

Marion County

Annual Investment Performance Review Fiscal Year Ended September 30, 2006



Investment Advisors

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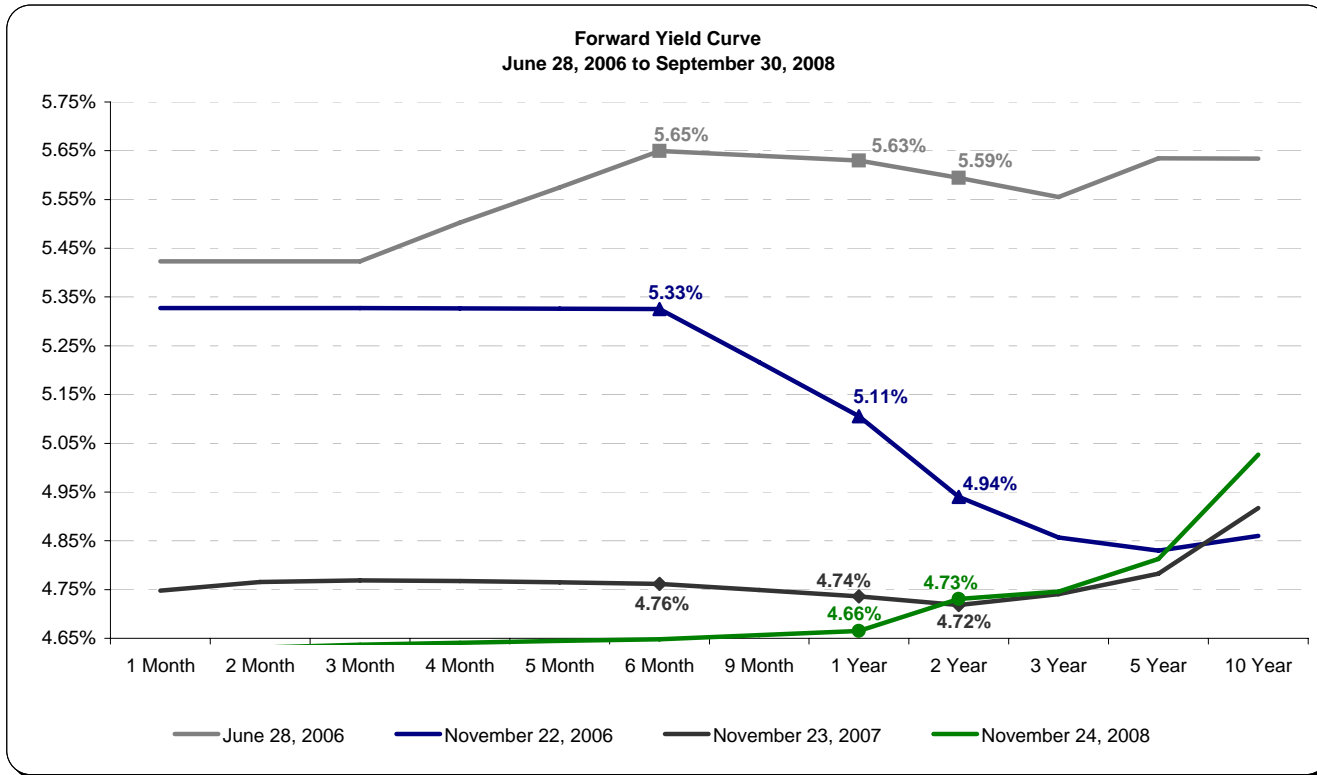
Tab II. September 30, 2006 PFM Month-End Statement

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities.

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.
- The County's Pooled Operating Fund investment portfolio performed well, providing an annual return of 4.33%, outperforming the Merrill Lynch 1-3 Year U.S. Treasury Note Index benchmark annual return of 3.74% by 59 basis points. The Pooled Operating Funds since inception return of 2.70% outperformed the Merrill Lynch 1-3 Year U.S. Treasury Note Index benchmark since inception return of 1.83% by 86 basis points. This has provided additional cumulative earnings of \$1,818,205 than if the funds had been held in the SBA.
- PFM will continue to closely monitor economic indicators and forward yield analysis to determine appropriate restructuring strategies based on expected interest rates and the shape of the yield curve.
- PFM's longer term investment strategy of positioning the duration of the portfolio short of the benchmark has protected the volatility of the portfolio during the rising interest rate environment for the last 24 months. This has provided healthy returns on the County's assets with less risk. The County's Pooled Operating Fund has significantly outperformed the benchmark by 59 basis points and 74 basis points for the last 12 months and 24 months, respectively.
- PFM increased the duration of County's portfolio during the quarter to 97% of the benchmark duration as interest rates decreased considerably during the quarter. PFM executed selective extension 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 closely monitor economic indicators and forward yield curve analysis to determine appropriate restructuring strategies based on expected interest rates and the shape of the yield curve for the County's portfolio.

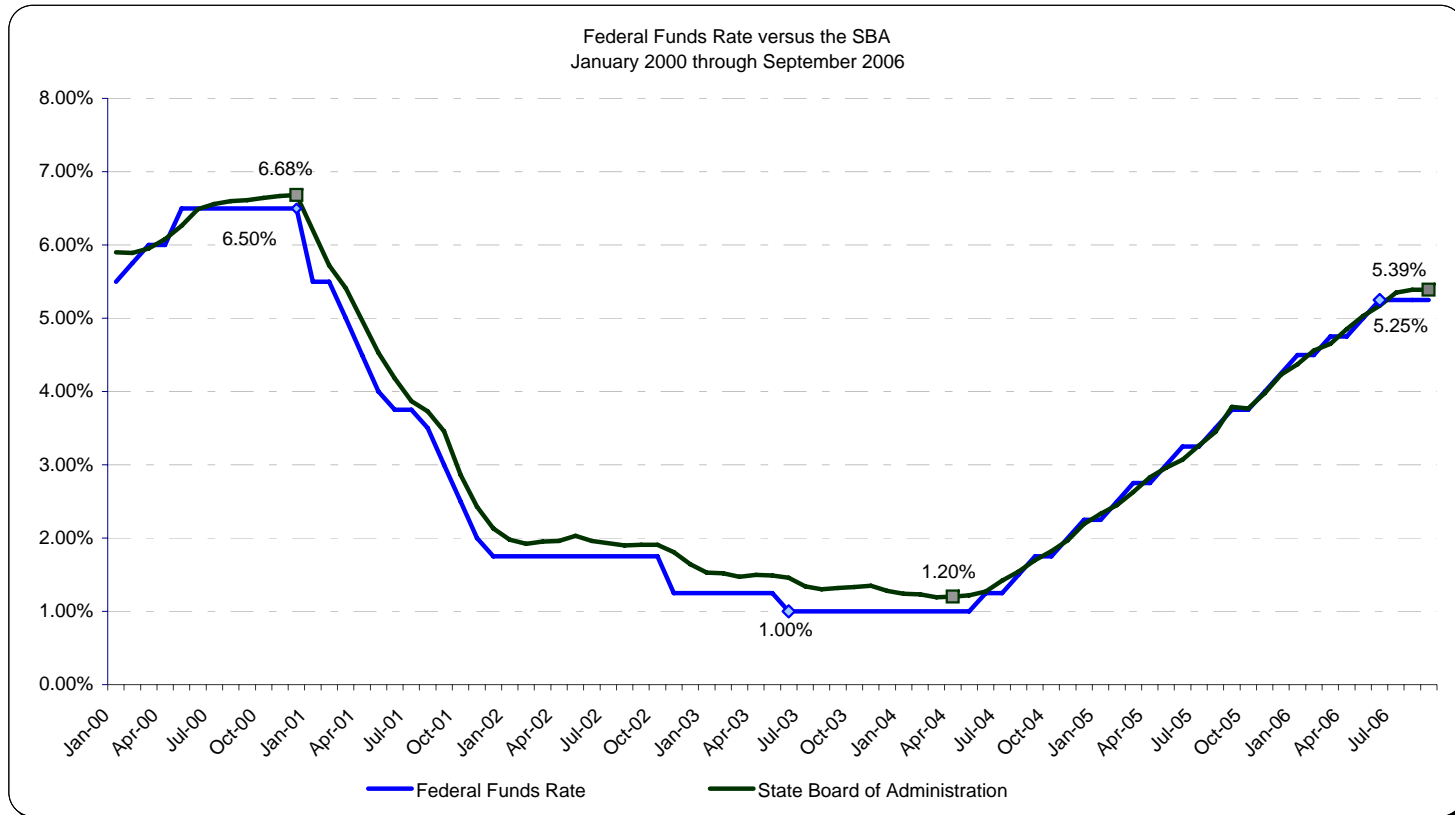
Forward Yield Curve July 2006 - September 2008



