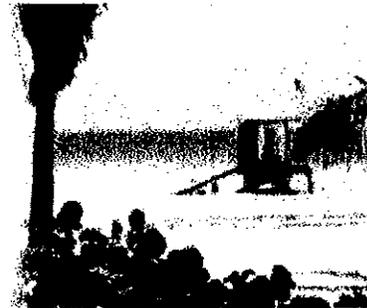


City of Hallandale Beach

Investment Performance Review
Quarter Ended March 31, 2007



Investment Advisors

Steven Alexander, CTP, CGFO, Managing Director
John F. Grady, III, Senior Managing Consultant
Gregg Manjerovic, CFA, Portfolio Manager
Rebecca Dole, Consultant

PFM Asset Management LLC

300 S. Orange Avenue, Suite 1170	One Keystone Plaza, Suite 300
Orlando, FL 32801	North Front & Market Streets
(407) 648-2208	Harrisburg, PA 17101-2044
(407) 648-1323 fax	717-232-2723
	717-233-6073 fax

Table of Contents

Tab I.

Section A

Market Review

Section B

B - 1 Portfolio Summary

B - 2 Portfolio Performance

B - 3 Portfolio Composition and Credit Quality Characteristics

B - 4 Portfolio Maturity Distribution

B - 5 Portfolio Maturity Distribution versus the Benchmark

Section C

C - 1 Asset Allocation Chart

Tab II.

March 31, 2007 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.

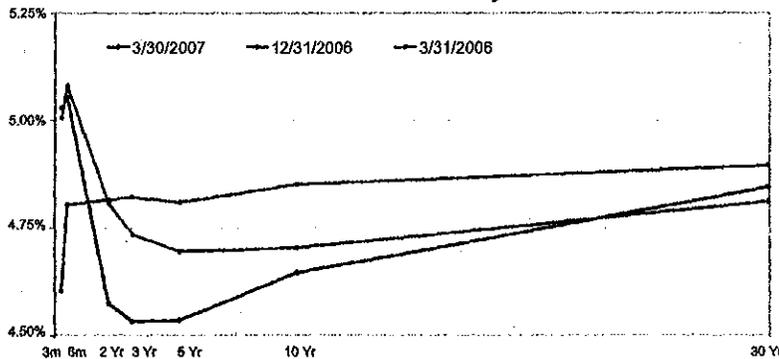
MARKET REVIEW

The economy continued its trend of temperate growth in the first quarter of 2007, while inflation stubbornly hovered above the Fed's comfort zone. Fixed income investors and the Federal Open Market Committee (FOMC) acted as if in parallel universes, investors pushed bond prices modestly higher in anticipation of an imminent Fed easing, while Fed governors cautioned that their outlook did not support such an action. The FOMC in fact met twice in the quarter to consider interest rate policy, and both times decided to keep the target overnight rate unchanged at 5.25%. More important, they failed to signal an immediate change to monetary policy which has kept the overnight rate unchanged for nine months.

Yields and Returns

Bond prices rose modestly in the quarter, pushing down yields, especially in intermediate duration securities, and further inverting the U.S. Treasury yield curve. As the following chart and table show, by the end of the quarter investors in three year U.S. Treasury notes would give up 72 basis points of yield compared to the Federal Funds rate (4.53%-5.25%). This is an increase in the negative spread of 20 basis points compared to December 31st. In fact, this last quarter has pushed the yield curve to its most steeply inverted position over the last 12 months.

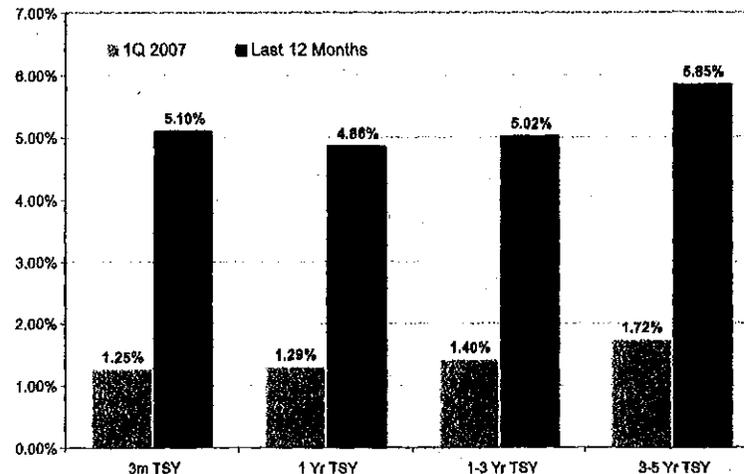
Movements in the U.S. Treasury Yield Curve



	3 Month	6 Month	2 Year	3 Year	5 Year	10 Year	30 Year
3/31/2007	5.03%	5.06%	4.67%	4.53%	4.64%	4.65%	4.85%
12/31/2006	5.01%	5.08%	4.81%	4.74%	4.70%	4.70%	4.81%
3/31/2006	4.60%	4.80%	4.82%	4.82%	4.81%	4.85%	4.90%
	Change (in basis points)						
On Quarter	2	-3	-23	-20	-16	-6	3
On Year	43	25	-24	-29	-28	-21	-5

First quarter returns of intermediate-term U.S. Treasury benchmarks were somewhat better than cash and other short-term benchmarks (see chart below). For example, the return of the 1-3 year U.S. Treasury benchmark of 1.40% (equal to 5.73% on an annualized basis) was moderately higher than the return on the three-month U.S. Treasury benchmark of 1.25% (equal to 5.08% annualized).

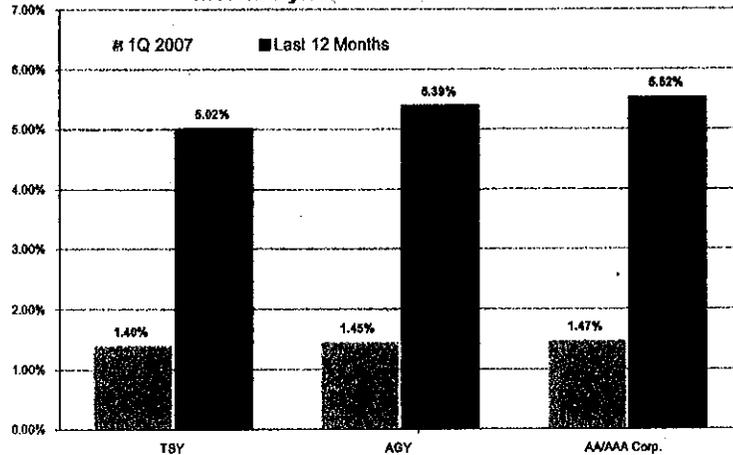
**Merrill Lynch U.S. Treasury Index Returns
1Q 2007 and Last 12 Months**



For the previous 12 months though, returns among intermediate-term benchmarks and cash have been even closer, with the 1-3 Year U.S. Treasury benchmark returning 5.02%, just under the 5.10% return on the three-month U.S. Treasury benchmark. Longer-duration portfolios performed better, both in the quarter and 12 month period, with the 3-5 Year U.S. Treasury benchmark returning 1.72% for the quarter and 5.85% for the last 12 months.

U.S. Treasury, Agency and corporate benchmarks all had similar returns in the quarter (see chart on following page). While corporate and Federal Agency securities offered a yield advantage against U.S. Treasuries, spread-widening eroded some of this advantage so that there were only modest differences in returns of sector-specific benchmarks.

