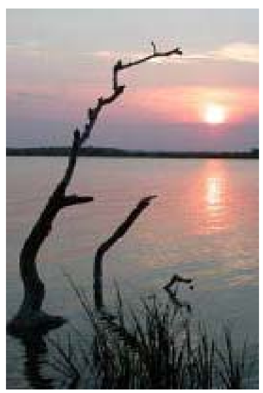
Brevard County, Florida

Annual Investment Performance Review
Fiscal Year Ended September 30, 2006



PFM Asset Management LLC

300 S. Orange Avenue, Suite 1170
Orlando, FL 32801
(407) 648-2208
(407) 648-1323 fax

One Keystone Plaza, Suite 300
North Front & Market Streets
Harrisburg, PA 17101-2044
717-232-2723
717-233-6073 fax

Investment Advisors

Steven Alexander, CTP, CGFO, Managing Director
John F. Grady, III, Senior Managing Consultant
Steven C. Grant, CTP, Senior Managing Consultant

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MARKET REVIEW

With the economy in transition to slower growth and inflation pressures somewhat in check, fixed income portfolios put in their best return in nearly four years in the third quarter. The sharp decline in intermediate and long term interest rates boosted market prices and longer portfolios out-performed cash for only the second quarter in two years.

INTEREST RATES

Interest rates dropped across most of the yield curve with intermediate term rates reaching rates not seen since February. Rates for cash and cash equivalent investments were essentially unchanged as the Federal Reserve held the benchmark overnight rate unchanged at 5.25% through the quarter. After having raised the Federal Funds rate at 17 consecutive meetings beginning in June 2004, the Federal Open Market Committee declared a halt to its effort to remove monetary accommodation in deference to evidence of slower growth. The FOMC observed that "inflation pressures seem likely to moderate over time," yet maintained a bias toward further tightening—if needed—due to concerns "that some inflation risks remain."

Bond investors seemingly discounted these cautionary words, choosing to believe instead that slower growth would tame inflation and lead to still lower interest rates across the board in coming months. Thus, the Treasury yield curve ended the quarter significantly inverted, with the spread between Federal Funds and five year Treasuries at -70 basis points.

U.S. Treasury Market

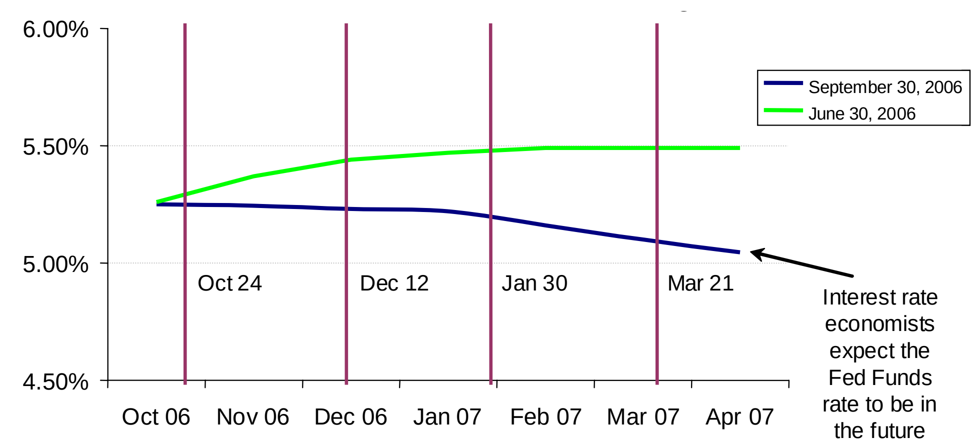
Maturity	9/30/05	6/30/06	9/30/06	Change over Quarter	Change over Year
3 Month	3.54%	4.99%	4.88%	-0.11%	1.34%
6 Month	3.92%	5.24%	5.00%	-0.24%	1.08%
2 Year	4.18%	5.16%	4.68%	-0.48%	0.5%
3 Year	4.18%	5.13%	4.61%	-0.52%	0.43%
5 Year	4.19%	5.10%	4.58%	-0.52%	0.39%
10 Year	4.33%	5.14%	4.63%	-0.51%	0.30%
30 Year	4.57%	5.19%	4.76%	-0.43%	0.19%

Source: Bloomberg

Even after this rally, intermediate term rates remain at the high end of their five year historic averages. Two-Year Treasuries, which closed the quarter at 4.69%, were in the range of 1.50% as recently as March of 2004.

The bullish outlook for bonds is demonstrated by activity in the Federal Funds futures market. As the following chart shows, at quarter end the Fed Funds futures market forecast an overnight rate of about 5.00% at the end of the first quarter of 2007, a big change from the outlook in June 2006.

Fed Funds Futures and FOMC Meeting Dates



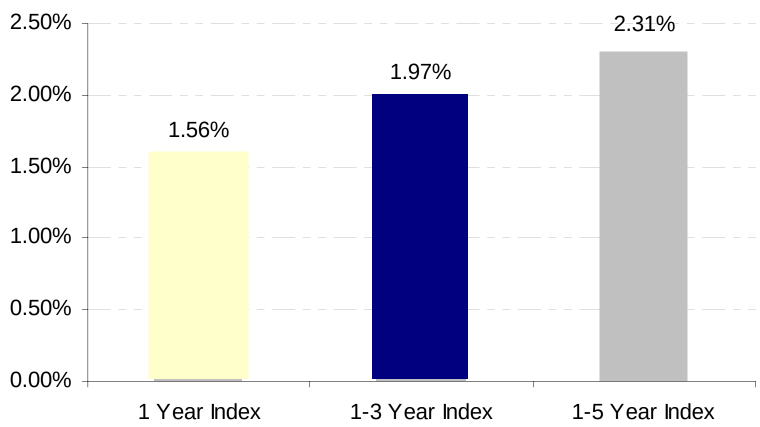
Implied Fed Funds rates are based on Fed Funds futures prices, which indicate the yield anticipated by the market at different points in time and describe the markets' expectations of rates in the future.

Source: Bloomberg; FOMC Feds Futures

MARKET PERFORMANCE

As the following chart shows, the bond market rally boosted returns across the yield curve, with longer-duration portfolios significantly out-performing. The periodic return of 2.31% on the Merrill Lynch 1-5 year Treasury index equates to annualized performance of 9.48%. Although posting strong quarterly returns, longer-term bonds still underperformed cash on a year-to-date basis.

Merrill Lynch Treasury Index Quarterly Returns as of September 30, 2006



As shown on the table below, the quarter marked only the second time since the beginning of the Fed tightening campaign, that longer-term instruments outperformed cash. The 2nd quarter of 2005 was the only other quarter with a similar result.

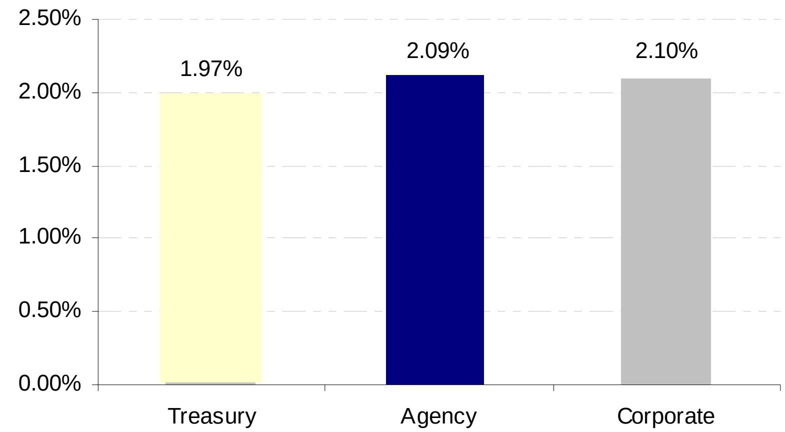
Merrill Lynch Treasury Indices Quarterly Returns Comparison (Unannualized)

Quarters	3-Month	1-3 Year	1-5 Year	Best Return
3Q04	0.37%	0.97%	1.50%	1-5 Year Index
4Q04	0.48%	0.02%	-0.01%	3-Month
1Q05	0.57%	-0.26%	-0.60%	3-Month
2Q05	0.72%	1.14%	1.58%	1-5 Year Index
3Q05	0.83%	0.09%	-0.22%	3-Month
4Q05	0.92%	0.70%	0.63%	3-Month
1Q06	1.02%	0.39%	0.09%	3-Month
2Q06	1.16%	0.65%	0.52%	3-Month
3Q06	1.33%	1.97%	2.31%	1-5 Year Index

Source: Bloomberg; Merrill Lynch Global Indices

Federal Agency and Corporate obligations still provided better returns than Treasury instruments. As corporate profits soared during the quarter, spreads between Corporate investments and Treasuries narrowed significantly, causing Treasuries to under-perform. Agencies also outperformed Treasuries of comparable duration.