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%



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.**

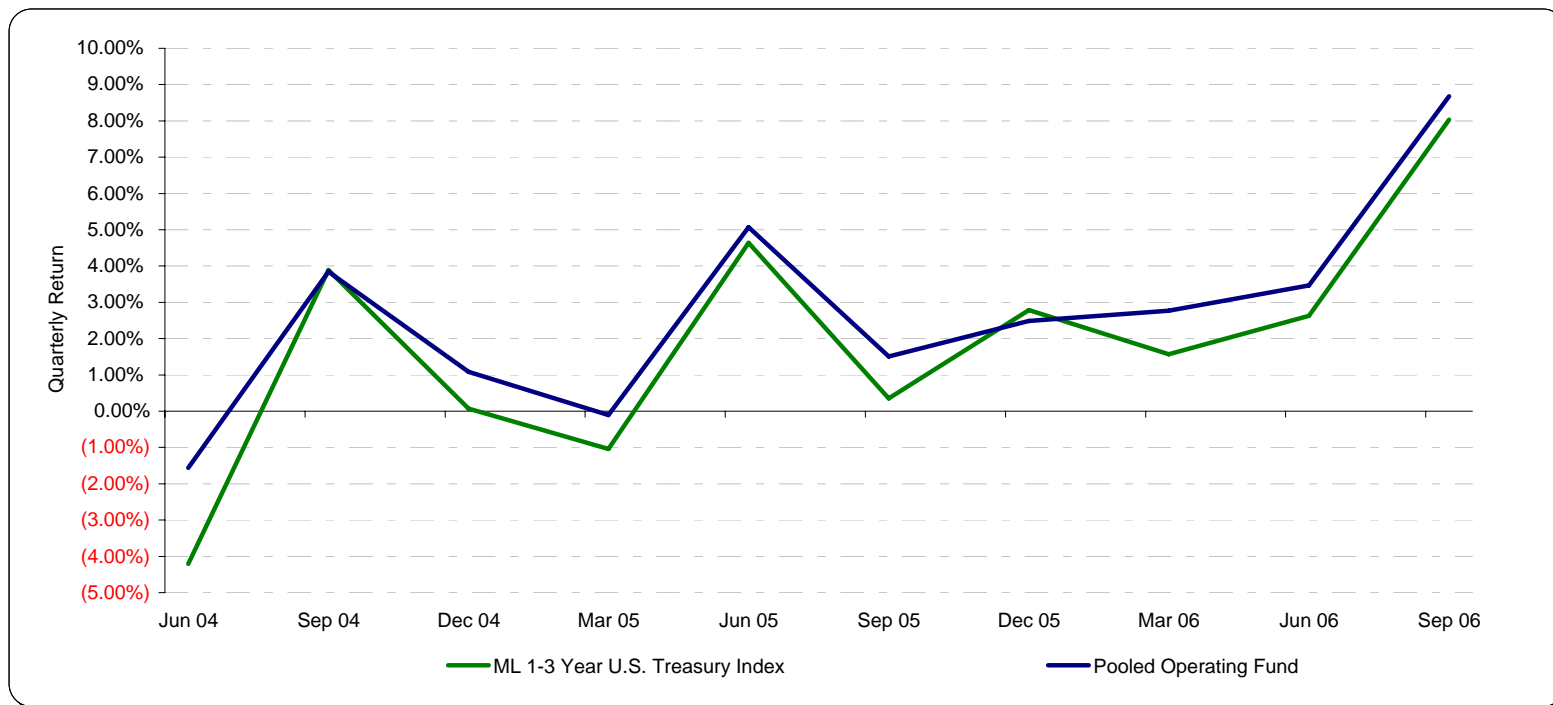
Current Strategy	Transfer	Future Strategy ¹
Analyze and execute security transactions in a transitioning interest rate environment where rates have declined from June 2006 highs, yet a flat yield curve environment without overextending the duration of the portfolio. This balanced approach protects the principal value of the portfolio while also locking in yields in a declining interest rate environment. PFM's strategy for the Pooled Operating Investment portfolio has been to selectively execute extension trades to increase the portfolio's duration to approximately 97% of the benchmark as interest rates have decreased from the peak in late June 2006.	PFM recommended the County transfer assets invested in the SBA into the Pooled Operating Fund portfolio based on the growth in assets and the historical balance in the SBA, to enhance earnings on the County's assets based on historical performance. Historically, longer term investment strategies have outperformed short term duration strategies over longer investment horizons. The County transferred \$30 million into the PFM managed Pooled Operating Fund portfolio to be actively managed against the Merrill Lynch 1-3 Year U.S. Treasury index. Completed: September 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. Given current expectations, PFM will continue to identify appropriate extension trades for the portfolio to maintain a duration which will optimize earnings without over extending the portfolio's maturity allocation to protect the principal of the portfolio in the event interest rates begin to trend upward.

Notes:

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

Pooled Operating Fund Portfolio Yields - 2-Year History Versus Benchmarks¹

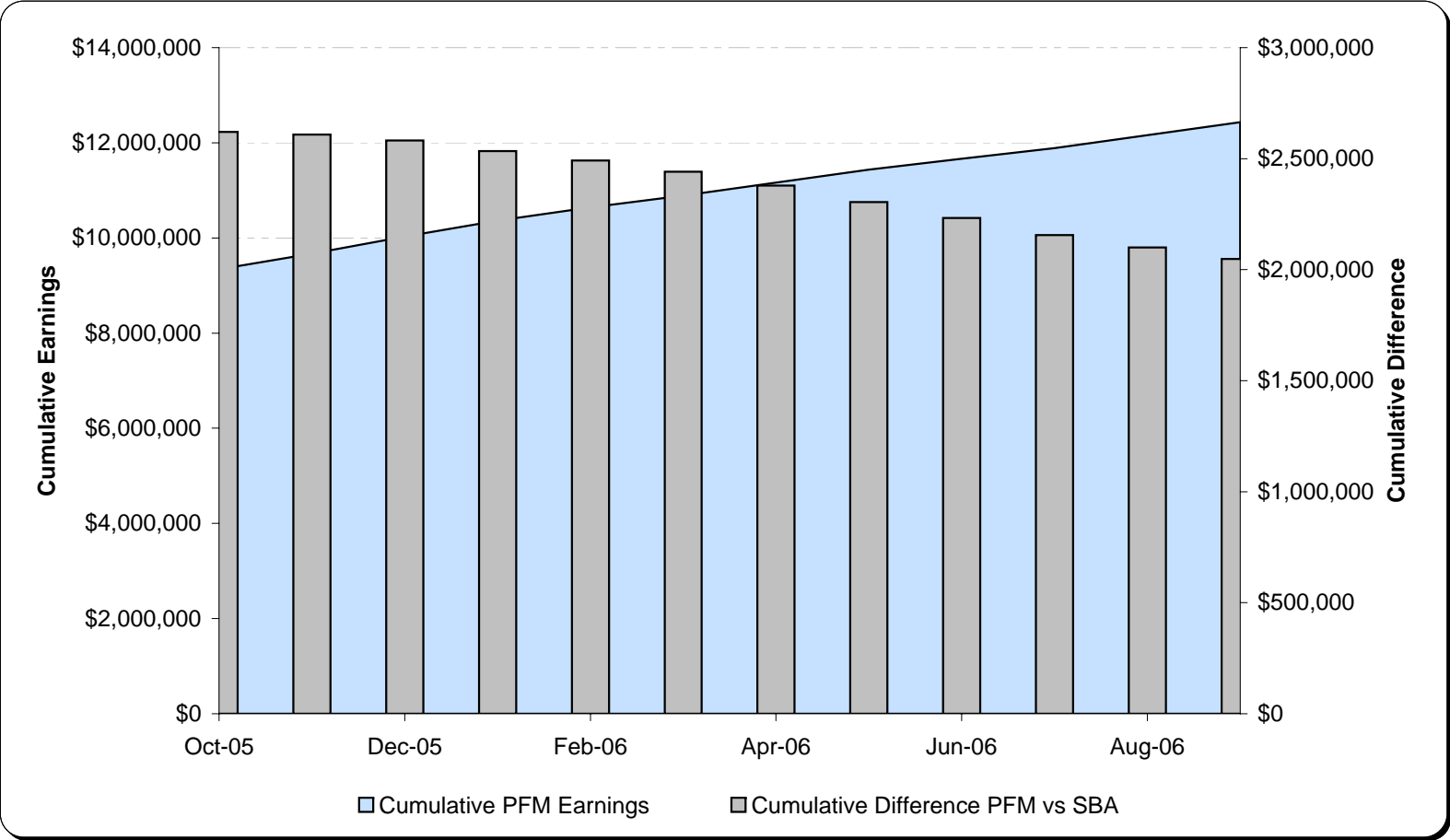
<u>Account Name</u>	Total Return Since Inception FY 2004 - FY 2006¹	<u>Account Name</u>	Average Yield to Maturity on Cost² FY 2002 - FY 2006
Pooled Operating Fund	2.70%	Pooled Operating Fund	3.26%
ML 1-3 Year U.S. Treasury Index	1.83%	State Board of Administration (SBA) ³	2.51%
Two-Year Benefit Yield over Benchmark	0.86%	Four-Year Benefit Yield over SBA	0.75%



Notes:

1. Annualized Quarterly Returns since inception March 31, 2004.
2. Average Yield on Cost since inception April 30, 2002.
3. SBA - Florida State Board of Administration is an overnight liquidity investment pool for local governments.

All Funds Cumulative Earnings Versus the SBA¹



Notes:
1. Cumulative Earnings Since Inception September 1999.

Summary of Investment Balances and Interest Income as of September 30, 2006

Marion County Board of County Commissioners Summary of Investment Balances and Interest Income as of September 30, 2006								
Investments ¹	General Fund				Enterprise Funds			Total
	General Fund	Special Revenue	Debt Service	Capital Projects	Solid Waste	Utility	Internal Service	
Repurchase Agreement	\$ 332,147.75	\$ 573,309.69	\$ -	\$ 10,359,723.09	\$ 136,123.79	\$ 6,927.20	\$ -	\$ 11,408,231.52
Federal Farm Credit Bank	1,301,347.13	2,246,214.12	-	1,480,421.39	533,329.87	-	-	\$ 5,561,312.50
Federal Home Loan Mtg Corp.	4,864,394.56	8,396,277.61	-	5,533,768.51	1,993,570.25	-	-	20,788,010.93
Federal Home Loan Bank	6,224,580.77	10,744,052.01	-	7,081,125.64	2,551,014.08	-	-	26,600,772.50
Federal National Mtg Assc.	3,407,472.98	5,881,531.36	-	3,876,364.57	1,396,481.45	-	-	14,561,850.36
U.S. Treasury Notes	5,241,598.04	9,047,356.62	-	5,962,877.77	2,148,159.20	-	-	22,399,991.63
Total Securities	\$21,371,541.22	\$ 36,888,741.42	-	\$ 34,294,280.96	\$ 8,758,678.64	\$ 6,927.20	-	\$ 101,320,169.44
SBA	-	-	1,625,848.53	-	-	6,051,079.18	-	7,676,927.71
SunTrust - Core Cash Fund	16,518,479.46	66,101,051.26	821,658.44	28,906,139.15	26,262,123.75	13,960,269.89	10,024,322.95	162,594,044.90
Total Investments	\$ 37,890,020.68	\$ 102,989,792.68	\$ 2,447,506.97	\$ 63,200,420.11	\$ 35,020,802.39	\$ 20,018,276.27	\$ 10,024,322.95	\$ 271,591,142.05
Interest Income ²	\$ 1,806,079.38	\$ 5,158,317.41	\$ 147,596.55	\$ 3,264,753.12	\$ 1,614,164.61	\$ 965,796.11	\$ 374,533.14	\$ 13,331,240.32

Notes:

1. Investments balances are reported on market value, not including accrued interest.
2. Interest income is reported with accrued interest.

