

# KEN BURKE

CLERK OF THE CIRCUIT COURT — PINELLAS COUNTY, FLORIDA

## FINANCE DIVISION

Clerk of the County Court  
Recorder of Deeds  
Clerk and Accountant of the Board of County Commissioners  
Custodian of County Funds  
County Auditor  
Clerk of the Water and Navigation Control Authority

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TO: *KPB* The Honorable Chairman and Members  
of the Board of County Commissioners

THRU: Ken Burke  
Clerk of the Circuit Court

FROM: Claretha N. Harris *CHH*  
Chief Deputy Director, Finance Division

DISTR: James L. Bennett, County Attorney Board Records  
Fred E. Marquis, Interim County Administrator Press

SUBJECT: Quarterly Investment Report for the Period Ended June 30, 2008

DATE: October 15, 2008

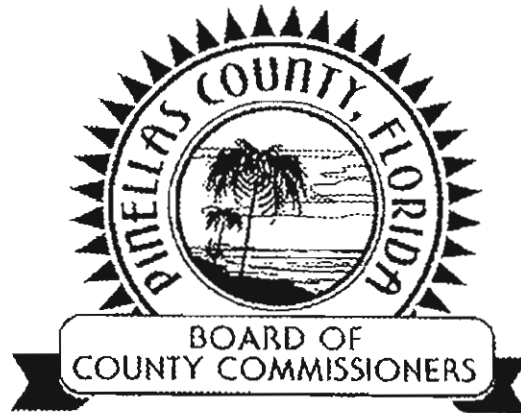
Attached is the Quarterly Investment Report for the period ended June 30, 2008.

The following is a summary of key points identified in the attached Quarterly Investment Report:

|   |               |
|---|---------------|
| ✓ Total Portfolio - book value (at quarter end)               | \$667,849,277 |
| ✓ Securities - book value (at quarter end)                    | \$362,639,380 |
| ✓ Securities weighted average maturity (WAM) (at quarter end) | 1.51 years    |
| ✓ Realized investment income for three months                 | \$ 6,000,609  |
| ✓ Yield on short-term portfolio                               |               |
| ○ Effective annual yield                                      | 1.96%         |
| ○ Benchmark (3-month T-Bill)                                  | 1.65%         |
| ✓ Yield on long-term portfolio                                |               |
| ○ Effective annual yield                                      | 4.46%         |
| ○ Benchmark (2-year T-Bill)                                   | 3.08%         |

Thank you, in advance, for your attention to the attached Quarterly Investment Report. If you have any questions, please contact me at 727-464-8300.

Attachment



***QUARTERLY***  
***INVESTMENT REPORT***

*For the Period Ended*  
*June 30, 2008*

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*Prepared by Ken Burke*  
*Clerk of the Circuit Court*  
*Finance Division*

### Investment Policy

Section 218.415, Florida Statutes authorizes the governing body of a local government to adopt a written investment plan to govern investment activity. The Board of County Commissioners (Board) adopted Section 2-144 of the Pinellas County Code, Investment of Surplus Public Funds, establishing policies for investing all County surplus funds controlled by the Board. All investment activity is conducted in accordance with Code Section 2-144 and additional written policies and procedures.

In accordance with the above laws and policies, the Clerk is required to submit a report on the performance of the County's investment portfolio quarterly and annually. In this Quarterly Investment Report, we also show investment objectives and permitted investments, demonstrating compliance with policies.

### Portfolio Activity Summary

During this fiscal quarter, expenditures exceeding revenues decreased the portfolio's book value by \$70.8 million. The County's allocation in securities decreased \$17.6 million due primarily to this outflow of net expenditures. The long-term portfolio's effective yield of 4.46% at June 30, 2008 increased when compared to 4.37% (revised) at March 31, 2008. The portfolio's weighted average maturity in securities declined from 1.54 to 1.51 years. The book value of the portfolio decreased by \$76.4 million compared to the same time last year. Portfolio activity for the fiscal year is shown on page 8 of this report.

### Portfolio Performance

Total realized investment income for the fiscal quarter ended June 30, 2008 was \$6.0 million. Investment income for the prior quarter was \$7.3 million (revised). This decline was attributed to a decline in available investment yields combined with a reduction in available funds to invest.

