City of Hallandale Beach

Investment Performance Review
Quarter Ended June 30, 2008

CITY OF HALLANDALE BEACH
City of Choice

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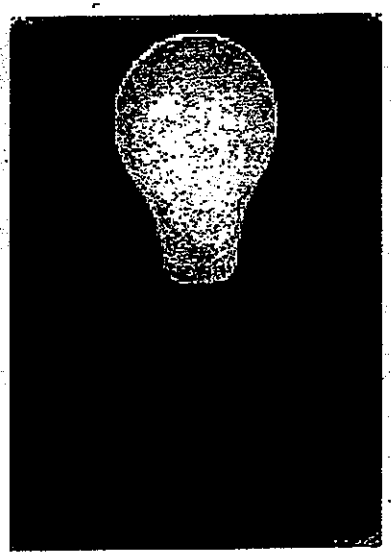
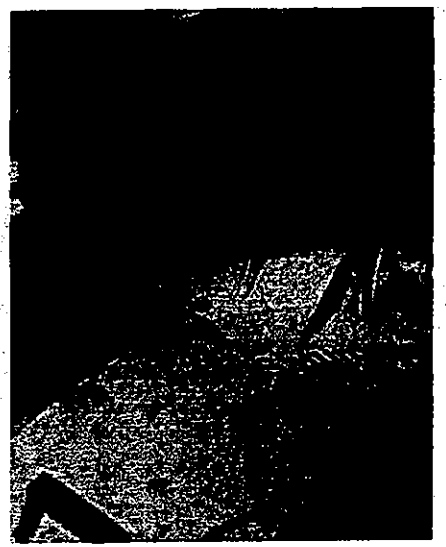
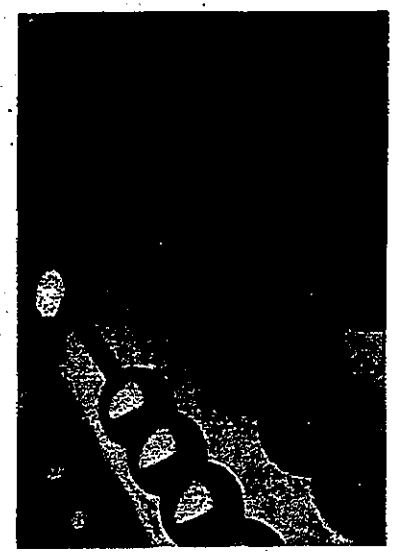
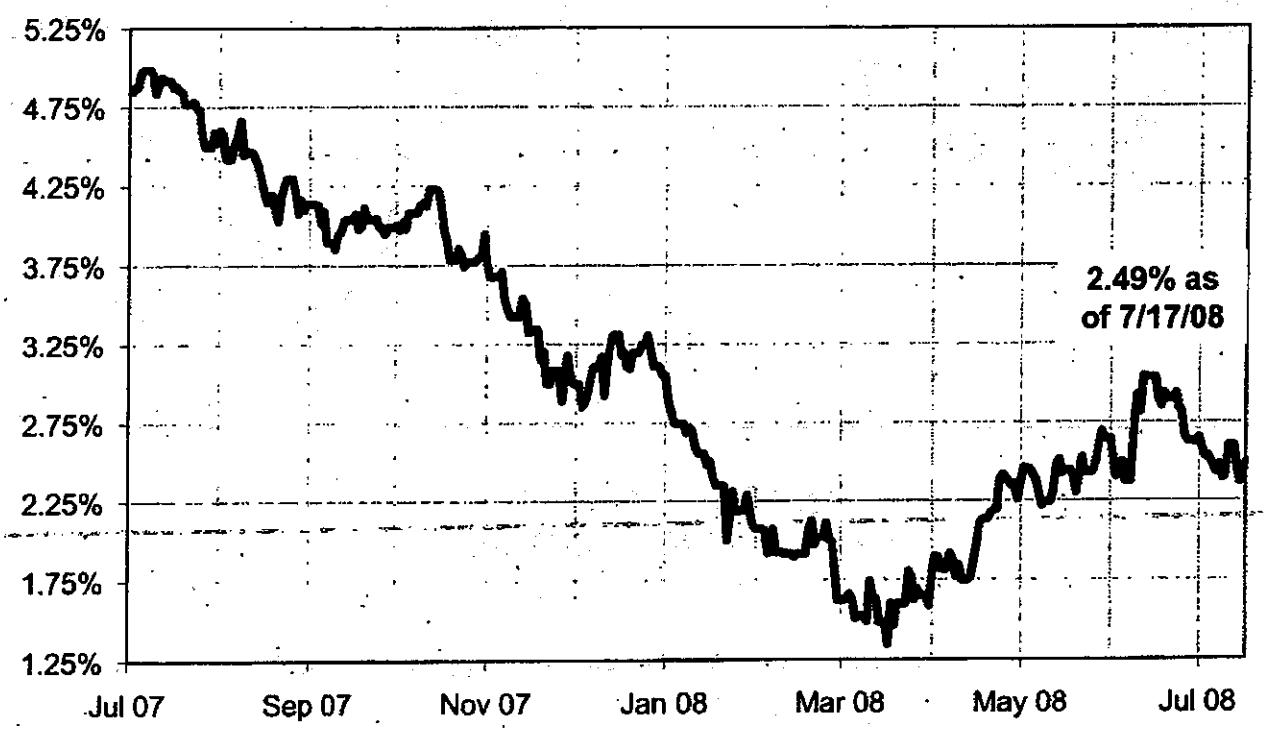
Market Update

Recent Interest Rates

- Credit difficulties, growing inflationary concerns, and volatile stock prices have had an effect on Treasury yields.

