000	$17,483	$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	($48,194)	$48,194	$179	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	$143	$0	$0	5/31/2008	Pool Rate	CX/Residual	1/31/2008

Interfund Borrowings (Direct Loans)

01/31/08

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	$1,955,932	$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	$2,037,660	$166	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	$73,823,732	$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
JANUARY 2008

OVERNIGHT REPOS

DEALER	BUYS	TOTAL AMOUNT OF REPOS	AVG DAYS	AVG YIELD
FIRST BOSTON	21	$1,307,000,000	1.47	4.05%

TERM REPOS

DEALER	BUYS	TOTAL AMOUNT OF REPOS	AVG DAYS	AVG YIELD
FIRST BOSTON	4	$ 160,000,000	42.28	3.07%

DISCOUNT NOTES

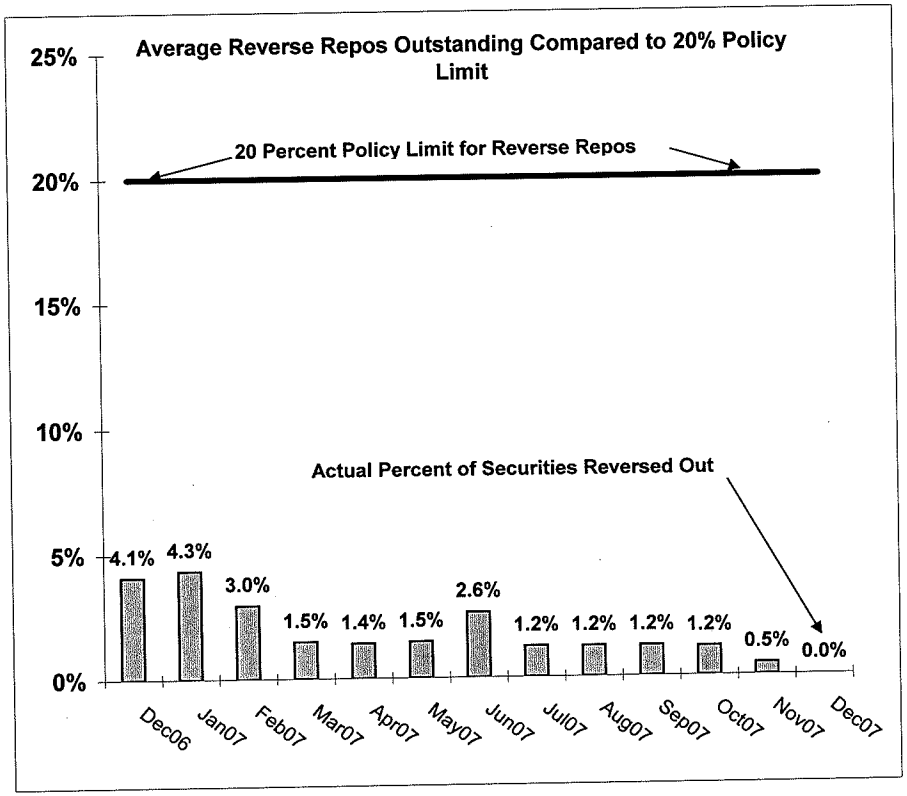
DEALER	BUYS	TOTAL FACE AMOUNT	TOTAL COST	AVG DAYS	AVG YIELD
DEUTCHEBANK	1	$ 75,000,000	$ 73,604,792	181.00	3.82%
LEHMAN BROTHERS	3	75,000,000	73,222,500	216.00	4.10
MERRILL LYNCH	1	60,000,000	58,992,433	181.00	3.44
SMITH BARNEY	2	90,000,000	88,478,667	181.11	3.47
UBS FINANCIAL	1	25,000,000	24,470,903	190.00	4.15
TOTAL	8	$ 325,000,000	$ 318,769,294	189.76	3.76%

CDs

DEALER	BUYS	TOTAL AMOUNT OF CDs	AVG DAYS	AVG YIELD
KEY BANK	2	$ 796,809	360.00	3.12%
SHORELINE BANK	1	1,000,000	32.00	4.65
U.S. BANK	1	8,083,000	32.00	4.42
KEY BANK	4	$ 9,879,809	58.45	4.34%

REVERSE REPO ANALYSIS
Jan-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: 02/14/2008

Maturity Ran	Amount Invested	Percent of Portfolio	Cumulative Percentag	Average Yield
1 - 29 Days	1,008,550,904	25.6%		3.42%
30 - 59 Days	275,895,775	7.0%	32.6%	4.16%
60 - 89 Days	320,073,931	8.1%	40.7%	4.49%
90 - 119 Day	268,681,063	6.8%	47.5%	4.77%
120 - 149 Da	530,884,194	13.5%	60.9%	4.65%
150 - 179 Da	387,624,505	9.8%	70.8%	3.98%
180 - 364 Da	255,560,888	6.5%	77.2%	4.60%
1 - 2 Years	69,885,416	1.8%	79.0%	4.94%
2 - 3 Years	124,464,976	3.2%	82.2%	4.96%
3 - 4 Years	268,126,781	6.8%	89.0%	5.52%
4 - 5 Years	349,927,136	8.9%	97.8%	5.30%
5+ Years	86,030,103	2.2%	100.0%	4.52%
TOTAL	3,945,705,673	100.0%		