Pooled Operating Fund Fact Sheet

Ending Balance as of September 30, 2005		Average Duration (in Years)		
			Quarter	Last 12 Months
Market Value	\$87,127,518.42	Pooled Operating Portfolio	1.66	1.42
Amortized Cost	\$87,427,459.22	Merrill Lynch 1-3 Year U.S. Treasury Benchmark	1.71	1.68

Total Return	Portfolio	Benchmark	Average Yield on Cost	
			Portfolio	SBA
Annual Return	4.33%	3.74%	Quarter Ended September 30, 2005	4.39%
Since Inception Return ²	2.70%	1.83%	12-Month Period ended September 30, 2005	3.87%

Return in Dollars over the Benchmark¹	Last 12 Months	Since Inception ²	Average Cumulative Earnings over the SBA	
			Last 12 Months	Since Inception ³
Pooled Operating Fund	\$513,181.08	\$751,039.21	Pooled Operating Portfolio	\$2,095,400.84

Interest Earnings	Quarter	Last 12 Months	Credit Ratings	
			Quarter	Last 12 Months
Pooled Operating Portfolio	\$413,267.54	\$1,993,569.22	Pooled Operating Portfolio	AAA

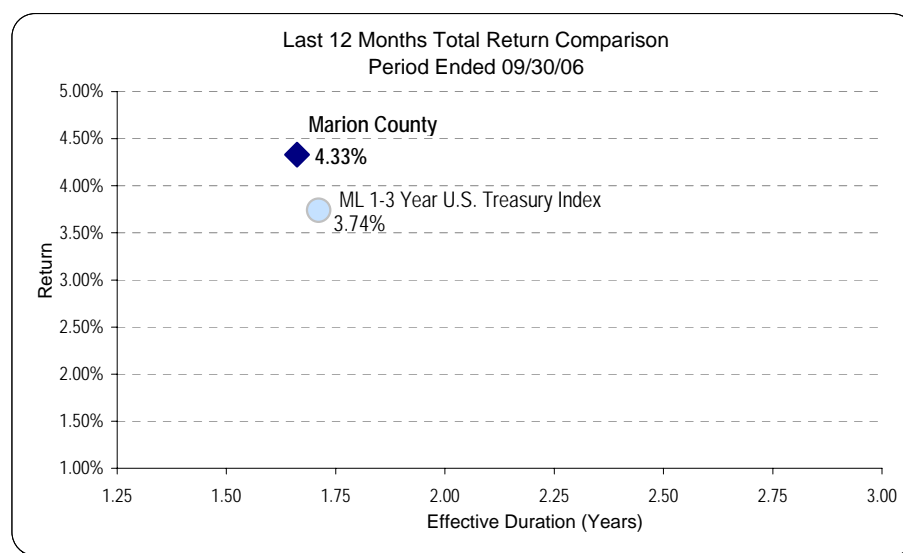
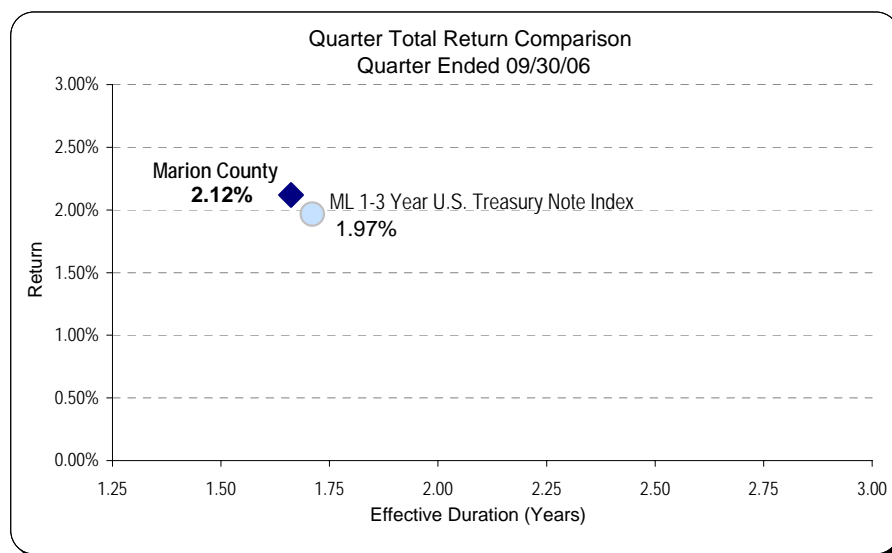
Notes:

1. Based on market value as of September 30, 2006.
2. Pooled Operating Fund Portfolio's Total Return inception date March 31, 2004.
3. Pooled Operating Fund Portfolio's inception date April 2002.

Pooled Operating 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 on March 31, 2004
Pooled Operating Fund	2.12%	8.67%	4.33%	3.09%	2.70%
ML 1-3 Year U.S. Treasury Note Index	1.97%	8.04%	3.74%	2.35%	1.83%

Effective Duration (Years) ⁴	September 30, 2006	September 30, 2005	Yields	September 30, 2006	September 30, 2005
Pooled Operating Fund	1.66	1.21	Annual Yield at Market	5.14%	3.75%
ML 1-3 Year U.S. Treasury Note Index	1.71	1.67	Annual Yield on Cost	3.87%	2.90%
			Florida SBA Annual Return ⁷	4.73%	2.74%

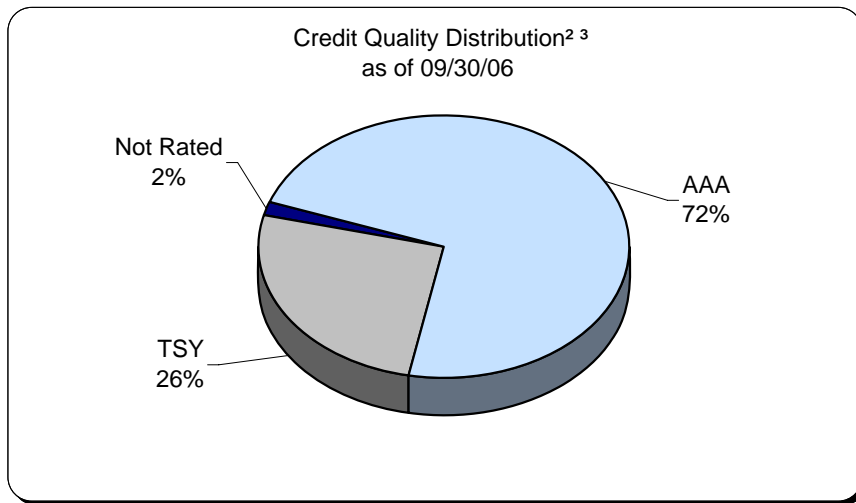
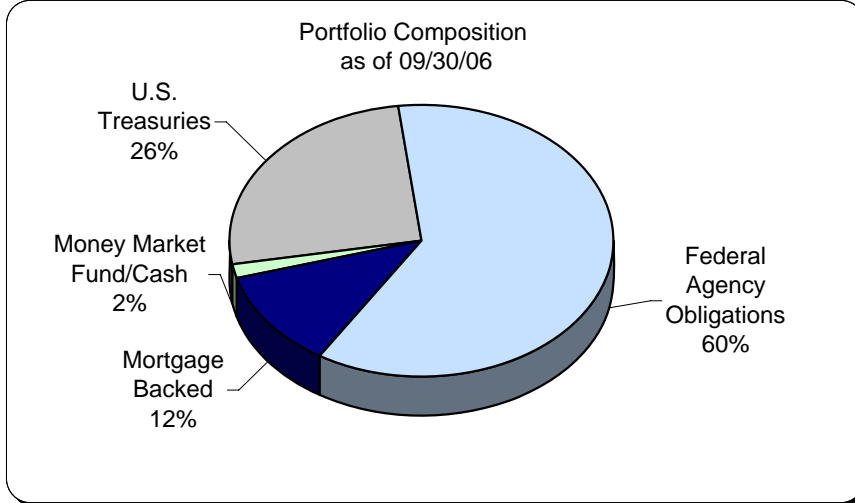


Notes:

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. Includes money market fund/cash in performance and duration computations.
5. Returns presented for 12 months or longer are presented on an annual basis.
6. Past performance is not indicative of future results.
7. Florida State Board of Administration is the local government investment pool run by the State of Florida.

Pooled Operating Fund Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>September 30, 2006</u>	<u>% of Portfolio</u>	<u>September 30, 2005</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$22,560,002.42	25.9%	\$10,545,958.15	18.5%
Federal Agencies	52,865,932.08	60.7%	33,081,370.02	58.0%
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	10,202,148.98	11.7%	13,333,350.73	23.4%
Money Market Fund/Cash	1,499,434.94	1.7%	68,275.11	0.1%
Totals	\$87,127,518.42	100.0%	\$57,028,954.01	100.0%

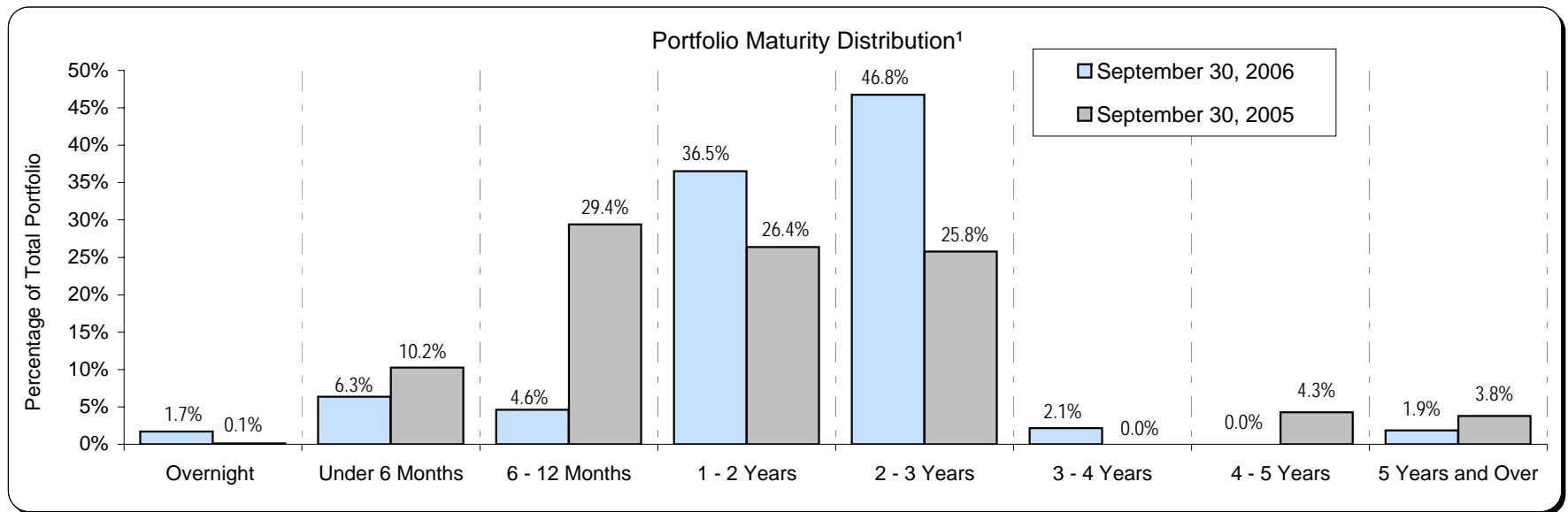


Notes:

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.