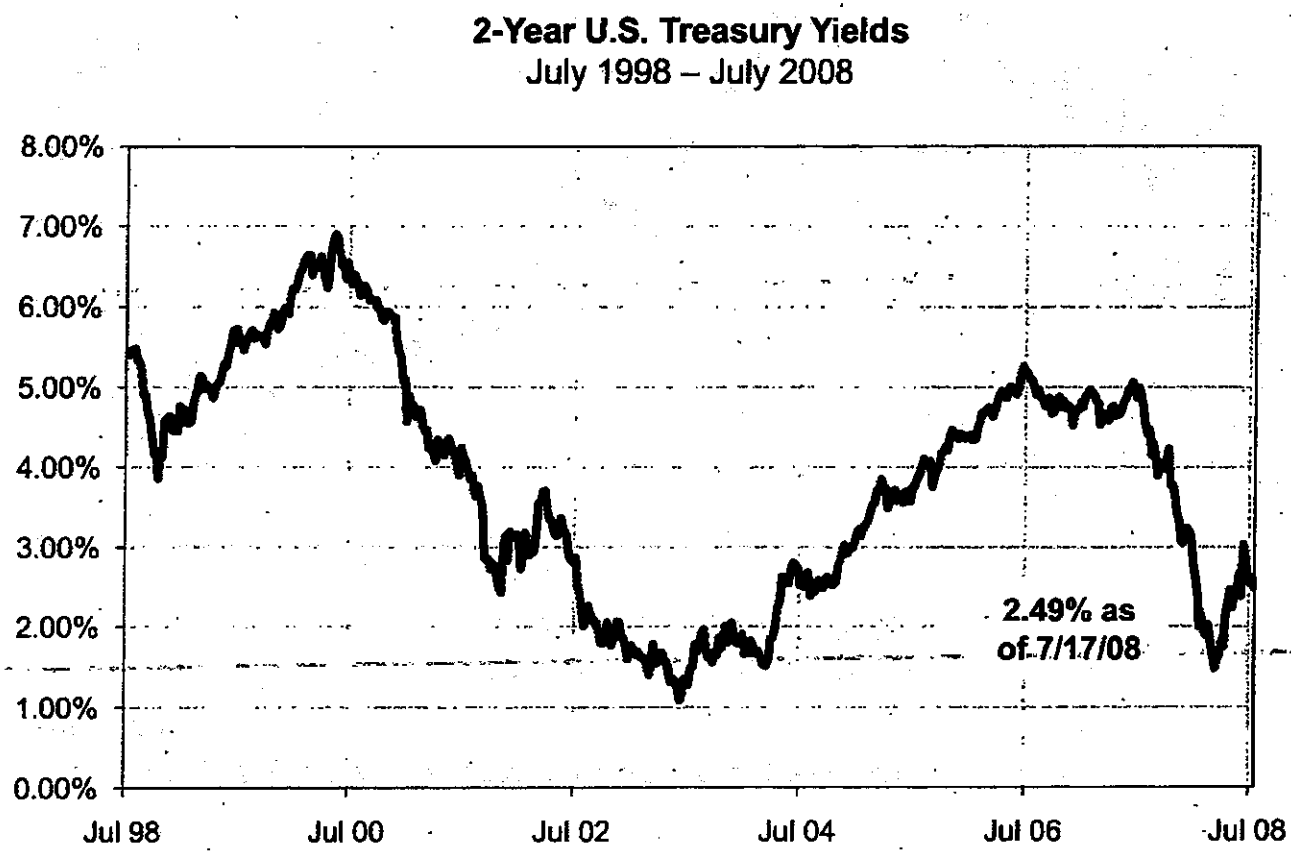
2-Year U.S. Treasury Yields
July 1, 2007 – July 17, 2008



Source: Bloomberg

Historical Interest Rates

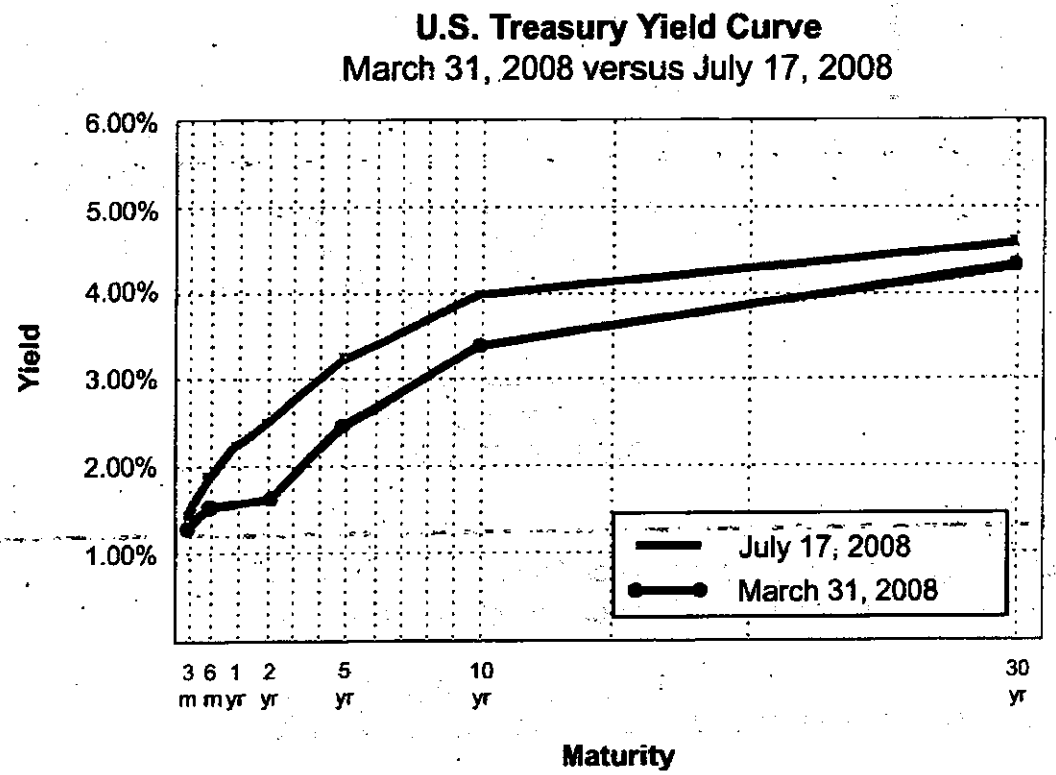
- Yields have moved substantially higher since the low seen in March.



Source: Bloomberg

Yield Curve Steepens

- The yield curve has gotten steeper with significant movement in the short end of the curve.



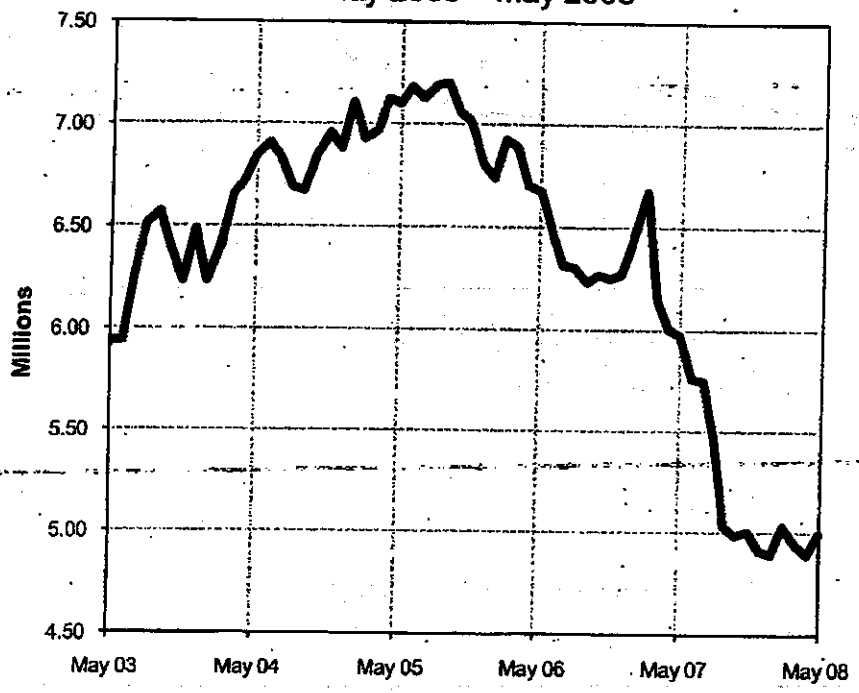
	3/31/08	7/17/08
3 month	1.33%	1.43%
6 month	1.51%	1.90%
2 year	1.59%	2.49%
5 year	2.44%	3.27%
10 year	3.41%	4.00%
30 year	4.29%	4.61%