**Duration Adjusted Returns
Merrill Lynch 1-3 Year Indices**



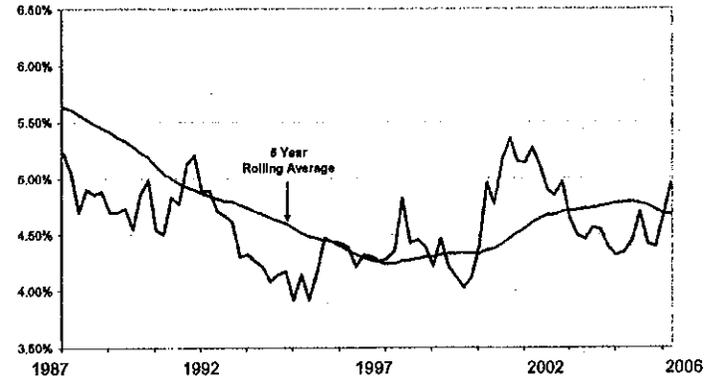
The inverted yield curve experienced in the last 9 months has brought with it speculation that the U.S. economy is headed for recession. In fact an inverted yield curve has predicted every U.S. recession in the last 55+ years, with only one "false" reading. If the outcome is different this time, it may be as a result of the effects of globalization, with the strength of the world economy pulling the U.S. economy through, just as strong domestic growth supported a lagging economy in Europe and Japan in past years.

The U.S. economy grew at a respectable 2.5% in the last quarter of 2006, in line with Fed Chairman Ben Bernanke's estimates. The Fed expects growth to rebound later this year. A poll of 70 economists by Bloomberg put the median GDP for the first quarter of 2007 at 2.4%, slower than average, but not completely stalled.

Housing

The first quarter saw a continued down trend in the housing sector. Loose bank credit standards and the recent history of low short-term interest rates boosted home ownership and housing prices in the past several years. The darker side of this trend presented itself in the past several quarters as sub-prime mortgage delinquencies rose to their highest levels since 2002 – while the delinquencies of all mortgages rose to almost 5% as of December 31st, sub-prime delinquencies were worse, coming in at over 13%. Interestingly, during the last two U.S. recessions, delinquency rates showed similar trends (see chart above – blue highlighted regions represent the last two U.S. recessions).

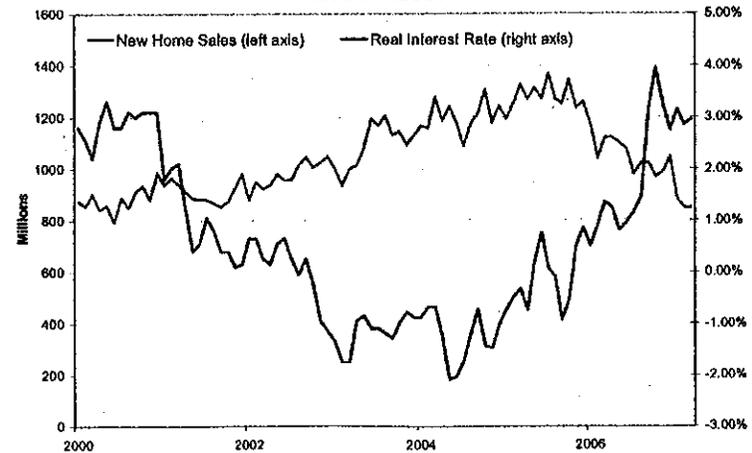
**Delinquent Mortgages as a Percentage of All Mortgages
Last Five Years**



Some in the market judge delinquent borrowers as the force that will ultimately send the housing sector to its knees.

Low real interest rates also contributed to previous overheating in the housing market. One measure of real interest rates is the difference between Fed Funds and the Consumer Price Index. As seen from the following chart, the very low borrowing costs experienced early in the decade corresponded with a boom in housing, and as the real rate of interest rose in recent quarters, housing growth (as measured by new home sales) experienced a major slowdown.

**Real Interest Rates and New Home Sales
2000 – 2007**



Inflation

Although many economists expect consumer prices to fall slightly in the immediate future, inflation remains troublesome. Despite the Fed Funds rate at its highest level in the last six years, consumer prices have risen 2.4% over the past year. One of the Fed's favored inflation gauges, the PCE Core Deflator, which tracks the price of a variable basket of goods excluding food and energy, rose to 2.4% in February. Core PCE has not experienced a level above 2.4% in over 10 years. With this level of current inflation, and because the Fed puts more emphasis on the PCE Deflator as an inflationary measure, it would seem a stretch for the Fed to ease short-term rates in the near future.

Global tensions in the energy sector once again pushed both oil and gasoline higher, with regular gasoline averaging almost \$2.70 per gallon at the pump, up over 15% since the first of the year. Oil rose almost as much, up 8% since December 31st. With rising oil prices, producers face serious challenges in controlling production costs, and may well pass these increases on to consumers in coming months.

Consumers

Adding to the uncertain outlook, consumer spending, which makes up roughly 2/3 of GDP, has faded. While consumer spending slowed, wages ended the quarter on a strong note, up 4% over the previous 12 months, and continued a strong uptrend that started over three years ago. Unemployment, hovering around 4.5% for the last quarter, is at its lowest level in almost six years. If unemployment and wage growth remain strong, consumer spending could expand, and this could be a recipe for stronger growth and/or increased inflation.

Equity Markets

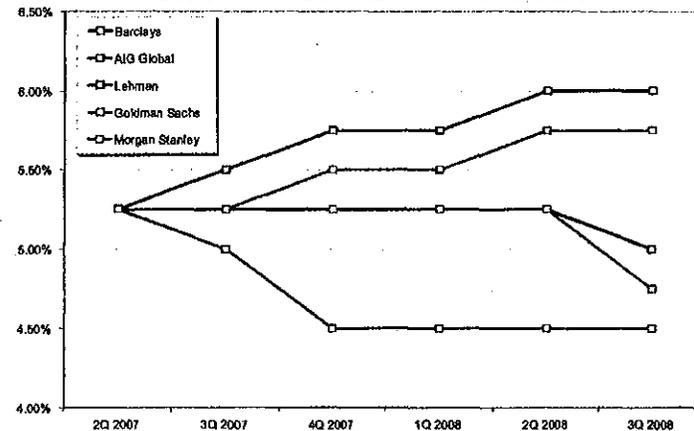
Equity markets reacted to the housing and sub-prime mortgage problems. In late February, former Fed Chairman Alan Greenspan voiced his concerns about the cooling housing market and worrisome sub-prime mortgage problems by saying that there is a one-in-three possibility of the economy slipping into a recession in 2007.

The next day, February 27th, China's Shanghai Composite Index experienced what would later be called a "serious correction", plunging 9%. Already frustrated U.S. markets reacted to this, along with Greenspan's comments, with the biggest one day drop in equities since September 2001. Both the Dow and S&P 500 Indices shed over 3%. The sell-off was brief, however, and by the end of March U.S. equity markets had returned all gains earned since the beginning of 2007. European and Asian markets outperformed over the quarter based on the prospect for stronger growth in local economies and a weakening Dollar.

Economic Forecasts

Economists are divided in predicting the Fed's next moves. Some believe the Fed will remain on hold, while others estimate an increase or decrease by as much as 75 basis points by the third quarter of 2008 (see chart).

Economists Estimated Fed Funds Rate



The disagreement extends to other economic metrics as well. For example, in a survey asking over 60 economists the position of the Two Year U.S. Treasury note by the end of the second quarter, views ranged from a high of 5.65% to a low of just under 4%. The median and average were 4.75% and 4.72%, not too far from where the Two Year U.S. Treasury note ended the first quarter.