Pooled Operating Fund Portfolio Maturity Distribution

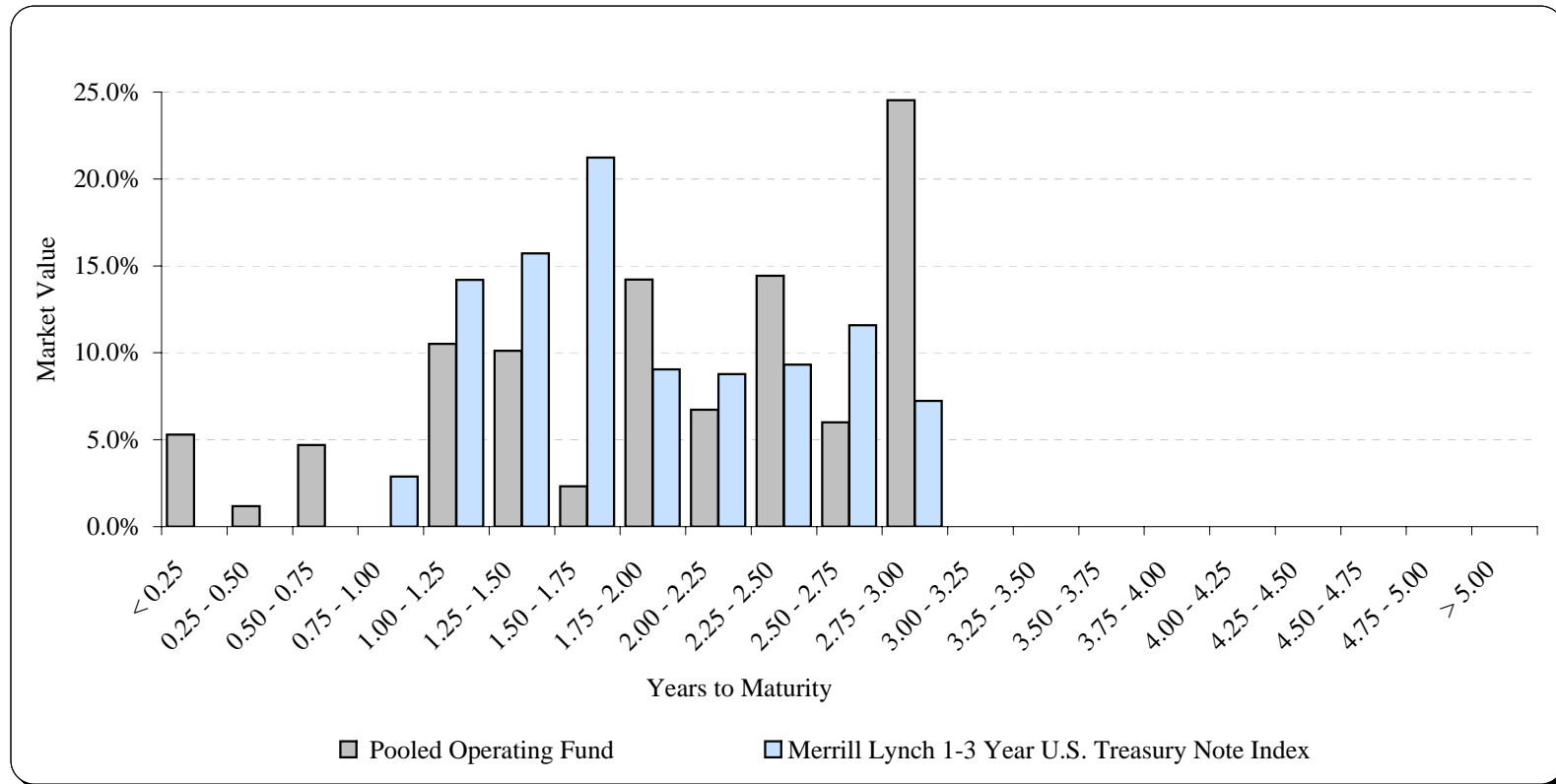
<u>Maturity Distribution¹</u>	<u>September 30, 2006</u>	<u>September 30, 2005</u>
Overnight (Money Market Fund)	\$1,499,434.94	\$68,275.11
Under 6 Months	5,532,070.00	5,844,268.27
6 - 12 Months	4,020,759.06	16,769,264.94
1 - 2 Years	31,831,802.82	15,043,785.69
2 - 3 Years	40,739,584.85	14,701,507.23
3 - 4 Years	1,873,206.81	0.00
4 - 5 Years	0.00	2,438,463.66
5 Years and Over	1,630,659.94	2,163,389.11
Totals	\$87,127,518.42	\$57,028,954.01



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.

Pooled Operating Fund 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.

Pooled Operating Short Term Fund Portfolio Summary

PORTFOLIO RECAP

- 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 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 PFM managed Short Term portfolio annual rate of 4.37% was slightly lower than the SBA rate as a result of narrow open market security spreads, due to market uncertainty, limiting reinvestment opportunities.
- PFM directed \$10 million maturing in September to be reinvested in the SBA, as the SBA offered slightly better yields compared to short term open market securities notes.
- This strategy of utilizing a combination of the SBA and open market securities as based on breakeven/benefit analysis optimizes earnings for short term assets, and will provide liquidity to reinvestment options as spreads widen and narrow based on current market conditions.

PORTFOLIO STRATEGY

- 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 review breakeven analysis transactions to determine the most appropriate investment strategy (i.e., open market securities versus overnight investment alternatives) for short term assets based on the liquidity needs of the assets.

Pooled Operating Short Term Fund Portfolio Statistics

<u>Account Name</u>	<u>Amortized Cost^{1,2,3} September 30, 2006</u>	Amortized Cost ^{1,2,3} <u>September 30, 2005</u>	<u>Market Value^{1,2,3} September 30, 2006</u>	Market Value ^{1,2,3} <u>September 30, 2005</u>	<u>Duration (Years) September 30, 2006</u>
Pooled Operating Short Term Fund	\$5,031,416.23	\$15,107,913.12	\$5,035,520.83	\$15,075,659.72	0.38

<u>Account Name</u>	<u>Average Annual Yield to Maturity on Cost⁴ September 30, 2006</u>	Average Annual Yield to Maturity on Cost ⁴ <u>September 30, 2005</u>	<u>Average Annual Yield to Maturity at Market September 30, 2006</u>	Average Annual Yield to Maturity at Market <u>September 30, 2005</u>	<u>Duration (Years) September 30, 2005</u>
Pooled Operating Short Term Fund	4.37%	4.05%	4.95%	4.12%	0.79

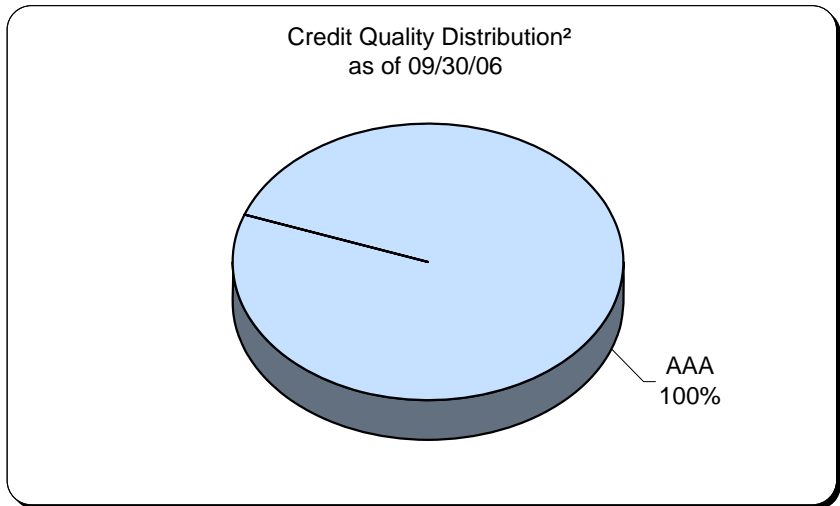
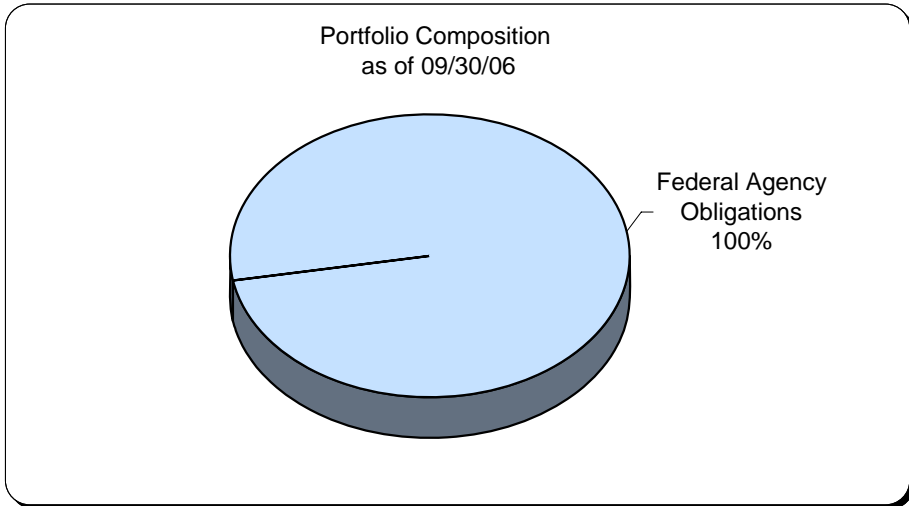
<u>Benchmarks</u>	<u>September 30, 2006</u>	<u>September 30, 2005</u>
Florida SBA Annual Return ⁵	4.73%	2.74%

Notes:

1. On a trade-date basis, including accrued interest.
2. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balance.
3. Excludes any money market fund/cash balances held in custodian account.
4. Past performance is not indicative of future results.
5. Quarterly pool returns presented on an annualized basis.