Source: Bloomberg

Supply and Demand Imbalance Hinders Housing Recovery

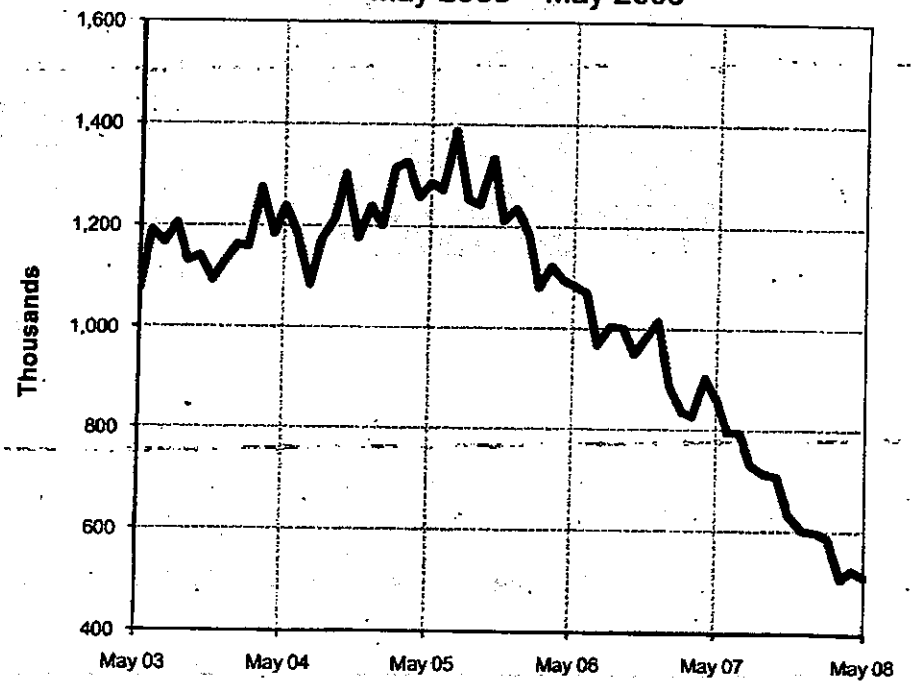
- May's new home sales number signaled a further weakening of the housing sector as sales came in 40% below those of May 2007.
- The continuation of the housing slump was also evident in May's existing homes sales report. Year-over-year existing home sales fell 16% and the median price plunged 6.3%.

