

W.S.A.

Memorandum Date: January 28, 2009  
Order Date: January 28, 2009

---

**TO:** Board of County Commissioners  
**DEPARTMENT:** Management Services  
**PRESENTED BY:** Kay Blackburn, Financial Services Manager  
**AGENDA ITEM TITLE:** FINANCE & AUDIT – PRESENTATION OF ANNUAL INVESTMENT REPORT

---

**I. MOTION**

None. This is an informational item.

**II. AGENDA ITEM SUMMARY**

In accordance with APM Chapter 2, Section 20, Management Services is submitting the Annual Investment Report to the Finance and Audit Committee of the Board for review and comment.

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**A. Board Action and Other History**

The Administrative Procedures Manual Chapter 2, Section 20 as authorized by Lane Manual 4.020 provides specific direction to the Management Services Director in the administration of Lane County investments. The Annual Investment Report is submitted for review and comment.

**B. Policy Issues**

Lane County's investment policies are in conformance with ORS 294 and 295. This annual review provides an opportunity to recommend changes to the investment policies. Changes recommended require submission to the State of Oregon Treasurer's office for review.

**C. Board Goals**

This item is consistent with the strategic plan goal of providing efficient and effective financial and administrative support and systems, and protecting the

public's assets.

**D. Financial and/or Resource Considerations**

Review of the County's investment results and policies has no direct financial impact, but allows the County to continue to manage investments in an efficient and effective manner.

**E. Analysis**

During 2008, the Investment Advisory Committee met quarterly and reviewed current investments, returns on investments and reviewed related policies. The portfolio is managed to meet the goals of safety, liquidity and yield. Current investment returns are below historic average, but consistent with the current market and with similar portfolios. No changes to the investment policies have been recommended by the Investment Advisory committee.

**F. Alternatives/Options**

1. Accept the report as presented and recommend no changes be made in the County's investment policies.
2. Provide the Financial Services Manager with recommendations for changes to the investment policies.

**IV. RECOMMENDATION**

The Financial Services Manager recommends no changes to the investment policies at this time.

**V. TIMING/IMPLEMENTATION**

Upon acceptance of the report, Lane Manual 4.020 will be submitted to the Board for re-adoption.

**VI. FOLLOW-UP**

None.

**VII. ATTACHMENTS**

Annual Investment Report

# **Lane County, Oregon**

## *Annual Investment Report*

For the Calendar Year Ended  
December 31, 2008

Prepared by the  
Financial Services Division  
Department of Management Services

---

---

# Introduction

---

---

Each year the Financial Services Division of the Department of Management Services aggregates and analyzes information regarding the previous year's investment activity. This Annual Investment Report for the calendar year ended December 31, 2008 captures that information and is used by the Investment Advisory Committee to form a conclusion about whether or not management has met the legal and administrative parameters set forth in the Oregon Revised Statutes, Lane Manual, and Lane County's Administrative Procedures Manual.

## Portfolio Examination

This Annual Investment Report is organized to examine the general investing objectives of the portfolio. The general objectives of the investment activities, in priority order, are:

### General Objectives

- **Safety** – Seek to ensure preservation of principal in the overall portfolio by mitigating credit risk and interest rate risk.
  - Credit Risk - Risk of loss due to failure of the security issuer or backer.
  - Interest Rate Risk - Risk that the market value of securities in the portfolio will fall due to changes in market interest rates.
- **Liquidity** – Seek to ensure portfolio remains sufficiently liquid to meet daily operating requirements.
- **Yield** – Seek to attain a rate of return that is typical of market conditions for similar portfolios with comparable safety and liquidity needs.

Although ranked, these objectives represent factors that interrelate and should be considered together when managing the investment portfolio. No objective supercedes another but all three objectives should receive adequate consideration, as prioritized, before making investment decisions.

## Investment Reports

Investment reports at the end of this Annual Investment Report provide details of the investment portfolio and reconciliations between Sympro (the investment software program) and the County's general ledger. Such information was used to develop the portfolio examination and determine the County's compliance with its legal and administrative parameters.

---

---

## Investment Authority

---

---

### State Authority

Oregon Revised Statutes 294 and 295 governs the investment of public funds for Oregon municipalities.

<http://www.leg.state.or.us/ors/294.html>

<http://www.leg.state.or.us/ors/295.html>

### Local Authority

Lane Manual 4.015 to 4.020 states the policies to be followed by the Director of Management Services in administering the investment program.

[http://www.lanecounty.org/LaneManual/documents/LM4\\_2008\\_02\\_21.pdf](http://www.lanecounty.org/LaneManual/documents/LM4_2008_02_21.pdf)

### Procedures

Administrative Procedures chapter 2, section 20, provides specific direction to the Director of Management of Services in administering the investment program.

[http://insidelane/Documents/portal\\_001/module\\_0188/Ch2Sec20.pdf](http://insidelane/Documents/portal_001/module_0188/Ch2Sec20.pdf)

---

---

# Portfolio Examination

---

---

## Safety Considerations

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.