Merrill Lynch 1-3 Year Benchmark Quarterly Returns as of September 30, 2006



Source: Bloomberg; Merrill Lynch Global Indices
Returns are duration- adjusted

THE ECONOMY

A continued slowdown in housing, muted retail sales, modest new job creation and somewhat slower growth in real consumer incomes all point to moderating expansion through the balance of the year and into 2007. Thereafter the crystal ball becomes somewhat clouded, with some seers expecting a pick-up in the pace of growth while others foresee Gross Domestic Product (GDP) expanding at only 2-2.5% next year. The pick-up would be fueled by lower oil and commodity prices—they fell significantly in the quarter—strong business investments and robust corporate earnings. The first scenario, which many would consider to be a "soft landing" after the torrid pace of growth early this year, is buttressed by the performance of the U.S. stock markets. The three major stock indices all posted robust returns for the quarter, particularly the Dow Jones Industrial Average which closed the quarter approaching the 12,000 mark, the highest level since its inception in 1922. It is up 11% this year, having rallied over the last weeks of the quarter on good earnings reports, lower oil prices, and moderate inflation expectations. This trend appears to be sustainable going into the fourth quarter, as the S&P 500, which represents a broader market index, is up 9.5% this calendar year, and nearly 16% over the past twelve months. Clearly, the stock market is not worried about a slowing economy.

The second outlook for continued slowing is predicated on additional weakening of housing and retail sales, the huge domestic debt burden on consumers and governments, and stagnation in real wages.

It is notable that the Fed's central tendency forecast for GDP growth of 3.5% for 2006 would be met even if the economy expanded at only a pace of around 2.3% for the third and fourth quarters.

EMPLOYMENT

The economy added a total of about 365,000 jobs in the quarter, continuing a trend of slower labor market growth that has been in place for all of 2006. The lower pace of job creation represents employer reluctance to add jobs given the uncertain outlook, but it has not adversely impacted the unemployment rate which, at 4.7% in September, is also a touch over the five-year low of 4.6%. The labor market is strong enough to put some pressure on labor costs which rose 3.4% in the quarter.

CONSUMERS

Consumer confidence was down throughout most of the quarter, only to rebound in September, helped by a drop in gasoline prices and a more positive outlook on the job market. The report countered the impact of a plummeting housing market on consumers. Retail sales rose by 1.4% in July, the most in 6 months, and the price of imported goods climbed 0.9% after no change in June. Retail sales also grew in August by 0.2%, despite an expected drop; excluding autos, retail sales increased by the same margin.

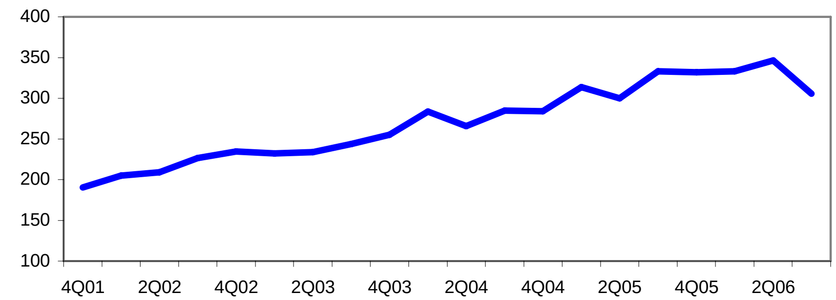
HOUSING

The housing market further weakened through the third quarter with declines in housing starts and existing home sales. Indeed, housing construction fell to a three-year low in August, and building permits fell for seven straight months, the longest span in almost 20 years. Inventory of unsold homes continued to rise to a record, forcing builders to offer incentives to spur demand. Moreover, prices of existing homes fell in August for the first time in 11 years. Falling home prices inhibit consumers' capacity to tap into the equity in their homes, a significant source of spending in recent years. Economists view this as a major brake on consumer spending, which accounts for about 70% of GDP. However, the cooling of the housing market appears to be a gradual one, in part due to a slight decrease in the 30-year fixed rate mortgage from 6.71% in June to 6.43% in September. Even with the fall in rates, housing activity continues to wane, leading Fed Chairman Bernanke to comment that "the housing market is in a substantial correction that will lop about a percentage point off economic growth in the second half and restrain expansion next year."

COMMODITIES

Oil prices hit all-time records in the third quarter, reaching nearly $80 a barrel in mid-August, amid geopolitical tensions crippling supply, a higher demand from the summer driving season and booming international economies. A sharp reversal drew prices down by as much as 22% to about $60 a barrel in mid- to -late September, marking the lowest figure in 6 months. The fall in oil prices is chiefly attributed to increased national supply and alleviated tensions in global oil markets.

Commodity Research Bureau Index
4th Quarter 2001 – 3rd Quarter 2006



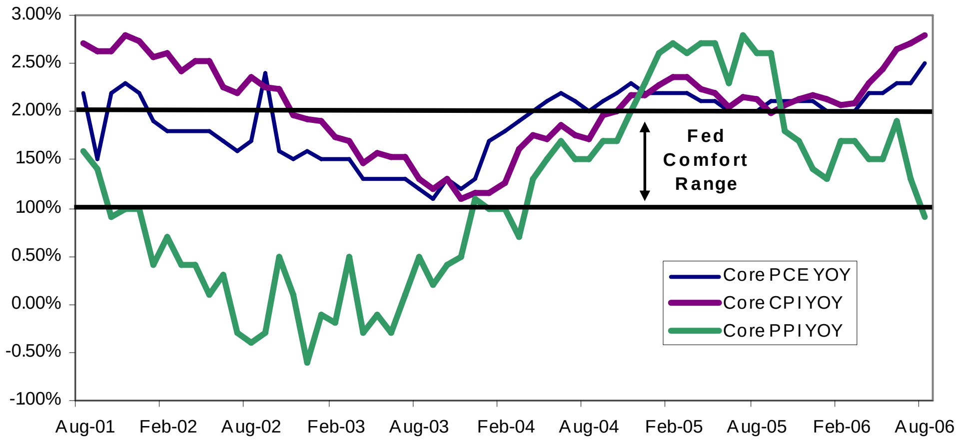
Source: Bloomberg

The Commodity Research Bureau's commodity price index, an arithmetic measure of average commodity future prices dropped by as much as 12% in the quarter. The index fell from 346 to 305, the lowest level in 15 months and the largest quarterly decline since the second quarter of 1998. The significant dive in commodity prices is expected to have a major impact on the cost of production materials and should dampen inflationary tendencies.

INFLATION

Inflation remains a focal point for investors concerned about the purchasing power of their assets. Policy makers have established an inflation comfort range of 1-2 percent. The Personal Consumption Expenditure price index, a Fed preferred measure, rose 0.2% in August and was up 2.5% for the year, the fastest pace since April 2005, clearly above the Fed's central tendency forecast. However, the overall consumer price index rose at 3.8%, down from 4.2% last quarter. Lower energy and home prices are the principal factors of the downturn.

Core Inflation (Year-Over-Year)
August 2001- August 2006



Source: Bloomberg

The Core Producer Price Index, which excluding food and energy declined 0.4% in August and was up only 0.9% year-over-year. The decline in August and September marked the first consecutive monthly drop since the end of 2002, largely due to ebbing energy costs.

Other signs, however, suggested some moderation.

