

Palm Beach County School District

Investment Performance Review
Quarter Ended March 31, 2006



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Tab I. March 31, 2006 PFM Month-End Statement

MARKET VIEW

The 1st quarter of 2006 brought significant changes to one of the major market influences, the Federal Reserve. Ben Bernanke officially replaced Alan Greenspan as Fed Reserve Chairman on February 1, 2006 and presided over his first meeting of the Federal Open Market Committee (FOMC) on March 28, 2006. Although many market analysts believe there will be greater transparency under Bernanke, it seems to be ‘business as usual’ at the Fed, albeit with a different face at the front. The focus continues to be on maintaining the balance between sustainable economic growth and inflation pressures. Although economists looked for signs of an end to the rate hikes, the Fed approved two 25 basis point rate increases in the Federal Funds rate during the first quarter, bringing the number of consecutive hikes to 15 and the target rate to 4.75%. Further, the FOMC statement following the meeting left the door open for future rate hikes. The Federal funds futures market forecasts another 25 basis point rate hike at the May 10th Fed meeting and the possibility of some additional tightening beyond.

With the Fed having completed its effort to raise short-term rates to “neutral,” future activity will depend critically on the outlook for continued growth and inflation. In the near term, the Fed will closely watch inflation data such as the Personal Consumption Expenditures Index (‘Core PCE’), whose year-over-year change read 1.8% throughout the past few months, significantly close to the highpoint of the Fed’s ‘comfort zone’ of 1-2%. The first quarter annualized growth rate of Core PCE is projected to be 2.4%, perhaps highlighting an upward trend.

Core CPI, another measure of inflation closely watched by the Fed, hovered at 2% throughout the quarter. Although not a sign of a sharp hike in inflation, this reading is once again at the high end of the Fed target range.

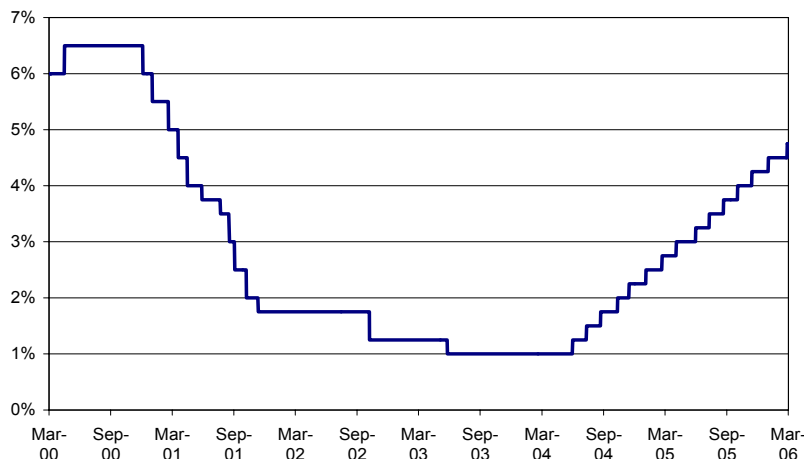
The Producer Price Index (‘PPI’), an additional inflation gauge, also signals caution. The annualized rate of core PPI, compiled to exclude the effects of food and energy, was about 3% in recent months. Another concern for the Fed is the impact of the increase in raw material prices on U.S. producers that has been aggravated by the expansion in China and developing countries around the globe.

With core inflation near the top of the Fed’s acceptable band and energy prices still at their highs, the door has been left open for further rate hikes in response to any newly emerging inflation pressures.

Gross Domestic Product (‘GDP’) appears poised to rebound from its sluggish 4th quarter increase of 1.7% – the lowest reading in close to three years. Low 4th quarter growth brought down overall economic expansion for the year, with GDP growing 3.5% in 2005, versus 4.2% in 2004. Although economists predict that 1st quarter 2006 GDP will grow at an annualized rate of 4.5% to 5.0% (the most significant economic growth since late 2003), economists also expect that growth will moderate throughout the balance of the year.

While the economy was still recovering in the 4th quarter from the residual effects of Hurricane Katrina, the first quarter projected rebound may be partially attributed to increased business profits. These increased profits coupled with a positive outlook on consumer demand have led to increased business investments, not only in human capital but in physical capital in the form of stockpiles of inventory. Also positively affecting GDP in the first quarter is the increase in government spending related to rebuilding and restructuring at home and abroad.

**Fed Funds Target Rate
03/31/99 - 03/31/06**

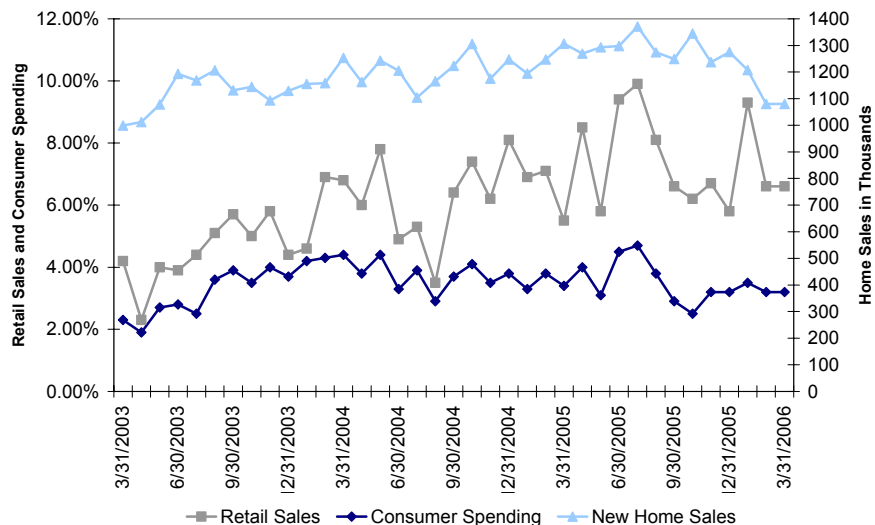


Source: Bloomberg

The Housing Market may have a negative impact on GDP this year as the cooling that started in the second half of 2005 continues. The slowdown is illustrated by the larger than expected decrease in new home sales in January and February and the continued decline in existing home sales from its peak last summer. The average annualized new home sales for 1st quarter 2006 is approximately 1.2 million while existing home sales averaged roughly 5.9 million. A negative impact on GDP would most likely come from the effect on consumer's wealth and the related effects on spending. With housing market booms, for example, there is traditionally increased spending on big ticket items, such as furniture and appliances. As illustrated by the chart below, the cooling of the housing sector coincides with a decrease in retail sales and a leveling in spending on the part of the consumer.

The increase in consumer confidence may be the result of positive changes in the employment outlook. Overall, initial and continuing jobless claims, which help to identify trends in the employment environment, hover at low levels. Unemployment has been slowly decreasing over the last few quarters of 2005, a trend that is continuing in 2006. This trend of reduction in unemployment continues a movement that started in mid-2003. Non-Farm payrolls have increased the last two quarters of 2005 and have continued to grow nicely in the first quarter of 2006. The strongest growth in jobs was seen in the construction, education and health services fields.

Trends related to Housing Market Cooling



Source: Bloomberg

Despite the negative effect that housing market cooling may have on GDP and consumer's pocketbooks, the Conference Board's reading of Consumer Confidence has significantly risen throughout the 1st quarter of 2006, reaching the highest level seen in approximately 4 years. This trend along with increased job creation could suggest solid growth for the balance of 2006.

Manufacturing has shown modest upward momentum. Capacity utilization is at its highest point since late 2000 and increased business profits have supported the necessary expansion in the business sector. Many economists predict that business expansion, compensating for this increasing capacity utilization, will continue to spur GDP growth in 2006. This expansion in the business sector has also been a red flag for the Fed with regards to the possibility of increased inflation pressure.