### ***Credit Risk***

Lane County mitigates credit risk by performing the following:

1. Security analysis
2. Financial partners analysis
3. Diversification analysis

### Security Analysis

Oregon Statute and the APM limit the types of investments that the County can hold. During the calendar year ended December 31, 2008, the County held the following types of securities:

- US Agencies:
  - Coupons:
    - Federal Farm Credit Bank
    - Federal Home Loan Bank
    - Federal Home Loan Mortgage Corporation
    - Federal National Mortgage Association
    - Federal Agriculture Mortgage Corporation
  - Discount:
    - Federal Home Loan Bank
- Corporate:
  - Promissory Notes:
    - HSBC Finance Corp
    - Citigroup, Inc.
    - Credit Suisse, New York
    - General Electric Capital Corp
    - International Lease Finance Corp
    - Norwest Financial
    - Bank of America
    - US Bank
    - Monumental Global
    - Wells Fargo
    - America Honda Finance
    - Toyota Motor Credit

## *AIG:*

The County has \$1 million invested in International Lease Finance Corp. (ILFC), an international market leader in the leasing and remarketing of nearly 1,000 commercial jet aircraft to airlines around the world. ILFC is a wholly-owned subsidiary of American International Group, Inc. (AIG) which is at the center of the current mortgage-backed securities turmoil. Because IFLC is in a completely different line of business than its parent AIG, our brokers/dealers anticipate full payment on these bonds which come due 4/1/2009. Due to its excellent value, it is possible AIG will spin off IFLC to raise cash to repay its loans from the federal government.

## *American Auto Industry:*

The County has invested \$3 million in two auto industry finance companies (\$2 million with American Honda Finance and \$1 million with Toyota Motor Credit). Both finance companies are wholly owned subsidiaries of their respective manufacturers. Although the decline in the auto industry has negatively affected Honda and Toyota, the impact has not been as dramatic as that experienced by the three major American car companies. Rating agency scores for both finance companies remains high despite the current economy.

## Financial Partners Analysis

The APM requires the County to pre-qualify the use of any depository, financial institution, or broker/dealer.

### *Depositories*

US Bank is the County's main banking partner. The County is currently in the process of issuing an RFP for banking services. Other banks used by the County include:

- Umpqua Bank (for Certificates of Deposit and Money Market accounts)
- Siuslaw Bank (for Florence and Oakridge Justice Courts and Public Works sites in Florence)

### *Other Financial Institutions*

The Bank of California is the County's third-party custodian of all the County securities. Lane County has used Bank of California for the past 12 years.

### *Broker/dealers*

Lane County works through various broker/dealers when purchasing securities. Each June 30, broker/dealers are reviewed for qualifications by the Financial Services Division, and if acceptable, submitted to the Director of Management Services for approval.

The APM states that investments are not allowed to exceed the following as a percent of all monies available for investment:

- 33% - United States or any one of its agencies
- 25% - Bankers Acceptances
- 35% - Corporate Indebtedness, or 5% in any one single corporate issuer

As is evidenced above, the County investments are well diversified.

### ***Interest Rate Risk***

Interest rate risk is addressed as follows:

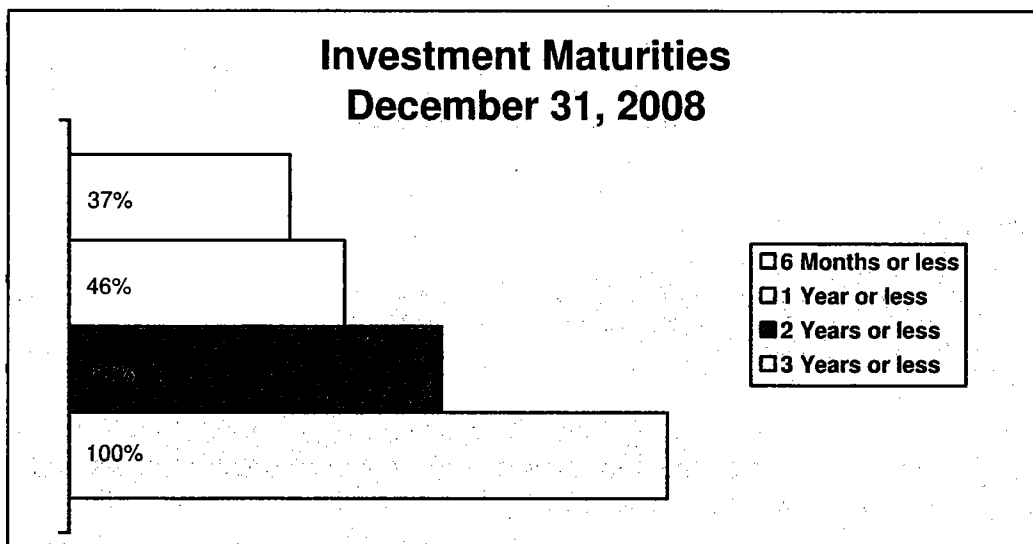
#### Portfolio Structure

Lane County structures the maturities of its investments so that securities mature to meet cash flow requirements for ongoing operations. During the calendar year ended December 31, 2008, no securities were required to be sold short to meet cash flow requirements. Please see the discussion on Liquidity for more information.