The book value of the long-term portfolio was \$362.6 million on June 30, 2008. The balance of the portfolio was held in liquid funds (\$305.2 million) to hedge a potential increase in interest rates while protecting future cash flows. The effective annual yield for the long-term portfolio was above its benchmark: it has improved as long-term interest rates fell. The short-term portfolio's effective annual yield for the quarter was also above its benchmark.

| Quarter-End Yields Over The Last Year                   |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| Individual Yields (at quarter end)                      | <u>06/07</u> | <u>09/07</u> | <u>12/07</u> | <u>03/08</u> | <u>06/08</u> |
| <b>Short Term Portfolio:</b>                            |              |              |              |              |              |
| Cash Pools  | 5.31 %       | 4.58 %       | 4.11 %       | 2.51 %       | 2.47 %       |
| State Board of Administration                           | 5.35         | 5.79         | 4.92         | 3.09         | 2.40         |
| <b>Effective Yields (3 month daily average)</b>         |              |              |              |              |              |
| Short Term Portfolio                                    | 5.37         | 5.44         | 4.00         | 3.13         | 1.96         |
| Long Term Portfolio <sup>(1)</sup>                      | 4.25         | 4.31         | 4.38         | 4.37         | 4.46         |
| Portfolio Overall <sup>(1)</sup>                        | 4.93         | 4.99         | 4.20         | 3.80         | 3.38         |
| <b>Benchmarks</b>                                       |              |              |              |              |              |
| <b>Short Term Funds:</b>                                |              |              |              |              |              |
| 3-month US Treasury constant maturity (3-month average) | 4.88         | 4.42         | 3.47         | 2.09         | 1.65         |
| <b>Long Term Funds:</b>                                 |              |              |              |              |              |
| 2-year US Treasury constant maturity (12-month average) | 4.81         | 4.67         | 4.36         | 3.67         | 3.08         |

<sup>1</sup> Effective yields for 12/07 and 03/08 were revised for over accrual of investment income during those reporting periods.

Historical Treasury yields declined in comparison to last year, with the largest decline occurring last quarter. The declines in yields ranged between 159 basis points (5 Year) and 307 basis points (3 Month), year-over-year. Treasury yields in all categories increased in comparison to last quarter ranging between 41 basis points (3 Month) and 104 basis points (2 Year). The historical Treasury yields at quarter-end for the last five quarters are presented below.

| <i>Historical U.S. Treasury Yields Over the Last Year</i> |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| <u>Maturity</u>   | <u>06/07</u> | <u>09/07</u> | <u>12/07</u> | <u>03/08</u> | <u>06/08</u> |
| 3 Month   | 4.80%        | 3.80%        | 3.24%        | 1.32%        | 1.73         |
| 6 Month   | 4.94         | 4.08         | 3.39         | 1.48         | 2.15         |
| 1 Year  | N/A          | N/A          | N/A          | N/A          | 2.33         |
| 2 Year  | 4.86         | 3.98         | 3.05         | 1.58         | 2.62         |
| 3 Year  | 4.88         | 4.02         | N/A          | N/A          | N/A          |
| 5 Year  | 4.92         | 4.24         | 3.44         | 2.44         | 3.33         |

**Investment Objectives**

The investment policy outlines three specific objectives to be applied in the management of County investments. The primary objective is safety of County funds. Safe investments are those that ensure minimum credit risk (the risk that principal will not be repaid) and minimum market risk (the risk that the principal value will not decrease over the life of the investment).

The second objective is the provision of sufficient liquidity. The funds are invested so that the County can meet its operating, payroll and capital requirements as they come due. Liquidity risk addresses the ability to sell investments, when necessary, while minimizing delay or loss of principal. The portfolio’s investments are held to maturity to avoid selling prior to maturity and risking a loss of principal.

Income or return on investment is the third objective. Return on investment is secondary to the safety and liquidity objectives. We strive to maximize the return on the portfolio, but avoid assuming unreasonable investment risk.

**Permitted Investments, Portfolio Composition and Allowable Maturities**

Permitted investments include:

*The Florida Local Government Surplus Funds Trust Fund (SBA)* - The SBA is administered and invested by the State Board of Administration for the purpose of pooling investments for local governments while providing liquidity and safety of principal.

*U. S. Treasury Obligations* - Negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the U. S. Government. Such securities include, but are not limited to, Treasury bills, notes or bonds and Treasury strips.

*U. S. Agency Obligations* - Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States agencies, provided with the full faith and credit of the U. S. Government. Such securities include, but are not limited to, the Farmers Home Administration, the Federal Financing Bank, Federal Housing Administration Debentures and Government National Mortgage Association (GNMA).

*Federal Instrumentalities* - Bonds, debentures, notes or other evidence of indebtedness issued by government-sponsored corporations established by law to implement various federal government lending programs. These corporations are not full faith and credit agencies. Such securities include, but are not limited to, Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (Freddie Mac) and Student Loan Marketing Association (Sallie Mae).