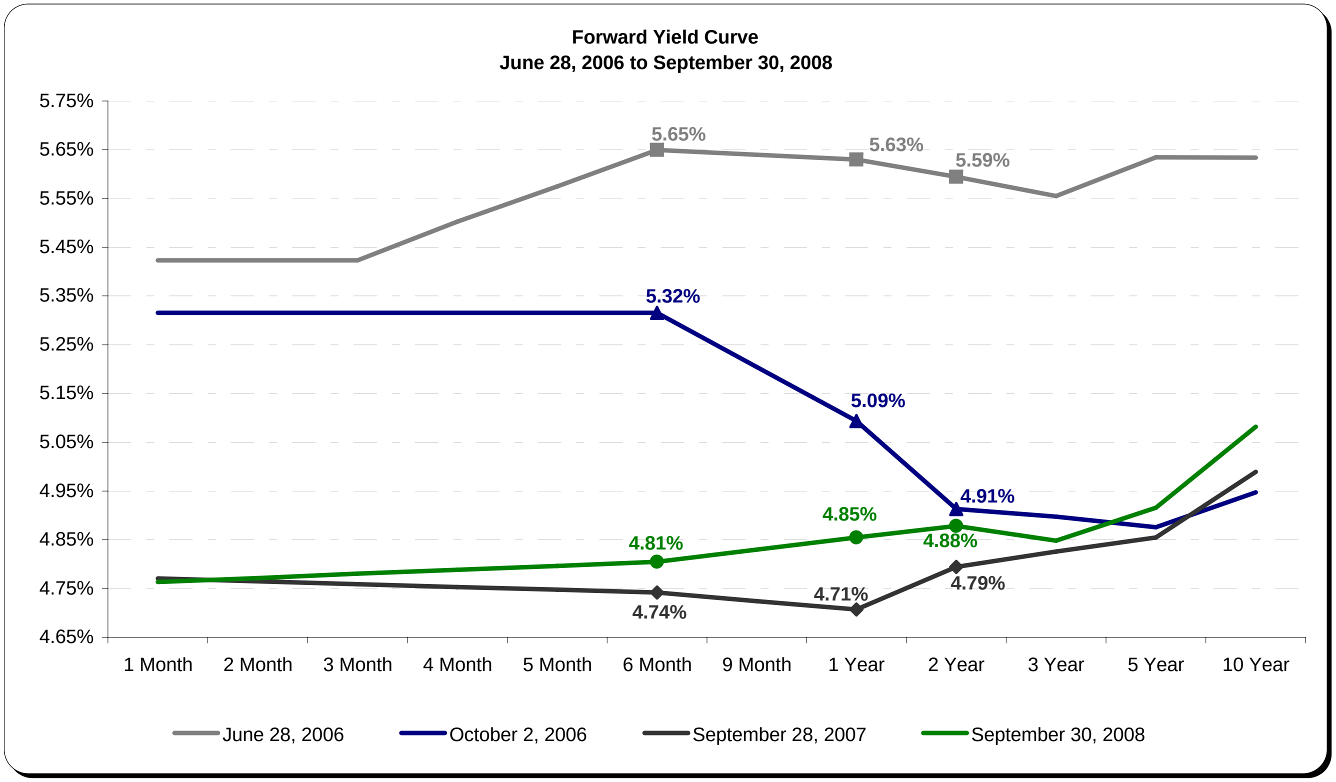
OUTLOOK AND STRATEGY

The third quarter was a time of affirmation for the Fed and the markets with the outlook of a soft landing for the economy. The Fed's decision to hold rates steady in the face of worrisome inflation trends may turn out to have been the appropriate move in the face of the tumbling housing market and fitful consumer demand. If lower energy and commodity prices prevail, they could buttress consumer purchasing power enough to keep markets from drowning. As long as bond investors believe in this outlook, long term interest rates will remain near current levels, and the Fed will not be forced to intervene.

Fed Fund futures provide support to this outlook, indicating no Fed move through the rest of the year, and a high likelihood of a modest rate cut in the first quarter of 2007.

With the risk for a further spike in rates waning, and rates at or near five year highs, we foresee some value in longer-maturity investments and have extended portfolio durations to capture returns.

Forward Yield Curve July 2006 - September 2008

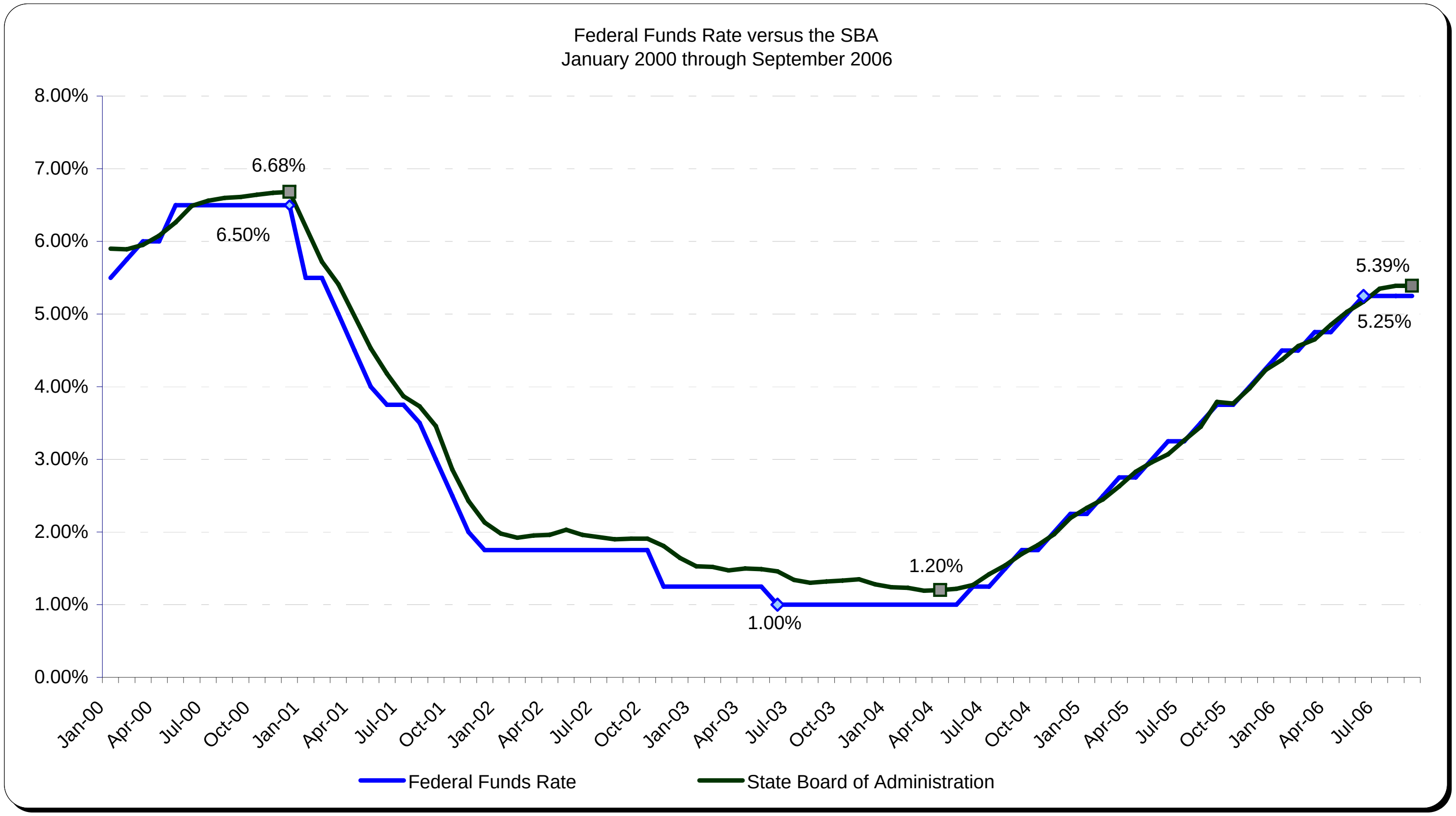


Notes:

1. Federal Agency Notes.

Federal Funds Rate vs. SBA - January 2000 - September 2006

Fiscal Year	Federal Funds Rate Increases	Total Basis Points Increase	Federal Funds Rate
October 31, 2004 - Sept. 30, 2005	9	200	3.75%
October 31, 2005 - Sept. 30, 2006	7	150	5.25%