#### Maturity Analysis

The APM requires that the County not invest in securities whose maturity is more than three years from the date of purchase unless matched to a specific cash flow and approved by the Board of Commissioners. At this time, no County investments exceed three years, nor has the Board of Commissioners granted specific authorization for any investment to exceed three years.

The maturities of the County investment portfolio at fair value, without consideration of calls, were as follows as of December 31, 2008:

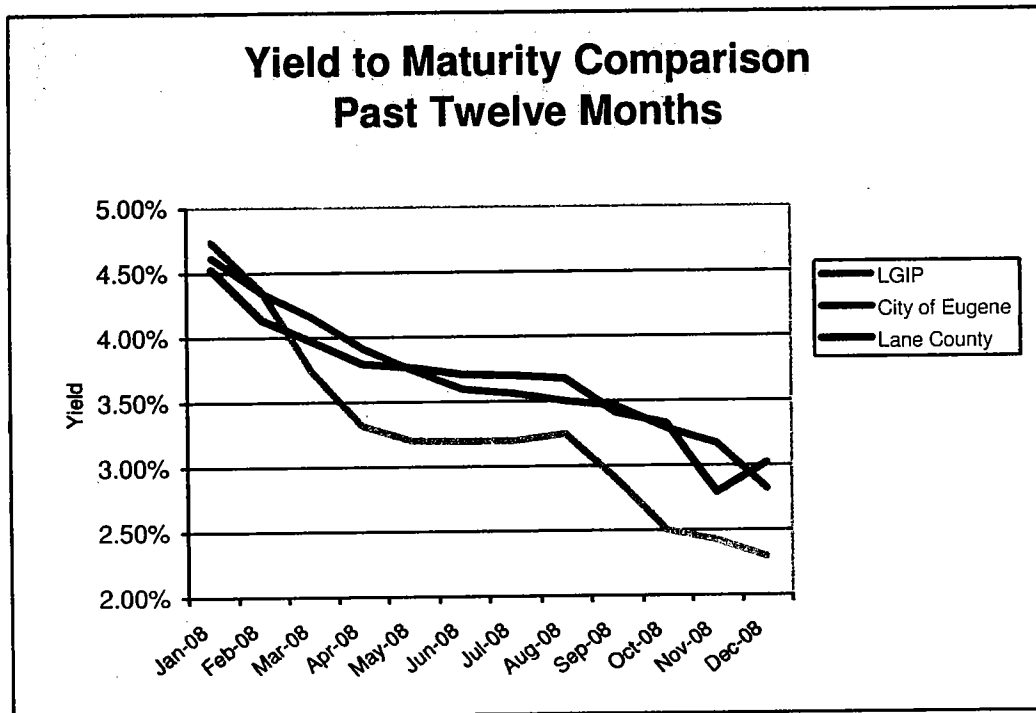




## Yield Considerations

The investment portfolio is designed with the objective of attaining a rate of return throughout budgetary and economic cycles that is typical of market conditions for similar portfolios, taking into account the investment risk constraints and liquidity needs of the County. However, return on investment is of secondary importance compared to the safety and liquidity objectives previously discussed.

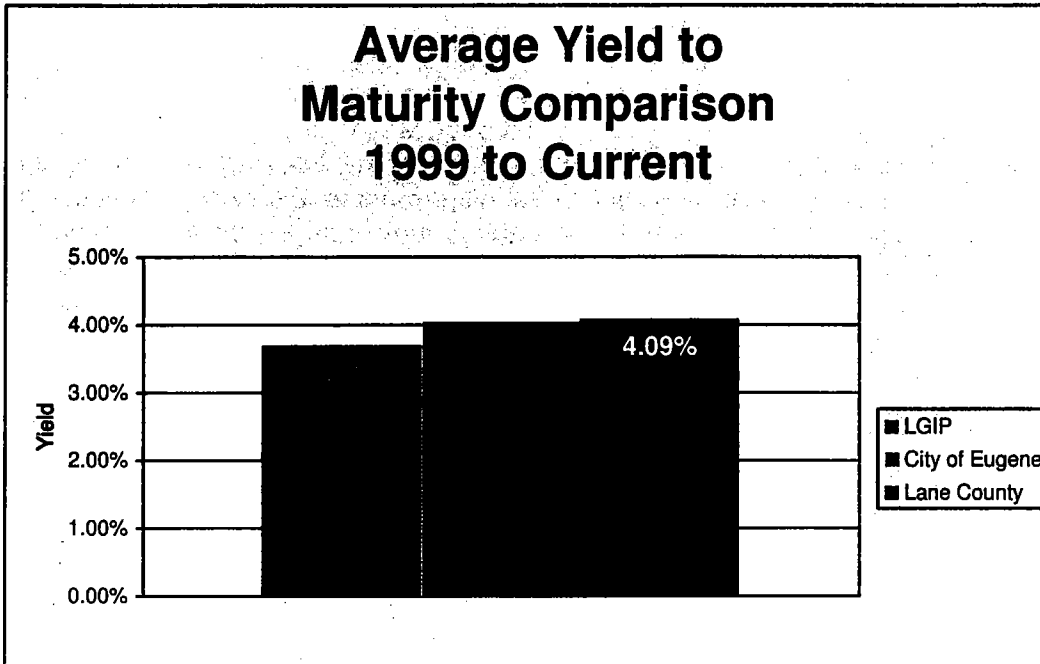
Lane County benchmarks its actual investment yield for the portfolio overall to the State's LGIP and Eugene's internal investment pool.