The ISM Manufacturing Index average for 1st quarter 2006 has declined modestly, but still signals continued growth. This index gives a first view of the manufacturing industry and an index reading of above 50 implies an increase in manufacturing activity. The decrease in the index is surprising given the high business profits and growth in business investment, however, the index reading of 55.2 is still indicative of increasing activity.

The improved economic outlook in the first quarter led to a change in market sentiment which translated into higher interest rates across the yield curve. Overall, U.S. Treasury yields experienced an average increase of 45 basis points (see the following table). The yield curve, which ended last quarter with a slight inversion between the 2-year and 5-year, has regained a positive, albeit flat, slope over the quarter. Historically, this is consistent with our outlook for growth and moderate inflation.

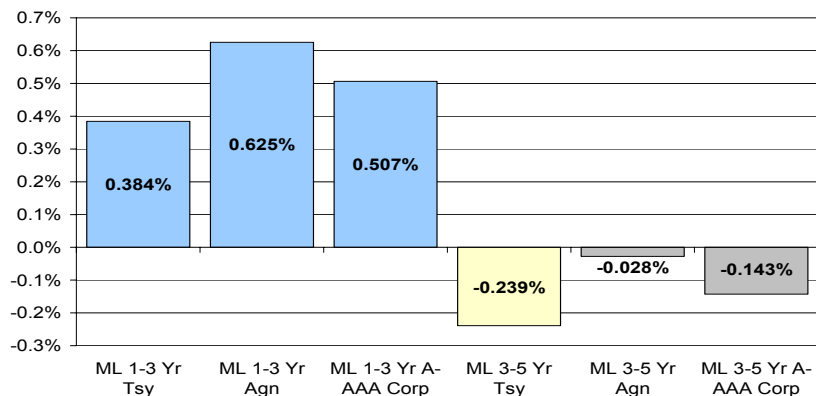
U.S. Treasury Market					
Maturity	3/31/2005	12/31/2005	3/31/2006	Change Over Quarter	Change Over Year
3 Month	2.77%	4.07%	4.60%	0.53%	1.84%
6 Month	3.12%	4.36%	4.80%	0.44%	1.68%
2 Year	3.78%	4.39%	4.82%	0.43%	1.03%
3 Year	3.93%	4.36%	4.82%	0.46%	0.90%
5 Year	4.17%	4.35%	4.81%	0.46%	0.64%
10 Year	4.48%	4.39%	4.85%	0.46%	0.37%
30 Year	4.75%	4.54%	4.90%	0.36%	0.14%

Source: Bloomberg

Interest rate spreads narrowed slightly across the board. While the Treasury, Agency, and Corporate sectors have all experienced gains in yield in the last quarter, the higher yield gain in Treasuries depressed total return for Treasuries when compared to Federal Agency and Corporate bonds with comparable maturities. Coinciding with the rise in rates, shorter duration portfolios outperformed longer duration counterparts with long maturing portfolios experiencing negative returns in the quarter. This is portrayed in the chart below.

The inversion that appeared in the yield curve during 2005 seems to be an aberration that was reversed in the first quarter. The late 1990's saw a similar market cycle and as then, the benefit of moving out on the curve is not valuable enough when there is no immediate indication of a market turn. Expectations of moderate rises in interest rates and continued economic expansion coupled with the Fed's ever watchful stance on inflation warrants a defensive position in order to maximize total return, which means keeping durations short of the benchmark. Additionally, for the immediate term, we will try to continue to reap any benefits from the available sector spreads. As we move forward it will be essential to keep a watchful eye on factors that affect the overall needed market balance – that of inflationary concern and stable, sustainable economic growth.

Duration Adjusted Returns - Benchmark Comparison

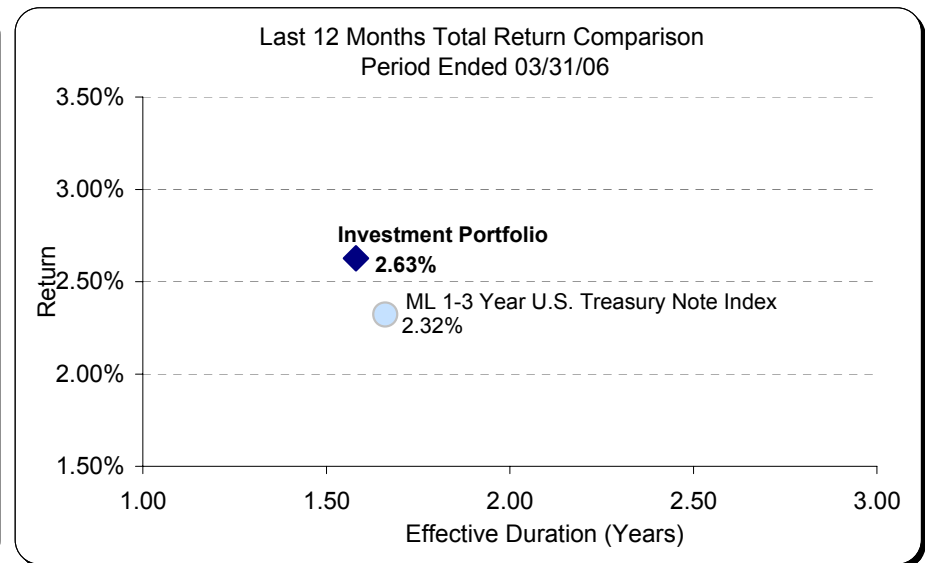
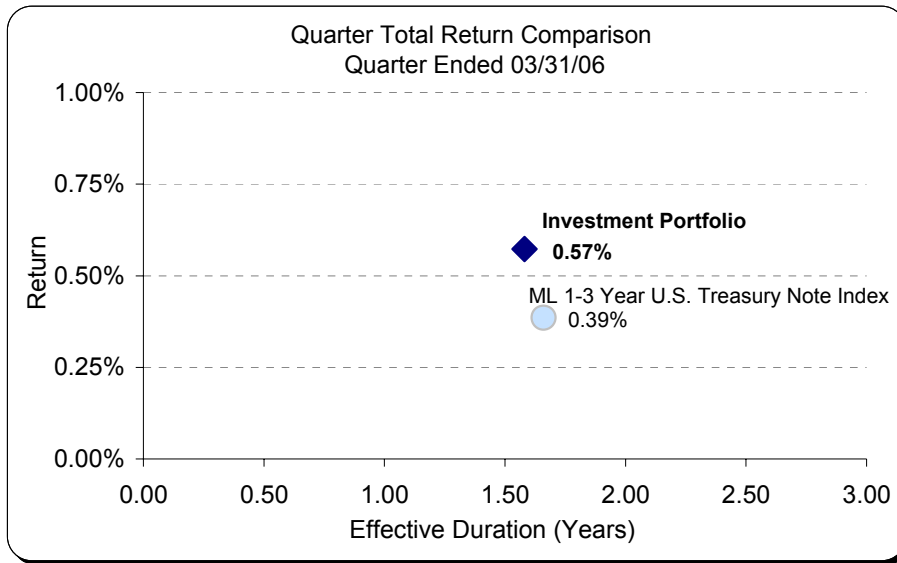


Source: Bloomberg

Investment Portfolio Performance

Total Return ^{1,2,3,4,5}	Quarterly Return March 31, 2006	Annualized Quarter	Last 12 Months	Last 24 Months	Since Inception on 12/31/98
Investment Portfolio	0.57%	2.34%	2.63%	1.35%	4.24%
Merrill Lynch 1-3 Year U.S. Treasury Note Index	0.39%	1.57%	2.32%	0.98%	4.09%