Outlook

Looking forward, the outlook for the economy is cloudy. The market will remain data-dependent in the near term; upcoming readings on consumer spending and the housing market will be pivotal in the market's response to Fed policy.

The Fed's reputation in balancing growth with contained inflation is at stake, as the market leans toward the lowering of rates. The current inversion of the yield curve conflicts with the Fed's thoughts about current growth and inflation. Two Year U.S. Treasuries have traded roughly 50 basis points below the Fed Funds rate, which speaks for a lowering of short-term rates. Whether the Fed has made the correct decision regarding interest rates remains to be seen.

Thus far, the Fed's credibility has held as long-term rates have remained somewhat low, which points to a lower future inflation outlook. We expect moderate growth, with GDP expanding at 2-2.5% in the next several quarters, and with the current level of inflation, we believe it is best to take a cautious approach, staying close to benchmarks so that future results do not surprise.

Investment Portfolio Summary

Total Portfolio Value ²	March 31, 2007	December 31, 2006
Market Value	\$26,566,383.82	\$26,217,876.23
Amortized Cost	\$26,522,731.93	\$26,244,526.94

PORTFOLIO STRATEGY

- The economy maintained stable growth for the 1st quarter of 2007 with annualized GDP growth of 2.5%. Economic indicators sent mixed signals resulting in continued uncertainty related to the economic outlook. The yield curve has been inverted for more than 14 months, which has historically signaled a recession, although not all market participants are convinced this will occur as a result of globalization, and the economy continues to grow, providing support for this idea.
- Non-farm payrolls were mixed during the quarter, but finished the quarter with a stronger than expected March report of 180,000 jobs added for the month, which was an additional 455,000 jobs for the quarter. This report resulted in an increase of 10 – 15 basis points in the short end of the yield curve just after quarter end.
- The ISM index for Manufacturing continued the slowdown from the 4th quarter of 2006 from below the expansion rate of 50 and improved slightly to just above 50 during February and March.
- The Federal Open Market Committee maintained the Federal Funds rate of 5.25% in March for the sixth consecutive meeting. The FOMC changed their stance regarding inflation during the meeting and changed a key component of the meeting minutes eliminating the strong tightening stance as a result of the varied economic results.
- The City's Investment portfolio return of 1.44% performed in-line with the Merrill Lynch 1-3 Year U.S. Treasury Note Index benchmark return of 1.40%, primarily as a result of identifying Treasury/Agency swap transactions which provided additional yield. The short of the benchmark duration strategy has proven effective over the longer term, and the portfolio has outperformed the benchmark by 35 basis points for the last 12 months. The portfolio also outperformed the SBA by 7 basis points for the last 12 months.
- PFM identified "duration neutral" sector swaps that provided a yield advantage without extending the duration of the trade. PFM sold existing Treasury Notes and purchased Federal Agency Notes with similar maturities, while picking up an additional 7 – 29 basis points.

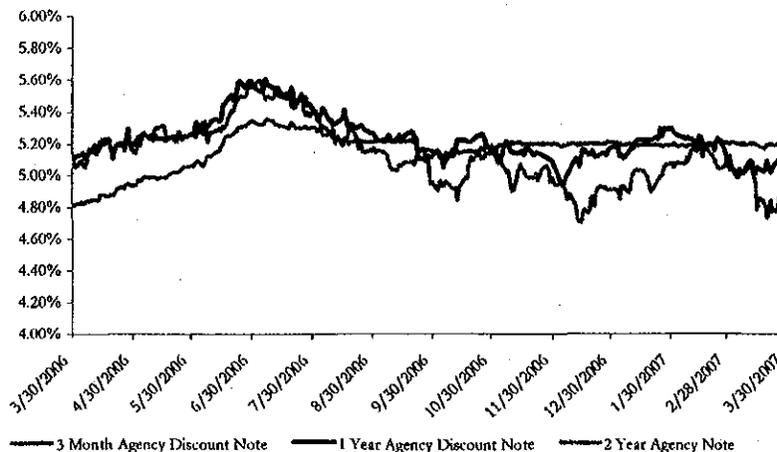
Notes:

- On a trade-date basis, includes accrued interest and money market fund/cash.
- In order to comply with GASB accrual accounting reporting requirements, forward settling trades are included in the monthly balances.

PORTFOLIO STRATEGY

- Federal Funds futures contracts for December 2007 have been trading between 4.80% - 5.00% suggesting market participants believe the FOMC may begin easing (lowering) the Federal Funds rate up to 50 basis points in the latter half of 2007.
- PFM will seek to maintain a duration strategy between 92% - 97% of the benchmark and take advantage of trading opportunities and volatility as a result of the uncertainty in the economy.
- Federal Agency sector offered attractive yields during the 1st quarter of 2007, as spreads to U.S. Treasuries widened considerably from the narrow levels during the 4th quarter of 2006. PFM will continue to seek opportunities to benefit from sector trades for the portfolio.

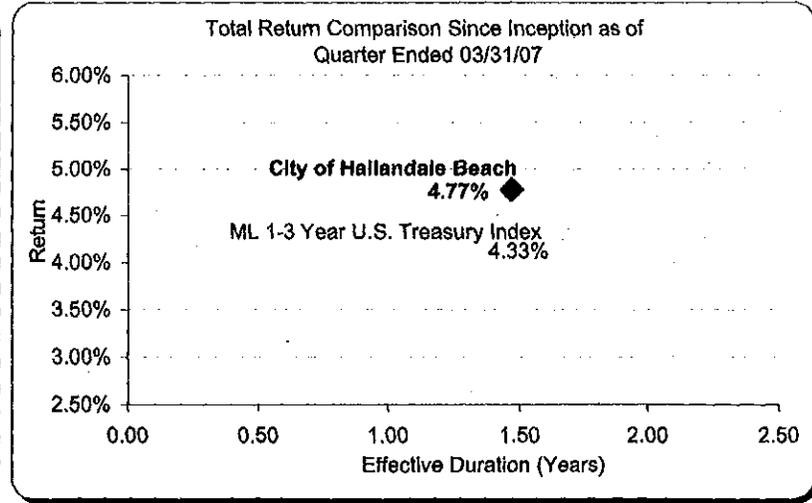
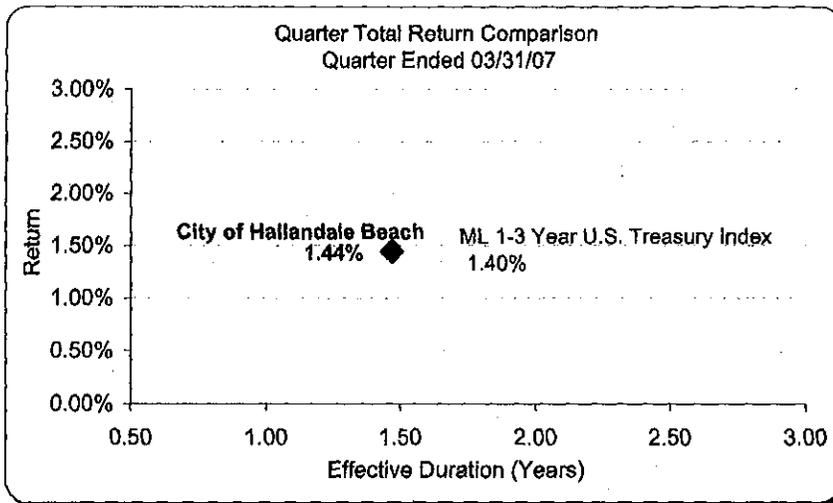
Federal Agency Discount Note Rates
March 2006 through March 2007