Typically, the County outperforms Eugene and LGIP when rates are on the decline, but underperforms them when rates are on the rise. This is because the County's investment policy allows us to invest in securities for longer durations than does Eugene or LGIP. When interest rates decrease, the County's portfolio does well because it holds better yielding investments longer. Conversely, when interest rates rise, it takes longer to liquidate their lower yielding investments and invest in more productive securities. The aberration in November is the result of temporary investment of property taxes receipts with the LGIP prior to reinvesting in higher yielding securities.

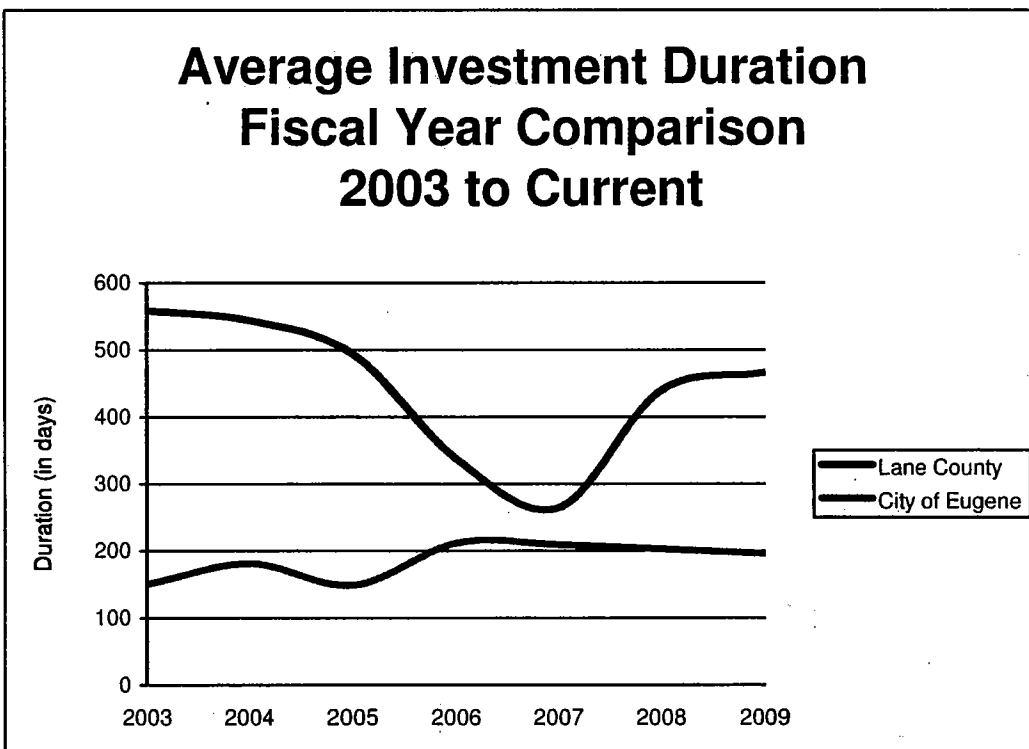
Over the long-run, the County's investment strategy to hold longer term investments has been very successful as can be evidenced in the following chart.

## Average Yield to Maturity Comparison 1999 to Current



Beginning in 2005, Lane County began focusing its efforts on reducing its portfolio of two and three year maturities due to the fact that short-term investments were yielding more than long-term investments (inverse yield curve). As the following graph displays, the County's average investment duration has declined rapidly between 2005 and 2007. However, Lane County now buys long-term again in response to the decline in short-term rates and an increase in the yield spread.

## Average Investment Duration Fiscal Year Comparison 2003 to Current



---

---

## Long-Term Rate Analysis

---

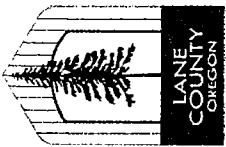
---

The APM allows the County to invest in securities whose maturity is more than three years when matched to a specific cash flow and approved by the Board of Commissioners.