Security Type	Amount Invested	Percent Of Portfolio	Limits
Repurchase Agreements	172,790,000	4.4%	40%
Certificates of Deposit	795,314,882	20.2%	20%
State Investment Pool	354,478,294	9.0%	100%
Commercial Paper	202,254,182	5.1%	25%
Bankers' Acceptances	0	0.0%	40%
Treasuries	0	0.0%	100%
Agencies	2,267,938,107	57.5%	75%
Mortgage Backed Securities	86,030,103	2.2%	25%
Municipals	66,900,105	1.7%	20%
TOTAL	3,945,705,673	100.0%	

Average Yield = 4.36%
Average Days to Maturity = 463.15

RESIDUAL INVESTMENT POOL
ISSUER DIVERSIFICATION AND CREDIT EXPOSURE
1/31/08

			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	264,906,236.64	6.5%	A-1	P-1	F1	1	3
U.S. Bank	100,000,000.00	2.5%	A-1+	P-1	F1+	1	2
Bank of America	100,000,000.00	2.5%	A-1+	P-1	F1+	1	3
Washington Mutual Bank	100,000,000.00	2.5%	A-2	P-2	F2	2	4
Commerce Bank	50,000,000.00	1.2%			F1	1	2
Homestreet Bank	50,000,000.00	1.2%				1	2
Sterling Savings Bank	50,000,000.00	1.2%			F3	1	2
Washington Federal S&L	50,000,000.00	1.2%			F1	1	2
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	1.3%	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	48,677,972.22	1.2%	D	NP	D		
REPURCHASE AGREEMENTS -- 10% PER ISSUER							
Credit Suisse LLC	282,670,000.00	7.0%	A-1+	P-1	F1+		
INVESTMENT POOLS -- 100% PER ISSUER							
Washington State Treasurer's LGIP	354,478,294.26	8.8%	NR	NR	NR		
U.S. GOVERNMENT (Full Faith & Credit) -- 100% PER ISSUER							
U.S. Treasury Obligations	-	0.0%	AAA	Aaa	AAA		
MUNICIPAL OBLIGATIONS (Taxable) -- 5% PER ISSUER. CREDIT RATING OF AT LEAST "A"							
Seattle School District No. 1	22,797,935.03	0.6%	AA+	Aa1			
Sacramento County, CA	20,178,399.98	0.5%	AA(NW)	Aaa(NW)	AA(NW)		
City of Phoenix, AZ	15,000,000.00	0.4%	AAA	Aa1			
City of Dallas, TX	3,500,000.00	0.1%	AA+	Aa1			
State of New Jersey	3,146,122.33	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)	952,003,966.69	23.5%	AAA	Aaa	AAA		
Federal Home Loan Bank (FHLB)	807,610,744.56	19.9%	AAA	Aaa	AAA		
Federal Home Loan Mortgage Corporation (FHLMC)	594,456,455.84	14.7%	AAA	Aaa	AAA		
	4,050,337,336.92	100.0%					

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

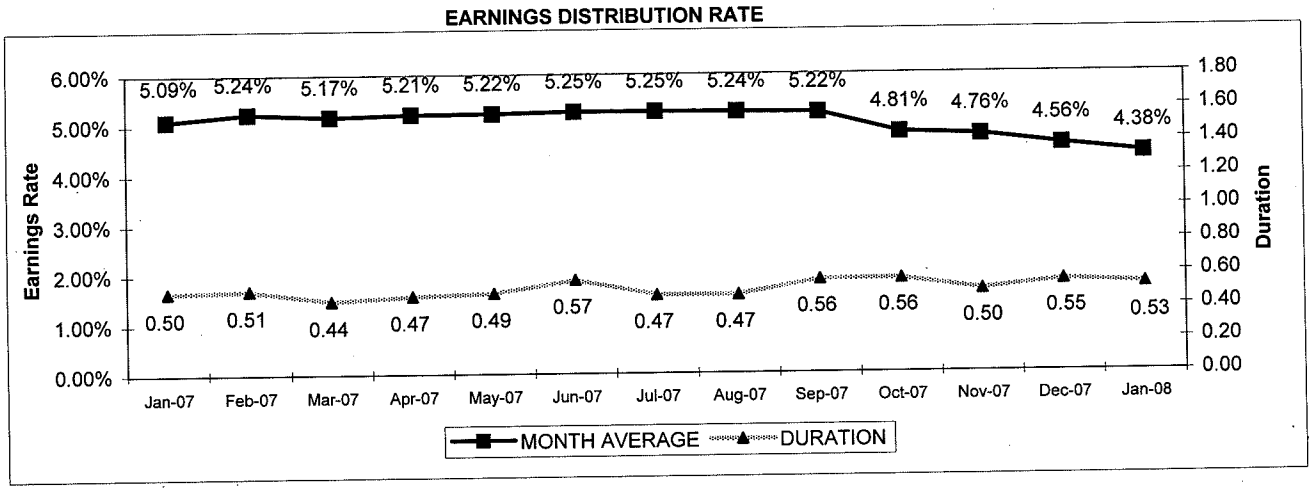
(2) IDC Bank ratings are provided by IDC Financial Publishing: 1=Superior, 2=Excellent, 3=Average, 4=Below Average, 5=Lowest. Safe & Sound CAEL is a bank rating service provided by Bankrate.com: 1=Superior, 2=Sound, 3=Performing, 4=Below Average, 5=Weak.