Pooled Operating Short Term Fund Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>September 30, 2006</u>	<u>% of Portfolio</u>	<u>September 30, 2005</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	\$0.00	0.0%
Federal Agencies	5,035,520.83	100.0%	15,075,659.72	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	\$5,035,520.83	100.0%	\$15,075,659.72	100.0%

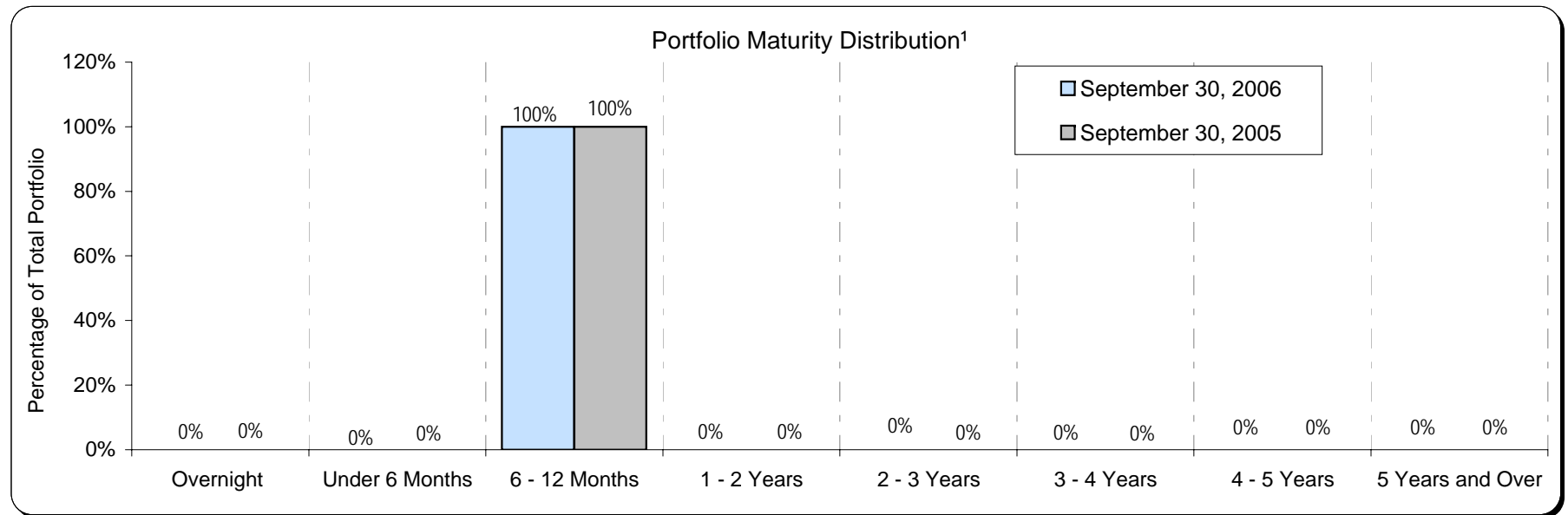


Notes:

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.

Pooled Operating Short Term Fund Portfolio Maturity Distribution

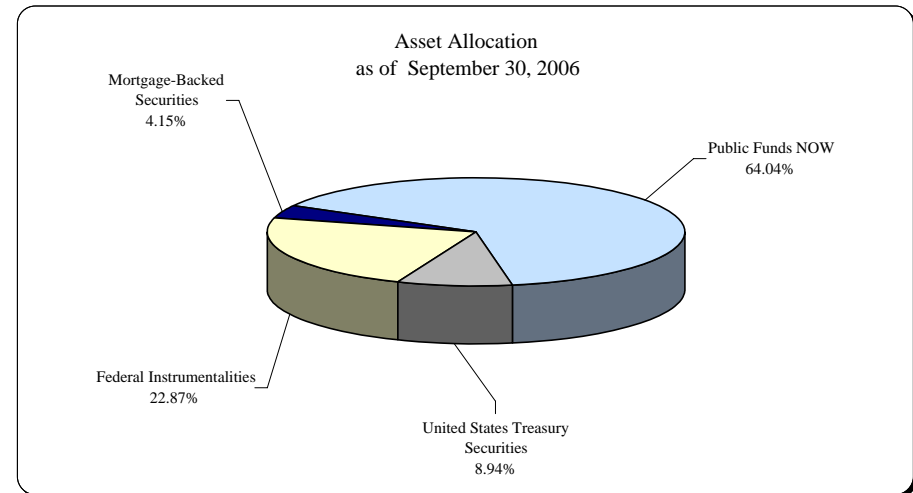
<u>Maturity Distribution</u> ¹	<u>September 30, 2006</u>	<u>September 30, 2005</u>
Overnight (Money Market Fund)	\$0.00	\$0.00
Under 6 Months	0.00	0.00
6 - 12 Months	5,035,520.83	15,075,659.72
1 - 2 Years	0.00	0.00
2 - 3 Years	0.00	0.00
3 - 4 Years	0.00	0.00
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	\$5,035,520.83	\$15,075,659.72



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 ¹	September 30, 2006	Notes	Permitted by Policy
Florida SBA	0.00%		100%
United States Treasury Securities	8.94%		100%
United States Government Agency Securities	0.00%		50%
Federal Instrumentalities	22.87%	2	65%
Certificates of Deposit	0.00%		50%
Repurchase Agreements	0.00%		50%
Commercial Paper	0.00%		35%
Corporate Notes	0.00%		0%
Mortgage-Backed Securities	4.15%	2	25%
Bankers' Acceptances	0.00%		35%
State and/or Local Government Debt	0.00%		20%
Fixed Income Money Market Mutual Funds	0.00%		50%
Public Funds NOW	64.04%		100%



Individual Issuer Breakdown	September 30, 2006	Notes	Permitted by Policy
General National Mortgage Association (GNMA)	0.00%		25%
US Export-Import Bank (Ex-Im)	0.00%		25%
Farmer Home Administration (FHDA)	0.00%		25%
Federal Financing Bank	0.00%		25%
Federal Housing Administration (FHA)	0.00%		25%
General Services Administration	0.00%		25%
New Communities Act Debentures	0.00%		25%
US Public Housing Notes & Bonds	0.00%		25%
US Dept. of Housing and Urban Development	0.00%		25%
Federal Farm Credit Bank (FFCB)	2.21%		45%
Federal Home Loan Bank (FHLB)	9.84%		45%
Federal National Mortgage Association (FNMA)	6.19%		45%
Federal Home Loan Mortgage Corporation (FHLMC)	8.78%		45%
Student Loan Marketing Association (SLMA)	0.00%		45%

Individual Issuer Breakdown	September 30, 2006	Notes	Permitted by Policy
CD - Bank A	0.00%		25%
CD - Bank B	0.00%		25%
Fully collateralized Repo - A	0.00%		25%
Fully collateralized Repo - B	0.00%		25%
CP A	0.00%		30%
CP B	0.00%		30%
CP C	0.00%		30%
Corporate Notes A	0.00%		0%
Corporate Notes B	0.00%		0%
BA Bank A	0.00%		20%
BA Bank B	0.00%		20%
Municipal Notes/Bonds	0.00%		20%
Money Market Fund A	0.00%		25%
Public Funds NOW	64.04%		100%

Notes:

- Pursuant to the Investment Policy, the asset allocation chart does not include bond funds.
 - The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 65%. The combined total as of September 30, 2006 is 27.02%.
- * All Assets.

Investment Portfolio Information For
MARION COUNTY POOLED OPERATING FUND

Portfolio #
54610190

Section / Report Title

- A. Account Summary
- B. Detail of Securities Held
- C. Fair Market Values & Analytics
- D. Security Transactions & Interest
- E. Cash Transactions Report
- F. Realized Gains & Losses
- G. Cash Balance Report

For The Month Ending
September 30, 2006

MARION COUNTY, FLORIDA
DAVID R. ELLSPERMANN, CLERK OF CIRCUIT CT
P.O. BOX 1030

OCALA

FL 34478-1030

PFM Asset Management LLC

Account Summary: *54610190* *MARION COUNTY POOLED OPERATING FUND*

(Excluding Cash)

MONTH ENDED: September 30, 2006

SECURITY TYPE	PAR VALUE	AMORTIZED COST	MARKET VALUE	MARKET % OF PORTFOLIO	YTM AT COST	YTM AT MARKET	DURATION TO WORST
FED AGY BOND/NOTE	52,100,000.00	52,307,411.96	52,339,780.00	61.643	4.915	5.114	1.618
FED AGY MBS	10,379,322.35	10,453,929.06	10,167,478.79	11.975	3.342	5.994	1.278
US TSY BOND/NOTE	22,475,000.00	22,445,850.20	22,399,991.63	26.382	4.446	4.754	1.692
TOTAL SECURITIES	84,954,322.35	85,207,191.22	84,907,250.42	100.000	4.603 %	5.124 %	1.597
TOTAL INVESTMENTS	84,954,322.35	85,207,191.22	84,907,250.42	100.000 %			
ACCRUED INTEREST		720,833.06	720,833.06				
TOTAL PORTFOLIO	\$84,954,322.35	\$85,928,024.28	\$85,628,083.48				

Disclosure Statement: PFM's monthly statement is intended to detail our investment advisory activity. The custodian bank maintains the control of assets and executes (i.e. settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. Only the client has the authority to withdraw funds from or deposit funds to the custodian and to direct the movement of securities. Clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions. PFM recognizes that our clients may use these reports to facilitate record keeping, therefore the custodian bank statement and the PFM statement should be reconciled and differences resolved. PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by F.T. Interactive Data, Bloomberg or Telerate. Prices that fall between data points are interpolated. Non-negotiable FDIC insured bank certificates of deposit are priced at par.