*Commercial Paper* - Commercial paper is an unsecured short-term promissory note issued by a corporation ranging from 3 to 270 days. The policy requires the issuer's debt to be rated, at the time of purchase, A1 by Standard and Poors and P1 by Moody's Investor Services.

*Certificates of Deposit* - Non-negotiable interest bearing time certificates of deposit in banks organized under the laws of the United States and doing business and situated in Florida, provided any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

*Money Market Funds* - Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

*Time Deposits* - Interest bearing time deposits or savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes.

The **composition** of the portfolio is diversified to control the risk of loss resulting from the over concentration of assets in a specific maturity, issuer, instrument, dealer or bank through which investments are bought and sold. Diversification strategies are reviewed and revised periodically as necessary to meet portfolio objectives.

The **maximum allowable maturity** for any investment in the portfolio is five years, however we make every effort to match investment maturities with known cash needs and anticipated cash flow requirements. Funds needed to meet current operating requirements have shorter maturities, generally less than twelve (12) months. Bond construction funds, bond fund reserves and other non-operating funds have terms appropriate to the need for funds and, if applicable, in accordance with debt covenants.

#### *Key Economic Indicators*

*Federal Funds Rate* - The FOMC met twice during the quarter: first on April 30<sup>th</sup> lowering the target rate by 25 basis points, and again on June 25<sup>th</sup> maintaining the target rate at 2.00%.

The statement from the June 25<sup>th</sup> FOMC meeting indicated "Recent information indicates that overall economic activity continues to expand, partly reflecting some firming in household spending. However, labor markets have softened further and financial markets remain under considerable stress. Tight credit conditions, the ongoing housing contraction, and the rise in energy prices are likely to weigh on economic growth over the next few quarters."

"The Committee expects inflation to moderate later this year and next year. However, in light of the continued increases in the prices of energy and some other commodities and the elevated state of some indicators of inflation expectations, uncertainty about the inflation outlook remains high."

Subsequent to the end of the quarter, the FOMC met three times, keeping the rate the same on August 5<sup>th</sup> and September 16<sup>th</sup>, but lowering the target rate to 1.5% in an unscheduled meeting on October 8<sup>th</sup>. This action was taken by the FOMC due to evidence pointing to a weakening of economic activity and a reduction in inflationary pressures.

*Gross Domestic Product (GDP)* - Real GDP rose at an annualized seasonally adjusted rate (in chain linked 2000 dollars) of 1.9%; while the prior quarter was raised to .9%. This rise in GDP was due to increases in personal consumption expenditures (PCE) for services, exports, nonresidential structures, and federal government spending and state and local government spending that were partly offset by reductions in private inventory investment, residential fixed investment and equipment and software. Imports, which are a subtraction in the calculation of GDP, decreased.

*Durable Goods Orders* - New orders for manufactured durable goods decreased .41% during the second calendar quarter, or \$2.6 billion.

*Unemployment Rate* - The unemployment rate rose during the second calendar quarter to 5.5%. Initial jobless claims decreased from 406,000 for the week ending March 28, 2008 to 404,000 for the week ending June 27, 2008, with the high for the quarter at 404,000 for the week ending June 27, 2008.

*Personal Income and Outlays* - Personal income rose 2.1% during the second calendar quarter; an increase from 1.1% in the first calendar quarter. Personal outlays rose 1.7%, an increase from .9% in the prior quarter. Increases in both personal income and outlays were partially attributed to rebate payments arising from the Economic Stimulus Act of 2008.

*New Home Sales* - The second calendar quarter estimate for new home sales increased 5.7% to 149,000; the prior quarter was revised to a 3.4% decline. The seasonally adjusted estimate of new houses for sale expressed in months at the end of March 2008 and June 2008 was 11.2 and 10.0, respectively, with June 2007 at 8.3 months. Average selling prices for new homes sold or for sale increased from \$291,100 to \$303,900 in the second quarter of 2008.

*Existing Home Sales* - In June, the estimate for seasonally adjusted annual existing home sales was 4.86 million; slightly below the 4.94 million in March, but well below the 5.75 million home sales in June 2007. The total supply of homes available for purchase expressed in months increased from 10.0 at the end of March 2008 to 11.1 at the end of June 2008. Average selling prices for existing homes increased from \$244,900 to \$252,400 in the second quarter of 2008.

*Consumer Confidence* - The Conference Board's Consumer Confidence Index decreased in June to 51.0. This was a decline of 14.9 points since March 2008 (revised). This decline is attributed to volatility in the financial markets, consumers' income prospects, inflationary concerns, and a weakening labor market.