New issue rates for US Treasuries are considered indicative of the market for longer-term investments. On January 6, 2009, new Treasury issues were as follows:

1 - Year	.42%
2 - Year	.77%
3 - Year	1.10%
5 - Year	1.65%
10 - Year	2.45%
30 - Year	3.00%

The spread between the 3 and 5 year treasuries are 55 basis points and between the 3 and 10 year treasuries are 135 basis points. Although the spreads are fair, the general turmoil in yields over the last year do not encourage investing beyond three years at this time. With the current volatility in the markets, it is appropriate to wait until confidence is restored before we commit our funds for longer periods.



Lane County  
125 E. 8th Ave  
Eugene, OR 97401  
(541)682-4169

**Lane County Investments  
Portfolio Management  
Portfolio Summary  
December 31, 2008**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Local Government Pool-4068	37,233,896.78	37,233,896.78	37,233,896.78	20.41	1	1	2.200
Local Government Pool-5166	9,144,063.69	9,144,063.69	9,144,063.69	5.01	1	1	2.200
US Bank-Jumbo Municipal Investment	3,836,898.00	3,836,898.00	3,836,898.00	2.10	1	1	0.050
Umpqua Bank- MMA	9,507,770.44	9,507,770.44	9,507,770.44	5.21	1	1	2.300
Certificates of Deposit	3,000,000.00	3,000,000.00	3,000,000.00	1.64	314	224	3.701
HSBC Finance Corp.	2,000,000.00	2,001,589.58	2,015,450.97	1.11	515	288	3.824
Medium Term Notes	11,000,000.00	11,070,360.83	11,165,062.41	6.12	685	359	3.923
Federal Agency Coupon Securities	97,500,000.00	98,626,288.88	97,727,112.54	53.58	947	779	3.350
Corporate Notes	4,780,020.00	4,725,548.83	4,789,304.25	2.63	520	374	4.334
Federal Agency Disc. -Amortizing	1,000,000.00	995,200.00	974,966.32	0.53	364	288	3.295
Umpqua Bank - TCD	3,000,000.00	3,000,000.00	3,000,000.00	1.64	517	307	4.283
<b>Investments</b>	<b>182,002,648.91</b>	<b>183,141,617.03</b>	<b>182,394,525.40</b>	<b>100.00%</b>	<b>585</b>	<b>463</b>	<b>3.021</b>

Total Earnings	December 31	Month Ending	Fiscal Year To Date
Current Year	471,573.64		2,798,678.59
<b>Average Daily Balance</b>	<b>187,566,311.95</b>		<b>169,715,868.14</b>
<b>Effective Rate of Return</b>	<b>2.96%</b>		<b>3.27%</b>