<u>Effective Duration (Years)⁴</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>	<u>Yields</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Investment Portfolio	1.58	1.43	Yield at Market	5.15%	4.76%
ML 1-3 Year U.S. Treasury Note Index	1.66	1.68	Yield at Cost	4.03%	3.60%

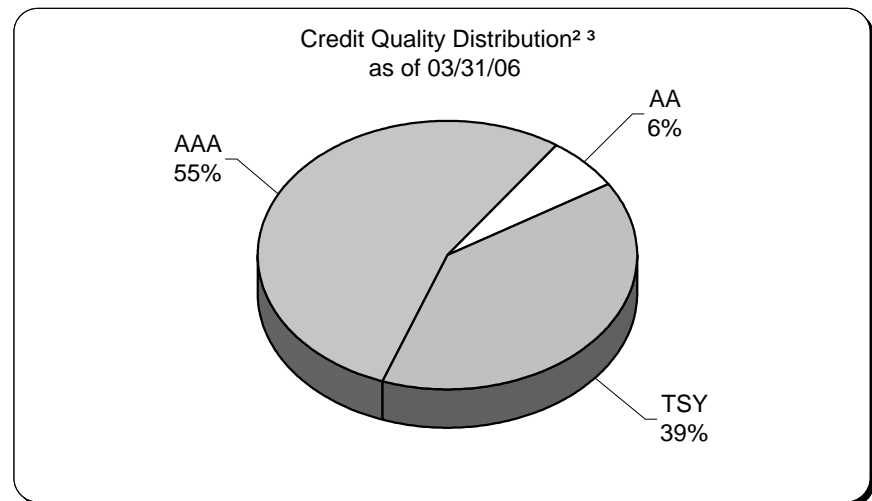
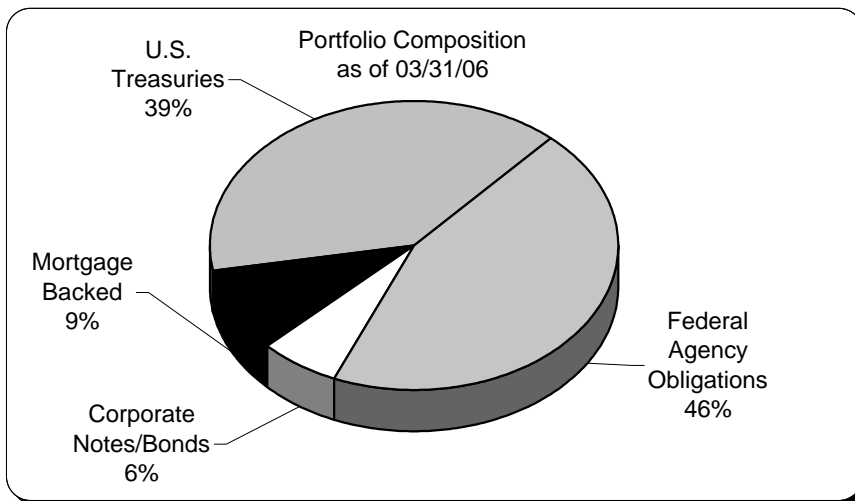


Notes:

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 both an unannualized and annualized basis. The annualized return assumes the quarterly return is compounded at the same rate for four quarters and is presented for reference only. The actual annual return will be the result of chaining the most recent four quarterly returns.
4. Excludes money market fund/cash in performance and duration computations.
5. Returns presented for 12 months or longer are presented on an annual basis.

Investment Portfolio Portfolio Composition and Credit Quality Characteristics

<u>Security Type^e</u>	<u>March 31, 2006</u>	<u>% of Portfolio</u>	<u>December 31, 2005</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$33,567,260.58	39.4%	\$29,961,705.14	35.0%
Federal Agencies	38,255,476.18	44.9%	43,294,388.55	50.5%
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	5,387,229.14	6.3%	3,990,807.00	4.7%
Mortgage Backed	8,029,457.94	9.4%	8,475,734.37	9.9%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	\$85,239,423.84	100.0%	\$85,722,635.06	100.0%

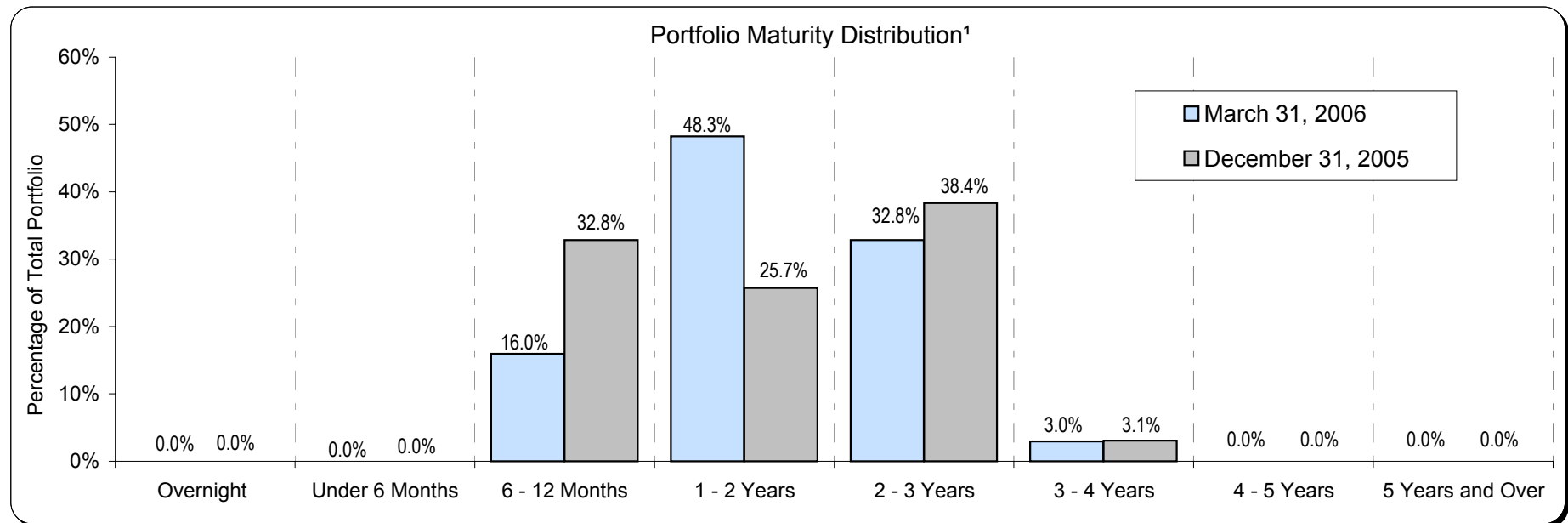


Notes:

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.