*Consumer Price Index (CPI)* - The CPI for all urban consumers, all items, increased 1.9% in the second calendar quarter; however, increasing at a compound annual rate of 7.9%. This was caused primarily by an increase in transportation and energy costs.

| <i>Summary of Key Economic Indicators</i>               |                      |                   |                   |                   |
|---|----------------------|-------------------|-------------------|-------------------|
|   | <i>Quarter Ended</i> |                   |                   |                   |
|   | <u>9/30/2007</u>     | <u>12/31/2007</u> | <u>03/31/2008</u> | <u>06/30/2008</u> |
| Federal Funds Rate (target)                             | 5.25-4.75%           | 4.75-4.25%        | 4.25-2.25%        | 2.25-2.00%        |
| Gross Domestic Product (GDP)<br>(annualized) (billions) | \$11,625.7           | \$11,620.7        | \$11,646.0        | \$11,700.6        |
| Durable Goods Orders (millions)                         | \$663,333            | \$656,290         | \$639,771         | \$642,395         |
| Unemployment Rate                                       | 4.7-4.7%             | 4.7-5.0%          | 4.8-5.1%          | 5.0-5.5%          |
| Personal Income (annualized) (billions)                 | \$11,730.4           | \$11,872.1        | \$11,960.5        | \$12,174.2        |
| Personal Outlays (annualized) (billions)                | \$10,182.0           | \$10,309.2        | \$10,404.9        | \$10,542.3        |
| New Home Sales (units)                                  | 181,000              | 146,000           | 141,000           | 149,000           |
| Existing Home Sales (units)                             | 1,553,000            | 1,169,000         | 965,000           | 1,421,000         |
| Consumer Confidence                                     | 112.6-99.5           | 95.6-90.6         | 87.9-65.9         | 62.8-51.0         |
| Consumer Price Index (CPI)<br>(annualized) change       | 1.0%                 | 5.6%              | 3.1%              | 7.9%              |

Values include industry projections commonly subject to revision.

### **Investment Strategy**

Our "buy and hold" investment strategy is based on our current security mix (Agencies, Instrumentalities, Treasuries, etc.), projected cash flows, current and desired weighted average maturity (WAM), and interest rate projections. On average, economists are projecting short-term interest rates will increase from 2.02% to 2.50% by June 2009, and continue rising up to 3.58% by March 2010. As shown in the Detailed Portfolio Schedule on page 7, we currently lean toward noncallable securities to maintain long-term yields in an uncertain rate. Since an equivalent portfolio's yield approximates 2.99%, most of the current portfolio's callable securities have a high probability of being called. We have sufficient short-term investments to meet cash flow needs through November 2008 when ad valorem tax revenues start arriving. With a positively sloped yield curve, short-term interest rates projected to rise over the next year, a declining overall budget, and the need for funds to meet current operations, we anticipate the weighted average maturity of the long-term portfolio will remain relatively stable at 1.5 to 2.0 years.

*Status of Investments with the State Board of Administration (SBA)*

On October 31, 2007, the SBA released its third quarter newsletter disclosing troubled investments in asset backed commercial paper in the Local Government Investment Pool (Pool). The newsletter disclosed that approximately \$1 billion of the Pool's assets consisted of asset backed commercial paper with current investment ratings that had been downgraded below the allowable level for the Pool or were in default. After the release of the newsletter, several news articles regarding the troubled investments, and questions regarding the Pool's exposure to sub-prime mortgage risk, local governments began withdrawing funds from the Pool. On November 20, 2007, the Clerk's Office withdrew substantially all Board of County Commissioners' funds from the SBA totaling approximately \$291,000,000, leaving a balance of \$1,776. The funds withdrawn have been subsequently invested in other qualified investment instruments under the current investment policy. On November 29, 2007, the SBA temporarily suspended withdrawals from the Pool. The SBA reopened the Pool on December 4, 2007, separating it into two pools; Pool A, with the high quality assets from the original Pool amounting to 86% of the assets and Pool B, with the troubled assets, the reserve fund and the interest earnings from all participants for the month of November amounting to 14% of the assets. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

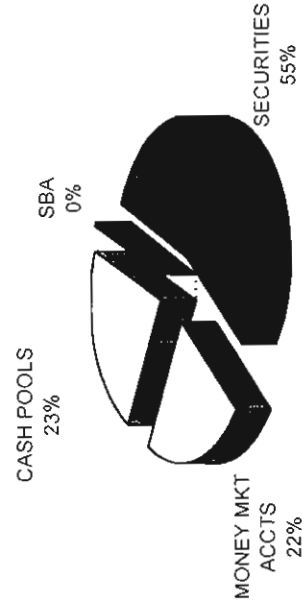
Pinellas County Tax Collector had approximately \$15 million of undistributed tax revenue due to the BCC deposited with the SBA at the time the fund was frozen. On December 28<sup>th</sup>, the Tax Collector authorized the SBA to transfer the \$15 million from the Tax Collector's account to the BCC's account within the SBA. Because the \$15 million that was transferred from the Tax Collector's account to the BCC was on deposit at the time of the freeze, 86% of the \$15 million has been placed by the SBA in Pool A and 14% in Pool B.