Existing Home Sales
May 2003 – May 2008



Source: The National Association of Realtors

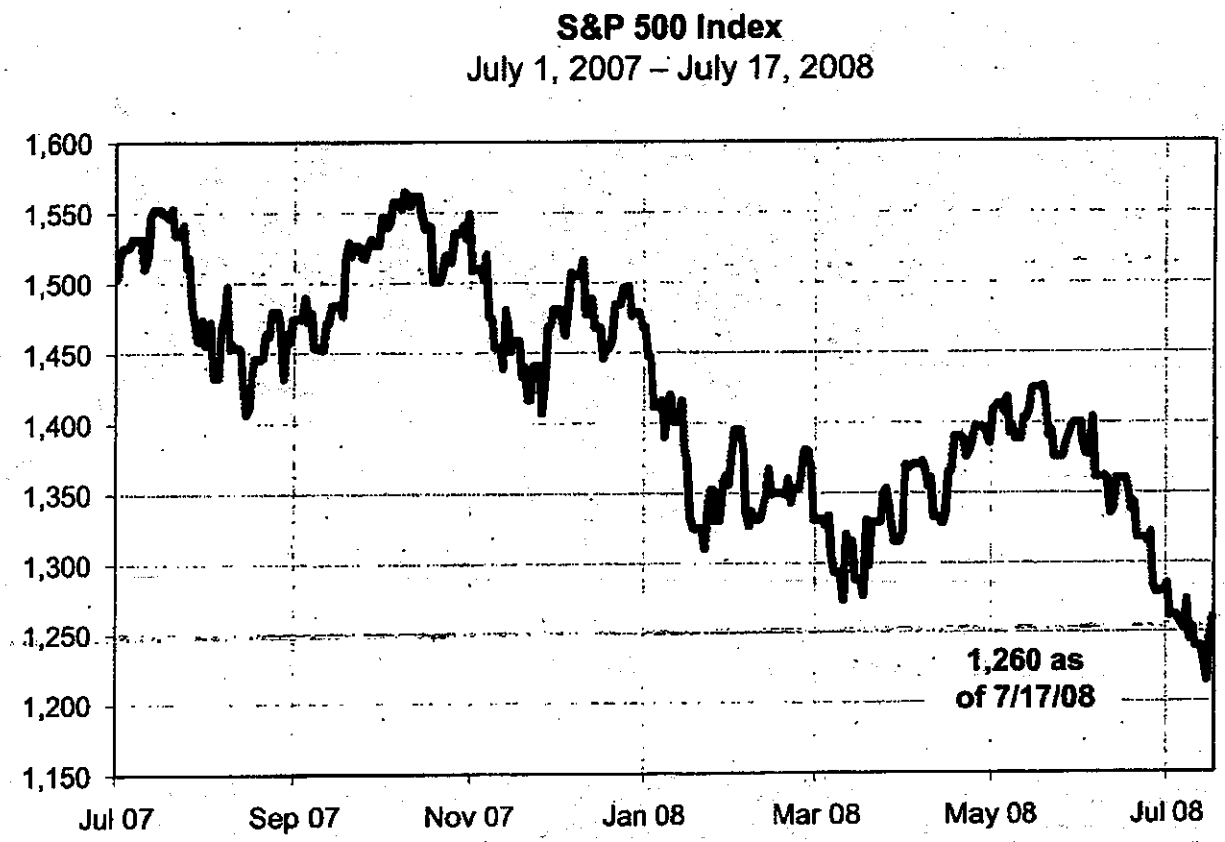
New Home Sales
May 2003 – May 2008



Source: The Census Bureau of the Department of Commerce

Stocks Enter Bear Market

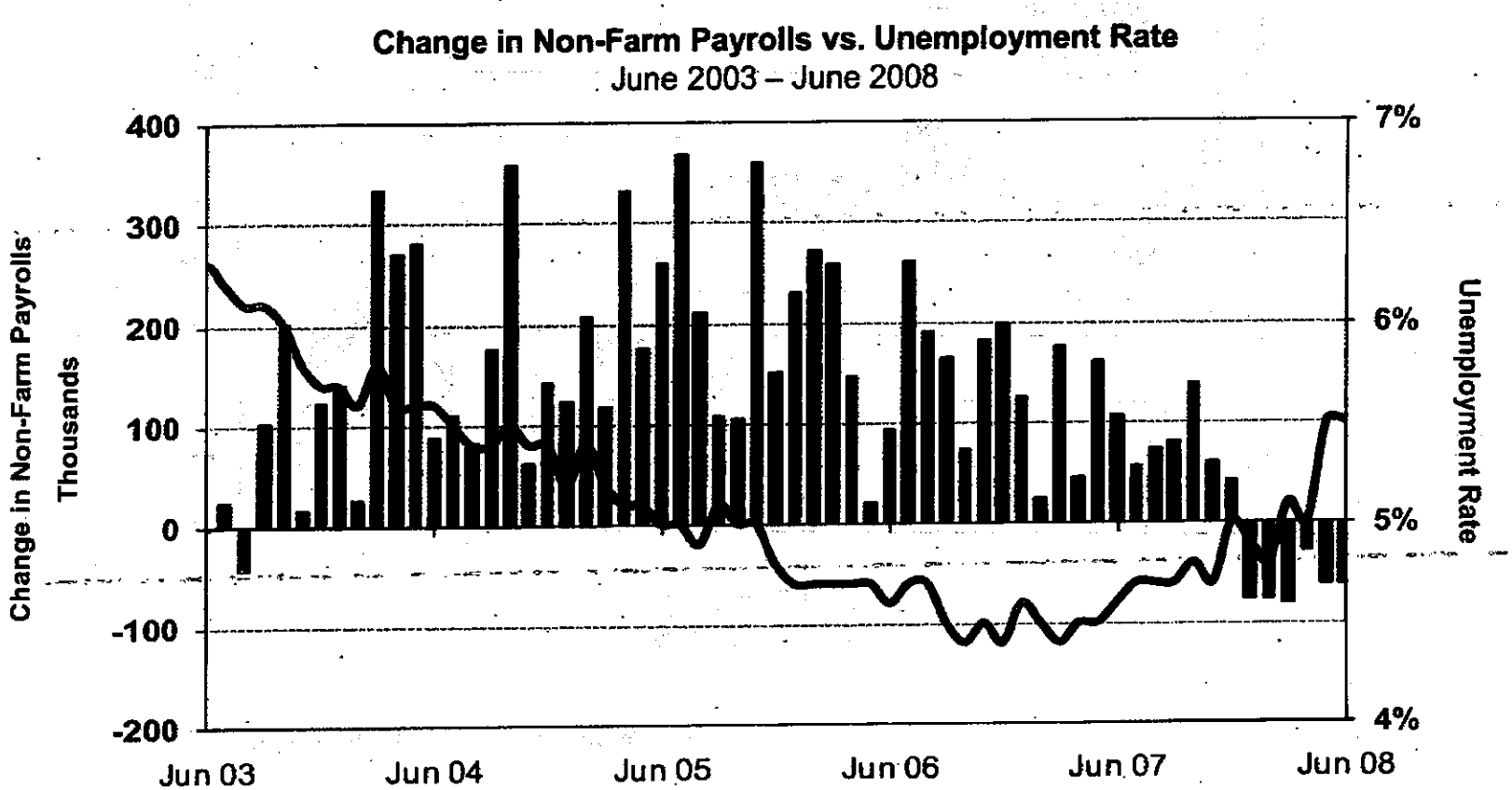
- The S&P has fallen into "bear market" territory.



Source: Bloomberg

Labor Market Weakens

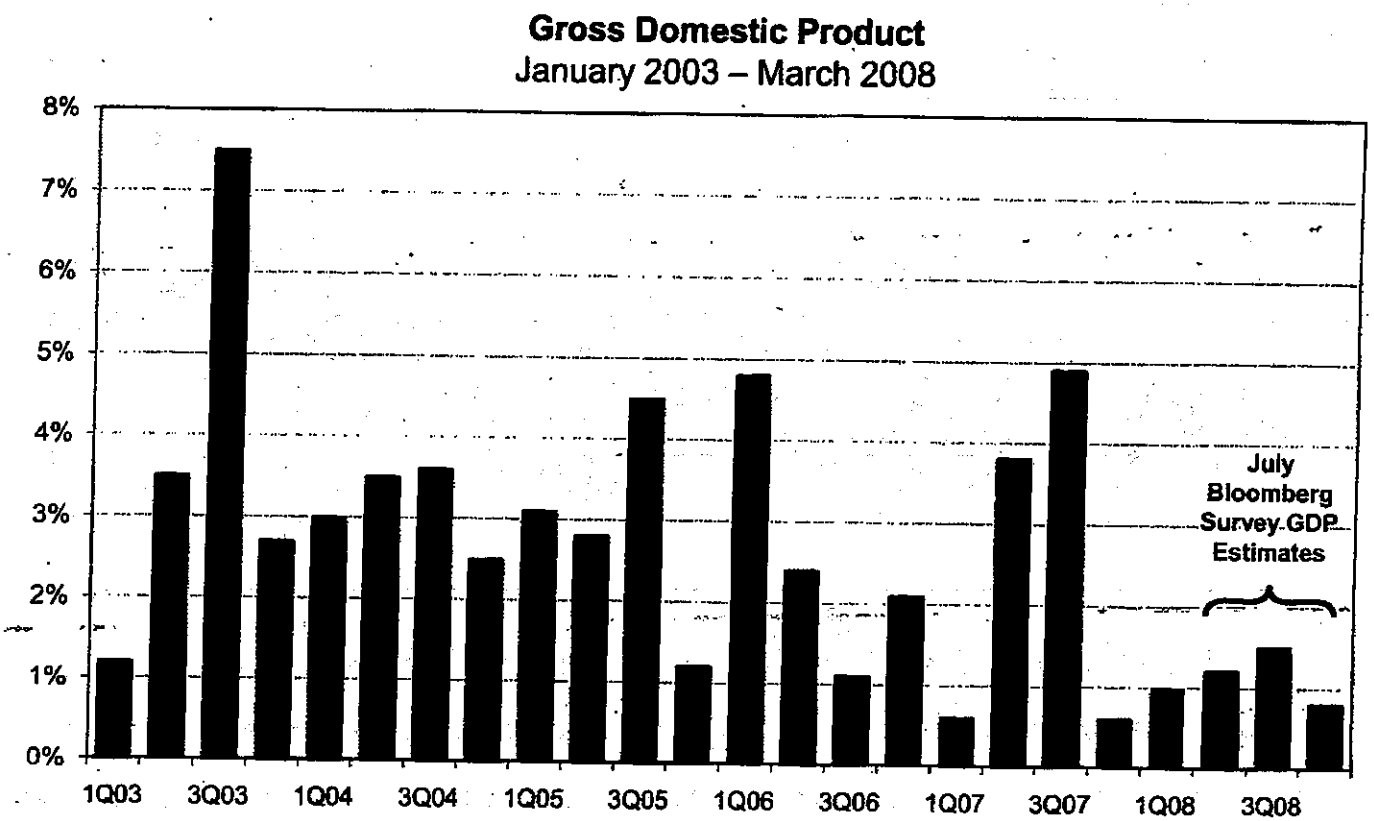
- For the sixth consecutive month, job creation was negative. Increased inflationary pressures on businesses continued to manifest themselves in job cuts and a relatively high unemployment rate.