Investment Portfolio Performance

Total Return ^{1,2,3,4,5,6}	Quarterly Return March 31, 2007	Annualized Quarter	Last 12 Months	Last 24 Months	Since Inception December 31, 2006
Investment Portfolio	1.44%	5.97%	5.37%	N/A	4.77%
Merrill Lynch 1-3 Year U.S. Treasury Index	1.40%	5.81%	5.02%	N/A	4.33%

Effective Duration (Years) ⁴	March 31, 2007	December 31, 2006	Yields ⁵	March 31, 2007	December 31, 2006
Investment Portfolio	1.47	1.64	Yield at Market	4.88%	5.02%
Merrill Lynch 1-3 Year U.S. Treasury Index	1.66	1.68	Yield at Cost	4.98%	4.95%

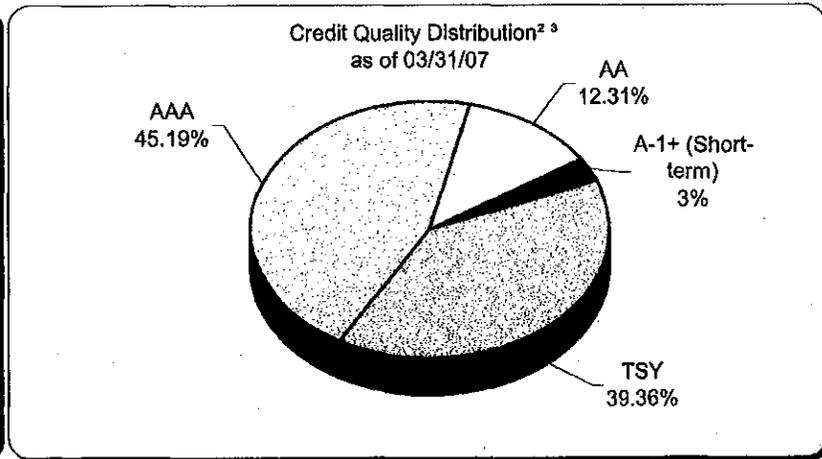
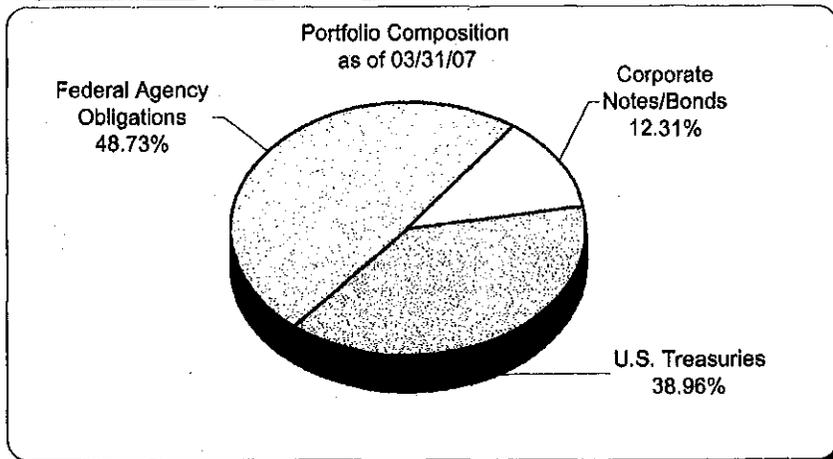


Notes:

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 periods of 12 months or longer are presented on an annual basis.
6. Past performance is not indicative of future results.

Investment Portfolio Composition and Credit Quality Characteristics

Security Type ¹	March 31, 2007	% of Portfolio	December 31, 2006	% of Portfolio
U.S. Treasuries	\$10,349,707.39	39.0%	\$9,477,162.34	36.1%
Federal Agencies	12,946,859.85	48.7%	13,431,099.81	51.2%
Commercial Paper	0.00	0.0%	0.00	0.0%
Certificates of Deposit	0.00	0.0%	0.00	0.0%
Bankers Acceptances	0.00	0.0%	0.00	0.0%
Repurchase Agreements	0.00	0.0%	0.00	0.0%
Municipal Obligations	0.00	0.0%	0.00	0.0%
Corporate Notes/Bonds	3,269,816.58	12.3%	3,309,614.08	12.6%
Mortgage Backed	0.00	0.0%	0.00	0.0%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	\$26,566,383.82	100.0%	\$26,217,876.23	100.0%

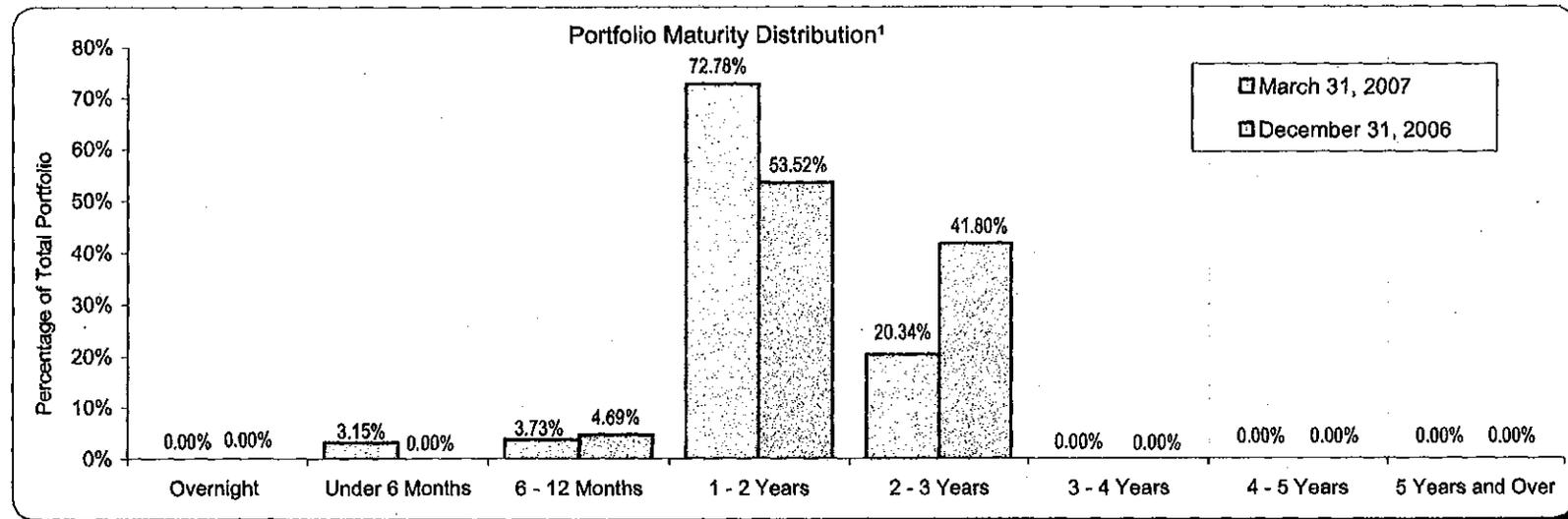


Notes:

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

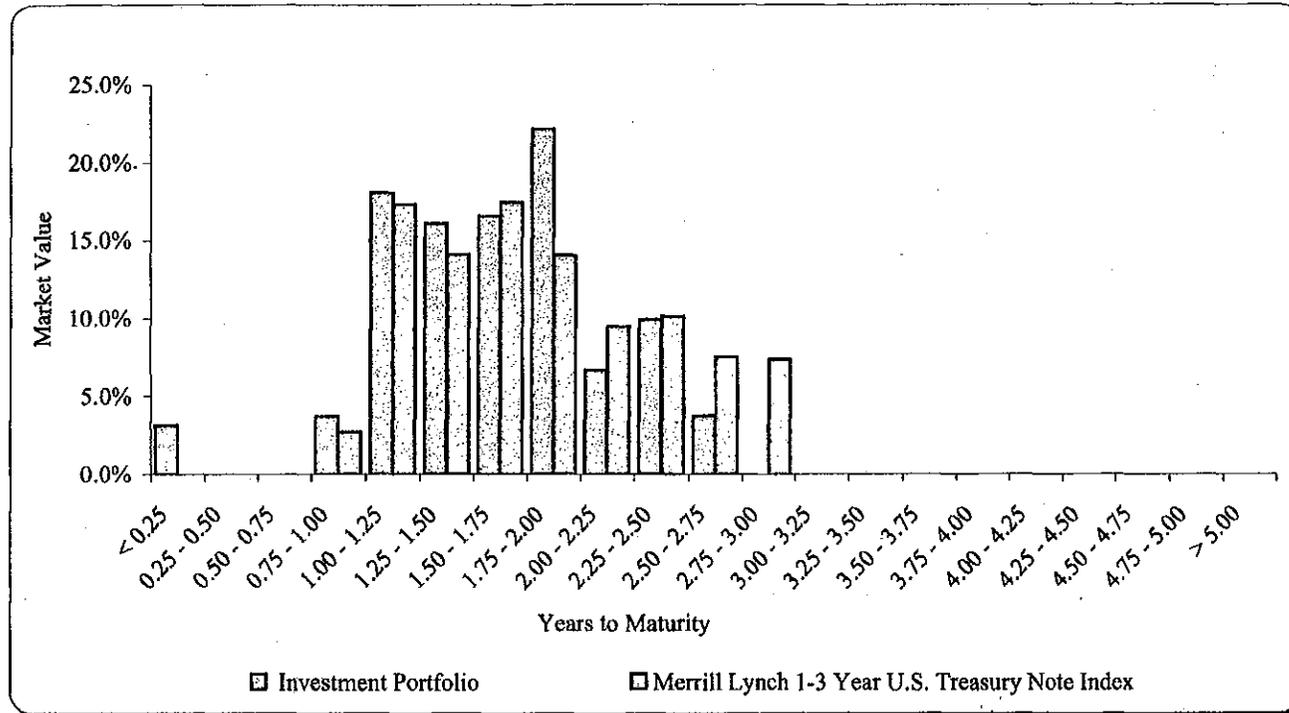
<u>Maturity Distribution¹</u>	<u>March 31, 2007</u>	<u>December 31, 2006</u>
Overnight (Money Market Fund)	\$0.00	\$0.00
Under 6 Months	836,129.40	0.00
6 - 12 Months	992,166.33	1,228,532.99
1 - 2 Years	19,334,239.05	14,030,837.20
2 - 3 Years	5,403,860.04	10,958,506.04
3 - 4 Years	0.00	0.00
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	\$26,566,393.82	\$26,217,876.23



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



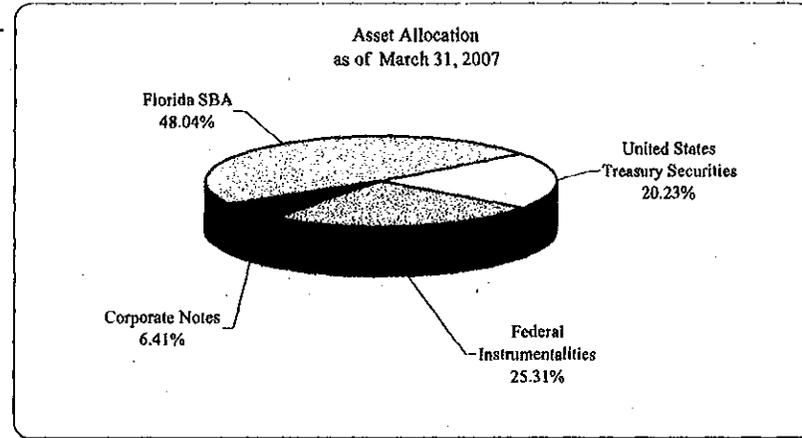
Notes:

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

City of Hallandale Beach

Asset Allocation as of March 31, 2007*

Security Type	March 31, 2007	Notes	Permitted by Policy
Florida SBA	48.04%		100%
United States Treasury Securities	20.23%		100%
United States Government Agency Securities	0.00%		100%
Federal Instrumentalities	25.31%	1	100%
Certificates of Deposit	0.00%		10%
Repurchase Agreements	0.00%		20%
Commercial Paper	0.00%		25%
Corporate Notes	6.41%		15%
Mortgage-Backed Securities	0.00%	1	40%
Bankers' Acceptances	0.00%		25%
State and/or Local Government Debt	0.00%		25%
Money Market Mutual Funds	0.00%		20%
Intergovernmental Investment Pool	0.00%		25%



Individual Issuer Breakdown	March 31, 2007	Notes	Permitted by Policy
Government National Mortgage Association (GNMA)	0.00%		40%
US Export-Import Bank (Ex-Im)	0.00%		40%
Farmers Home Administration (FMHA)	0.00%		40%
Federal Financing Bank	0.00%		40%
Federal Housing Administration (FHA)	0.00%		40%
General Services Administration	0.00%		40%
New Communities Act Debentures	0.00%		40%
US Public Housing Notes & Bonds	0.00%		40%
US Dept. of Housing and Urban Development	0.00%		40%
Federal Farm Credit Bank (FFCB)	4.06%		40%
Federal Home Loan Bank (FHLB)	3.81%		40%
Federal National Mortgage Association (FNMA)	13.82%		40%
Federal Home Loan Mortgage Corporation (FHLMC)	3.81%		40%
Student Loan Marketing Association (SLMA)	0.00%		0%

Individual Issuer Breakdown	March 31, 2007	Notes	Permitted by Policy
CD - Bank A	0.00%		10%
CD - Bank B	0.00%		10%
Fully collateralized Repo - A	0.00%		10%
Fully collateralized Repo - B	0.00%		10%
CP A	0.00%		5%
CP B	0.00%		5%
Citigroup	1.06%		5%
Wal-Mart	2.06%		5%
Fleet National Bank	2.40%		5%
Corporate Notes D	0.00%		5%
BA Bank A	0.00%		5%
BA Bank B	0.00%		5%
AID Israel Agency Notes	0.21%		40%
Money Market Fund A	0.00%		10%
Money Market Fund B	0.00%		10%

Notes:
 1. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 100%. The combined total as of March 31, 2007 is 25.31%.
 * No Bond Proceeds

Investment Portfolio Information For
CITY OF HALLANDALE BEACH INV PORT

Portfolio #
33880100

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
March 31, 2007

CITY OF HALLANDALE BEACH
DIRECTOR OF FINANCE
PATRICIA M. LADOLCETTA
400 SOUTH FEDERAL HIGHWAY
HALLANDALE BEACH FL 33009

PFM Asset Management LLC

Account Summary:

33880100 CITY OF HALLANDALE BEACH INV PORT

(Excluding Cash)