Currently, Pool A participants may withdraw funds from Pool A, within stated withdrawal limits, without penalty. Withdrawals from Pool A in excess of the stated limits are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. Currently, Pool B participants are prohibited from withdrawing any amount from the Pool. As the underlying securities from Pool B mature, those funds are transferred by SBA to Pool A. Full realization of the remaining principle value of Pool B assets is not readily determinable. We have been withdrawing balances up to the withdrawal limits since December 2007, leaving \$2.9 million in the SBA at June 30, 2008.

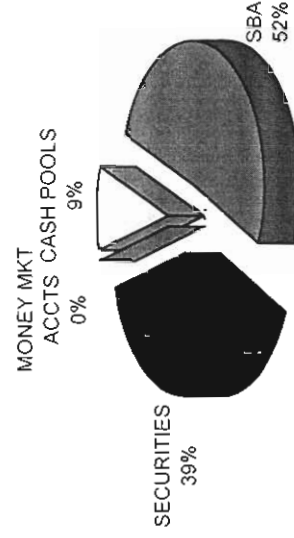
**Pinellas County Board of County Commissioners  
Portfolio Summary**

| Investments                              | ----- June 30, 2008 ----- |                       |                       | ----- June 30, 2007 ----- |                       |                |
|--|---------------------------|-----------------------|-----------------------|---------------------------|-----------------------|----------------|
|  | Par Value                 | Market Value          | Book Value            | % of Portfolio            | Book Value            | % of Portfolio |
| Treasury Securities                      | \$ -                      | \$ -                  | \$ -                  | -                         | \$ 9,918,401          | 1.33           |
| Federal Agency Issues                    | 360,294,000               | 365,053,973           | 362,639,380           | 54.59                     | 283,613,307           | 38.11          |
| Money Market Account                     | 142,033,600               | 142,033,600           | 142,033,600           | 21.38                     | -                     | -              |
| State Board of Administration            | 2,875,332                 | 2,875,332             | 2,875,332             | 0.44                      | 335,561,292           | 45.09          |
| Cash Pools                               | 151,277,096               | 151,277,096           | 151,277,096           | 22.77                     | 70,313,584            | 9.44           |
| <b>Unrestricted Cash and Investments</b> | <b>656,480,028</b>        | <b>661,240,001</b>    | <b>658,825,408</b>    | <b>99.18</b>              | <b>699,406,584</b>    | <b>93.97</b>   |
| Money Market Account                     |                           |                       |                       |                           |                       |                |
| 2003 Sewer Bond Proceeds Account         | 5,424,245                 | 5,424,245             | 5,424,245             | 0.82                      | -                     | -              |
| State Board of Administration            |                           |                       |                       |                           |                       |                |
| 2003 Sewer Bond Proceeds Account         | 110                       | 110                   | 110                   | -                         | 44,859,972            | 6.03           |
| <b>Total Cash and Investments</b>        | <b>\$ 661,904,383</b>     | <b>\$ 666,664,356</b> | <b>\$ 664,249,763</b> | <b>100.00</b>             | <b>\$ 744,266,556</b> | <b>100.00</b>  |