PFM Asset Management LLC

Detail of Securities Held: 54610190 MARION COUNTY POOLED OPERATING FUND

(Excluding Cash)

MONTH ENDED: September 30, 2006

SECURITY TYPE			MATURITY	S&P	TRADE	SETTLE	ORIGINAL	YTM	ACCRUED	AMORTIZED	MARKET	
CUSIP	DESCRIPTION	PAR	COUPON	DATE	RATING	DATE	DATE	COST	AT COST	INTEREST	COST	VALUE
FED AGY BOND/NOTE												
31359MTN3	FNMA GLOBAL BENCHMARK NOTES	4,500,000	2.625	11/15/06	AAA	02/22/05	02/22/05	4,432,356.00	3.526	44,625.00	4,495,128.66	4,485,195.00
3136F52A8	FNMA NOTES (CALLABLE)	1,000,000	3.625	01/19/07	AAA	01/17/06	01/18/06	990,030.00	4.654	7,250.00	996,983.14	995,000.00
3133XBSU0	FHLB TAP NOTES	2,000,000	3.875	06/08/07	AAA	06/09/05	06/10/05	2,000,120.00	3.846	24,326.39	2,000,043.68	1,981,875.00
3128X4RF0	FHLMC GLOBAL NOTES (CALLABLE)	3,000,000	4.625	10/05/07	AAA	10/20/05	10/21/05	2,995,320.00	4.708	67,833.33	2,997,561.78	2,985,210.00
3133XA7G6	FHLB GLOBAL NOTES	2,000,000	3.625	01/15/08	AAA	03/10/05	03/10/05	1,977,946.00	4.037	15,305.56	1,989,750.42	1,964,375.00
3133XBSV8	FHLB TAP NOTES	2,000,000	4.000	06/13/08	AAA	06/09/05	06/10/05	2,002,920.00	3.948	24,000.00	2,001,694.76	1,967,500.00
3133XGLZ5	FHLB NOTES (CALLABLE)	4,000,000	5.625	08/28/08	AAA	09/18/06	09/19/06	4,000,600.00	5.615	20,625.00	4,000,495.64	4,001,250.00
3133XDT76	FHLB TAP NOTES	2,500,000	4.750	12/12/08	AAA	01/27/06	01/30/06	2,499,115.00	4.758	35,954.86	2,499,417.60	2,487,500.00
3133XDT76	FHLB TAP NOTES	3,200,000	4.750	12/12/08	AAA	07/18/06	07/19/06	3,147,609.60	5.486	46,022.22	3,151,818.52	3,184,000.00
31331SM75	FFCB NOTES	2,500,000	3.950	01/05/09	AAA	01/27/06	01/30/06	2,444,085.00	4.776	23,590.28	2,456,266.60	2,445,312.50
31331SNF6	FFCB GLOBAL DESIGNATED BONDS	3,200,000	3.750	01/15/09	AAA	07/18/06	07/19/06	3,075,881.60	5.437	25,333.33	3,085,333.50	3,116,000.00
31359MEK5	FNMA GLOBAL BENCHMARK NOTES	3,200,000	5.250	01/15/09	AAA	07/18/06	07/19/06	3,186,323.20	5.436	35,466.67	3,187,372.22	3,220,000.00
3137EAAE9	FHLMC GLOBAL REFERENCE NOTES	5,000,000	5.250	05/21/09	AAA	09/18/06	09/19/06	5,021,055.00	5.077	91,875.00	5,020,871.55	5,035,937.50
3133XGFL3	FHLB GLOBAL NOTES (CALLABLE)	4,000,000	5.750	08/07/09	AAA	09/18/06	09/19/06	4,010,160.00	5.651	34,500.00	4,009,795.44	4,011,250.00
3134A3M78	FHLMC GLOBAL REFERENCE NOTES	5,000,000	6.625	09/15/09	AAA	09/18/06	09/19/06	5,210,190.00	5.091	14,722.22	5,207,993.25	5,226,562.50
31359MEY5	FNMA GLOBAL BENCHMARK NOTES	5,000,000	6.625	09/15/09	AAA	09/18/06	09/19/06	5,209,070.00	5.099	14,722.22	5,206,885.20	5,232,812.50
		52,100,000						52,202,781.40	4.915	526,152.08	52,307,411.96	52,339,780.00
FED AGY MBS												
31282U4M6	FHLMC MBS 5 YR POOL #M90828	6,861,581	3.500	07/01/08	AAA	07/21/03	07/23/03	6,968,793.16	2.812	20,012.94	6,896,941.48	6,678,269.29
31282R2E3	FHLMC MBS POOL #M80773	1,881,642	5.000	10/01/09	AAA	10/22/02	10/25/02	1,920,744.37	4.322	7,840.17	1,897,693.55	1,865,366.64
31371KXM8	FNMA MBS POOL #254584	1,636,100	5.000	12/01/12	AAA	11/22/02	12/17/02	1,673,423.44	4.393	6,817.08	1,659,294.03	1,623,842.86
		10,379,322						10,562,960.97	3.342	34,670.19	10,453,929.06	10,167,478.79
US TSY BOND/NOTE												
91282DS6	US TREASURY NOTES	2,000,000	3.625	04/30/07	TSY	06/09/05	06/10/05	1,999,687.50	3.632	30,339.67	1,999,919.36	1,984,218.00
91282EH9	US TREASURY NOTES	4,000,000	4.000	09/30/07	TSY	10/20/05	10/21/05	3,982,187.50	4.240	439.56	3,990,718.16	3,963,908.00
91282AN0	US TREASURY NOTES	2,000,000	3.000	11/15/07	TSY	03/10/05	03/10/05	1,959,218.75	3.806	22,663.04	1,982,475.64	1,959,376.00
912828FJ4	US TREASURY NOTES	3,150,000	5.125	06/30/08	TSY	07/18/06	07/19/06	3,146,554.69	5.183	40,798.06	3,146,930.04	3,170,178.90
912828EC0	US TREASURY NOTES	4,950,000	4.125	08/15/08	TSY	10/20/05	10/21/05	4,931,630.86	4.264	26,078.29	4,937,728.50	4,903,979.85
912828FP0	US TREASURY NOTES	6,375,000	4.875	08/15/09	TSY	09/18/06	09/19/06	6,388,198.24	4.796	39,692.17	6,388,078.50	6,418,330.88
		22,475,000						22,407,477.54	4.446	160,010.79	22,445,850.20	22,399,991.63
TOTAL SECURITIES		\$84,954,322						\$85,173,219.91	4.603 %	\$720,833.06	\$85,207,191.22	\$84,907,250.42

PFM Asset Management LLC

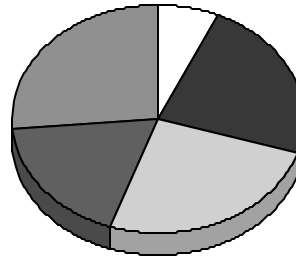
Detail of Securities Held: 54610190 MARION COUNTY POOLED OPERATING FUND

(Excluding Cash)

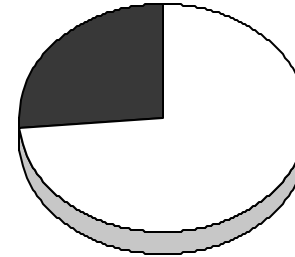
MONTH ENDED: September 30, 2006

SECURITY TYPE												
CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	S&P RATING	TRADE DATE	SETTLE DATE	ORIGINAL COST	YTM AT COST	ACCRUED INTEREST	AMORTIZED COST	MARKET VALUE

Issuers by Market Value



Ratings by Market Value



FFCB	\$5,561,313	6.5%
FHLB	\$19,597,750	23.1%
FHLMC	\$21,791,346	25.7%
FNMA	\$15,556,850	18.3%
UNITED STATES TREASURY	\$22,399,992	26.4%
Total:	\$84,907,250	100.0%

AAA	\$62,507,259	73.6%
TSY	\$22,399,992	26.4%
Total:	\$84,907,250	100.0%

PFM Asset Management LLC

Fair Market Values & Analytics: (Excluding Cash)