MONTH ENDED: March 31, 2007

SECURITY TYPE	PAR VALUE	AMORTIZED COST	MARKET VALUE	MARKET % OF PORTFOLIO	YTM AT COST	YTM AT MARKET	DURATION TO WORST
CORPORATE NOTE	3,200,000.00	3,242,567.14	3,239,677.00	12.328	4.999	5.111	1.558
FED AGY BOND/NOTE	12,005,000.00	11,954,687.01	11,980,078.51	45.588	5.088	4.952	1.398
FED AGY DN	840,000.00	836,274.84	836,129.40	3.182	5.174	5.208	0.085
US TSY BOND/NOTE	10,254,000.00	10,201,868.32	10,223,164.29	38.902	4.834	4.711	1.589
TOTAL SECURITIES	26,299,000.00	26,235,397.31	26,279,049.20	100.000	4.981 %	4.886 %	1.450
TOTAL INVESTMENTS	26,299,000.00	26,235,397.31	26,279,049.20	100.000 %			
ACCRUED INTEREST		287,334.62	287,334.62				
TOTAL PORTFOLIO	\$26,299,000.00	\$26,522,731.93	\$26,566,383.82				

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. Please promptly report any inaccuracies or discrepancies on your account statement in writing to your client manager or to customer service. To protect your rights, if you report orally you should confirm in writing. A-1

PFM Asset Management LLC

Detail of Securities Held: 33880100 CITY OF HALLANDALE BEACH INV PORT

(Excluding Cash)

MONTH ENDED: March 31, 2007

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
CORPORATE NOTE													
	172967BS9	CITIGROUP, INC. GLOBAL NOTES	1,000,000	3.500	02/01/08	AA	11/22/05	11/23/05	973,200.00	4.802	5,833.33	989,503.05	986,323.00
	33901LAA2	FLEET NATIONAL BANK NOTE	1,200,000	5.750	01/15/09	AA	12/28/06	01/04/07	1,213,920.00	5.140	14,566.67	1,212,349.64	1,212,474.00
	931142BE2	WAL-MART STORES GLOBAL NOTES	1,000,000	6.875	08/10/09	AA	09/26/06	09/29/06	1,048,780.00	5.022	9,739.58	1,040,714.45	1,040,880.00
			3,200,000						3,235,900.00	4.999	30,139.58	3,242,567.14	3,239,677.00
FED AGY BOND/NOTE													
	31359MK85	FNMA GLOBAL NOTES (CALLABLE)	1,000,000	5.375	04/03/08	AAA	03/29/06	04/03/06	999,380.00	5.408	26,576.39	999,680.03	1,000,625.00
	3133XBJQ9	FHLB GLOBAL NOTES	500,000	4.125	04/18/08	AAA	07/18/06	07/20/06	488,854.00	5.478	9,338.54	493,208.12	495,312.50
	3133X7EX8	FHLB TAP NOTES	500,000	4.000	05/15/08	AAA	10/04/05	10/05/05	494,221.50	4.472	7,555.56	497,445.27	494,375.00
	31359MZX4	FNMA GLOBAL NOTES (CALLABLE)	775,000	5.000	07/03/08	AAA	10/02/06	10/10/06	773,016.00	5.152	9,472.22	773,589.99	775,242.19
	31331TSW2	FFCB NOTES	735,000	3.300	08/11/08	AAA	03/02/07	03/05/07	718,704.32	4.919	3,368.75	719,507.55	719,151.56
	31359MSQ7	FNMA GLOBAL BENCHMARK NOTES	770,000	3.250	08/15/08	AAA	07/31/06	08/01/06	740,632.97	5.246	3,197.64	749,921.71	752,915.63
	31359MY3	FNMA GLOBAL NOTES (CALLABLE)	2,000,000	4.750	08/25/08	AAA	11/22/05	11/23/05	1,989,400.00	4.955	9,500.00	1,994,515.94	1,995,000.00
	3134A2UJ5	FHLMC GLOBAL REFERENCE NOTES	1,250,000	5.125	10/15/08	AAA	03/29/06	03/30/06	1,251,338.75	5.079	29,539.93	1,250,849.71	1,254,296.88
	31331SNF6	FFCB GLOBAL DESIGNATED BONDS	625,000	3.750	01/15/09	AAA	03/29/06	03/30/06	603,880.00	5.061	4,947.92	611,164.24	612,890.63
	31331SNF6	FFCB GLOBAL DESIGNATED BONDS	750,000	3.750	01/15/09	AAA	07/05/06	07/06/06	719,391.00	5.503	5,937.50	727,911.50	735,468.75
	31359MEK5	FNMA GLOBAL BENCHMARK NOTES	225,000	5.250	01/03/09	AAA	01/03/06	01/06/06	228,385.35	4.710	2,493.75	227,059.74	226,335.94
	31359MEK5	FNMA GLOBAL BENCHMARK NOTES	625,000	5.250	01/15/09	AAA	03/29/06	03/30/06	627,786.25	5.074	6,927.08	626,861.22	628,710.94
	31359ME74	FNMA GLOBAL NOTES (CALLABLE)	850,000	5.000	01/23/09	AAA	10/02/06	10/10/06	848,283.00	5.091	8,027.78	848,677.10	851,328.13
	3134A3M78	FHLMC GLOBAL REFERENCE NOTES	640,000	6.625	09/15/09	AAA	08/31/06	09/06/06	668,876.80	4.999	1,884.44	663,770.85	666,000.00
	31359MEY5	FNMA GLOBAL BENCHMARK NOTES	640,000	6.625	09/15/09	AAA	08/31/06	09/06/06	668,821.76	5.002	1,884.44	663,725.75	666,000.00
	465139TX1	AID-ISRAEL NOTES	120,000		11/01/09	TSY	11/22/05	11/23/05	100,462.50	4.563	0.00	106,798.29	106,425.36
			12,005,000						11,921,434.20	5.088	130,651.94	11,954,687.01	11,980,078.51
FED AGY DN													
	313384FB0	FHLB DISC NOTE	840,000		05/02/07	A-1+	03/29/07	03/30/07	836,034.50	5.174	0.00	836,274.84	836,129.40
			840,000						836,034.50	5.174	0.00	836,274.84	836,129.40
US TSY BOND/NOTE													
	912828EZ9	US TREASURY NOTES	2,000,000	4.625	03/31/08	TSY	02/27/07	03/02/07	1,993,671.88	4.926	252.73	1,994,213.36	1,994,688.00
	912828FG0	US TREASURY NOTES	745,000	4.875	05/31/08	TSY	06/01/06	06/05/06	742,730.08	5.038	12,172.77	743,646.87	745,349.41
	912828FV7	US TREASURY NOTES	1,944,000	4.875	10/31/08	TSY	11/10/06	11/13/06	1,948,935.94	4.737	39,792.93	1,948,028.10	1,948,099.90
	912828FV7	US TREASURY NOTES	1,100,000	4.875	10/31/08	TSY	01/24/07	01/25/07	1,098,238.28	4.967	22,516.57	1,098,462.68	1,102,319.90
	912828GJ3	US TREASURY NOTES	365,000	4.750	02/28/09	TSY	03/28/07	03/30/07	366,226.17	4.563	1,507.61	366,222.95	365,855.56
	912828CC2	US TREASURY NOTES	1,250,000	2.625	03/15/09	TSY	03/29/06	03/30/06	1,175,781.25	4.801	1,515.79	1,199,860.49	1,204,590.00
	912828FE5	US TREASURY NOTES	990,000	4.875	05/15/09	TSY	06/01/06	06/05/06	985,668.75	5.036	18,265.09	986,838.41	995,337.09
	912828FE5	US TREASURY NOTES	750,000	4.875	05/15/09	TSY	09/13/06	09/14/06	752,578.13	4.734	13,837.19	752,113.10	754,043.25
	912828FP0	US TREASURY NOTES	240,000	4.875	08/15/09	TSY	08/31/06	09/06/06	241,031.25	4.716	1,454.42	240,849.54	241,556.16
	912828FX3	US TREASURY NOTES	495,000	4.625	11/15/09	TSY	11/30/06	12/01/06	496,044.14	4.547	8,664.21	495,939.07	495,753.89