Source: Bloomberg

U.S. Economic Growth Lackluster

- The gross domestic product annualized rate was 1.0% in the first quarter.
- The Fed revised its GDP growth forecast for 2008 to 0.9%-1.8%.

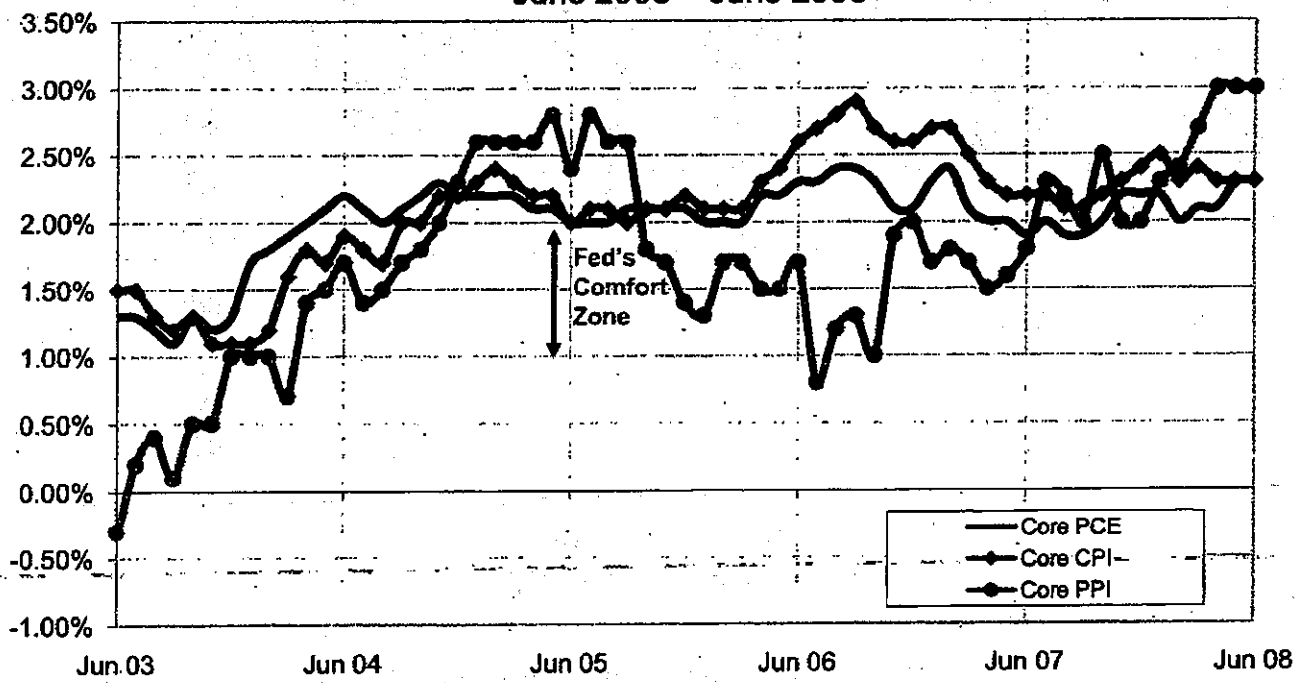


Source: U.S. Department of Commerce – Bureau of Economic Analysis and Median Estimate of Bloomberg Economic Survey

Fed Talks Tough About Inflation

- Several Fed governors have expressed the need for the Fed to act in order to control rising inflation.
- The Federal Reserve inflation estimate for 2008 PCE, including food and energy, is 3.4%-3.6%.

Year-Over-Year Inflation: Core PCE vs. Core CPI vs. Core PPI
June 2003 – June 2008



- *Consumer Price Index (CPI):* The Consumer Price Index is a measure of the average price level of a fixed basket of goods and services purchased by consumers. Monthly changes in the CPI represent the rate of inflation. Core CPI excludes food and energy.
- *Producer Price Index (PPI):* The Producer Price Index is a measure of the average price received by domestic producers of goods and services. Monthly changes in the PPI represent the rate of inflation. Core PPI excludes food and energy.
- *Personal Consumption Expenditures (PCE):* Similar to CPI, PCE is a measure of inflation in the average price level of consumer products. PCE, however, is not a fixed basket of goods and services purchased by consumers. Rather, it allows for substitution of products based on current consumer purchasing patterns. Core PCE excludes food and energy.

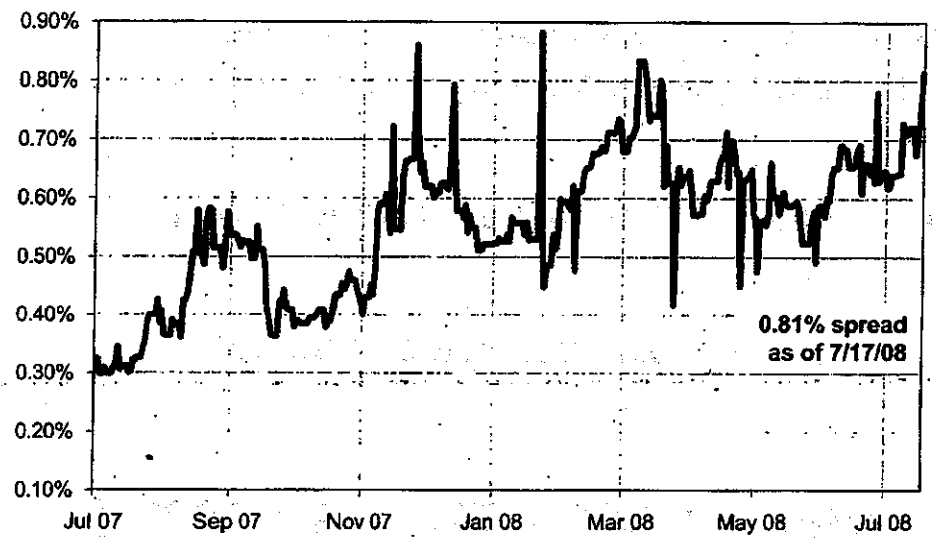
Government Actions Regarding Freddie and Fannie

Treasury Secretary Henry Paulson's Proposed Plan:

- Increase credit lines extended by the Treasury
- Authorize Treasury to buy equity in GSEs
- Allow GSEs same access to credit at the Federal Reserve Bank of New York as Wall Street firms and commercial banks
- Give Fed a "consultative role" in overseeing capital requirements