Investment Portfolio Maturity Distribution

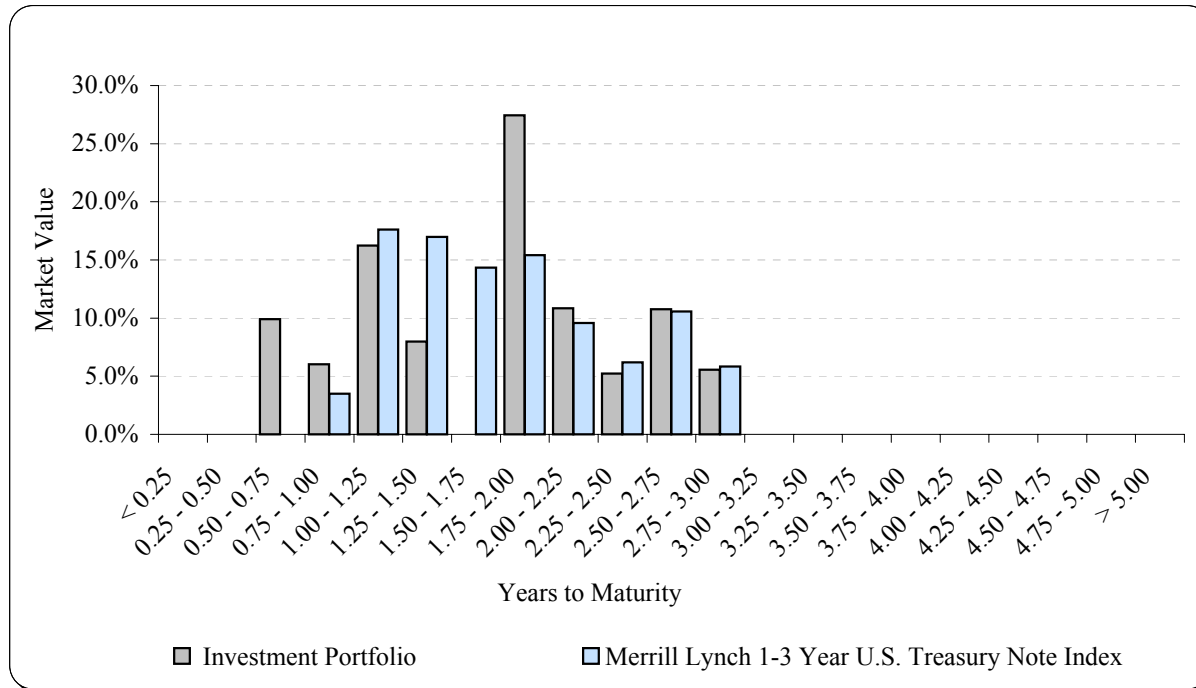
<u>Maturity Distribution¹</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Overnight (Money Market Fund)	\$0.00	\$0.00
Under 6 Months	0.00	0.00
6 - 12 Months	13,596,881.98	28,149,269.90
1 - 2 Years	41,129,115.79	22,068,304.93
2 - 3 Years	27,991,139.01	32,883,016.58
3 - 4 Years	2,522,287.06	2,622,043.65
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	\$85,239,423.84	\$85,722,635.06



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.

Investment Portfolio Maturity Distribution versus the Benchmark¹



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.

Portfolio Summary (Excluding Investment Portfolio)**PORTFOLIO STRATEGY**

- The SBA continued its dramatic increase ending the quarter 42 basis points higher at 4.65%. The SBA has increased more than 345 basis points since the low of 1.19% in March 2004. It is expected the SBA will stabilize once Federal Funds rate increases pause.
- Commercial Paper notes provided opportunities during the quarter to invest in short term notes which provided good yield pick-up versus the SBA.
- PFM maintained the reinvestment strategy for the District's Short Term and bond proceeds portfolios of analyzing short term investments versus the SBA and selecting securities with maturities of 90 days and less to take advantage of rates which have been more than 25 basis points higher than the SBA at the time of investment.

PORTFOLIO STRATEGY

- Many market participants believed the FOMC would halt the increase in the Federal Funds rate in early 2006, possibly by the March or May meetings. New Fed Chairman Ben Bernanke surprised the market after the January meeting by stating that additional rate increases may be needed to slow down the economy.
- PFM is analyzing the steepness of the slope of the curve and sector spreads, and liquidity needs for the District's short term managed portfolios to determine the most appropriate reinvestment which optimizes the return on the District's short term assets while meeting cash flow requirements.

Short Term Fund Portfolio Statistics

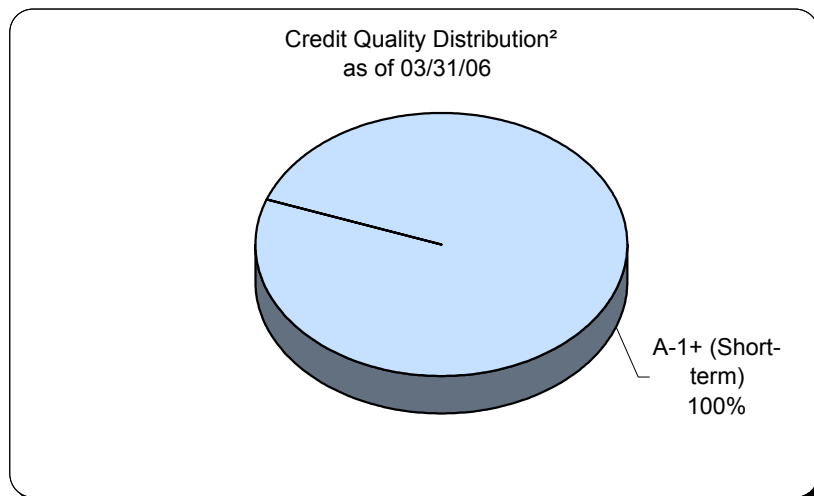
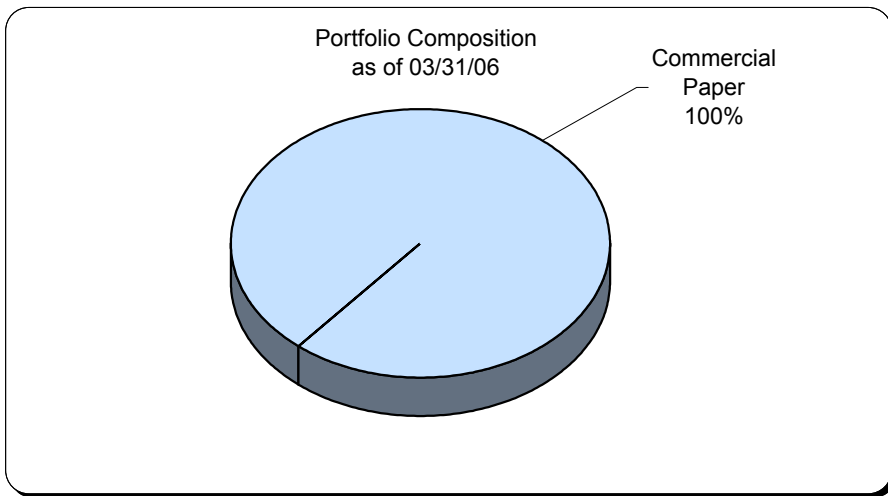
<u>Account Name</u>	Amortized Cost^{1,2,3} March 31, 2006	Amortized Cost ^{1,2,3} <u>December 31, 2005</u>	Market Value^{1,2,3} March 31, 2006	Market Value ^{1,2,3} <u>December 31, 2005</u>	Durations (Years) March 31, 2006
Short Term Fund	\$75,294,484.70	\$195,414,746.60	\$75,281,144.08	\$195,384,692.90	0.08
<u>Account Name</u>	Average Quarterly YTM on Cost March 31, 2006	Average Quarterly YTM on Cost <u>December 31, 2005</u>	Average Quarterly YTM at Market March 31, 2006	Average Quarterly YTM at Market <u>December 31, 2005</u>	Durations (Years) <u>December 31, 2005</u>
Short Term Fund	4.57%	4.28%	4.67%	4.31%	0.07
<u>Benchmarks</u>	March 31, 2006	<u>December 31, 2005</u>			
Florida SBA Quarterly Return ⁴	4.53%	3.99%			

Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Excludes any money market fund/cash balances held in custodian account.
3. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balance.
4. Quarterly pool returns presented on an annualized basis.