Executive Summary

- The economy showed more signs of slowdown during the third quarter of 2006 led by lackluster housing market indicators which began showing signs of weakness during the second quarter. The housing market has been the primary focus for many market participants in recent months as home prices have leveled off and interest rates have increased.
- Second quarter GDP of 2.6% was less than half the 5.6% growth experienced during the first quarter of 2006.
- After 24 months and 17 consecutive Federal Funds rate increases, the FOMC held steady at 5.25% during the August and September meetings, but stated that with any considerable inflationary data, additional tightening may be necessary. Most economists believe this cycle of federal funds rate increases has ended based on recent economic data.
- As expected the SBA held rather steady during the third quarter and provided a quarterly return of 5.38% as the Federal Funds rate remained at 5.25%. The SBA has increased more than 394 basis points since the low of 1.19% in March 2004.
- The Long Term portfolio outperformed the SBA by 86 basis points since inception, based on an average portfolio balance of $176,293,418.27, this is approximately $6,948,898 more than if the assets were invested in the SBA.
- PFM's investment strategy resulted in the County's Long Term Fund portfolio quarterly return of 2.06%, outperforming the Merrill Lynch 1-3 Year U.S. Treasury Note Index benchmark return of 1.97%. PFM's dynamic active management strategy in various interest rate environments has resulted in the Long Term investment portfolio outperforming the benchmark by 29 basis points 34 basis points and 15 basis points for the last 12 months, 24 months, and since inception, respectively.
- PFM recommended to the investment committee increasing the allocation to the County's Long Term Portfolio based on the County's annual cash flow analysis which identified an additional $40 million of core assets and given the favorable historical performance of longer term investment portfolios versus short duration investment portfolios. PFM increased the Long Term portfolio in March based on the investment committee's approval of this investment strategy.
- PFM's investment strategy of selectively executing extension trades for the portfolio during the third quarter has paid off dramatically as rates have steadily declined since July. The County's portfolio return for the last 12 months has outperformed the benchmark by 29 basis points.
- PFM slightly increased the portfolio duration to 94% of the benchmark duration to lock in yields as interest rates decreased considerably during the quarter. PFM executed trades for the portfolio to lock in rates in the 1-3 year area of the curve.
- Federal Funds futures contracts for early 2007 are well below 5.25%, signaling the belief from many market participants that the FOMC will actually lower the Federal Funds in the coming months.
- Although the first quarter of 2006 had strong growth of 5.6%, the economy has slowed considerably and growth expectations have been lowered to be approximately 2.0% - 2.5% for the year.
- PFM will continue to identify selected extension trades for the County's Long Term Fund Portfolio to lock in yields as forward yield curves suggest further declines in interest rates in the overnight to three year area of the yield curve.

Portfolio Investment Strategy

- **PFM employed several investment strategies during the past five years for the County's assets based on several factors:**
  - Current and Expected Market Conditions
  - Sector Spreads (i.e., Treasuries, Agencies, Corporate Notes)
  - Current and Forward Yield Curve Structures

- **Duration management has also provided favorable earnings results for the County by utilizing multiple yield curve placement strategies to optimize earnings.**

Current Strategy	Transfer	Future Strategy[1]
Analyze and execute security transactions in a rising interest rate, yet flat yield curve environment and capture higher yielding securities without overextending the duration of the portfolio. This balanced approach protects the principal as interest rates increase and limits the the volatility from interest rate risk. PFM has also utilized sector swaps for the portfolio as spreads between Agencies and Corporate Notes and Treasuries periodically offered value in certain areas of the yield curve.	PFM's annual cash flow analysis for the County identified an additional $40 million of Core Assets which are available to be managed with a longer term investment strategy. The investment committee approved PFM's recommendation to increase the Long Term Portfolio based on historical performance of longer term investment strategy portfolios versus short term duration portfolios. **Completed: March 2006**	The economy and interest rates have leveled off in recent months, as interest rates have declined from their highs in late June. Forward interest rates and many economic indicators point to a continued slow down and further decreases in interest rates. PFM will continue our third quarter strategy for the County's Long Term portfolio and identify extension trades for the portfolio and lock in yields in the 1-3 year area of the yield curve and lock in a portion of the portfolio as a hedging stragegy against declining interest rates.

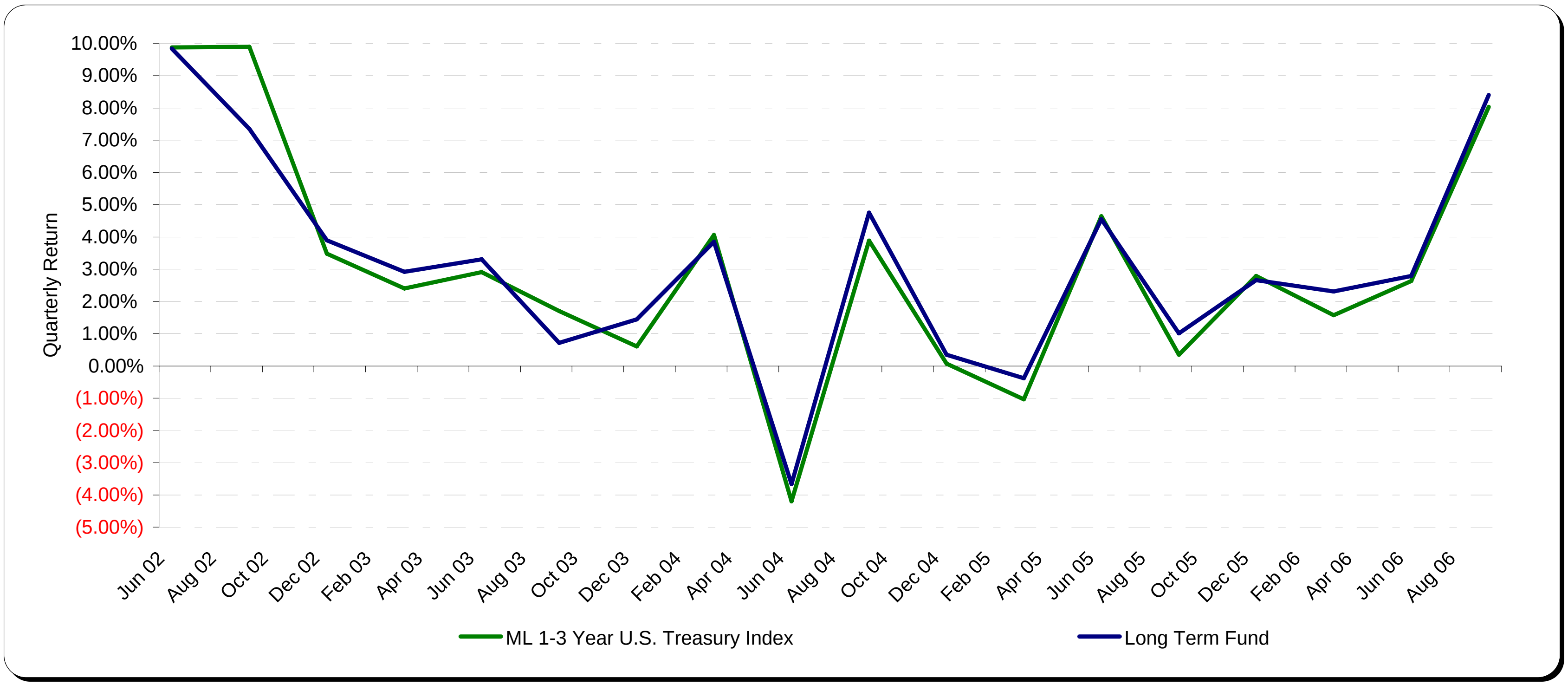
Notes:

1. As ecnomic and market conditions change PFM will update our investment strategy accordingly to maximize the return of the portfolio.

Long Term Fund Portfolio Yields - 4-Year History Versus Benchmarks[1]

Account Name	Total Return Since Inception FY 2003 - FY 2006[1]
Long Term Fund	**3.08%**
ML 1-3 Year U.S. Treasury Index	2.93%
Four-Year Benefit Yield over Benchmark	**0.15%**