Agency Spreads Have Been Volatile

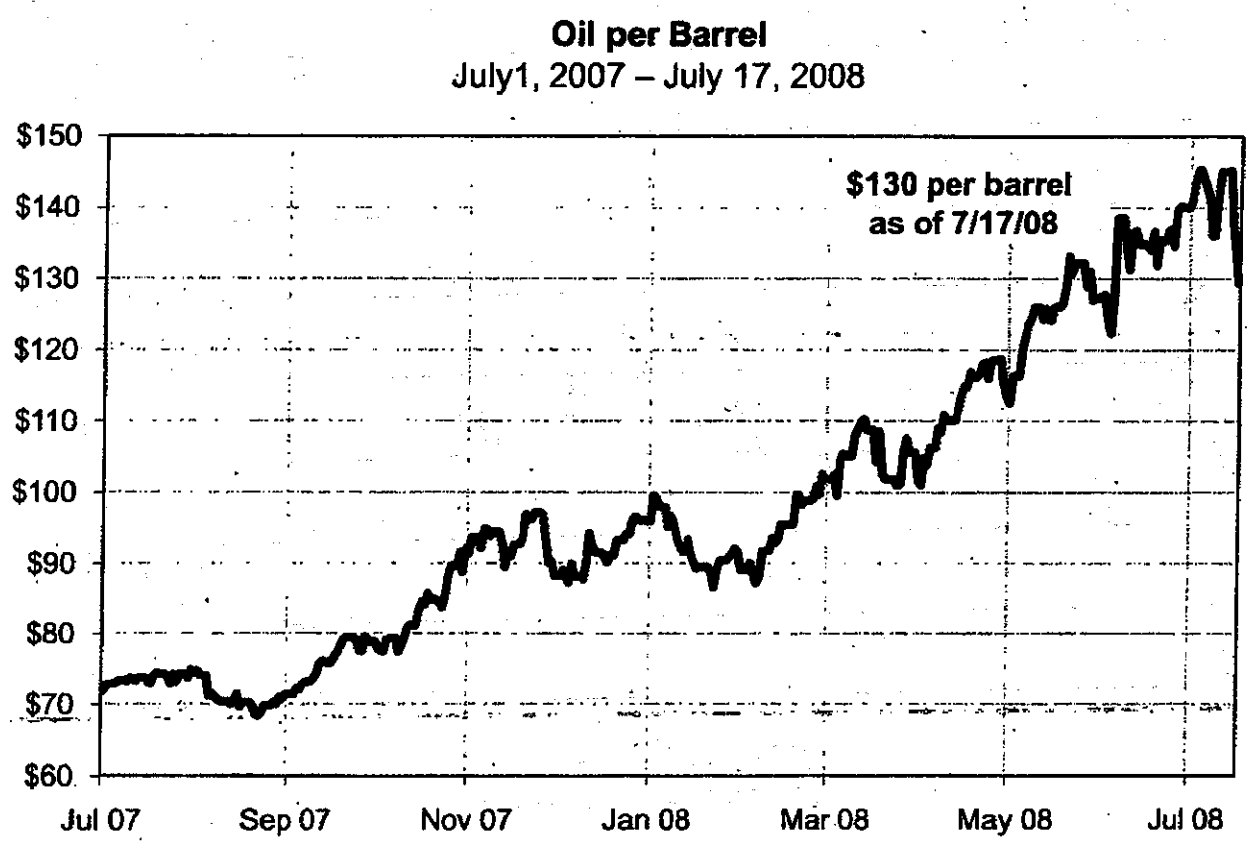
Difference in Yield between 2-Year U.S. Treasury and 2-Year Federal Agency Notes
July 1, 2007 – July 17, 2008



Source: Bloomberg

Oil Has Come Off of Its Peak

- Rising oil demand from emerging markets and a weak dollar has heightened supply concerns and pushed oil prices to record highs.

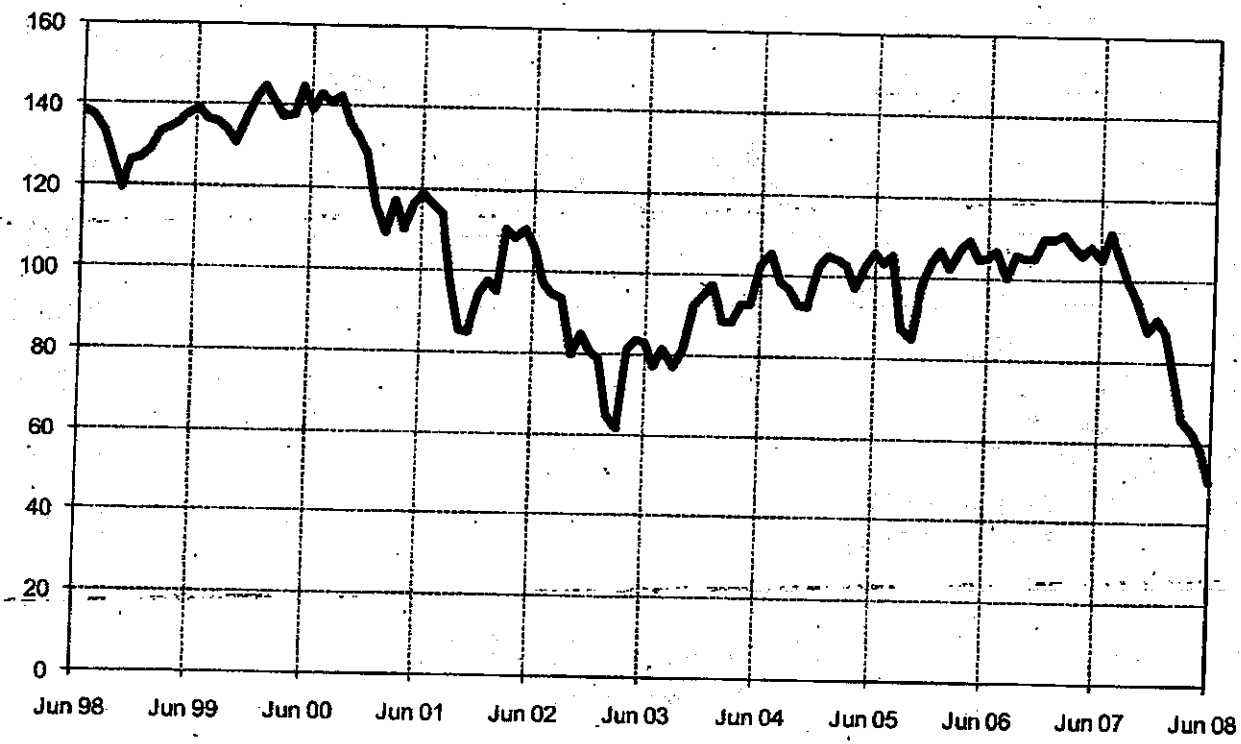


Source: Bloomberg

Consumer Confidence Near Historic Lows

- Flagging consumer confidence is often a precursor to decreased consumer spending, which composes two-thirds of the GDP.