Short Term Fund Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>March 31, 2006</u>	<u>% of Portfolio</u>	<u>December 31, 2005</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	0.00	0.0%	65,873,085.60	33.7%
Commercial Paper	75,281,144.08	100.0%	129,511,607.30	66.3%
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	0.00	0.0%	0.00	0.0%
Mortgage Backed	0.00	0.0%	0.00	0.0%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	\$75,281,144.08	100.0%	\$195,384,692.90	100.0%

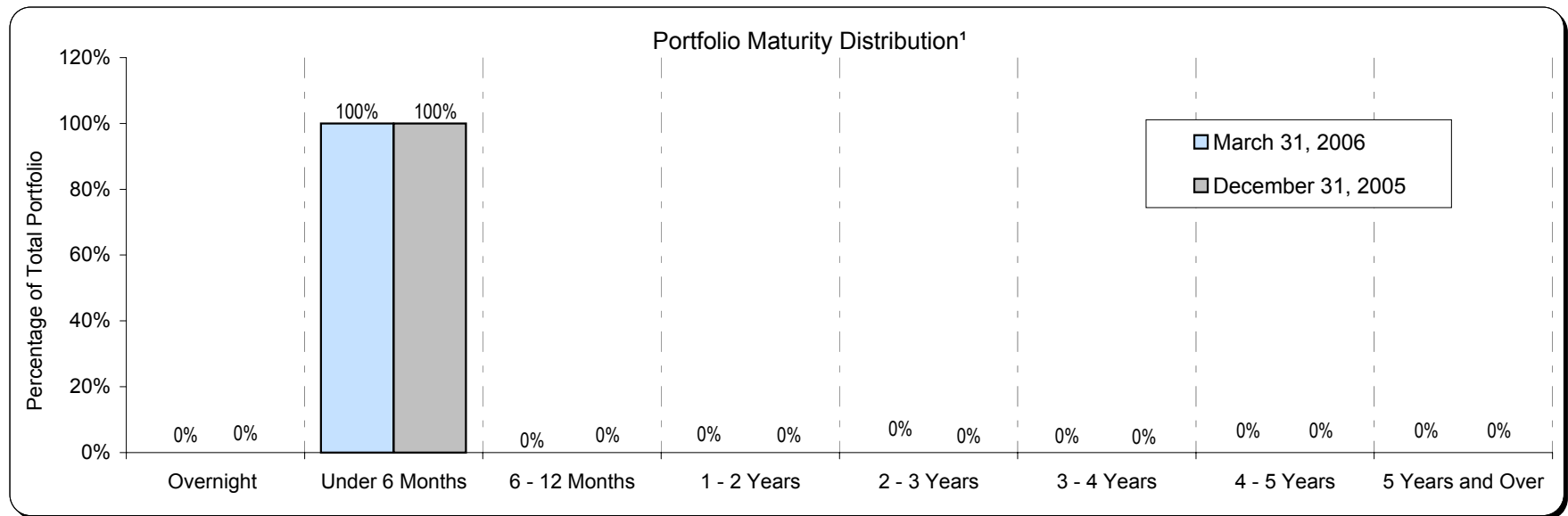


Notes:

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.

Short Term Fund Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Overnight (Money Market Fund)	\$0.00	\$0.00
Under 6 Months	75,281,144.08	195,384,692.90
6 - 12 Months	0.00	0.00
1 - 2 Years	0.00	0.00
2 - 3 Years	0.00	0.00
3 - 4 Years	0.00	0.00
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	\$75,281,144.08	\$195,384,692.90



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.

Portfolio Statistics (All COPS Accounts)

<u>Account Name</u>	<u>Amortized Cost^{1,2,3}</u> <u>March 31, 2006</u>	<u>Amortized Cost^{1,2,3}</u> <u>December 31, 2005</u>	<u>Market Value^{1,2,3}</u> <u>March 31, 2006</u>	<u>Market Value^{1,2,3}</u> <u>December 31, 2005</u>	<u>Durations (Years)</u> <u>March 31, 2006</u>
2003A COPS	N/A	\$1,025,323.99	N/A	\$1,024,520.83	N/A
2003B COPS	N/A	\$2,050,647.99	N/A	\$2,049,041.67	N/A
2004A COPS	\$1,562,036.83	\$2,231,284.09	\$1,553,021.60	\$2,215,765.35	0.29

<u>Account Name</u>	<u>Average Quarterly</u> <u>YTM on Cost</u> <u>March 31, 2006</u>	<u>Average Quarterly</u> <u>YTM on Cost</u> <u>December 31, 2005</u>	<u>Average Quarterly</u> <u>YTM at Market</u> <u>March 31, 2006</u>	<u>Average Quarterly</u> <u>YTM at Market</u> <u>December 31, 2005</u>	<u>Durations (Years)</u> <u>December 31, 2005</u>
2003A COPS	N/A	2.35%	N/A	4.22%	0.04
2003B COPS	N/A	2.35%	N/A	4.22%	0.04
2004A COPS	2.89%	2.70%	4.68%	4.41%	0.41

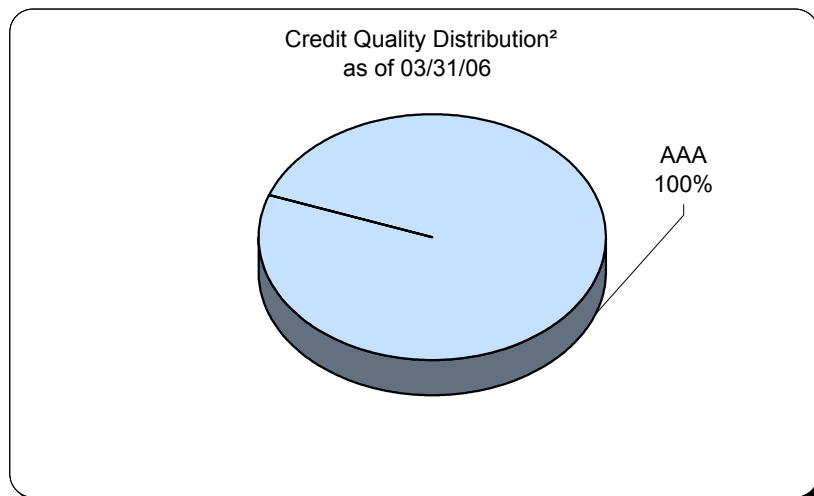
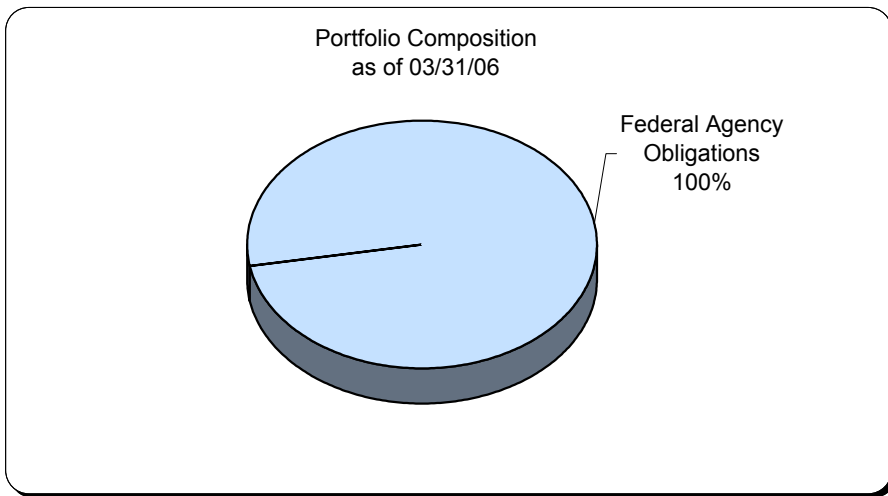
<u>Benchmarks</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Florida SBA Quarterly Return [†]	4.53%	3.99%

Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Excludes any money market fund/cash balances held in custodian account.
3. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balance.
4. Quarterly pool returns presented on an annualized basis.