Michael J. Barnhart, Supervising Senior Accountant

Reporting period 12/01/2008-12/31/2008

Run Date: 01/07/2009 - 15:55

Portfolio LANE  
AC  
PM (PRF\_PM1) SymRept 6.41.202  
Report Ver. 5.00

**Lane County Investments  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2008**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>Local Government Pool-4068</b>											
SYS8180	8180	Local Government Pool			37,233,896.78	37,233,896.78	37,233,896.78	2.200	2.200	1	
<b>Subtotal and Average</b>			<b>38,576,741.18</b>		<b>37,233,896.78</b>	<b>37,233,896.78</b>			<b>2.200</b>	<b>1</b>	
<b>Local Government Pool-5166</b>											
SYS124	265	Local Government Pool			0.00	0.00	0.00	2.200	2.200	1	
SYS265A	265A	Local Government Pool			151,027.47	151,027.47	151,027.47	2.200	2.200	1	
SYS801	801	Local Government Pool			8,972,516.71	8,972,516.71	8,972,516.71	2.200	2.200	1	
SYS811	811	Local Government Pool			14,691.45	14,691.45	14,691.45	2.200	2.200	1	
SYS811A	811A	Local Government Pool			1,193.33	1,193.33	1,193.33	2.200	2.200	1	
SYS811B	811B	Local Government Pool			1,185.93	1,185.93	1,185.93	2.200	2.200	1	
SYS811C	811C	Local Government Pool			2,259.89	2,259.89	2,259.89	2.200	2.200	1	
SYS811D	811D	Local Government Pool		07/01/2008	0.00	0.00	0.00	2.200	2.200	1	
SYS811E	811E	Local Government Pool			1,188.91	1,188.91	1,188.91	2.200	2.200	1	
SYS811F	811F	Local Government Pool			0.00	0.00	0.00	2.200	2.200	1	
SYS811G	811G	Local Government Pool			0.00	0.00	0.00	2.200	2.200	1	
<b>Subtotal and Average</b>			<b>21,798,455.72</b>		<b>9,144,063.69</b>	<b>9,144,063.69</b>			<b>2.200</b>	<b>1</b>	
<b>US Bank-Jumbo Municipal Investment</b>											
SYS801M	801M	US Bank - Jumbo Municipal Inve		07/01/2008	0.00	0.00	0.00	2.150	2.150	1	
SYS903M	903M	US Bank - Jumbo Municipal Inve			3,836,898.00	3,836,898.00	3,836,898.00	0.050	0.050	1	
<b>Subtotal and Average</b>			<b>3,423,272.14</b>		<b>3,836,898.00</b>	<b>3,836,898.00</b>			<b>0.050</b>	<b>1</b>	
<b>Umpqua Bank- MMA</b>											
05520374	903U	Umpqua Bank			2,399,460.16	2,399,460.16	2,399,460.16	2.300	2.300	1	
SYS903U2	903U2	Umpqua Bank			7,108,310.28	7,108,310.28	7,108,310.28	2.300	2.300	1	
<b>Subtotal and Average</b>			<b>9,486,803.37</b>		<b>9,507,770.44</b>	<b>9,507,770.44</b>			<b>2.300</b>	<b>1</b>	
<b>Certificates of Deposit</b>											
436036978	10722	US BANK-FIRST BANK SYSTEM		10/03/2008	2,000,000.00	2,000,000.00	2,000,000.00	3.650	3.701	214	08/03/2009
436036977	10723	US BANK-FIRST BANK SYSTEM		10/03/2008	1,000,000.00	1,000,000.00	1,000,000.00	3.650	3.701	245	09/03/2009
<b>Subtotal and Average</b>			<b>3,000,000.00</b>		<b>3,000,000.00</b>	<b>3,000,000.00</b>			<b>3.701</b>	<b>224</b>	
<b>HSBC Finance Corp.</b>											
4042Q0AN9	10647	HSBC Finance Corp.		01/29/2008	1,000,000.00	998,310.00	999,815.23	3.875	3.900	257	09/15/2009
441812KH6	10710	HSBC Finance Corp.		09/05/2008	1,000,000.00	1,003,279.58	1,015,635.74	4.125	3.750	319	11/16/2009
<b>Subtotal and Average</b>			<b>2,015,580.92</b>		<b>2,001,589.58</b>	<b>2,015,450.97</b>			<b>3.824</b>	<b>288</b>	