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

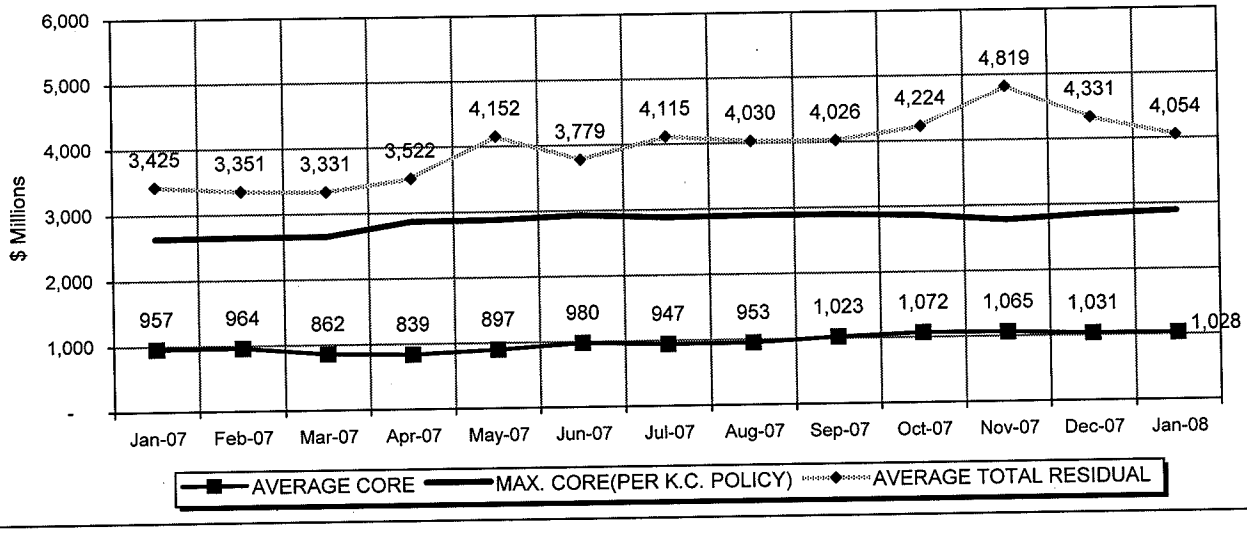
Overview of Rating Agency Credit Scores

	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
January 31, 2008

	BUDGET (1)	ACTUAL	DIFFERENCE
YTD AVG BALANCE (millions)	$214	$187	($26.8)
YTD YIELD	4.09%	4.39%	0.31%
INTEREST DISTRIBUTION ($)	$741,237	$697,141	($44,096)
AUTOMATIC INTEREST ($)	$0	$22,171	$22,171
TOTAL INTEREST ($)	**$741,237**	**$719,312**	($21,925)

YTD POOL FEE REVENUE

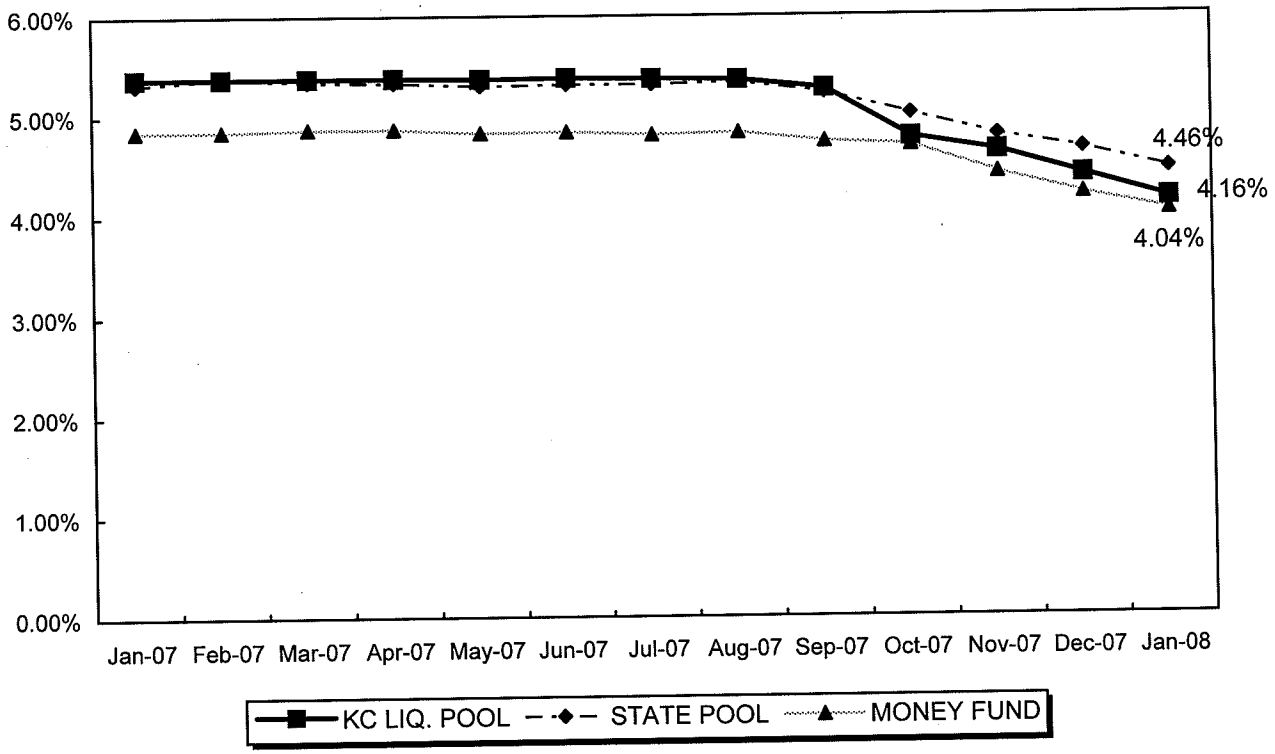
	BUDGET	ACTUAL	DIFFERENCE
POOL FEE DUE TO CX	$472,083	$532,919	$60,835
POOL FEE DUE TO FBOD	$12,500	$11,874	($626)
TOTAL YTD POOL FEES	**484,583**	**544,793**	**$60,209**