2004A COPS Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>March 31, 2006</u>	<u>% of Portfolio</u>	<u>December 31, 2005</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	1,553,021.60	100.0%	2,215,765.35	100.0%
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	0.00	0.0%	0.00	0.0%
Mortgage Backed	0.00	0.0%	0.00	0.0%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	\$1,553,021.60	100.0%	\$2,215,765.35	100.0%

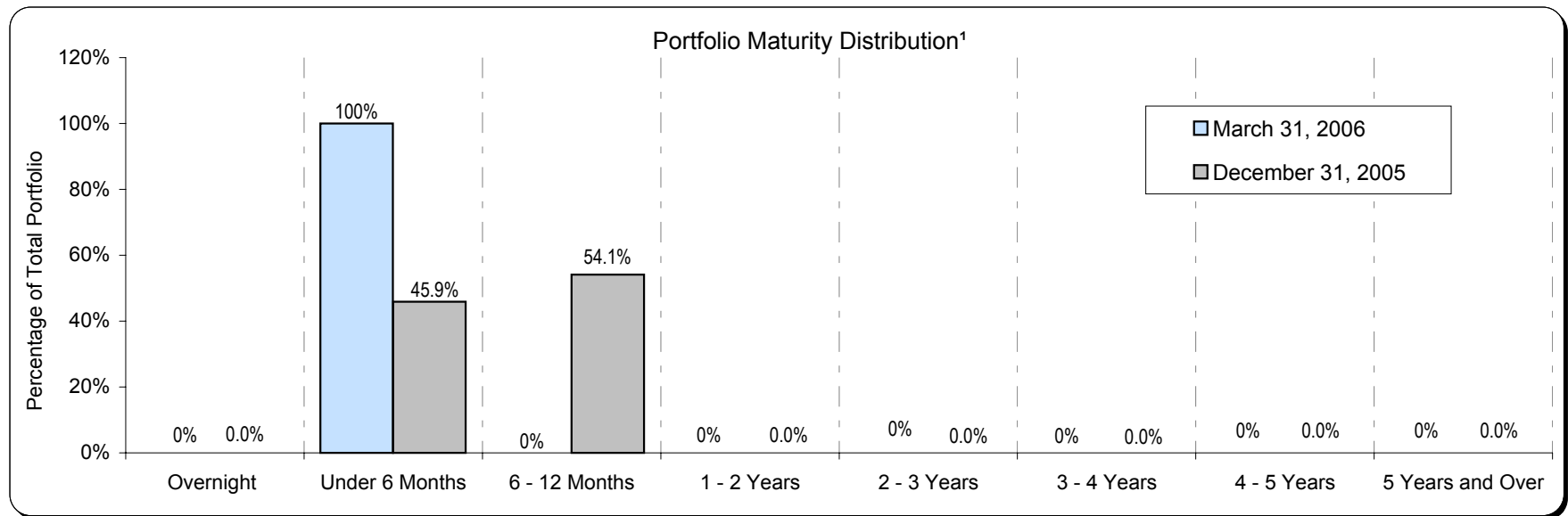


Notes:

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.

2004A COPS Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Overnight (Money Market Fund)	\$0.00	\$0.00
Under 6 Months	1,553,021.60	1,017,173.68
6 - 12 Months	0.00	1,198,591.67
1 - 2 Years	0.00	0.00
2 - 3 Years	0.00	0.00
3 - 4 Years	0.00	0.00
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	\$1,553,021.60	\$2,215,765.35



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.

Sales Tax Portfolio Statistics

<u>Account Name</u>	<u>Amortized Cost^{1,2,3} March 31, 2006</u>	<u>Amortized Cost^{1,2,3} December 31, 2005</u>	<u>Market Value^{1,2,3} March 31, 2006</u>	<u>Market Value^{1,2,3} December 31, 2005</u>	<u>Durations (Years) March 31, 2006</u>
Sales Tax Portfolio	\$71,258,087.46	\$150,444,625.64	\$71,240,050.03	\$150,418,301.78	0.06

<u>Account Name</u>	<u>Average Quarterly YTM on Cost March 31, 2006</u>	<u>Average Quarterly YTM on Cost December 31, 2005</u>	<u>Average Quarterly YTM at Market March 31, 2006</u>	<u>Average Quarterly YTM at Market December 31, 2005</u>	<u>Durations (Years) December 31, 2005</u>
Sales Tax Portfolio	4.52%	4.27%	4.64%	4.33%	0.05

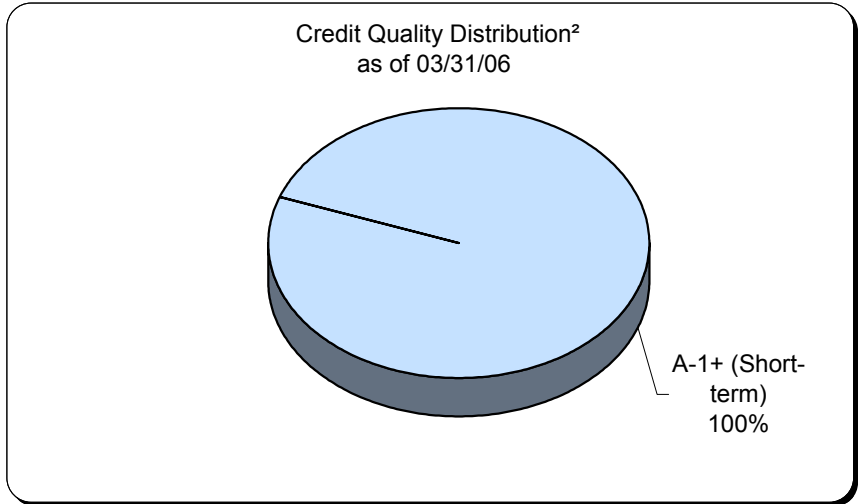
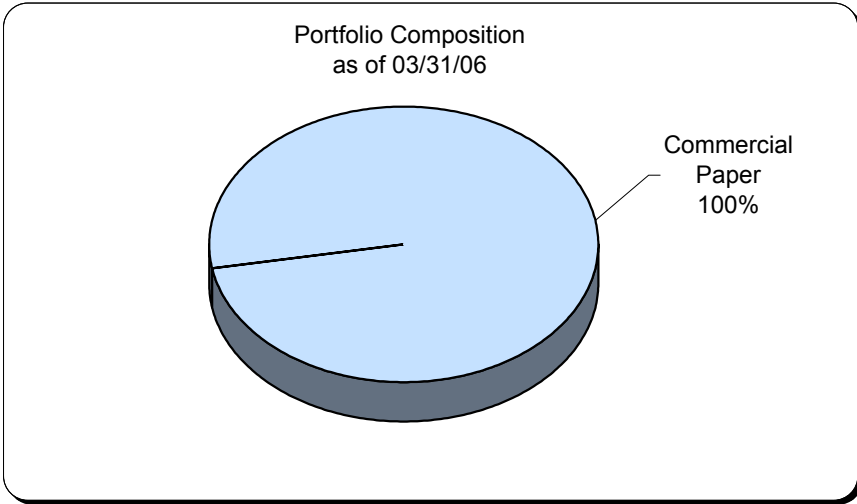
<u>Benchmarks</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Florida SBA Quarterly Return ⁴	4.53%	3.99%

Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Excludes any money market fund/cash balances held in custodian account.
3. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balance.
4. Quarterly pool returns presented on an annualized basis.