PFM Asset Management LLC

Detail of Securities Held: 33880100 CITY OF HALLANDALE BEACH INV PORT

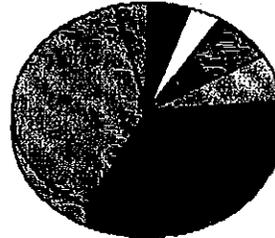
(Excluding Cash)

MONTH ENDED: March 31, 2007

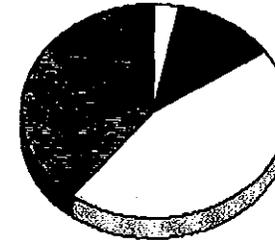
SECURITY TYPE	CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	S&P RATING	TRADE DATE	SETTLE DATE	ORIGINAL COST	YTM AT COST	ACCRUED INTEREST	AMORTIZED COST	MARKET VALUE
	912828FX3	US TREASURY NOTES	375,000	4.625	11/15/09	TSY	12/08/06	12/11/06	375,761.72	4.549	6,563.79	375,693.75	375,571.13
			10,254,000						10,176,667.59	4.834	126,543.10	10,201,868.32	10,223,164.29
TOTAL SECURITIES			\$26,299,000						\$26,170,036.29	4.981 %	\$287,334.62	\$26,235,397.31	\$26,279,049.20

Issuers by Market Value

AGENCY FOR INTERNATIONAL DEVELOPMENT	\$106,425	0.4%
BANK OF AMERICA	\$1,212,474	4.6%
CITIGROUP INC	\$988,323	3.8%
FFCB	\$2,067,331	7.9%
FHLB	\$1,826,517	6.9%
FHLMC	\$1,920,297	7.3%
FNMA	\$8,896,156	33.8%
UNITED STATES TREASURY	\$10,223,164	39.3%
WAL-MART STORES INC	\$1,048,990	4.0%
Total	\$26,278,649	100.0%



Ratings by Market Value



A-1+	\$896,128	3.2%
AA	\$3,239,877	12.3%
AAA	\$11,873,853	45.2%
TSY	\$10,329,590	39.3%
Total:	\$26,279,049	100.0%

PFM Asset Management LLC

Fair Market Values & Analytics: 33880100 CITY OF HALLANDALE BEACH INV PORT
 (Excluding Cash)

MONTH ENDED: March 31, 2007

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	
CORPORATE NOTE											
172967BS9	CITIGROUP, INC. GLOBAL NOTES	1,000,000	3.500	02/01/08		98.632	986,323.00	(3,180.05)	13,123.00	0.804	5.192
33901LAA2	FLEET NATIONAL BANK NOTE	1,200,000	5.750	01/15/09		101.040	1,212,474.00	124.36	(1,446.00)	1.665	5.129
931142BE2	WAL-MART STORES GLOBAL NOTES	1,000,000	6.875	08/10/09		104.088	1,040,880.00	165.55	(7,900.00)	2.148	5.012
FED AGY BOND/NOTE											
31359MK85	FNMA GLOBAL NOTES (CALLABLE)	1,000,000	5.375	04/03/08	07/03/06	100.063	1,000,625.00	944.97	1,245.00	0.008	5.310
3133XBJQ9	FHLB GLOBAL NOTES	500,000	4.125	04/18/08		99.063	495,312.50	2,104.38	6,458.50	0.992	5.053
3133X7EX8	FHLB TAP NOTES	500,000	4.000	05/15/08		98.875	494,375.00	(3,070.27)	153.50	1.066	5.039
31359MZX4	FNMA GLOBAL NOTES(CALLABLE)	775,000	5.000	07/03/08	01/03/07	100.031	775,242.19	1,652.20	2,226.19	1.190	4.968
31331TSW2	FFCB NOTES	735,000	3.300	08/11/08		97.844	719,151.56	(355.99)	447.24	1.304	4.955
31359MSQ7	FNMA GLOBAL BENCHMARK NOTES	770,000	3.250	08/15/08		97.781	752,915.63	2,993.92	12,282.66	1.316	4.939
31359MYI3	FNMA GLOBAL NOTES (CALLABLE)	2,000,000	4.750	08/25/08	08/25/06	99.750	1,995,000.00	484.06	5,600.00	1.333	4.934
3134A2UJ5	FHLMC GLOBAL REFERENCE NOTES	1,250,000	5.125	10/15/08		100.344	1,254,296.88	3,447.17	2,958.13	1.430	4.889
31331SNF6	FFCB GLOBAL DESIGNATED BONDS	625,000	3.750	01/15/09		98.063	612,890.63	1,726.39	9,010.63	1.692	4.891
31331SNF6	FFCB GLOBAL DESIGNATED BONDS	750,000	3.750	01/15/09		98.063	735,468.75	7,557.25	16,077.75	1.692	4.891
31359MEK5	FNMA GLOBAL BENCHMARK NOTES	225,000	5.250	01/15/09		100.594	226,335.94	(723.80)	(2,049.41)	1.673	4.895
31359MEK5	FNMA GLOBAL BENCHMARK NOTES	625,000	5.250	01/15/09		100.594	628,710.94	1,849.72	924.69	1.673	4.895
31359ME74	FNMA GLOBAL NOTES (CALLABLE)	850,000	5.000	01/23/09	01/23/07	100.156	851,328.13	2,651.03	3,045.13	1.698	4.905
3134A3M78	FHLMC GLOBAL REFERENCE NOTES	640,000	6.625	09/15/09		104.063	666,000.00	2,229.15	(2,876.80)	2.249	4.849
31359MEY5	FNMA GLOBAL BENCHMARK NOTES	640,000	6.625	09/15/09		104.063	666,000.00	2,274.25	(2,821.76)	2.249	4.849
465139TX1	AID-ISRAEL NOTES	120,000		11/01/09		88.688	106,425.36	(372.93)	5,962.86	2.532	4.701
FED AGY DN											
313384FB0	FHLB DISC NOTE	840,000		05/02/07		99.539	836,129.40	(145.44)	94.90	0.085	5.208
US TSY BOND/NOTE											
912828EZ9	US TREASURY NOTES	2,000,000	4.625	03/31/08		99.734	1,994,688.00	474.64	1,016.12	0.965	4.900
912828FG0	US TREASURY NOTES	745,000	4.875	05/31/08		100.047	745,349.41	1,702.54	2,619.33	1.106	4.827
912828FV7	US TREASURY NOTES	1,944,000	4.875	10/31/08		100.211	1,948,099.90	71.80	(836.04)	1.478	4.733
912828FV7	US TREASURY NOTES	1,100,000	4.875	10/31/08		100.211	1,102,319.90	3,857.22	4,081.62	1.478	4.733
912828GJ3	US TREASURY NOTES	365,000	4.750	02/28/09		100.234	365,855.56	(367.39)	(370.61)	1.806	4.619
912828CC2	US TREASURY NOTES	1,250,000	2.625	03/15/09		96.367	1,204,590.00	4,729.51	28,808.75	1.874	4.587
912828FE5	US TREASURY NOTES	990,000	4.875	05/15/09		100.539	995,337.09	8,498.68	9,668.34	1.963	4.603