YTD TOTAL POOL DISTRIBUTION	$15,083,089

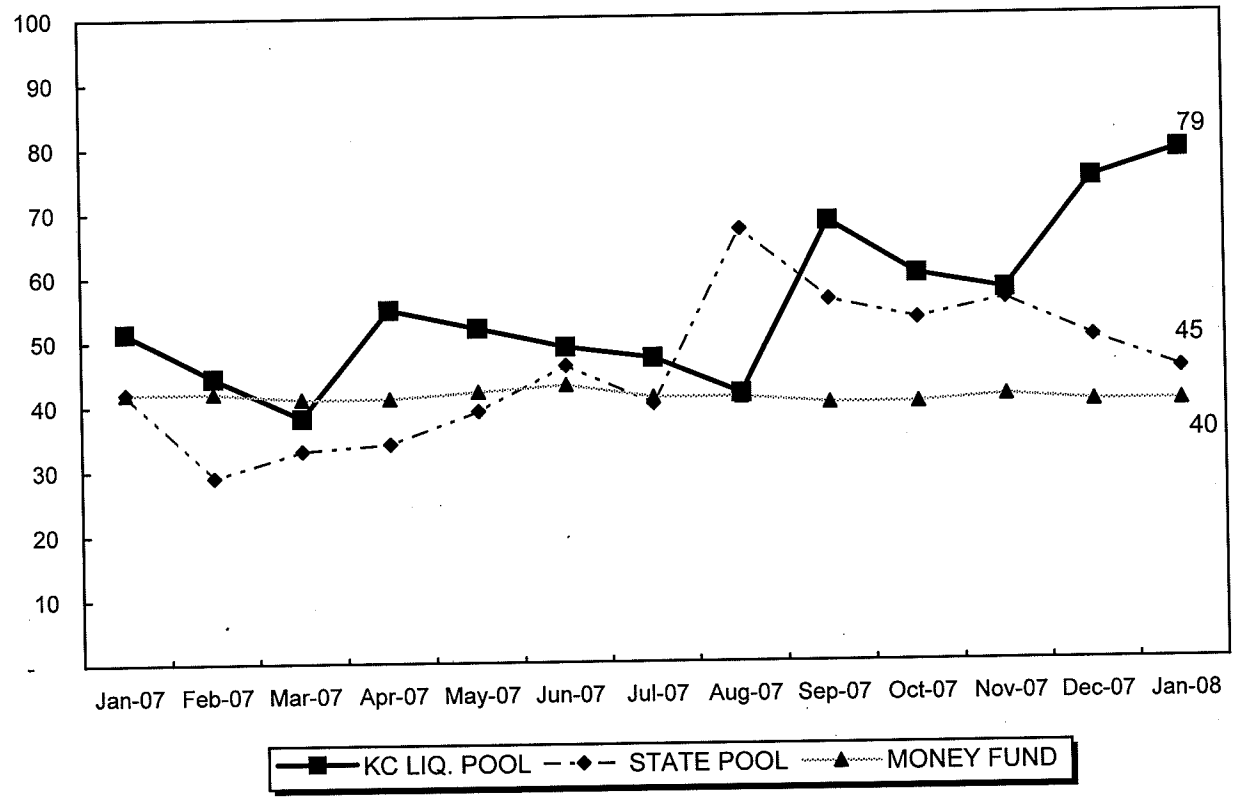
(1) Average budgeted yield for the entire year is 3.48% (simple average).