54610190

MARION COUNTY POOLED OPERATING FUND

MONTH ENDED: September 30, 2006

SECURITY TYPE				MATURITY	FIRST CALL	MARKET	MARKET	UNREAL G/(L)	UNREAL G/(L)	DURATION	YTM
CUSIP	DESCRIPTION	PAR	COUPON	DATE	DATE	PRICE	VALUE	ON AMORT COST	ON COST	TO WORST	AT MKT
FED AGY BOND/NOTE											
31359MTN3	FNMA GLOBAL BENCHMARK NOTES	4,500,000	2.625	11/15/06		99.671	4,485,195.00	(9,933.66)	52,839.00	0.122	5.223
3136F52A8	FNMA NOTES (CALLABLE)	1,000,000	3.625	01/19/07		99.500	995,000.00	(1,983.14)	4,970.00	0.295	5.265
3133XBSU0	FHLB TAP NOTES	2,000,000	3.875	06/08/07		99.094	1,981,875.00	(18,168.68)	(18,245.00)	0.662	5.223
3128X4RF0	FHLMC GLOBAL NOTES (CALLABLE)	3,000,000	4.625	10/05/07	10/05/06	99.507	2,985,210.00	(12,351.78)	(10,110.00)	0.956	5.129
3133XA7G6	FHLB GLOBAL NOTES	2,000,000	3.625	01/15/08		98.219	1,964,375.00	(25,375.42)	(13,571.00)	1.234	5.063
3133XBSV8	FHLB TAP NOTES	2,000,000	4.000	06/13/08		98.375	1,967,500.00	(34,194.76)	(35,420.00)	1.604	5.004
3133XGLZ5	FHLB NOTES (CALLABLE)	4,000,000	5.625	08/28/08	11/28/06	100.031	4,001,250.00	754.36	650.00	0.157	5.604
3133XDT76	FHLB TAP NOTES	2,500,000	4.750	12/12/08		99.500	2,487,500.00	(11,917.60)	(11,615.00)	2.036	4.989
3133XDT76	FHLB TAP NOTES	3,200,000	4.750	12/12/08		99.500	3,184,000.00	32,181.48	36,390.40	2.036	4.989
31331SM75	FFCB NOTES	2,500,000	3.950	01/05/09		97.813	2,445,312.50	(10,954.10)	1,227.50	2.115	4.981
31331SNF6	FFCB GLOBAL DESIGNATED BONDS	3,200,000	3.750	01/15/09		97.375	3,116,000.00	30,666.50	40,118.40	2.146	4.974
31359MEK5	FNMA GLOBAL BENCHMARK NOTES	3,200,000	5.250	01/15/09		100.625	3,220,000.00	32,627.78	33,676.80	2.115	4.954
3137EAAE9	FHLMC GLOBAL REFERENCE NOTES	5,000,000	5.250	05/21/09		100.719	5,035,937.50	15,065.95	14,882.50	2.398	4.954
3133XGFL3	FHLB GLOBAL NOTES (CALLABLE)	4,000,000	5.750	08/07/09	08/07/07	100.281	4,011,250.00	1,454.56	1,090.00	0.817	5.639
3134A3M78	FHLMC GLOBAL REFERENCE NOTES	5,000,000	6.625	09/15/09		104.531	5,226,562.50	18,569.25	16,372.50	2.668	4.958
31359MEY5	FNMA GLOBAL BENCHMARK NOTES	5,000,000	6.625	09/15/09		104.656	5,232,812.50	25,927.30	23,742.50	2.669	4.914
FED AGY MBS											
31282U4M6	FHLMC MBS 5 YR POOL #M90828	6,861,581	3.500	07/01/08		97.328	6,678,269.29	(218,672.19)	(290,523.87)	0.871	6.352
31282R2E3	FHLMC MBS POOL #M80773	1,881,642	5.000	10/01/09		99.135	1,865,366.64	(32,326.91)	(55,377.73)	1.458	5.449
31371KXM8	FNMA MBS POOL #254584	1,636,100	5.000	12/01/12		99.251	1,623,842.86	(35,451.17)	(49,580.58)	2.746	5.148
US TSY BOND/NOTE											
912828DS6	US TREASURY NOTES	2,000,000	3.625	04/30/07		99.211	1,984,218.00	(15,701.36)	(15,469.50)	0.561	5.007
912828EH9	US TREASURY NOTES	4,000,000	4.000	09/30/07		99.098	3,963,908.00	(26,810.16)	(18,279.50)	0.966	4.936
912828AN0	US TREASURY NOTES	2,000,000	3.000	11/15/07		97.969	1,959,376.00	(23,099.64)	157.25	1.076	4.874
912828FJ4	US TREASURY NOTES	3,150,000	5.125	06/30/08		100.641	3,170,178.90	23,248.86	23,624.21	1.638	4.735
912828EC0	US TREASURY NOTES	4,950,000	4.125	08/15/08		99.070	4,903,979.85	(33,748.65)	(27,651.01)	1.774	4.646
912828FP0	US TREASURY NOTES	6,375,000	4.875	08/15/09		100.680	6,418,330.88	30,252.38	30,132.64	2.642	4.618
SUBTOTALS							\$84,907,250.42	(\$299,940.80)	(\$265,969.49)	1.597	5.124 %

ACCRUED INTEREST ON INVESTMENT

720,833.06

PFM Asset Management LLC

Fair Market Values & Analytics:

54610190

MARION COUNTY POOLED OPERATING FUND

(Excluding Cash)

MONTH ENDED: September 30, 2006

SECURITY TYPE				MATURITY	FIRST CALL	MARKET	MARKET	UNREAL G/(L)	UNREAL G/(L)	DURATION	YTM	
CUSIP	DESCRIPTION	PAR	COUPON	DATE	DATE	PRICE	VALUE	ON AMORT COST	ON COST	TO WORST AT MKT		
TOTAL MARKET VALUE OF INVESTMENTS							<u>\$85,628,083.48</u>					

PFM Asset Management LLC

Security Transactions & Interest:

54610190

MARION COUNTY POOLED OPERATING FUND

MONTH ENDED: September 30, 2006

(Excluding Cash)

TRADE	SETTLE	TRAN TYPE	SECURITY DESCRIPTION	CUSIP	S&P RATING	PAR	COUPON	MATURITY DATE	PRINCIPAL AMOUNT	ACCRUED INTEREST	TOTAL	
09/01/06	09/01/06	INTEREST	MONEY MARKET FUND	MONEY0002	NR				0.00	9,402.88	9,402.88	
09/01/06	09/15/06	INTEREST	FHLMC MBS POOL #M80773	31282R2E3	AAA	1,919,938	5.000	10/01/09	0.00	7,999.74	7,999.74	
09/01/06	09/15/06	INTEREST	FHLMC MBS 5 YR POOL #M90828	31282U4M6	AAA	6,978,764	3.500	07/01/08	0.00	20,354.73	20,354.73	
09/01/06	09/25/06	INTEREST	FNMA MBS POOL #254584	31371KXM8	AAA	1,674,695	5.000	12/01/12	0.00	6,977.89	6,977.89	
09/30/06	09/30/06	INTEREST	US TREASURY NOTES	912828EH9	TSY	4,000,000	4.000	09/30/07	0.00	80,000.00	80,000.00	
									14,573,396	0.00	124,735.24	124,735.24
09/18/06	09/19/06	BUY	FHLB GLOBAL NOTES (CALLABLE)	3133XGFL3	AAA	4,000,000	5.750	08/07/09	(4,010,160.00)	(26,833.33)	(4,036,993.33)	
09/18/06	09/19/06	BUY	FHLB NOTES (CALLABLE)	3133XGLZ5	AAA	4,000,000	5.625	08/28/08	(4,000,600.00)	(13,125.00)	(4,013,725.00)	
09/18/06	09/19/06	BUY	FHLMC GLOBAL REFERENCE NOTES	3134A3M78	AAA	5,000,000	6.625	09/15/09	(5,210,190.00)	(3,680.56)	(5,213,870.56)	
09/18/06	09/19/06	BUY	FNMA GLOBAL BENCHMARK NOTES	31359MEY5	AAA	5,000,000	6.625	09/15/09	(5,209,070.00)	(3,680.56)	(5,212,750.56)	
09/18/06	09/19/06	BUY	FHLMC GLOBAL REFERENCE NOTES	3137EAAE9	AAA	5,000,000	5.250	05/21/09	(5,021,055.00)	(83,125.00)	(5,104,180.00)	
09/18/06	09/19/06	BUY	US TREASURY NOTES	912828FP0	TSY	6,375,000	4.875	08/15/09	(6,388,198.24)	(29,558.00)	(6,417,756.24)	
									29,375,000	(29,839,273.24)	(160,002.45)	(29,999,275.69)
09/01/06	09/15/06	MBS PMT	FHLMC MBS POOL #M80773	31282R2E3	AAA	38,297	5.000	10/01/09	38,296.70	0.00	38,296.70	
09/01/06	09/15/06	MBS PMT	FHLMC MBS 5 YR POOL #M90828	31282U4M6	AAA	117,183	3.500	07/01/08	117,182.55	0.00	117,182.55	
09/01/06	09/25/06	MBS PMT	FNMA MBS POOL #254584	31371KXM8	AAA	38,595	5.000	12/01/12	38,594.70	0.00	38,594.70	
									194,074	194,073.95	0.00	194,073.95

TOTAL SECURITY TRANSACTIONS

(29,680,466.50)

PFM Asset Management LLC

Cash Transactions Report:

54610190

MARION COUNTY POOLED OPERATING FUND

MONTH ENDED: September 30, 2006

CASH DATE	TRANSACTION CODE	TRANSACTION DESCRIPTION	TOTAL AMOUNT
09/18/06	CC	TRANSFER FROM 0210	10,310,000.00
09/19/06	CC	CONTRIB	20,000,000.00
			30,310,000.00
NET CASH CONTRIBUTIONS/(WITHDRAWS)			<u><u>\$30,310,000.00</u></u>

PFM Asset Management LLC

Realized Gains and Losses: *54610190* *MARION COUNTY POOLED OPERATING FUND*

(Excluding Cash)

MONTH ENDED: September 30, 2006

TRADE DATE	SETTLE DATE	TRAN TYPE	SALE METHOD	SECURITY DESCRIPTION	CUSIP	PAR VALUE	COUPON	PRINCIPAL PROCEEDS	REALIZED G/(L) COST	REALIZED G/(L) AMORT CST
09/01/06	09/15/06	MBS PMT		FHLMC MBS POOL #M80773	31282R2E3	38,297	5.000	38,296.70	(795.85)	0.00
09/01/06	09/15/06	MBS PMT		FHLMC MBS 5 YR POOL #M90828	31282U4M6	117,183	3.500	117,182.55	(1,830.98)	0.00
09/01/06	09/25/06	MBS PMT		FNMA MBS POOL #254584	31371KXM8	38,595	5.000	38,594.70	(880.44)	0.00
TOTAL GAINS AND LOSSES									<u>(\$3,507.27)</u>	<u>\$0.00</u>

PFM Asset Management LLC

Cash Balance Report:

54610190

MARION COUNTY POOLED OPERATING FUND

MONTH ENDED: September 30, 2006

CASH BALANCE: \$1,499,434.94

Earnings Calculation Templates

Current Month-End Book Value	+			Add Coupon Interest Received	+	
Current Month-End Accrued Interest	+			Less Purchased Interest Related to Coupons	-	
Less Purchases	-			Add/Subtract Gains or Losses on Cost For The Mth	+/-	
Less Purchased Interest	-			Total Cost Basis Earnings For The Month		
Add Disposals (Sales, Maturities, Paydowns, Sinks, etc.)	+					
Add Coupon Interest Received	+					
Less Previous Month-End Book Value	-					
Less Previous Month-End Accrued Interest	-					
Total Accrual Basis Earnings For The Month						

Economic Calendar

10/06/06 Change in Nonfarm Payrolls	10/18/06 Housing Starts
10/06/06 Unemployment Rate	10/18/06 Building Permits
10/11/06 FOMC Minutes	10/25/06 Existing Home Sales
10/12/06 Beige Book	10/25/06 FOMC Meeting
10/13/06 Retail Sales	10/26/06 Durable Goods Orders
10/17/06 Producer Price Index	10/26/06 New Home Sales
10/18/06 Consumer Price Index	10/26/06 Third Quarter GDP

Market Commentary

The Fed remained on hold at their September meeting leaving the Fed Funds rate at 5.25%. The markets expected the Fed to leave rates unchanged and the reaction to the decision was limited. Both the equity and bond markets did react to weaker than expected economic data though. Disappointing economic data and contained inflation expectations have convinced the market that the Fed doesn't need to increase rates further and may need to lower rates in the future. Housing data took center stage in September. Both new homes sales and housing starts were lower than expected signaling the potential for further slowing in the residential real estate market. The prices of most commodities declined in September with crude oil and gold leading the way. Crude oil traded below \$65 a barrel for the first time since February 2006 and gold is trading \$150 below its peak seen in May 2006. Meanwhile the equity and bond markets performed well. The Dow Jones Industrial Average reached its all time high for a period in September. Treasury yields continued to decline pushing their prices higher as bond investors bought bonds of all maturities on expectations of future rate cuts. Although the markets are expecting a rate cut the Fed hasn't signaled its intention to do so yet.