Sales Tax Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>March 31, 2006</u>	<u>% of Portfolio</u>	<u>December 31, 2005</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	0.00	0.0%	31,229,309.36	20.8%
Commercial Paper	71,240,050.03	100.0%	119,188,992.42	79.2%
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	0.00	0.0%	0.00	0.0%
Mortgage Backed	0.00	0.0%	0.00	0.0%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	\$71,240,050.03	100.0%	\$150,418,301.78	100.0%

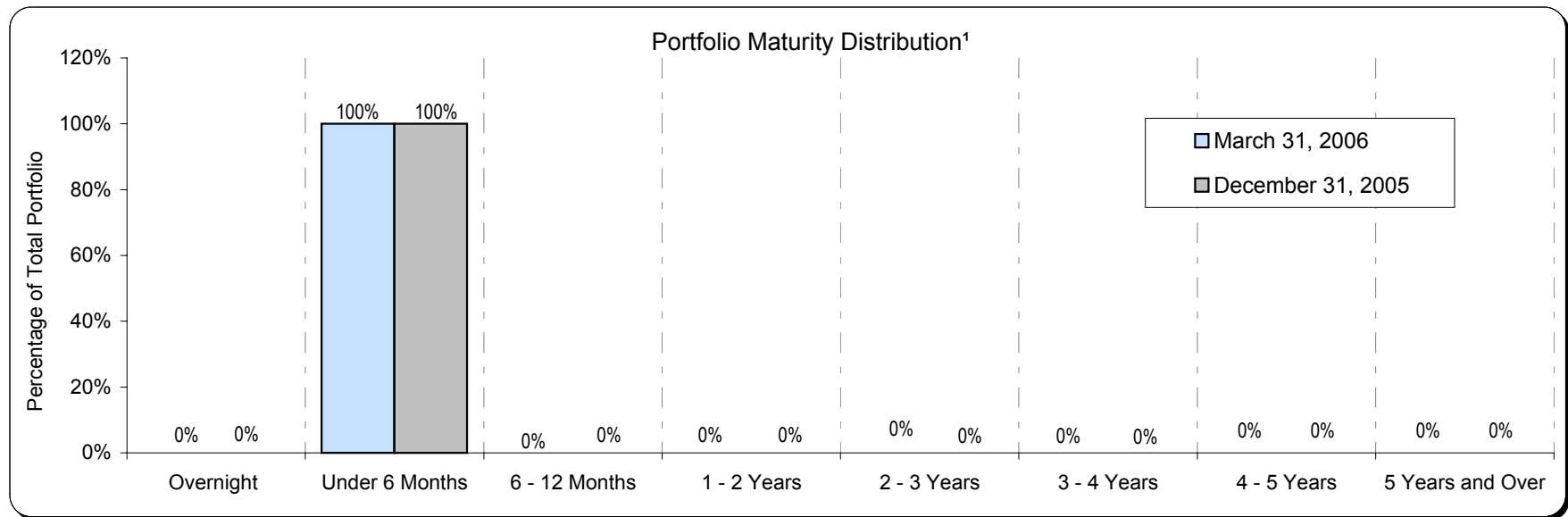


Notes:

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.

Sales Tax Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Overnight (Money Market Fund)	\$0.00	\$0.00
Under 6 Months	71,240,050.03	150,418,301.78
6 - 12 Months	0.00	0.00
1 - 2 Years	0.00	0.00
2 - 3 Years	0.00	0.00
3 - 4 Years	0.00	0.00
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	\$71,240,050.03	\$150,418,301.78



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.

TAN 2005 Portfolio Statistics

<u>Account Name</u>	Amortized Cost^{1,2,3} March 31, 2006	Amortized Cost ^{1,2,3} <u>Security Type1</u>	Market Value^{1,2,3} March 31, 2006	Market Value ^{1,2,3} <u>March 31, 2006</u>	Durations (Years) March 31, 2006
TAN 2005	\$30,220,841.91	\$54,844,789.28	\$30,214,362.15	\$54,836,861.12	0.04

<u>Account Name</u>	Average Quarterly YTM on Cost March 31, 2006	Average Quarterly YTM on Cost <u>Security Type1</u>	Average Quarterly YTM at Market March 31, 2006	Average Quarterly YTM at Market <u>March 31, 2006</u>	<u>Durations (Years) December 31, 2005</u>
TAN 2005	4.54%	4.25%	4.65%	4.26%	0.41

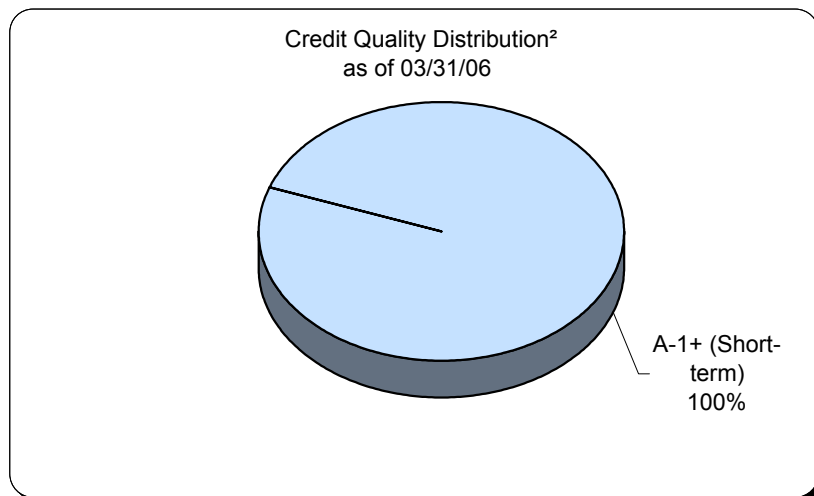
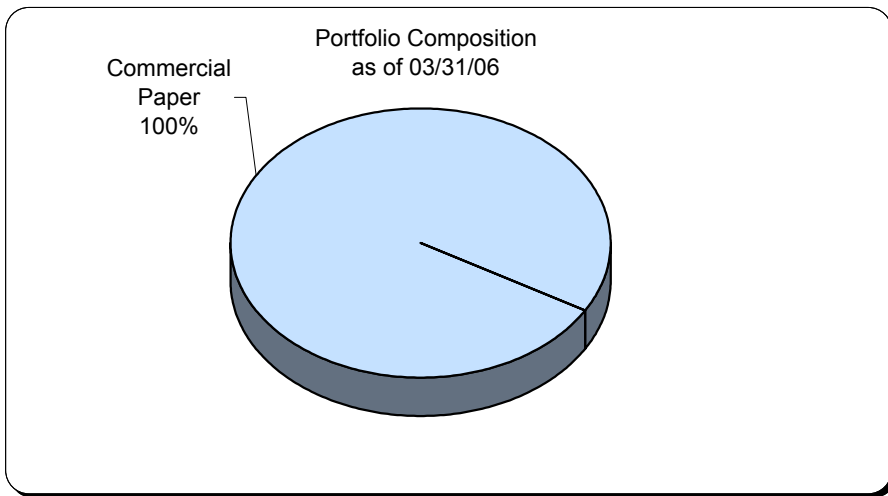
<u>Benchmarks</u>	March 31, 2006	<u>December 31, 2005</u>
Florida SBA Quarterly Return ⁴	4.53%	3.99%

Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Excludes any money market fund/cash balances held in custodian account.
3. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balance.
4. Quarterly pool returns presented on an annualized basis.