LIQUIDITY POOL

COMPARATIVE EARNINGS RATES



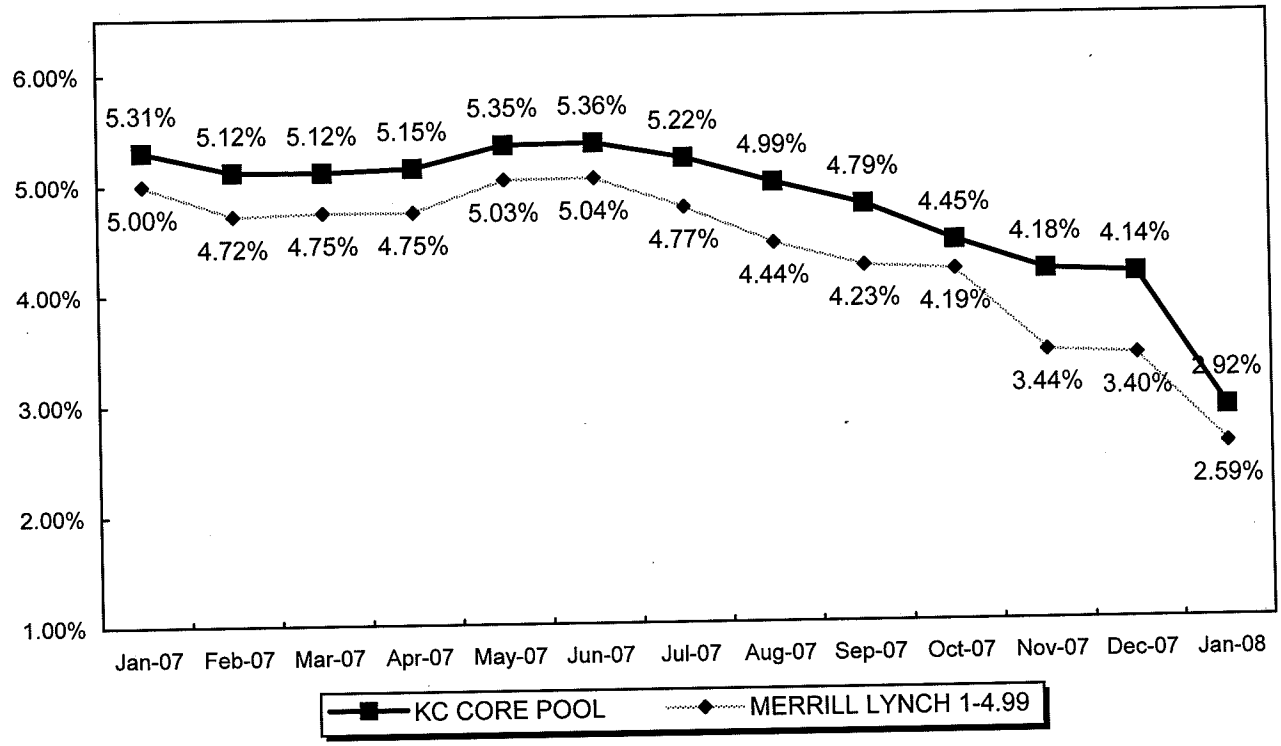
COMPARISON OF AVERAGE DAYS TO MATURITY



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.

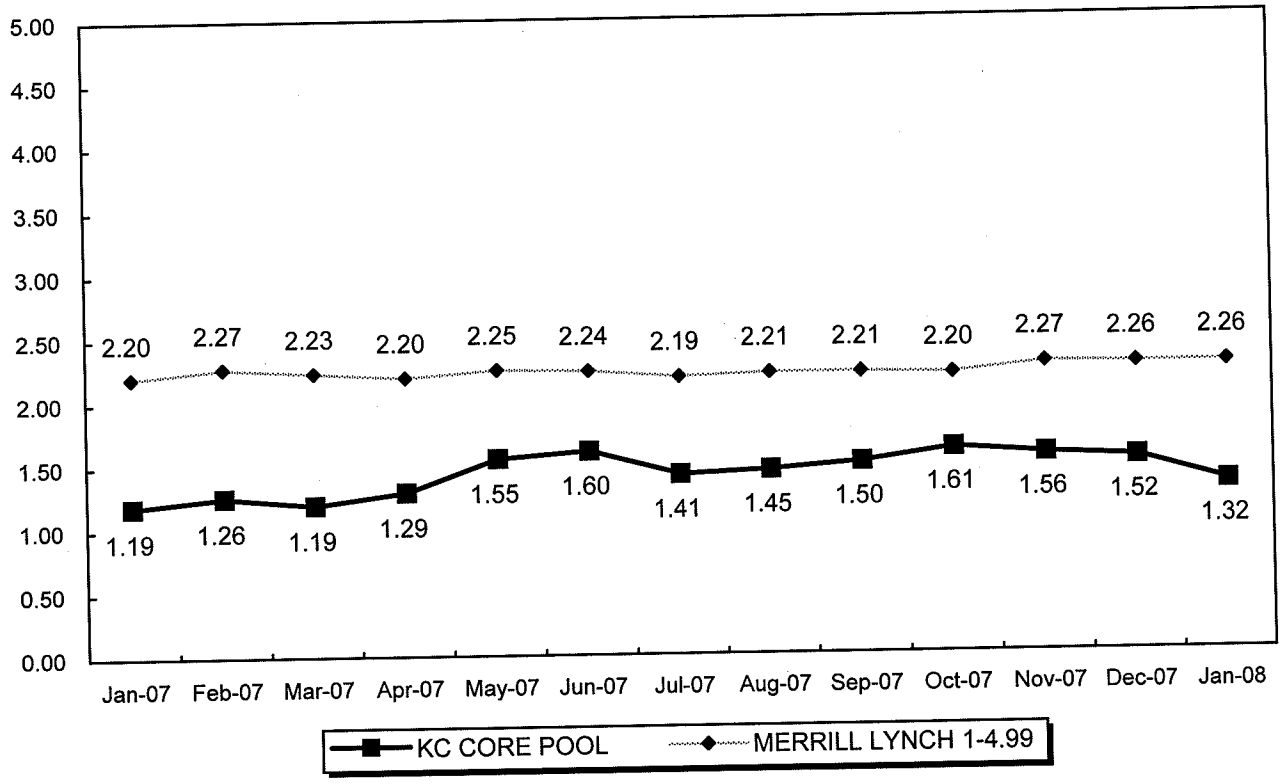
CORE POOL

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.

