



JAMES L. McINTIRE
State Treasurer

State of Washington
Office of the Treasurer

The Local Government Investment Pool (LGIP) is an optional investment tool available to political subdivisions, community and technical colleges, four-year public institutions of higher education, the State Board for Community and Technical Colleges, and the State Finance Committee in the state of Washington. The LGIP, operated by the Office of the State Treasurer, was created by the Legislature in 1986 to enable local governments to earn a competitive rate of return while maintaining the safety and liquidity of their excess funds.

During Fiscal Year 2010:

- The average balance in the LGIP portfolio was \$8.723 billion maintained by 460 participants.
- The LGIP had a net administrative charge of 0.694 basis points. This is the fourth year in a row that the LGIP has charged less than a basis point.

The LGIP has grown significantly, both in participation and portfolio size, since its inception in 1986. The Treasury Management System (TM\$) continues to be a valuable resource for participants. TM\$ and the automation it provides, helps keep LGIP administrative costs at a minimum. Approximately 76 percent of daily LGIP transactions are currently initiated by participants via TM\$.

I am proud to report the LGIP net rate of return during Fiscal Year 2010 outperformed its benchmark by 33 basis points. The benchmark is the iMoneyNet Inc. Government Only/Institutional Only Money Market Funds, which is comprised of privately managed money market funds similar to the LGIP. During Fiscal Year 2010, LGIP participants have earned approximately \$29 million over what the average comparable money market fund would have generated.

On behalf of the staff at the Office of the State Treasurer, I want to thank you for your continued confidence in the LGIP. If you have questions or suggestions on how to improve our services, please call me at (360) 902-9001.

Sincerely,

A handwritten signature in black ink that reads "James L. McIntire". The signature is written in a cursive, flowing style.

James L. McIntire
State Treasurer