June 30, 2008



June 30, 2007



**Pinellas County Board of County Commissioners  
Detailed Portfolio Schedule  
June 30, 2008**

| Issuer                                     | CUSIP #   | Purchase Date | Callable Date | Maturity Date | Market Value         | Book Value           | Coupon Rate | Yield to Maturity | Days to Maturity |
|--|-----------|---------------|---------------|---------------|----------------------|----------------------|-------------|-------------------|------------------|
| <b>Securities</b>                          |           |               |               |               |                      |                      |             |                   |                  |
| <b>Federal Agency Callables</b>            |           |               |               |               |                      |                      |             |                   |                  |
| FNMA                                       | 31359MZX4 | 22-Jun-06     | N/A           | 3-Jul-08      | 10,000,000           | 9,986,204            | 5.000       | 5.518             | 3                |
| FHLB                                       | 3133XHTU6 | 22-Dec-06     | N/A           | 12-Dec-08     | 10,103,100           | 10,002,699           | 5.000       | 4.929             | 165              |
| FHLMC                                      | 3128X4C90 | 12-Mar-07     | N/A           | 23-Feb-09     | 10,142,100           | 10,006,888           | 5.050       | 4.935             | 238              |
| FNMA                                       | 31398ABT8 | 14-Jun-07     | 14-May-09     | 14-May-10     | 10,190,600           | 9,929,367            | 5.080       | 5.492             | 683              |
| FHLB                                       | 3133XH7E6 | 27-Aug-07     | N/A           | 9-Oct-09      | 20,500,000           | 20,038,350           | 5.000       | 4.835             | 466              |
| FHLMC                                      | 3133XM4S7 | 14-Sep-07     | 14-Sep-09     | 14-Sep-11     | 14,438,810           | 14,153,764           | 5.125       | 5.140             | 1,171            |
| FHLMC                                      | 3128X6LT1 | 10-Sep-07     | 3-Sep-08      | 3-Sep-10      | 10,036,700           | 10,024,415           | 5.250       | 5.127             | 795              |
| FHLB                                       | 3133XLE74 | 17-Sep-07     | 29-Jun-10     | 29-Jun-12     | 10,440,600           | 10,141,211           | 5.650       | 5.470             | 1,460            |
| FHLB                                       | 3133XMPK1 | 22-Oct-07     | 22-Oct-10     | 22-Oct-12     | 9,584,477            | 9,298,951            | 5.020       | 4.958             | 1,575            |
| FHLB                                       | 3133XMPF1 | 19-Oct-07     | 19-Oct-09     | 19-Oct-11     | 10,175,000           | 9,999,175            | 4.875       | 4.875             | 1,206            |
| FHLMC                                      | 3134A4UD4 | 23-Nov-07     | N/A           | 15-Sep-08     | 20,043,800           | 19,982,638           | 3.625       | 4.053             | 77               |
| FNMA                                       | 31359M5T6 | 23-Nov-07     | N/A           | 2-Sep-08      | 20,087,600           | 20,033,233           | 5.125       | 4.110             | 64               |
| FHLMC                                      | 3134A4VJ0 | 30-Nov-07     | N/A           | 18-Jan-11     | 20,643,800           | 20,479,149           | 4.750       | 3.743             | 932              |
| FHLB                                       | 3133XWWP2 | 4-Dec-07      | 13-Nov-08     | 13-Nov-09     | 20,137,600           | 20,061,940           | 4.500       | 4.260             | 501              |
| FHLB                                       | 3133XD3A7 | 6-Dec-07      | N/A           | 8-Sep-10      | 20,618,800           | 20,449,034           | 4.800       | 3.708             | 800              |
| FHLB                                       | 31339YGN6 | 10-Dec-07     | N/A           | 15-Jul-08     | 20,000,000           | 19,987,758           | 2.625       | 4.232             | 15               |
| FNMA                                       | 31359MYM9 | 11-Dec-07     | N/A           | 4-Aug-08      | 16,885,686           | 16,858,583           | 4.500       | 4.189             | 35               |
| FHLB                                       | 3133XDTA9 | 24-Dec-07     | N/A           | 10-Dec-10     | 20,612,600           | 20,416,907           | 4.750       | 3.838             | 893              |
| FHLB                                       | 3133XACQ8 | 14-Apr-08     | N/A           | 27-Oct-08     | 20,093,800           | 20,120,207           | 4.000       | 2.114             | 119              |
| FNMA                                       | 3136F9ET6 | 14-Apr-08     | 1-Apr-09      | 1-Apr-10      | 19,837,600           | 19,983,069           | 2.625       | 2.675             | 640              |