Investment Portfolio Information For
MARION COUNTY POOLED OPER SHORT TERM FD

Portfolio #
54610210

Section / Report Title

- A. Account Summary
- B. Detail of Securities Held
- C. Fair Market Values & Analytics
- D. Security Transactions & Interest
- E. Cash Transactions Report
- F. Realized Gains & Losses
- G. Cash Balance Report

For The Month Ending
September 30, 2006

MARION COUNTY, FLORIDA
DAVID R. ELLSPERMANN, CLERK OF CIRCUIT CT
P.O. BOX 1030

OCALA

FL 34478-1030

PFM Asset Management LLC

Account Summary: *54610210 MARION COUNTY POOLED OPER SHORT TERM FD*

(Excluding Cash)

MONTH ENDED: September 30, 2006

SECURITY TYPE	PAR VALUE	AMORTIZED COST	MARKET VALUE	MARKET % OF PORTFOLIO	YTM AT COST	YTM AT MARKET	DURATION TO WORST
FED AGY BOND/NOTE	5,000,000.00	5,000,582.90	5,004,687.50	100.000	5.534	5.407	0.375
TOTAL SECURITIES	5,000,000.00	5,000,582.90	5,004,687.50	100.000	5.534 %	5.407 %	0.375
TOTAL INVESTMENTS	5,000,000.00	5,000,582.90	5,004,687.50	100.000 %			
ACCRUED INTEREST		30,833.33	30,833.33				
TOTAL PORTFOLIO	\$5,000,000.00	\$5,031,416.23	\$5,035,520.83				

Disclosure Statement: PFM's monthly statement is intended to detail our investment advisory activity. The custodian bank maintains the control of assets and executes (i.e. settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. Only the client has the authority to withdraw funds from or deposit funds to the custodian and to direct the movement of securities. Clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions. PFM recognizes that our clients may use these reports to facilitate record keeping, therefore the custodian bank statement and the PFM statement should be reconciled and differences resolved. PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by F.T. Interactive Data, Bloomberg or Telerate. Prices that fall between data points are interpolated. Non-negotiable FDIC insured bank certificates of deposit are priced at par.

PFM Asset Management LLC

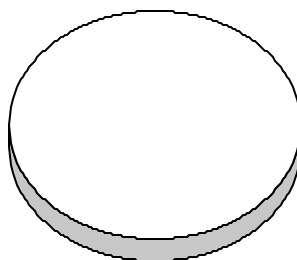
Detail of Securities Held: 54610210 MARION COUNTY POOLED OPER SHORT TERM FD

(Excluding Cash)

MONTH ENDED: September 30, 2006

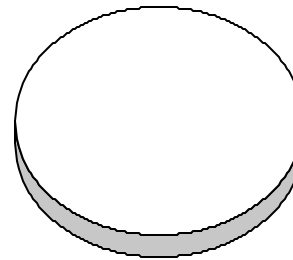
SECURITY TYPE			MATURITY	S&P	TRADE	SETTLE	ORIGINAL	YTM	ACCRUED	AMORTIZED	MARKET	
CUSIP	DESCRIPTION	PAR	COUPON	DATE	RATING	DATE	DATE	COST	AT COST	INTEREST	COST	VALUE
FED AGY BOND/NOTE												
3133XGKU7	FHLB NOTES (CALLABLE)	5,000,000	5.550	08/21/07	AAA	08/11/06	08/21/06	5,000,750.00	5.534	30,833.33	5,000,582.90	5,004,687.50
		5,000,000						5,000,750.00	5.534	30,833.33	5,000,582.90	5,004,687.50
TOTAL SECURITIES		\$5,000,000						\$5,000,750.00	5.534 %	\$30,833.33	\$5,000,582.90	\$5,004,687.50

Issuers by Market Value



□ FHLB	\$5,004,688	100.0%
Total:	\$5,004,688	100.0%

Ratings by Market Value



□ AAA	\$5,004,688	100.0%
Total:	\$5,004,688	100.0%

PFM Asset Management LLC

Fair Market Values & Analytics:

54610210 MARION COUNTY POOLED OPER SHORT TERM FD

(Excluding Cash)

MONTH ENDED: September 30, 2006

SECURITY TYPE				MATURITY	FIRST CALL	MARKET	MARKET	UNREAL G/(L)	UNREAL G/(L)	DURATION	YTM	
CUSIP	DESCRIPTION	PAR	COUPON	DATE	DATE	PRICE	VALUE	ON AMORT COST	ON COST	TO WORST AT MKT		
FED AGY BOND/NOTE												
3133XGKU7	FHLB NOTES (CALLABLE)	5,000,000	5.550	08/21/07	02/21/07	100.094	5,004,687.50	4,104.60	3,937.50	0.375	5.407	
SUBTOTALS							\$5,004,687.50	\$4,104.60	\$3,937.50	0.375	5.407 %	
ACCRUED INTEREST ON INVESTMENT							30,833.33					
TOTAL MARKET VALUE OF INVESTMENTS							\$5,035,520.83					

PFM Asset Management LLC

Security Transactions & Interest:

54610210

MARION COUNTY POOLED OPER SHORT TERM FD

MONTH ENDED: September 30, 2006

(Excluding Cash)

TRADE	SETTLE	TRAN TYPE	SECURITY DESCRIPTION	CUSIP	S&P RATING	PAR	COUPON	MATURITY DATE	PRINCIPAL AMOUNT	ACCRUED INTEREST	TOTAL
09/18/06	09/18/06	MATURITY	BARCLAYS US FUNDING LLC COMM PA	06737JJ5	A-1+	5,125,000	0.000	09/18/06	5,125,000.00	0.00	5,125,000.00
09/18/06	09/18/06	MATURITY	UBS FINANCE DELAWARE LLC COMM P	90262DJ5	A-1+	5,185,000	0.000	09/18/06	5,185,000.00	0.00	5,185,000.00
						10,310,000			10,310,000.00	0.00	10,310,000.00

TOTAL SECURITY TRANSACTIONS

10,310,000.00

PFM Asset Management LLC

Cash Transactions Report:

54610210

MARION COUNTY POOLED OPER SHORT TERM FD

MONTH ENDED: September 30, 2006

CASH DATE	TRANSACTION CODE	TRANSACTION DESCRIPTION	TOTAL AMOUNT
09/18/06	CW	TRANSFER TO 0190	(10,310,000.00)
			(10,310,000.00)
NET CASH CONTRIBUTIONS/(WITHDRAWS)			<u><u>(\$10,310,000.00)</u></u>

PFM Asset Management LLC

Realized Gains and Losses: *54610210* *MARION COUNTY POOLED OPER SHORT TERM FD*

(Excluding Cash)

MONTH ENDED: September 30, 2006

TRADE DATE	SETTLE DATE	TRAN TYPE	SALE METHOD	SECURITY DESCRIPTION	CUSIP	PAR VALUE	COUPON	PRINCIPAL PROCEEDS	REALIZED G/(L) COST	REALIZED G/(L) AMORT CST
09/18/06	09/18/06	MATURITY		BARCLAYS US FUNDING LLC COMM PAPER	06737JJJ5	5,125,000	0.000	5,125,000.00	47,309.44	0.00
09/18/06	09/18/06	MATURITY		UBS FINANCE DELAWARE LLC COMM PAPE	90262DJJ5	5,185,000	0.000	5,185,000.00	47,774.01	0.00
TOTAL GAINS AND LOSSES									<u>\$95,083.45</u>	<u>\$0.00</u>

PFM Asset Management LLC

Cash Balance Report:

54610210

MARION COUNTY POOLED OPER SHORT TERM FD

MONTH ENDED: September 30, 2006

CASH BALANCE: \$0.00

Earnings Calculation Templates

Current Month-End Book Value	+			Add Coupon Interest Received	+	
Current Month-End Accrued Interest	+			Less Purchased Interest Related to Coupons	-	
Less Purchases	-			Add/Subtract Gains or Losses on Cost For The Mth	+/-	
Less Purchased Interest	-			Total Cost Basis Earnings For The Month		
Add Disposals (Sales, Maturities, Paydowns, Sinks, etc.)	+					
Add Coupon Interest Received	+					
Less Previous Month-End Book Value	-					
Less Previous Month-End Accrued Interest	-					
Total Accrual Basis Earnings For The Month						

Economic Calendar

10/06/06 Change in Nonfarm Payrolls	10/18/06 Housing Starts
10/06/06 Unemployment Rate	10/18/06 Building Permits
10/11/06 FOMC Minutes	10/25/06 Existing Home Sales
10/12/06 Beige Book	10/25/06 FOMC Meeting
10/13/06 Retail Sales	10/26/06 Durable Goods Orders
10/17/06 Producer Price Index	10/26/06 New Home Sales
10/18/06 Consumer Price Index	10/26/06 Third Quarter GDP

Market Commentary

The Fed remained on hold at their September meeting leaving the Fed Funds rate at 5.25%. The markets expected the Fed to leave rates unchanged and the reaction to the decision was limited. Both the equity and bond markets did react to weaker than expected economic data though. Disappointing economic data and contained inflation expectations have convinced the market that the Fed doesn't need to increase rates further and may need to lower rates in the future. Housing data took center stage in September. Both new homes sales and housing starts were lower than expected signaling the potential for further slowing in the residential real estate market. The prices of most commodities declined in September with crude oil and gold leading the way. Crude oil traded below \$65 a barrel for the first time since February 2006 and gold is trading \$150 below its peak seen in May 2006. Meanwhile the equity and bond markets performed well. The Dow Jones Industrial Average reached its all time high for a period in September. Treasury yields continued to decline pushing their prices higher as bond investors bought bonds of all maturities on expectations of future rate cuts. Although the markets are expecting a rate cut the Fed hasn't signaled its intention to do so yet.