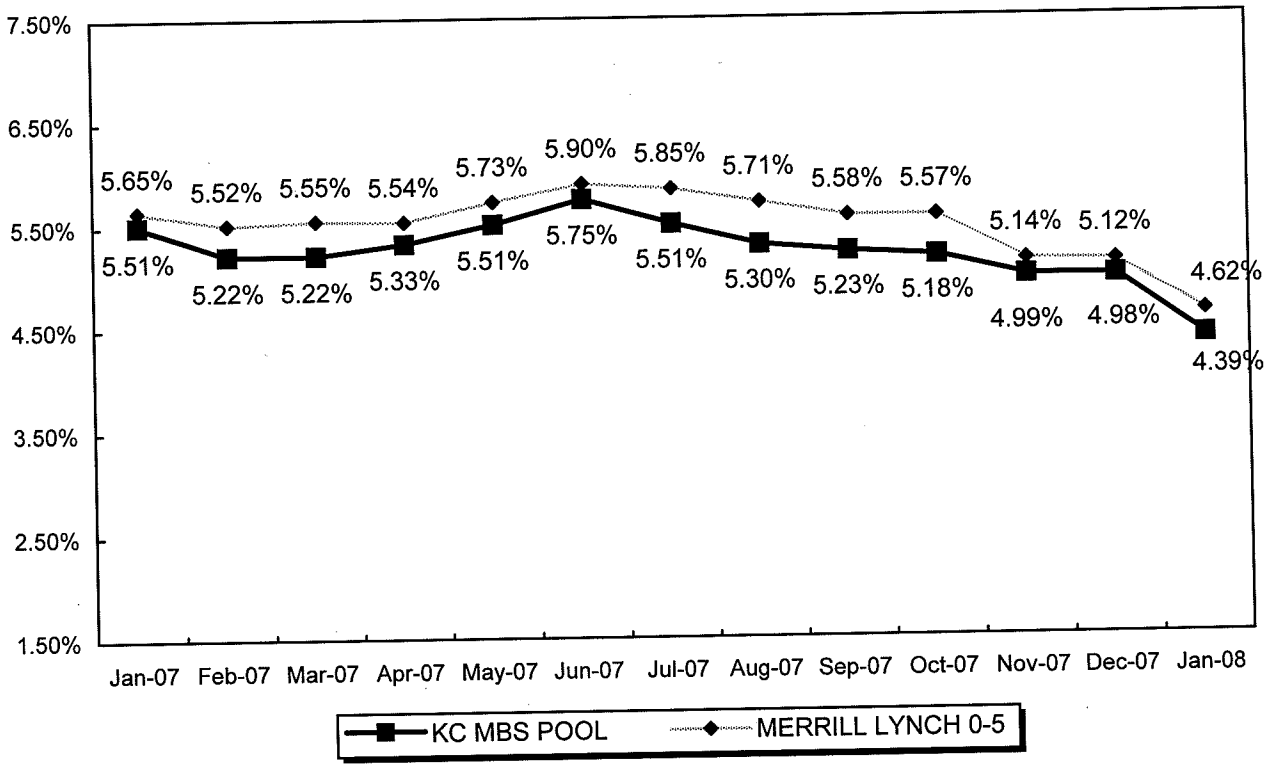
COMPARISON OF AVERAGE DURATION



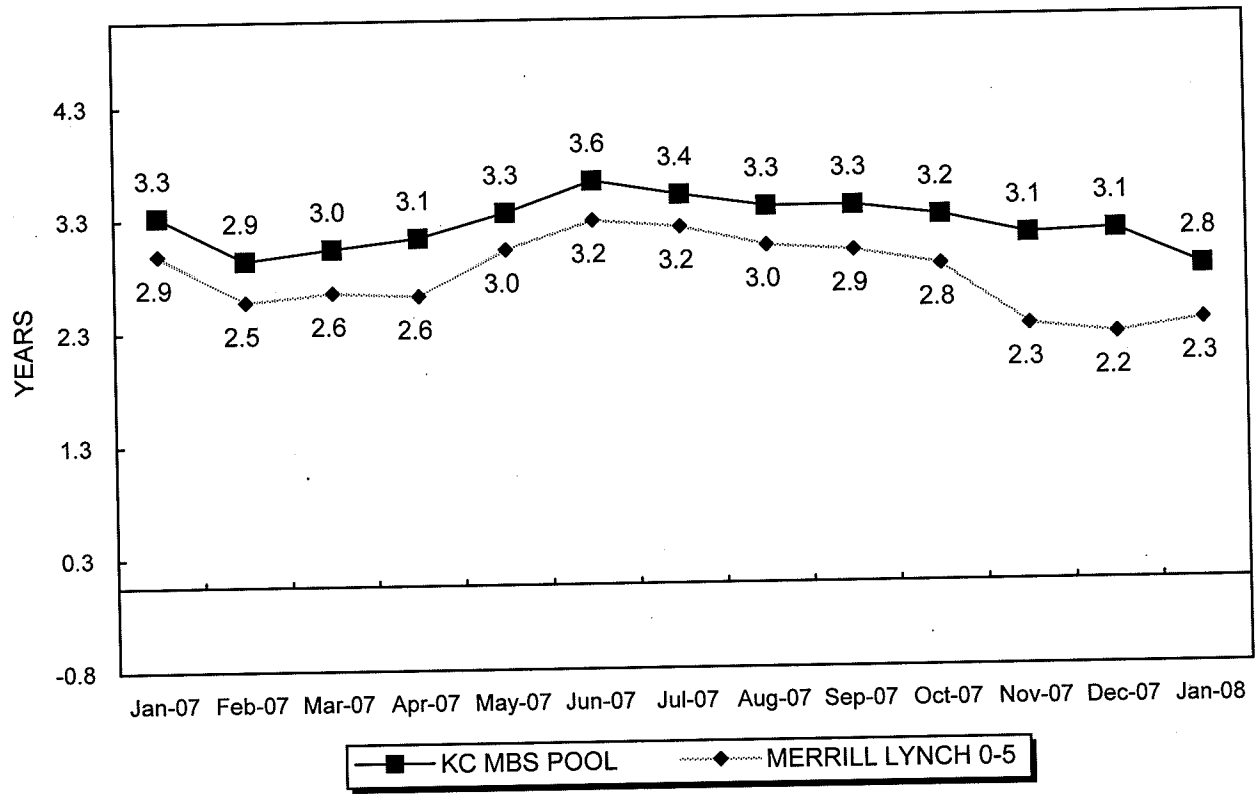
Source: Merrill Lynch index: Bloomberg Financial Markets