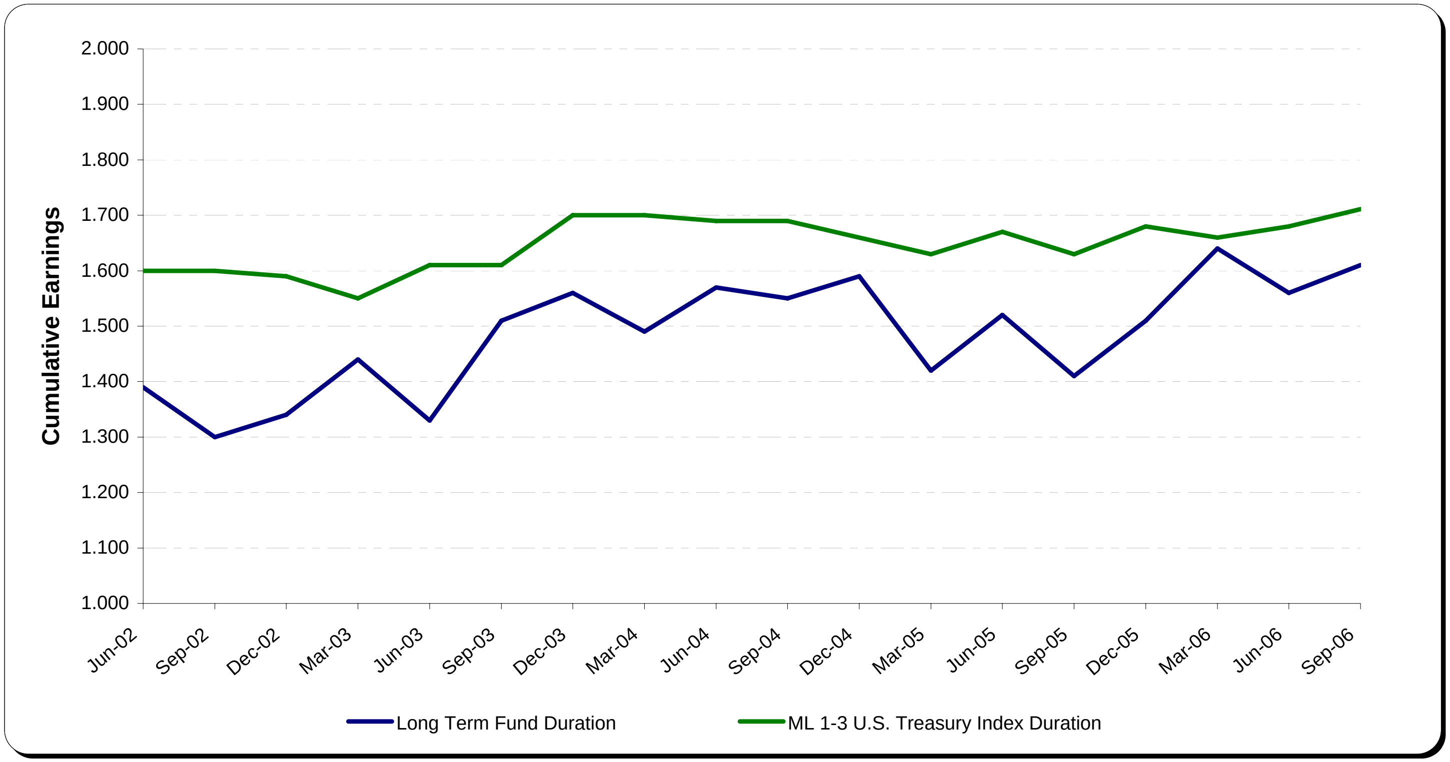
Account Name	Average Yield to Maturity on Cost FY 2003 - FY 2006
Long Term Fund	**3.39%**
State Board of Administration (SBA)[2]	2.53%
Four-Year Benefit Yield over SBA	**0.86%**



Notes:

1. Annualized Quarterly Returns Since Inception.
2. SBA - Florida State Board of Administration is an overnight liquidity investment pool for local governments.

Long Term Fund Duration Versus the ML 1-3 Year U.S. Treasury Index Duration



Total Portfolio Balances and Interest Earnings

Balances **Fund Name**	**Book Value as of September 30, 2006**	Book Value as of September 30, 2005	Percent Change From FY 2005 - 2006
General Fund	**$50,212,046.00**	$21,655,203.00	131.87%
Special Revenue	**183,352,456.00**	112,329,616.00	63.23%
Debt Service	**12,335,411.00**	12,618,296.00	-2.24%
Capital Projects	**105,121,267.00**	135,020,599.00	-22.14%
Enterprise	**101,643,138.00**	88,752,981.00	14.52%
Internal Service	**36,800,270.00**	33,219,776.00	10.78%
Total	**$489,464,588.00**	$403,596,471.00	21.28%

Interest Earnings **Fund Name**	**Interest Earned Fiscal Year 2006**	Interest Earned Fiscal Year 2005	Percent Change From FY 2005 - 2006
General Fund	**$2,512,485.00**	$950,719.00	164.27%
Special Revenue	**8,477,681.00**	2,683,765.00	215.89%
Debt Service	**877,916.00**	495,415.00	77.21%
Capital Projects	**4,710,398.00**	2,550,193.00	84.71%
Enterprise	**4,395,774.00**	2,205,819.00	99.28%
Internal Service	**1,390,878.00**	632,713.00	119.83%
Total	**$22,365,132.00**	$9,518,624.00	134.96%

County Total Portfolio	**Book Value as of September 30, 2006**	**Market Value as of September 30, 2006**
Short Term and Bond Portfolio[1]	**$298,769,469.52**	**$299,423,878.58**
Long Term Portfolio	**190,695,118.69**	**190,263,601.36**
Total	**$489,464,588.21**	**$489,687,479.94**

Notes:

1. Includes the GIC Balance of $1,194,500.00.

Short Term and Long Term Portfolios Annual Review Fact Sheet

Ending Balance as of September 30, 2006	
Short Term Portfolio Market Value[1]	$ 299,423,878.58
Long Term Portfolio Martket Value	190,263,601.36
Total All Assets	$ 489,687,479.94

Interest Earnings	Last 12 Months
Total Portfolio Interest Earnings for Fiscal Year 2006	$22,365,132.00

Additional Annual Returns in Dollars[2]	Last 12 Months
Total Return	
Long Term Portfolio	$7,095,810.09
Merrill Lynch 1-3 Year Treasury Index	6,593,373.84
Additional Returns over Benchmark	$502,436.24

Long Term Portfolio Performance	Last 12 Months
Total Return	
Long Term Portfolio	4.03%
Merrill Lynch 1-3 Year Treasury Index	3.74%
Performance over the Benchmark	0.29%

Average Annual Duration[3]	Last 12 Months
Long Term Portfolio	1.58 Years
Merrill Lynch 1-3 Year Treasury Index	1.68 Years

Short Term Portfolio Performance	Last 12 Months
Yield on Cost	
Short Term Portfolio	4.78%
Florida SBA	4.73%
Performance over the Benchmark	0.04%

Weighted Average Maturity	Last 12 Months
Short Term Portfolio	62 Days
Florida SBA	27 Days

Summary

1. The Portfolio's average duration of 1.58 years for the Fiscal Year Ended September 30, 2006 is 93.89% of the Benchmark's average duration for the year.
2. The Portfolio's since inception average duration of 1.49 years Ending September 30, 2006 is 90.15% of the Benchmark's average since inception.
3. As of September 30, 2006, the County's Portfolio is in compliance with the Investment Policy.
4. The County's Assets are comprised of Florida SBA (37.90%), Federal Agency Securites (35.36%), Mortgage-Backed Securities (4.57%), Corporate Notes (1.78%), Money Market Funds (5.12%), and U.S. Treasuries (15.26%).

Notes:

1. The Short Term Portfolio is managed by the County.
2. Based on the Average Annual Balance. Long Term Portfolio Average Balance of: $176,293,418.27.
3. Based on the Quarter-End Averages for the Fiscal Year.

Short Term and Bond Portfolio Yields

Yields[1,2] Security Type	Yield on Cost as of September 30, 2006	Yield on Cost as of September 30, 2005
Florida State Board of Administration	**5.39%**	3.79%
SunTrust Public Now Account	**5.54%**	N/A
U.S. Treasury Note	**N/A**	N/A
Federal Farm Credit Bureau	**N/A**	N/A
Federal Home Loan Bank	**4.70%**	3.69%
Federal Home Loan Mortgage Corp.	**5.26%**	3.73%
Federal National Mortgage Association	**5.41%**	3.81%
Guaranteed Investment Contract	**5.15%**	5.15%
Total Average Yield[2]	**5.34%**	3.76%

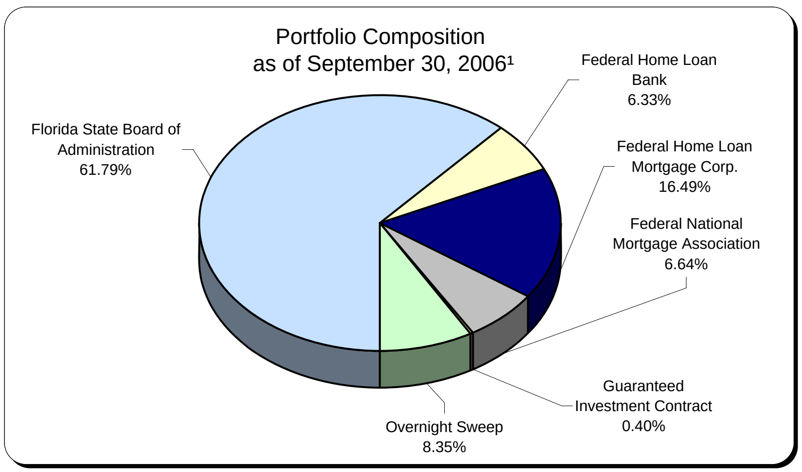
Benchmarks	**September 30, 2006**	September 30, 2005
Average Annual Florida SBA Yield	**4.73%**	3.79%