Portfolio LANE  
AC

PM (PRF\_PM2) SymRept 6.41.202

**Lane County Investments  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2008**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon Securities</b>											
31331YZ86	10764	Federal Farm Credit Bank Bonds		12/18/2008	1,000,000.00	1,074,663.19	1,060,914.77	3.875	2.203	966	08/25/2011
31331GHW2	10771	Federal Farm Credit Bank Bonds		12/30/2008	1,000,000.00	999,060.00	1,000,000.00	2.375	2.375	1,093	12/30/2011
3133XKGU3	10566	Federal Home Loan Bank		04/16/2007	1,000,000.00	1,012,810.00	1,000,000.00	5.030	5.030	470	04/16/2010
3133XP3G7	10644	Federal Home Loan Bank		01/28/2008	1,000,000.00	1,002,190.00	1,000,000.00	3.750	3.750	757	01/28/2011
3133XPCQ5	10651	Federal Home Loan Bank		01/30/2008	1,000,000.00	1,001,880.00	1,000,000.00	3.550	3.550	757	01/28/2011
3133XPHW7	10657	Federal Home Loan Bank		02/04/2008	1,000,000.00	1,002,500.00	1,000,000.00	3.375	3.375	672	11/04/2010
3133XP7G3	10664	Federal Home Loan Bank		02/11/2008	1,000,000.00	1,003,130.00	1,000,243.06	3.500	3.423	771	02/11/2011
3133XP7G3	10665	Federal Home Loan Bank		02/11/2008	1,000,000.00	1,003,130.00	1,000,000.00	3.500	3.500	771	02/11/2011
3133XPU85	10671	Federal Home Loan Bank		02/22/2008	1,000,000.00	1,000,310.00	1,000,000.00	3.450	3.521	782	02/22/2011
3133XQF23	10682	Federal Home Loan Bank		03/25/2008	1,000,000.00	1,005,630.00	1,000,000.00	3.250	3.250	813	03/25/2011
3133XQF20	10684	Federal Home Loan Bank		04/01/2008	1,000,000.00	1,000,310.00	1,000,000.00	3.180	3.180	820	04/01/2011
3133XQPC0	10695	Federal Home Loan Bank		04/25/2008	1,000,000.00	1,001,880.00	1,000,000.00	3.500	3.571	844	04/25/2011
3133XQVK5	10697	Federal Home Loan Bank		04/28/2008	1,000,000.00	1,008,130.00	1,000,000.00	3.260	3.260	665	10/28/2010
3133XR5A4	10702	Federal Home Loan Bank		05/19/2008	1,000,000.00	1,009,060.00	1,000,000.00	3.000	3.000	503	05/19/2010
3133XS6G8	10713	Federal Home Loan Bank		09/15/2008	1,000,000.00	1,018,750.00	1,000,000.00	3.350	3.350	622	09/15/2010
3133XQST8	10714	Federal Home Loan Bank		09/17/2008	1,000,000.00	1,000,310.00	1,000,000.00	3.250	3.309	847	04/28/2011
3133XS5N4	10715	Federal Home Loan Bank		09/17/2008	1,000,000.00	1,005,940.00	1,000,000.00	3.550	3.550	624	09/17/2010
3133XSDY1	10719	Federal Home Loan Bank		10/01/2008	2,000,000.00	2,030,620.00	2,000,493.68	3.560	3.571	180	06/30/2009
3133XSC48	10720	Federal Home Loan Bank		10/02/2008	1,000,000.00	1,000,000.00	1,000,000.00	3.400	3.400	274	10/02/2009
3133XSBU1	10724	Federal Home Loan Bank		10/06/2008	1,000,000.00	1,006,880.00	1,000,000.00	3.250	3.250	643	10/06/2010
3133XRP46	10739	Federal Home Loan Bank		10/28/2008	1,000,000.00	1,012,500.00	999,172.94	3.000	3.172	173	06/23/2009
3133XR2Y5	10744	Federal Home Loan Bank		11/07/2008	1,000,000.00	1,030,940.00	999,745.79	3.000	3.020	526	06/11/2010
3133XRPE4	10747	Federal Home Loan Bank		11/10/2008	1,000,000.00	1,044,060.00	1,013,703.39	4.080	3.479	910	06/30/2011
3133XSNB1	10753	Federal Home Loan Bank		11/28/2008	1,000,000.00	1,020,310.00	1,000,000.00	3.250	3.250	1,061	11/28/2011
3133XSNH4	10755	Federal Home Loan Bank		12/09/2008	1,000,000.00	1,056,263.89	1,018,205.00	3.500	2.910	1,072	12/09/2011
3133XSPA0	10756	Federal Home Loan Bank		12/09/2008	1,000,000.00	1,004,380.00	1,000,000.00	3.125	3.125	1,072	12/09/2011
3133XSQC5	10769	Federal Home Loan Bank		12/29/2008	1,000,000.00	1,007,500.00	1,000,000.00	3.300	3.300	1,092	12/29/2011
3128XBE93	10646	Fed.HomeLoan Mortg.		01/28/2008	1,000,000.00	1,001,900.00	1,000,000.00	3.450	3.450	757	01/28/2011
3128X6K54	10648	Fed.HomeLoan Mortg.		01/29/2008	1,500,000.00	1,528,905.00	1,500,000.00	3.250	3.250	383	01/29/2010
3128X6R24	10655	Fed.HomeLoan Mortg.		02/04/2008	1,000,000.00	1,002,290.00	1,000,000.00	3.400	3.400	764	02/04/2011
3128X6P83	10656	Fed.HomeLoan Mortg.		02/04/2008	1,000,000.00	1,002,510.00	1,000,000.00	3.640	3.640	764	02/04/2011
3128X6J49	10659	Fed.HomeLoan Mortg.		02/04/2008	1,000,000.00	1,002,280.00	1,000,000.00	3.250	3.267	764	02/04/2011
3128X6K39	10662	Fed.HomeLoan Mortg.		03/03/2008	1,000,000.00	1,002,550.00	1,000,000.00	3.500	3.458	767	02/07/2011
3128X65M4	10675	Fed.HomeLoan Mortg.		03/03/2008	1,000,000.00	1,003,740.00	1,000,000.00	3.250	3.250	610	09/03/2010
3128X64G8	10677	Fed.HomeLoan Mortg.		03/03/2008	1,000,000.00	1,004,400.00	1,000,000.00	3.400	3.400	791	03/03/2011
3128X7D78	10685	Fed.HomeLoan Mortg.		04/01/2008	1,000,000.00	1,005,050.00	999,875.00	3.000	3.018	820	04/01/2011
3128X7NR1	10686	Fed.HomeLoan Mortg.		04/28/2008	1,000,000.00	1,001,580.00	1,000,000.00	3.000	3.000	847	04/28/2011
3128X67H3	10726	Fed.HomeLoan Mortg.		10/15/2008	1,000,000.00	1,006,059.72	1,002,898.00	3.250	3.289	433	03/10/2010