PFM Asset Management LLC

Fair Market Values & Analytics: 33880100 CITY OF HALLANDALE BEACH INV PORT
 (Excluding Cash)

MONTH ENDED: March 31, 2007

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	
912828FE5	US TREASURY NOTES	750,000	4.875	05/15/09		100.539	754,043.25	1,930.15	1,465.12	1.963	4.603
912828FP0	US TREASURY NOTES	240,000	4.875	08/15/09		100.648	241,556.16	706.62	524.91	2.212	4.582
912828FX3	US TREASURY NOTES	495,000	4.625	11/15/09		100.152	495,753.89	(185.18)	(290.25)	2.405	4.561
912828FX3	US TREASURY NOTES	375,000	4.625	11/15/09		100.152	375,571.13	(122.62)	(190.59)	2.405	4.561
SUBTOTALS							\$26,279,049.20	\$43,651.89	\$109,012.91	1.450	4.886 %
ACCRUED INTEREST ON INVESTMENT							287,334.62				
TOTAL MARKET VALUE OF INVESTMENTS							\$26,566,383.82				

PFM Asset Management LLC

Security Transactions & Interest:

33880100

CITY OF HALLANDALE BEACH INV PORT

MONTH ENDED:

March 31, 2007

(Excluding Cash)

TRADE	SETTLE	TRAN TYPE	SECURITY DESCRIPTION	CUSIP	S&P RATING	PAR	COUPON	MATURITY DATE	PRINCIPAL AMOUNT	ACCRUED INTEREST	TOTAL
03/01/07	03/01/07	INTEREST	MONEY MARKET FUND	MONEY0002	NR				0.00	1,288.76	1,288.76
03/15/07	03/15/07	INTEREST	FHLMC GLOBAL REFERENCE NOTES	3134A3M78	AAA	640,000	6.625	09/15/09	0.00	21,200.00	21,200.00
03/15/07	03/15/07	INTEREST	FNMA GLOBAL BENCHMARK NOTES	31359MEY5	AAA	640,000	6.625	09/15/09	0.00	21,200.00	21,200.00
03/15/07	03/15/07	INTEREST	US TREASURY NOTES	912828CC2	TSY	1,250,000	2.625	03/15/09	0.00	16,406.25	16,406.25
03/31/07	03/31/07	INTEREST	US TREASURY NOTES	912828EZ9	TSY	2,000,000	4.625	03/31/08	0.00	46,250.00	46,250.00
						4,530,000			0.00	106,345.01	106,345.01
02/27/07	03/02/07	BUY	US TREASURY NOTES	912828EZ9	TSY	2,000,000	4.625	03/31/08	(1,993,671.88)	(38,880.49)	(2,032,552.37)
03/01/07	03/02/07	BUY	FHLB DISC NOTE	313384DS5	A-1+	763,000	0.000	03/30/07	(759,917.06)	0.00	(759,917.06)
03/02/07	03/05/07	BUY	FFCB NOTES	31331TSW2	AAA	735,000	3.300	08/11/08	(718,704.32)	(1,617.00)	(720,321.32)
03/28/07	03/30/07	BUY	US TREASURY NOTES	912828GJ3	TSY	365,000	4.750	02/28/09	(366,226.17)	(1,413.38)	(367,639.55)
03/29/07	03/30/07	BUY	FHLB DISC NOTE	313384FB0	A-1+	840,000	0.000	05/02/07	(836,034.50)	0.00	(836,034.50)
						4,703,000			(4,674,553.93)	(41,910.87)	(4,716,464.80)
03/02/07	03/02/07	MATURITY	FHLB DISC NOTE	313384CN7	A-1+	796,000	0.000	03/02/07	796,000.00	0.00	796,000.00
03/30/07	03/30/07	MATURITY	FHLB DISC NOTE	313384DS5	A-1+	763,000	0.000	03/30/07	763,000.00	0.00	763,000.00
						1,559,000			1,559,000.00	0.00	1,559,000.00
02/27/07	03/02/07	SELL	US TREASURY NOTES	912828DT4	TSY	2,000,000	3.750	05/15/08	1,974,375.00	22,168.51	1,996,543.51
03/02/07	03/05/07	SELL	US TREASURY NOTES	912828FV7	TSY	706,000	4.875	10/31/08	708,702.66	11,884.50	720,587.16
						2,706,000			2,683,077.66	34,053.01	2,717,130.67
TOTAL SECURITY TRANSACTIONS											(333,989.12)

PFM Asset Management LLC

Cash Transactions Report:

33880100

CITY OF HALLANDALE BEACH INV PORT

MONTH ENDED: March 31, 2007

CASH DATE	TRANSACTION CODE	TRANSACTION DESCRIPTION	TOTAL AMOUNT
-----------	------------------	-------------------------	--------------

No transactions during the month.

NET CASH CONTRIBUTIONS/(WITHDRAWS)

PFM Asset Management LLC

Realized Gains and Losses: 33880100 CITY OF HALLANDALE BEACH INV PORT

(Excluding Cash)

MONTH ENDED: March 31, 2007

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
02/27/07	03/02/07	SELL	FIFO	US TREASURY NOTES	912828DT4	2,000,000	3.750	1,974,375.00	3,750.00	(10,976.75)
03/02/07	03/02/07	MATURITY		FHLB DISC NOTE	313384CN7	796,000	0.000	796,000.00	229.07	0.00
03/02/07	03/05/07	SELL	FIFO	US TREASURY NOTES	912828FV7	650,000	4.875	652,488.28	0.00	365.70
03/02/07	03/05/07	SELL	FIFO	US TREASURY NOTES	912828FV7	56,000	4.875	56,214.38	72.19	93.26
03/30/07	03/30/07	MATURITY		FHLB DISC NOTE	313384DS5	763,000	0.000	763,000.00	3,082.94	0.00

TOTAL GAINS AND LOSSES

\$7,134.20 (\$10,517.79)

PFM Asset Management LLC

Cash Balance Report:

33880100

CITY OF HALLANDALE BEACH INV PORT

MONTH ENDED:

March 31, 2007

CASH BALANCE: \$55,362.06

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

04/06/07 Change in Nonfarm Payrolls	04/17/07 Housing Starts
04/06/07 Unemployment Rate	04/17/07 Building Permits
04/13/07 Producer Price Index	04/24/07 Existing Home Sales
04/16/07 Advanced Retail Sales	04/25/07 Durable Goods Orders
04/16/07 Empire Manufacturing	04/25/07 New Home Sales
04/17/07 Consumer Price Index	04/27/07 1st Quarter GDP

Market Commentary

Investors focused on a few words in the FOMC's post meeting statement, mixed economic data and geopolitical risks bringing volatility to all of the markets in March. The FOMC left rates the same but changed the composition of their statement. The Fed opted to give itself more flexibility by eliminating their reference to "additional firming" and added "future policy adjustments". Markets took this to mean that the Fed is more likely to cut rates in the future than raise them. But the Fed maintained its view that inflation is the FOMC's main concern and not slowing growth. Economic data for March proved to be mixed with a tilt towards weakness. Subprime mortgages and a weak housing market weighed heavy on the market and durable goods orders disappointed again. On the strong side of the data, personal income and the Chicago Purchasing Managers report were better than expected. The Fed's point that future rate changes are dependent on future economic data is well taken. The market remains divided on the FOMC's next move as views on economic growth are varied. Emphasis is likely to be given to the job market, inflation and the evolution of the continued slowdown in the housing market as the FOMC accesses its position.