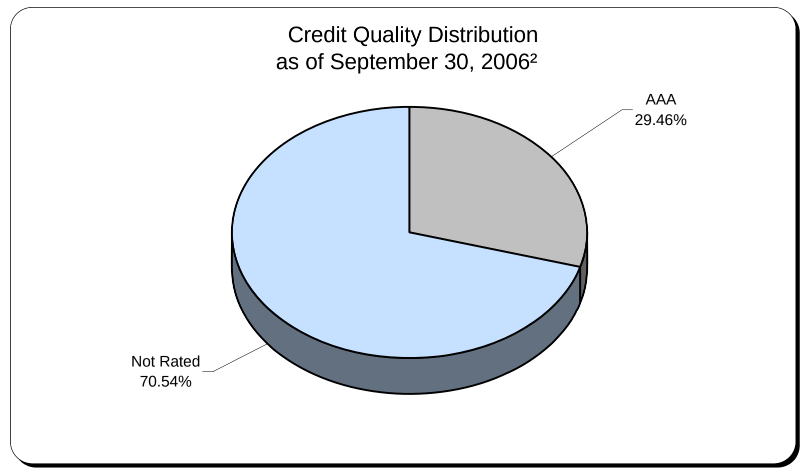
Notes:

1. Yields are presented as "yield on cost" pursuant to the County's Investment Policy Performance Section for short-term securities and compared to the benchmark which is the SBA.
2. Yield on cost is a dollar weighted yield.

Short Term and Bond Portfolio Composition (Market Value)

Security Type[1]	Balance as of September 30, 2006	Percent of Portfolio	Balance as of September 30, 2005	Percent of Portfolio
Florida State Board of Administration	**$185,011,835.04**	**61.79%**	$95,420,173.33	36.76%
Federal Farm Credit Bureau	**0.00**	**0.00%**	0.00	0.00%
Federal Home Loan Bank	**18,949,040.00**	**6.33%**	38,614,067.00	14.88%
Federal Home Loan Mortgage Corp.	**49,377,803.54**	**16.49%**	64,292,630.00	24.77%
Federal National Mortgage Association	**19,890,700.00**	**6.64%**	60,033,921.78	23.13%
Guaranteed Investment Contract	**1,194,500.00**	**0.40%**	1,194,500.00	0.46%
U.S. Treasury Note	**0.00**	**0.00%**	0.00	0.00%
SunTrust Public Now Account	**25,000,000.00**	**8.35%**	0.00	0.00%
Totals	**$299,423,878.58**	**100.00%**	$259,555,292.11	100.00%





Notes:

1. Investment balances are market values as of September 30, 2006.
2. Credit rating of securities held in portfolio, exclusive of money market fund/SBA.

Short Term and Bond Portfolio Holdings and Yields[1] as of September 30, 2006

Security Description	Coupon	Cusip	Purchase Date	Maturity Date	Par Value	Book Amount	Market Value	Yield on Cost[1,2]
State Board of Administration					$185,011,835.04	$185,011,835.04	$185,011,835.04	5.39%
SunTrust Public Now Account					25,000,000.00	25,000,000.00	25,000,000.00	5.54%
Federal Home Loan Bank	3.08%	3133X22W4	10/28/03	02/20/07	4,000,000.00	3,995,625.00	3,966,240.00	3.12%
Federal Home Loan Bank	3.80%	3133XB7G4	07/29/05	12/22/06	5,000,000.00	4,976,300.00	4,982,800.00	4.15%
Federal Home Loan Bank	5.38%	3133MMXX6	06/29/06	02/15/07	10,000,000.00	9,985,519.00	10,000,000.00	5.60%
Federal Home Loan Mortgage Corporation	Disc	313396JN4	09/19/06	07/24/07	10,000,000.00	9,567,884.65	9,584,720.65	5.30%
Federal Home Loan Mortgage Corporation	Disc	313397L74	04/27/06	10/24/06	10,000,000.00	9,751,500.00	9,968,247.00	5.17%
Federal Home Loan Mortgage Corporation	Disc	313397T76	06/29/06	12/19/06	10,000,000.00	9,743,863.89	9,883,035.89	5.33%
Federal Home Loan Mortgage Corporation	2.75%	3134A4UV4	04/27/06	10/15/06	10,000,000.00	9,888,000.00	9,990,600.00	5.20%
Federal Home Loan Mortgage Corporation	4.50%	3128X4QU8	09/19/06	04/18/07	10,000,000.00	9,953,786.50	9,951,200.00	5.31%
Federal National Mortgage Association	2.63%	31359MTX1	06/29/06	01/19/07	10,000,000.00	9,839,555.44	9,921,900.00	5.60%
Federal National Mortgage Association	2.63%	31359MTN3	04/27/06	11/15/06	10,000,000.00	9,861,100.00	9,968,800.00	5.22%
Total					**$299,011,835.04**	**$297,574,969.52**	**$298,229,378.58**	**5.34%**

Guaranteed Investment Contracts for Bond Proceeds

Security Description	Coupon	Cusip	Purchase Date	Maturity Date	Par Value	Book Amount	Market Value	Yield on Cost
Guaranteed Investment Contract				04/02/07	1,194,500.00	1,194,500.00	1,194,500.00	5.15%
Total					**$1,194,500.00**	**$1,194,500.00**	**$1,194,500.00**	**5.15%**

Total Holdings

Grand Total					**$300,206,335.04**	**$298,769,469.52**	**$299,423,878.58**	**5.34%**

Notes:

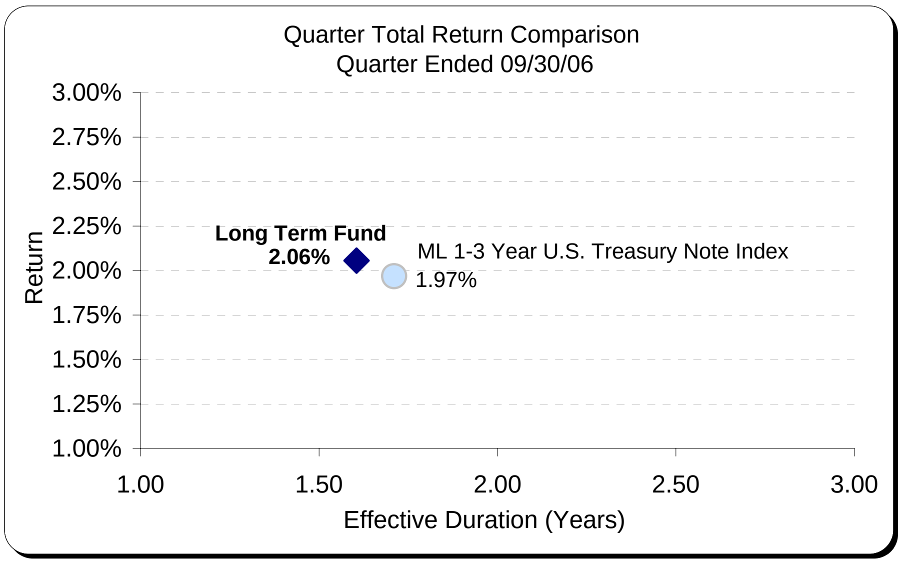
1. Yields are presented as "Yield on Cost" pursuant to the County's Investment Policy Performance Section for short-term securities and compared to the benchmark which is the SBA.
2. Yield on Cost is a dollar weighted yield.