| FHLB                                       | 3133XPY57 | 18-Apr-08     | N/A           | 12-Mar-10     | 19,887,600           | 20,005,896           | 2.750       | 2.730             | 620              |
| FHLMC                                      | 3128X7ME1 | 21-Apr-08     | 21-Oct-08     | 21-Apr-09     | 9,974,700            | 9,997,986            | 2.550       | 2.575             | 295              |
| FHLMC                                      | 3128X4GL9 | 25-Apr-08     | N/A           | 4-Aug-10      | 10,309,500           | 10,348,458           | 4.790       | 3.051             | 765              |
| FHLMC                                      | 3128X4GL9 | 28-Apr-08     | N/A           | 4-Aug-10      | 10,309,500           | 10,333,498           | 4.790       | 3.124             | 765              |
| <b>Total Securities</b>                    |           |               |               |               | <b>365,053,973</b>   | <b>362,639,380</b>   |             | <b>4.01%</b>      | <b>1.51</b>      |
| <b>Weighted Average Yield</b>              |           |               |               |               |                      |                      |             |                   |                  |
| <b>Weighted Average Maturity (Years)</b>   |           |               |               |               |                      |                      |             |                   |                  |
| <b>Liquid</b>                              |           |               |               |               |                      |                      |             |                   |                  |
| <b>State Board of Administration</b>       |           |               |               |               |                      |                      |             |                   |                  |
| Pooled Account - Pool A                    |           |               |               |               |                      |                      |             |                   |                  |
| Pooled Account - Pool B                    |           |               |               |               |                      |                      |             |                   |                  |
| 2003 Sewer Bond Proceeds Account           |           |               |               |               |                      |                      |             |                   |                  |
|  |           |               |               |               | 2,013,320            | 2,013,320            | 2.04%       | 2.04%             | 1                |
|  |           |               |               |               | 862,012              | 862,012              | 2.04%       | 2.04%             | 1                |
|  |           |               |               |               | 110                  | 110                  | 2.04%       | 2.04%             | 1                |
|  |           |               |               |               | <b>2,875,442</b>     | <b>2,875,442</b>     |             |                   |                  |
| <b>Financial Institutions</b>              |           |               |               |               |                      |                      |             |                   |                  |
| Cash Pools                                 |           |               |               |               |                      |                      |             |                   |                  |
| Money Market Account - Pooled              |           |               |               |               |                      |                      |             |                   |                  |
| Money Market Account - Sewer Bond Proceeds |           |               |               |               |                      |                      |             |                   |                  |
|  |           |               |               |               | 151,277,096          | 151,277,096          | 2.47%       | 2.47%             | 1                |
|  |           |               |               |               | 142,033,600          | 142,033,600          | 2.27%       | 2.27%             | 1                |
|  |           |               |               |               | 5,424,245            | 5,424,245            | 2.27%       | 2.27%             | 1                |
| <b>Total Liquid</b>                        |           |               |               |               | <b>301,610,383</b>   | <b>301,610,383</b>   |             |                   |                  |
| <b>Total Cash and Investments</b>          |           |               |               |               | <b>\$666,664,356</b> | <b>\$664,249,763</b> |             |                   |                  |