MORTGAGE-BACKED POOL

COMPARATIVE MONTHLY MARKET YIELD RETURNS



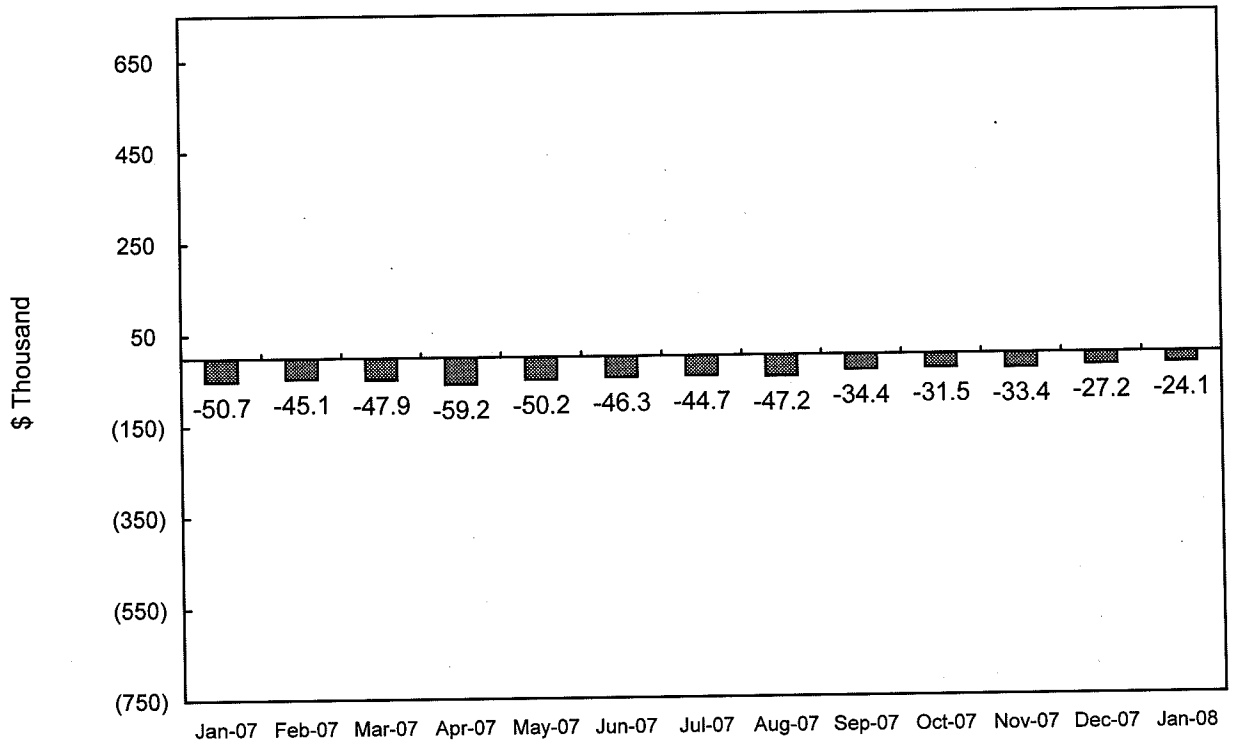
COMPARISON OF AVERAGE DURATION



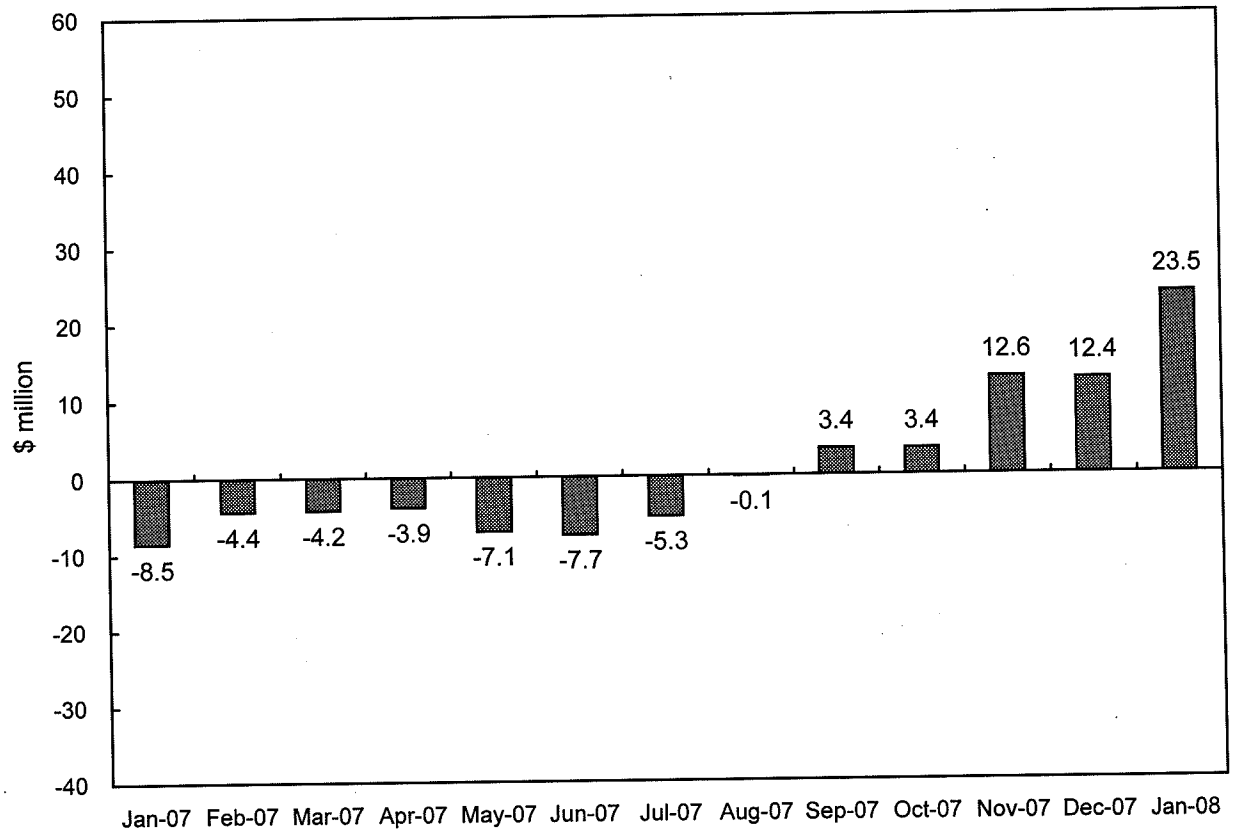
Source: Merrill Lynch index: Bloomberg Financial Markets