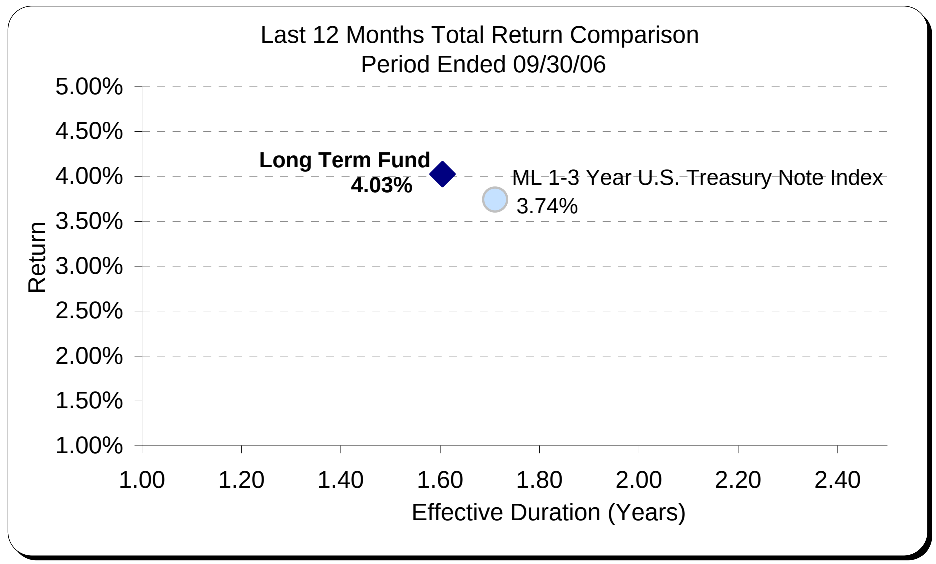
Long Term Fund Portfolio Performance

Total Return[1,2,3,4,5,6]	Quarterly Return September 30, 2006	Annualized Quarter	Last 12 Months	Last 24 Months	Since Inception 3/31/2002
Long Term Fund	**2.06%**	**8.41%**	**4.03%**	**2.69%**	**3.08%**
Merrill Lynch 1-3 Year U.S. Treasury Note Index	1.97%	8.04%	3.74%	2.35%	2.93%

Effective Duration (Years)[4]	September 30, 2006	September 30, 2005
Long Term Fund	**1.61**	**1.41**
ML 1-3 Year U.S. Treasury Note Index	1.71	1.68

Yields	September 30, 2006	September 30, 2005
Yield at Market	**4.97%**	4.34%
Yield at Cost	**4.83%**	3.26%



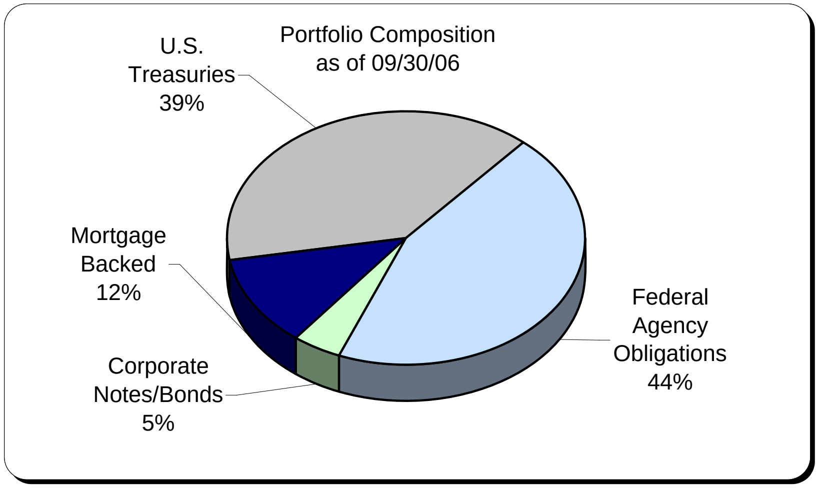


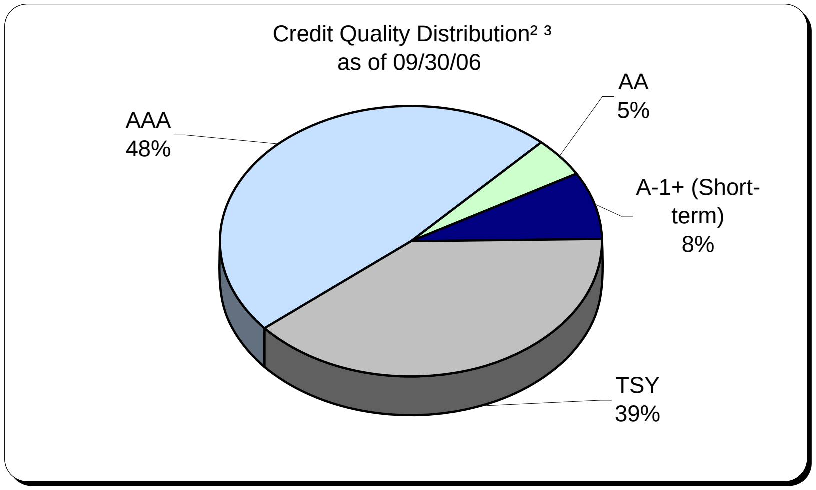
Notes:

1. Performance on trade date basis, gross (i.e., before fees), is in accordance with The CFA Institute's Global Investment Performance Standards (GIPS).
2. Merrill Lynch Indices provided by Bloomberg Financial Markets.
3. Quarterly returns are presented on an unannualized basis.
4. Excludes money market fund/cash in performance and duration computations.
5. Returns presented for periods of 12 months or longer are presented on an annual basis.
6. Past performance is not indicative of future results.

Long Term Fund Portfolio Composition and Credit Quality Characteristics

Security Type[1]	September 30, 2006	% of Portfolio	September 30, 2005	% of Portfolio
U.S. Treasuries	**$74,446,521.40**	**39.1%**	$57,581,269.75	38.4%
Federal Agencies	**85,113,076.25**	**44.7%**	75,151,399.06	50.2%
Commercial Paper	**0.00**	**0.0%**	0.00	0.0%
Certificates of Deposit	**0.00**	**0.0%**	0.00	0.0%
Bankers Acceptances	**0.00**	**0.0%**	0.00	0.0%
Repurchase Agreements	**0.00**	**0.0%**	0.00	0.0%
Municipal Obligations	**0.00**	**0.0%**	0.00	0.0%
Corporate Notes/Bonds	**8,690,735.48**	**4.6%**	3,943,476.44	2.6%
Mortgage Backed	**22,013,268.23**	**11.6%**	13,122,314.18	8.8%
Money Market Fund/Cash	**0.00**	**0.0%**	0.00	0.0%
Totals	**$190,263,601.36**	**100.0%**	$149,798,459.43	100.0%



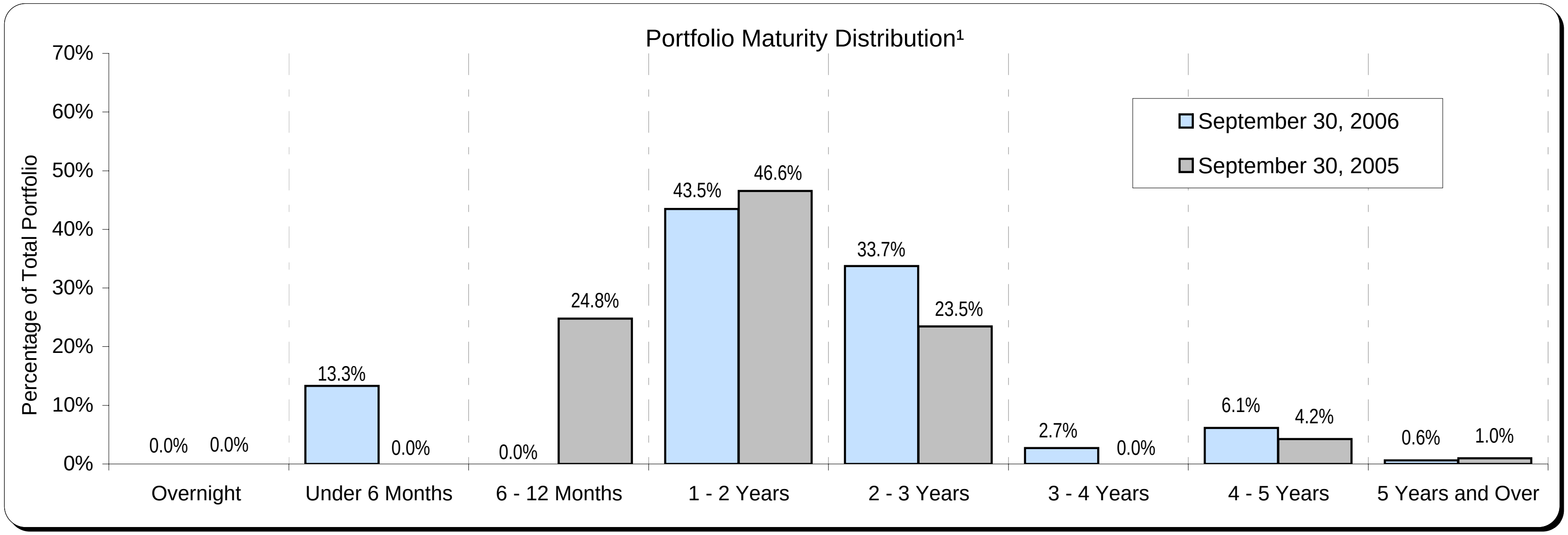


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, exclusive of money market fund/LGIP.
3. A rating of "TSY" indicates the security is an obligation of, or explicitly guaranteed by the U. S. Government.