TAN 2005 Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>March 31, 2006</u>	<u>% of Portfolio</u>	<u>December 31, 2005</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	0.00	0.0%	29,951,983.17	54.6%
Commercial Paper	30,214,362.15	100.0%	24,884,877.95	45.4%
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	0.00	0.0%	0.00	0.0%
Mortgage Backed	0.00	0.0%	0.00	0.0%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	\$30,214,362.15	100.0%	\$54,836,861.12	100.0%

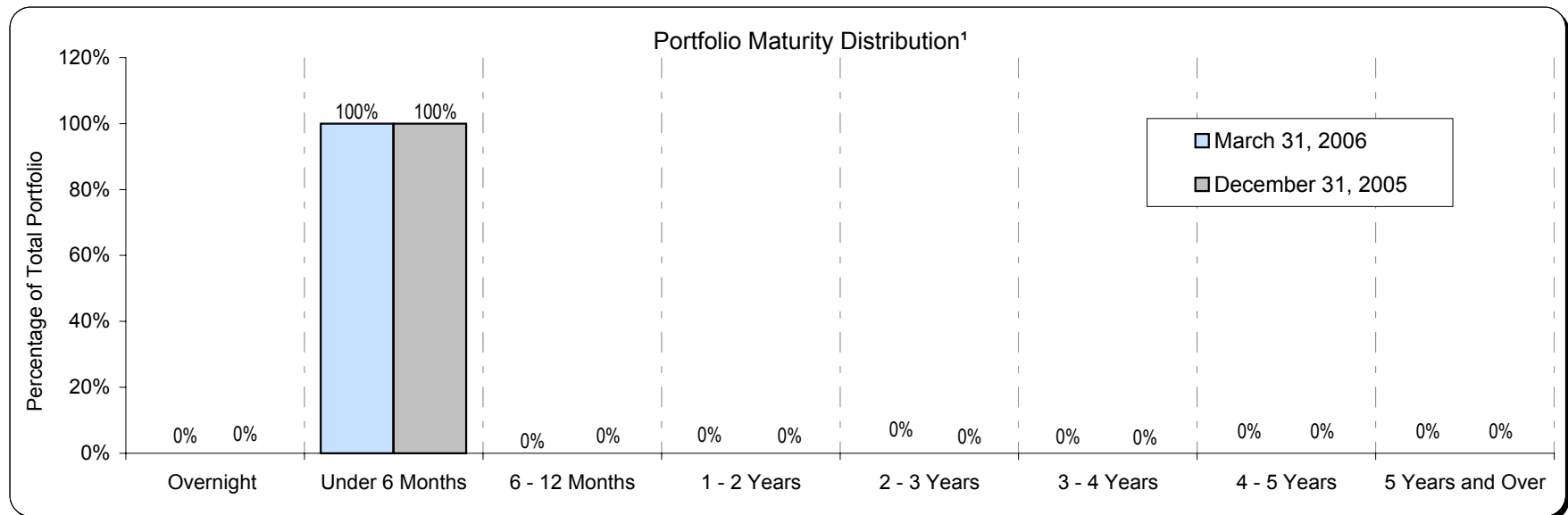


Notes:

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.

TAN 2005 Portfolio Maturity Distribution

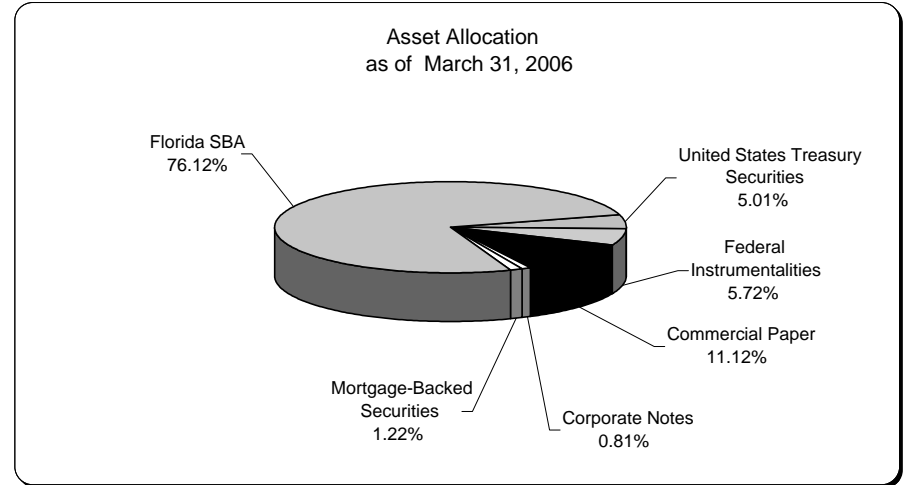
<u>Maturity Distribution¹</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Overnight (Money Market Fund)	\$0.00	\$0.00
Under 6 Months	30,214,362.15	54,836,861.12
6 - 12 Months	0.00	0.00
1 - 2 Years	0.00	0.00
2 - 3 Years	0.00	0.00
3 - 4 Years	0.00	0.00
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	\$30,214,362.15	\$54,836,861.12



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.

Security Type	March 31, 2006	Notes	Permitted by Policy
Florida SBA	76.12%		100%
United States Treasury Securities	5.01%		100%
United States Government Agency Securities	0.00%		50%
Federal Instrumentalities	5.72%	1	80%
Certificates of Deposit	0.00%		25%
Repurchase Agreements	0.00%		50%
Commercial Paper	11.12%		35%
Corporate Notes	0.81%		15%
Mortgage-Backed Securities	1.22%	1	25%
Bankers' Acceptances	0.00%		35%
State and/or Local Government Debt	0.00%		20%
Fixed Income Money Market Mutual Funds	0.00%		50%
Intergovernmental Investment Pool	0.00%		0%



Individual Issuer Breakdown	March 31, 2006	Notes	Permitted by Policy	Individual Issuer Breakdown	March 31, 2006	Notes	Permitted by Policy
General National Mortgage Association (GNMA)	0.00%		25%	CD - Bank A	0.00%		15%
US Export-Import Bank (Ex-Im)	0.00%		25%	CD - Bank B	0.00%		15%
Farmer Home Administration (FHDA)	0.00%		25%	Fully collateralized Repo - A	0.00%		25%
Federal Financing Bank	0.00%		25%	Fully collateralized Repo - B	0.00%		25%
Federal Housing Administration (FHA)	0.00%		25%	Wells Fargo	0.59%		10%
General Services Administration	0.00%		25%	UBS Paine	3.71%		10%
New Communities Act Debentures	0.00%		25%	General Electric	3.70%		10%
US Public Housing Notes & Bonds	0.00%		25%	Barclay	3.71%		10%
US Dept. of Housing and Urban Development	0.00%		25%	Bank of America	0.22%		10%
Federal Farm Credit Bank (FFCB)	0.29%		50%	Corporate Notes A	0.00%		10%
Federal Home Loan Bank (FHLB)	1.55%		50%	Corporate Notes B	0.00%		10%
Federal National Mortgage Association (FNMA)	1.86%		50%	Corporate Notes C	0.00%		10%
Federal Home Loan Mortgage Corporation (FHLMC)	3.24%		50%	Corporate Notes D	0.00%		5%
Student Loan Marketing Association (SLMA)	0.00%		50%	BA Bank A	0.00%		10%
				BA Bank B	0.00%		20%
				Municipal Notes/Bonds	0.00%		25%
				Money Market Fund A	0.00%		25%

Notes:
 1. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 80%. The combined total as of March 31, 2006 is 6.95%.
 * No Bond Proceeds.