Portfolio LANE

AC

PM (PRF\_PM2) SymRept 6.41.202

**Lane County Investments  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2008**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date	
<b>Corporate Notes</b>												
B02TF54	10581	Bank of America		04/30/2007	780,000.00	773,214.00	780,000.00	4.700	5.206	287	10/15/2009	
172967CN9	10711	Citigroup Inc.		09/05/2008	1,000,000.00	992,300.00	1,006,445.56	4.250	3.921	209	07/29/2009	
89233PSB3	10761	Toyota Motor Credit		12/15/2008	1,000,020.00	966,324.83	1,002,895.56	3.834	3.877	502	05/18/2010	
		<b>Subtotal and Average</b>	<b>4,215,945.62</b>		<b>4,780,020.00</b>	<b>4,725,548.83</b>	<b>4,789,304.25</b>		<b>4.334</b>	<b>374</b>		
<b>Federal Agency Disc. -Amortizing</b>												
313385NA0	10728	Federal Home Loan Bank		10/17/2008	1,000,000.00	995,200.00	974,966.32	3.129	3.295	288	10/16/2009	
		<b>Subtotal and Average</b>	<b>973,662.48</b>		<b>1,000,000.00</b>	<b>995,200.00</b>	<b>974,966.32</b>		<b>3.295</b>	<b>288</b>		
<b>Umpqua Bank - TCD</b>												
971381371	10600	Umpqua Bank		11/02/2007	1,000,000.00	1,000,000.00	1,000,000.00	4.600	4.600	182	07/02/2009	
SYS10712	10712	Umpqua Bank		09/10/2008	1,000,000.00	1,000,000.00	1,000,000.00	4.500	4.500	525	06/10/2010	
971381363A	10721	Umpqua Bank		10/02/2008	1,000,000.00	1,000,000.00	1,000,000.00	3.750	3.750	213	09/02/2009	
		<b>Subtotal and Average</b>	<b>3,000,000.00</b>		<b>3,000,000.00</b>	<b>3,000,000.00</b>	<b>3,000,000.00</b>		<b>4.283</b>	<b>307</b>		
		<b>Total and Average</b>	<b>187,566,311.95</b>		<b>182,002,648.91</b>	<b>183,141,617.03</b>	<b>182,394,525.40</b>		<b>3.021</b>	<b>463</b>		

Lane County, Oregon  
**Cash Balance Summary by Account**  
 Report: XX-0050 - Cash Balance Summary by Acct  
 For the Month of December 31, 2008

Account	Description	Beginning Cash Balance	Cash Increases	Cash Decreases	Ending Cash Balance
110020	Petty Cash Funds	82,965.00	-	-	82,965.00
110030	Cash In Bank	14,567.97	2,011,388.38	-	2,025,956.35
110031	Held by Departments	11,000.00	-	-	11,000.00
110036	Umpqua Bank MIA	9,476,651.43	31,119.01	-	9,507,770.44
110037	US Bank Jumbo MIA	2,936,151.28	900,746.72	-	3,836,898.00
110040	US Bank-PW On Line	11,508.45	81,141.26	-	92,649.71
111020	Investments - Various	109,280,000.00	13,000,020.00	-	122,280,020.00
111030	Investment - L G I P	155,569,833.37	-	109,191,872.90	46,377,960.47
111031	Investment - LGIP ODOT	274,780.89	523.50	-	275,304.39
111032	Investments - LGIP State Lands	65,691.50	120.66	-	65,812.16
111060	Retainage Investments	0.37	7,762.96	-	7,763.33
111100	Premium at Purchase	226,597.57	73,763.46	-	300,361.03
111200	Discount at Purchase	(38,737.65)	1,563.26	-	(37,174.39)
111300	Accrued Interest Purchased	175,531.65	-	46,841.80	128,689.85
120040	Reserves - investments	1,261,000.00	-	-	1,261,000.00
	<b>Total cash and investments</b>	<b>279,347,541.83</b>	<b>16,108,149.21</b>	<b>109,238,714.70</b>	<b>186,216,976.34</b>

Investments in Sympro - at Par	182,002,648.91
Premiums, discounts, and prepaid interest	391,876.49
Investments in Sympro - at Book Value	182,394,525.40
Cash and all other investments	3,822,450.94
<b>Total cash and investments</b>	<b>186,216,976.34</b>



**Lane County, Oregon**  
**Cash Balance Report by Fund**  
Report: XX-0060 - Cash Report by Fund  
As of December 31, 2008

<b>Fund</b>	<b>Description</b>	<b>Balance</b>
620	So Fleet and Equipment	2,136,993.91
627	Intergovernmental Services	262,513.87
653	PC Replacement	1,729,286.33
654	Information Services	1,447,503.75
714	Retiree Benefits Trust	9,102,011.83
801	Unsegregated Taxes	9,293,557.40
809	Unsegregated Miscellaneous	18,673.86
811	Trust	448,377.20
845	School Districts	15,076.22
856	County Assessment & Taxation	372,351.28
864	Highway Lighting	2,410.41
867	Water Districts	2.06
874	Sanitary District	0.05
876	Emerald Public Utility Distric	0.82
903	Investment Pool	252,290.20
908	Payroll Payables	34,036.86
	<b>Total Cash Balance</b>	<b>186,216,976.34</b>