Long Term Fund Portfolio Maturity Distribution

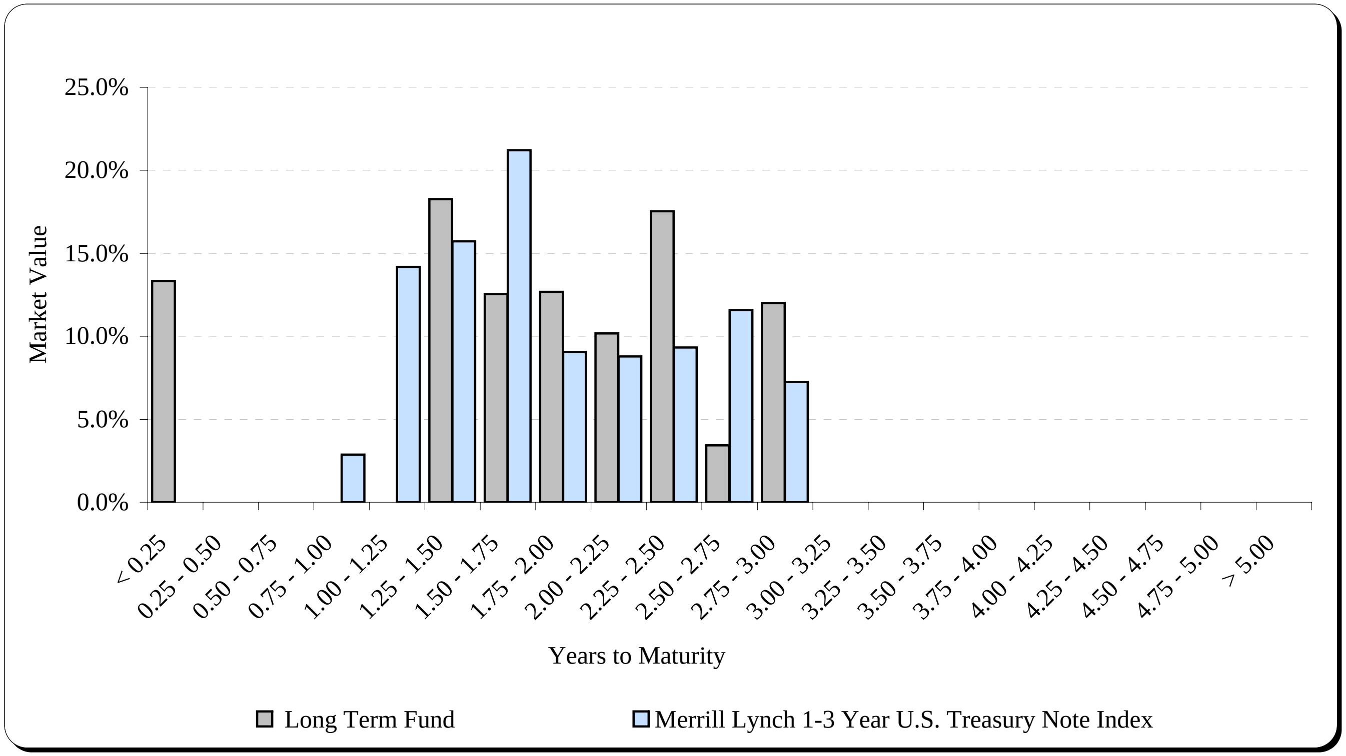
Maturity Distribution[1]	September 30, 2006	September 30, 2005
Overnight (Money Market Fund)	**$0.00**	$0.00
Under 6 Months	**25,366,621.29**	0.00
6 - 12 Months	**0.00**	37,095,169.88
1 - 2 Years	**82,730,540.48**	69,739,791.22
2 - 3 Years	**64,195,328.56**	35,134,702.08
3 - 4 Years	**5,127,984.75**	0.00
4 - 5 Years	**11,691,615.28**	6,362,690.46
5 Years and Over	**1,151,511.00**	1,466,105.79
Totals	**$190,263,601.36**	$149,798,459.43



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

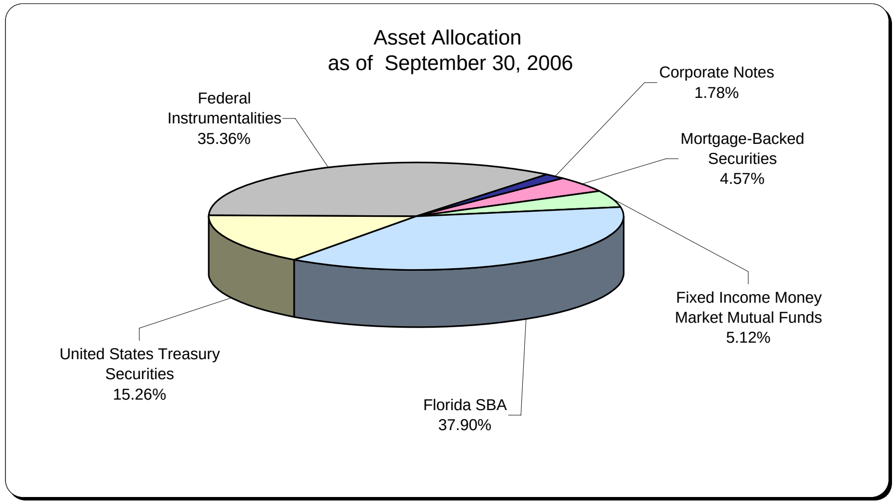
Long Term Fund Maturity Distribution versus the Benchmark[1]



Notes:

1. Due to the nature of the security, Mortgage-Backed Securities are represented based on their average life maturity rather than their final maturity.

Security Type[1]	September 30, 2006	Notes	Permitted by Policy
Florida SBA	37.90%		**100%**
United States Treasury Securities	15.26%		**100%**
United States Government Agency Securities	0.00%		**50%**
Federal Instrumentalities	35.36%	2	**100%**
Certificates of Deposit	0.00%		**10%**
Repurchase Agreements	0.00%		**20%**
Commercial Paper	0.00%		**25%**
Corporate Notes	1.78%		**15%**
Mortgage-Backed Securities	4.57%	2	**25%**
Bankers' Acceptances	0.00%		**25%**
State and/or Local Government Debt (GO)	0.00%		**25%**
State and/or Local Government Debt (Revenue)	0.00%		**10%**
Fixed Income Money Market Mutual Funds	5.12%		**20%**
Intergovernmental Investment Pool	0.00%		**25%**



Individual Issuer Breakdown	September 30, 2006	Notes	Permitted by Policy
General National Mortgage Association (GNMA)	0.00%		**10%**
US Export-Import Bank (Ex-Im)	0.00%		**10%**
Farmer Home Administration (FHDA)	0.00%		**10%**
Federal Financing Bank	0.00%		**10%**
Federal Housing Administration (FHA)	0.00%		**10%**
General Services Administration	0.00%		**10%**
New Communities Act Debentures	0.00%		**10%**
US Public Housing Notes & Bonds	0.00%		**10%**
US Dept. of Housing and Urban Development	0.00%		**10%**
Federal Farm Credit Bank (FFCB)	2.60%		**25%**
Federal Home Loan Bank (FHLB)	7.04%		**25%**
Federal National Mortgage Association (FNMA)	10.54%		**25%**
Federal Home Loan Mortgage Corporation (FHLMC)	19.76%		**25%**
Student Loan Marketing Association (SLMA)	0.00%		**0%**

Individual Issuer Breakdown	September 30, 2006	Notes	Permitted by Policy
CD - Bank A	0.00%		**10%**
CD - Bank B	0.00%		**10%**
Fully collateralized Repo - A	0.00%		**10%**
Fully collateralized Repo - B	0.00%		**10%**
CP A	0.00%		**5%**
CP B	0.00%		**5%**
Citigroup	0.79%		**5%**
Bank of America	0.99%		**5%**
Corporate Notes C	0.00%		**5%**
Corporate Notes D	0.00%		**5%**
BA Bank A	0.00%		**5%**
BA Bank B	0.00%		**5%**
Municipal Notes/Bonds	0.00%		**5%**
Money Market Fund A	5.12%		**10%**
Money Market Fund B	0.00%		**10%**

Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 100%. The combined total as of September 30, 2006 is 39.94%.