Pinellas County Board of County Commissioners  
Portfolio Activity<sup>(1)</sup>  
April 1, 2008 through June 30, 2008

| Securities                                 | Issuer  | CUSIP #   | Purchase Date | Beginning Balance | Purchases and Deposits | Calls, Maturities and Withdrawals | Security Amortizations | Ending Balance |
|--|---|-----------|---------------|-------------------|------------------------|-----------------------------------|------------------------|----------------|
| <b>Federal Agency Callables</b>            |   |           |               |                   |                        |                                   |                        |                |
| 155  | FNMA  | 3136F3XS0 | 22-Jun-06     | 5,971,038         | -                      | (6,000,000)                       | 28,962                 | -              |
| 156  | FNMA  | 31359MZK4 | 22-Jun-06     | 9,987,397         | -                      | -                                 | (1,193)                | 9,986,204      |
| 161  | FHLB  | 3133XHTU6 | 22-Dec-06     | 10,004,207        | -                      | -                                 | (1,508)                | 10,002,699     |
| 165  | FHLMC   | 3128X4C90 | 12-Mar-07     | 10,009,561        | -                      | -                                 | (2,672)                | 10,006,889     |
| 168  | FNMA  | 31398ABT8 | 14-Jun-07     | 9,919,921         | -                      | -                                 | 9,446                  | 9,929,367      |
| 169  | FNMA  | 31398ACP5 | 15-Jun-07     | 9,376,732         | -                      | (10,000,000)                      | 23,268                 | -              |
| 170  | FHLB  | 3133XH7E6 | 27-Aug-07     | 20,046,003        | -                      | -                                 | (7,653)                | 20,038,350     |
| 171  | FHLB  | 3133XMM57 | 14-Sep-07     | 14,153,277        | -                      | -                                 | 487                    | 14,153,764     |
| 172  | FHLMC   | 3128X6LT1 | 10-Sep-07     | 10,027,225        | -                      | -                                 | (2,810)                | 10,024,415     |
| 173  | FHLB  | 3133XLE74 | 17-Sep-07     | 10,150,049        | -                      | -                                 | (8,838)                | 10,141,211     |
| 174  | FHLB  | 3133XMPK1 | 22-Oct-07     | 9,300,051         | -                      | -                                 | (1,100)                | 9,298,951      |
| 175  | FHLB  | 3133XMPF1 | 19-Oct-07     | 9,999,112         | -                      | -                                 | 63                     | 9,999,175      |
| 176  | FHLMC   | 3128X6AK2 | 29-Oct-07     | 10,043,653        | -                      | (10,000,000)                      | (43,653)               | -              |
| 177  | FNMA  | 31359MDU4 | 21-Nov-07     | 20,039,853        | -                      | (20,000,000)                      | (39,853)               | -              |
| 178  | FHLMC   | 3134A4VA9 | 21-Nov-07     | 19,961,500        | -                      | (20,000,000)                      | 18,500                 | -              |
| 179  | FHLMC   | 3134A4UD4 | 23-Nov-07     | 19,961,522        | -                      | -                                 | 21,116                 | 19,982,638     |
| 180  | FNMA  | 31359MST6 | 23-Nov-07     | 20,082,265        | -                      | -                                 | (49,032)               | 20,033,233     |
| 181  | FHLMC   | 3134A4VJO | 30-Nov-07     | 20,526,175        | -                      | (12,355,100)                      | (47,026)               | 20,479,149     |
| 183  | FNMA  | 3136F8UJ6 | 3-Dec-07      | 12,390,128        | -                      | (20,000,000)                      | 71,802                 | -              |
| 184  | FNMDN   | 313588WH4 | 30-Nov-07     | 19,928,198        | -                      | -                                 | (11,330)               | 20,061,940     |
| 185  | FHLB  | 3133XWMP2 | 4-Dec-07      | 20,073,270        | -                      | -                                 | (51,351)               | 20,449,034     |
| 186  | FHLB  | 3133XD3A7 | 6-Dec-07      | 20,500,385        | -                      | (10,000,000)                      | 74,754                 | -              |
| 187  | FHDN  | 313384XU8 | 7-Dec-07      | 9,925,246         | -                      | -                                 | -                      | -              |
| 188  | FHLB  | 31339YGN6 | 10-Dec-07     | 19,909,060        | -                      | -                                 | 78,698                 | 19,987,758     |
| 189  | FNMA  | 31359MYM9 | 11-Dec-07     | 16,871,083        | -                      | -                                 | (12,500)               | 16,858,583     |
| 190  | FHLB  | 3133XDTA9 | 24-Dec-07     | 20,459,593        | -                      | -                                 | (42,687)               | 20,416,906     |
| 191  | FHLB  | 3133XAC08 | 14-Apr-08     | -                 | 20,200,000             | -                                 | (79,793)               | 20,120,207     |
| 192  | FNMA  | 3136F9ET6 | 14-Apr-08     | -                 | 19,981,000             | -                                 | 2,069                  | 19,983,069     |
| 193  | FHLB  | 3133XPY57 | 18-Apr-08     | -                 | 20,006,600             | -                                 | (704)                  | 20,005,896     |
| 194  | FHLMC   | 3128X7ME1 | 21-Apr-08     | -                 | 9,997,500              | -                                 | 486                    | 9,997,986      |
| 195  | FHLMC   | 3128X4GL9 | 25-Apr-08     | -                 | 10,379,000             | -                                 | (30,542)               | 10,348,458     |
| 196  | FHLMC   | 3128X4GL9 | 29-Apr-08     | -                 | 10,361,400             | -                                 | (27,902)               | 10,333,498     |
|  | Total Federal Agency Callables                  |           |               | 380,236,504       | 90,925,500             | (108,355,100)                     | (167,524)              | 362,639,380    |
| <b>Liquid</b>                              |   |           |               |                   |                        |                                   |                        |                |
| <b>State Board of Administration (SBA)</b> |   |           |               |                   |                        |                                   |                        |                |
|  | Pooled Account                                  |           |               | 11,884,780        | 110,715                | (9,120,163)                       | -                      | 2,875,332      |
|  | 2003 Sewer Bond Proceeds Account                |           |               | 114               | -                      | (4)                               | -                      | 110            |
| <b>Financial Institutions</b>              |   |           |               |                   |                        |                                   |                        |                |
|  | Cash Pools                                      |           |               | 165,271,871       | 1,015,401,392          | (1,029,396,167)                   | -                      | 151,277,096    |
|  | Money Market Account                            |           |               | 149,629,308       | 83,819,775             | (91,416,083)                      | -                      | 142,033,600    |
|  | Money Market Account - 2003 Sewer Bond Proceeds |           |               | 31,583,255        | 114,833                | (26,273,842)                      | -                      | 5,424,246      |
|  | Total Liquid Funds                              |           |               | 358,389,928       | 1,099,446,715          | (1,156,206,259)                   | -                      | 301,610,384    |
|  | Total Cash and Investments                      |           |               | \$ 738,606,432    | \$ 1,190,372,215       | \$ (1,264,561,359)                | \$ (167,524)           | \$ 664,249,764 |

(1) At book value