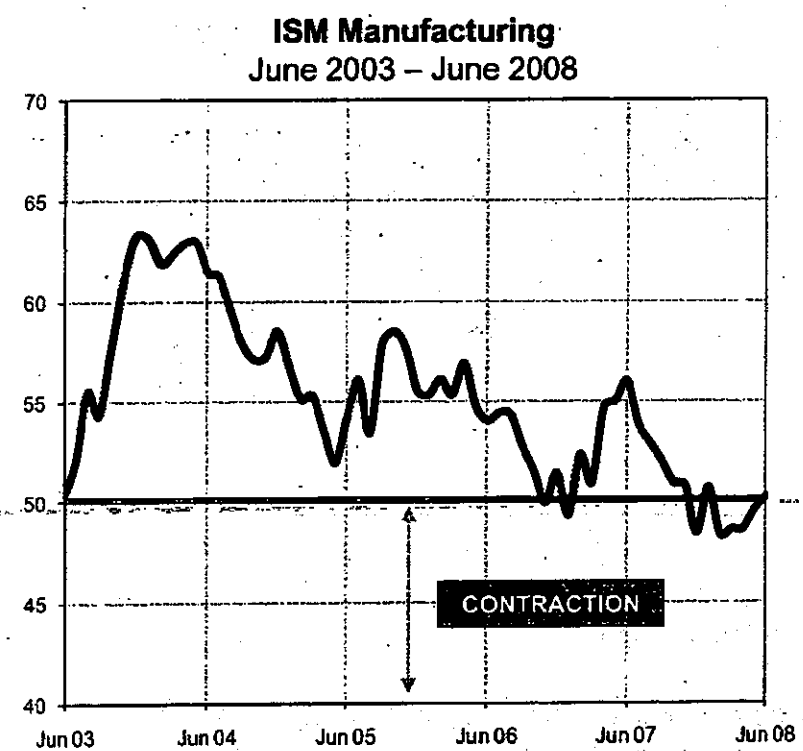
Consumer Confidence
June 1988 – June 2008

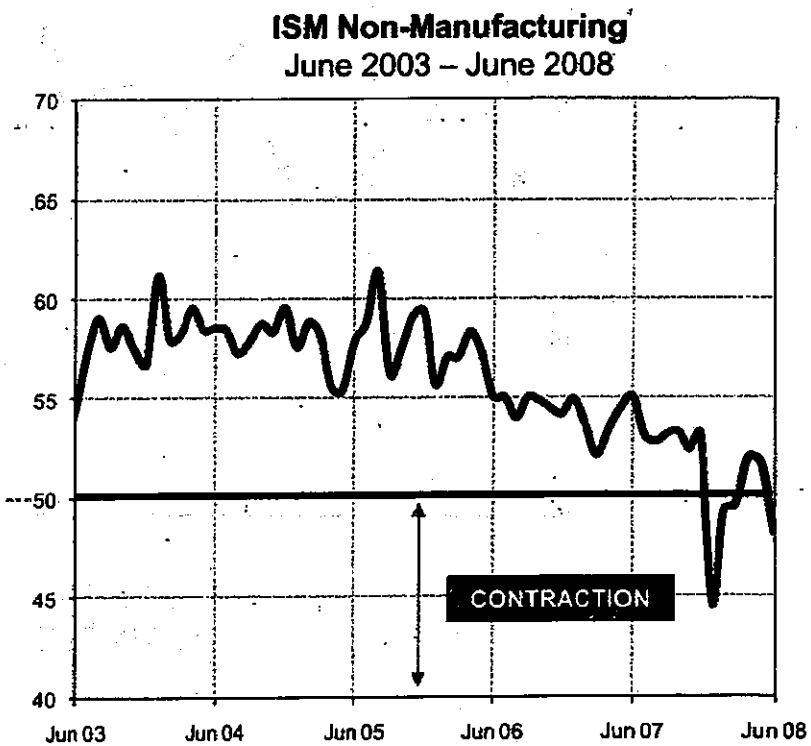


Source: Consumer Confidence Board

ISM Readings Indicate Future Economic Slowing

- ISM readings have historically been good indicators of GDP growth. Readings below fifty indicate that the economy is contracting.



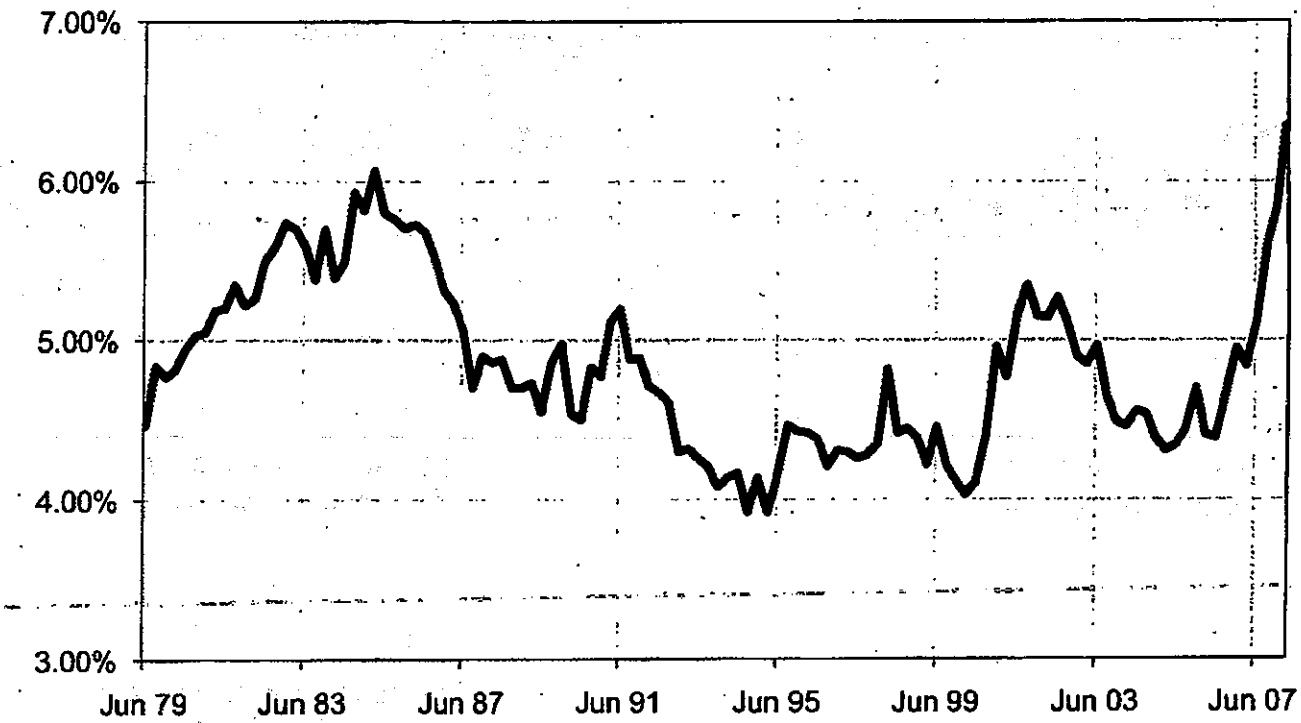


Source: Institute for Supply Management

Mortgage Delinquencies at Record High

- The rising rate of mortgage delinquencies is an early indicator of future foreclosures and, therefore, signals continued weakening of the housing sector.