GAIN / LOSS SUMMARY

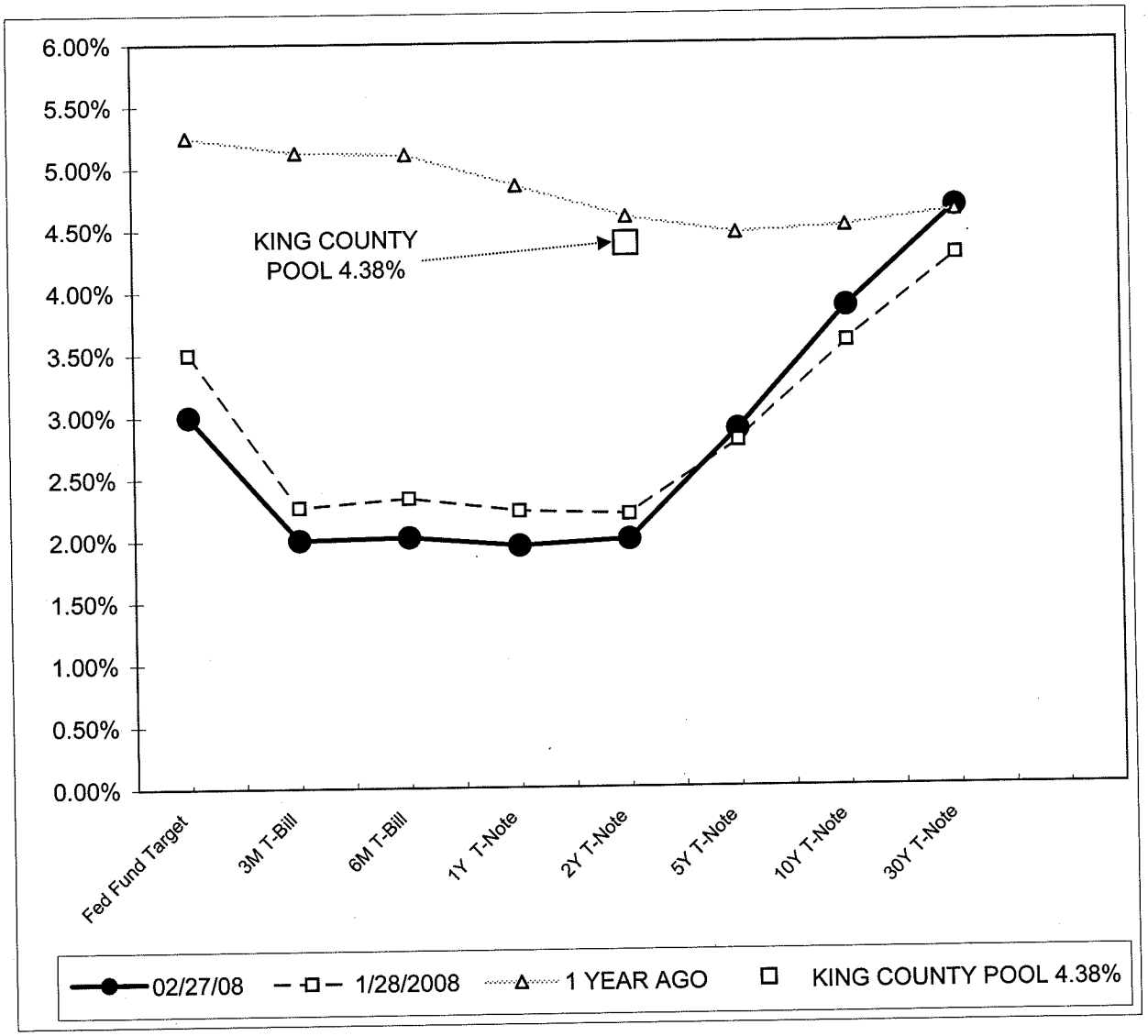
RESIDUAL FUND: TOTAL REALIZED GAIN OR LOSS



NET UNREALIZED GAIN OR LOSS (CORE PORTFOLIO ONLY)



INTEREST RATE SUMMARY



	02/27/08	1/28/2008	1 YEAR AGO
Fed Fund Target	3.00%	3.50%	5.25%
3M T-Bill	2.00%	2.27%	5.13%
6M T-Bill	2.02%	2.34%	5.11%
1Y T-Note	1.95%	2.23%	4.85%
2Y T-Note	2.00%	2.21%	4.60%
5Y T-Note	2.88%	2.79%	4.46%
10Y T-Note	3.87%	3.59%	4.52%
30Y T-Note	4.67%	4.28%	4.63%