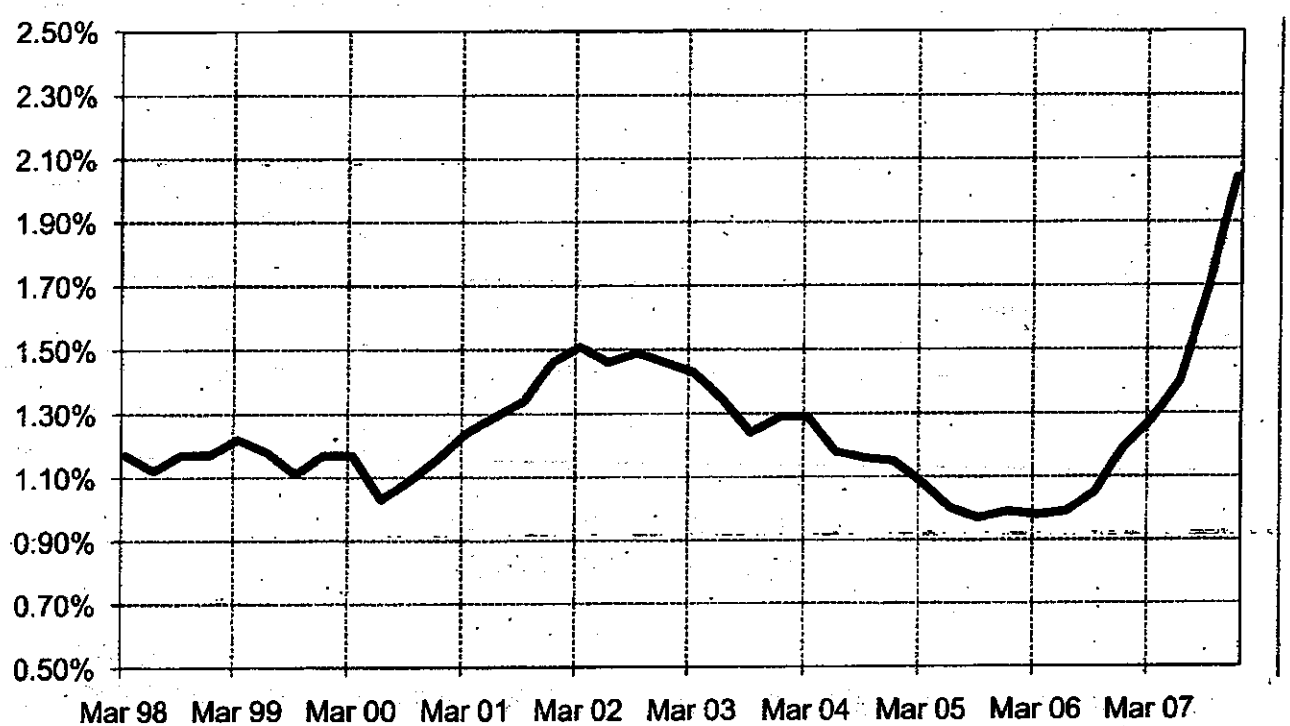
U.S. Mortgage Delinquencies
June 1979 – March 2008



Source: Bloomberg

Foreclosures at All-time High

Quarterly Foreclosure Percentages[1]
March 31, 1998 – March 31, 2008



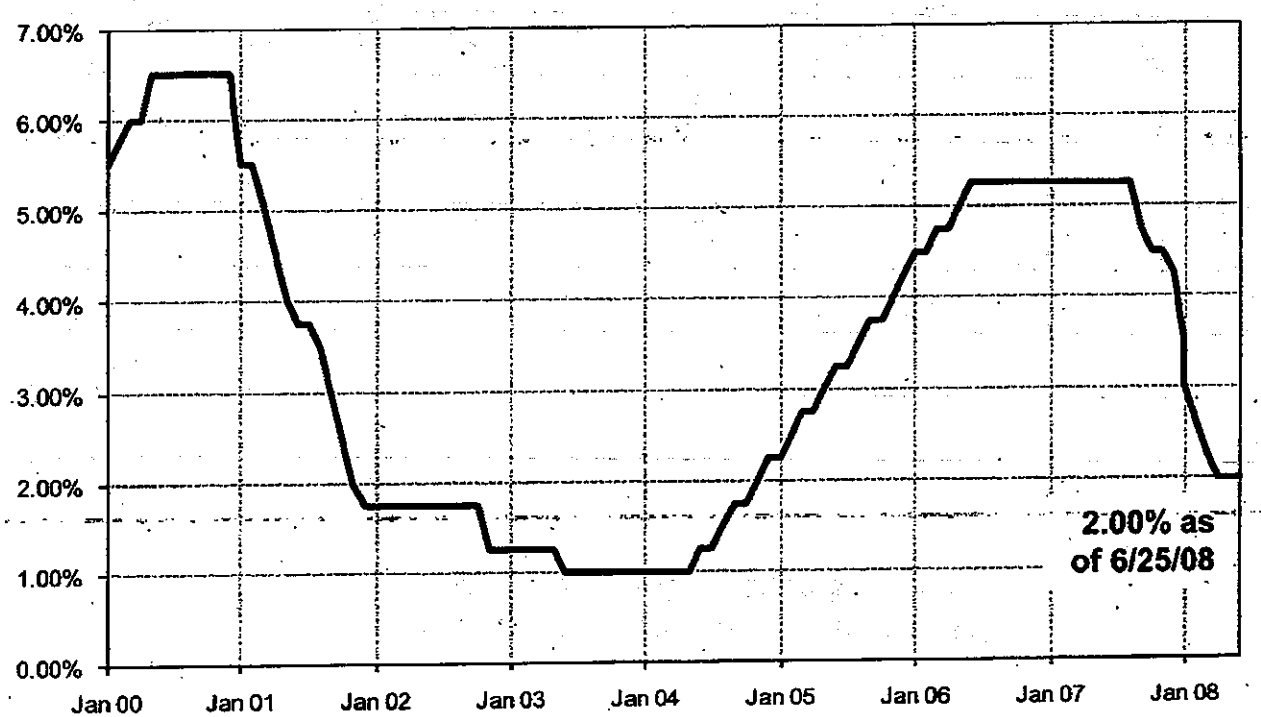
Source: Bloomberg

[1]Figures shown as Percent of Total Number of Residential Loans Outstanding

The FOMC Halts Rate Cuts

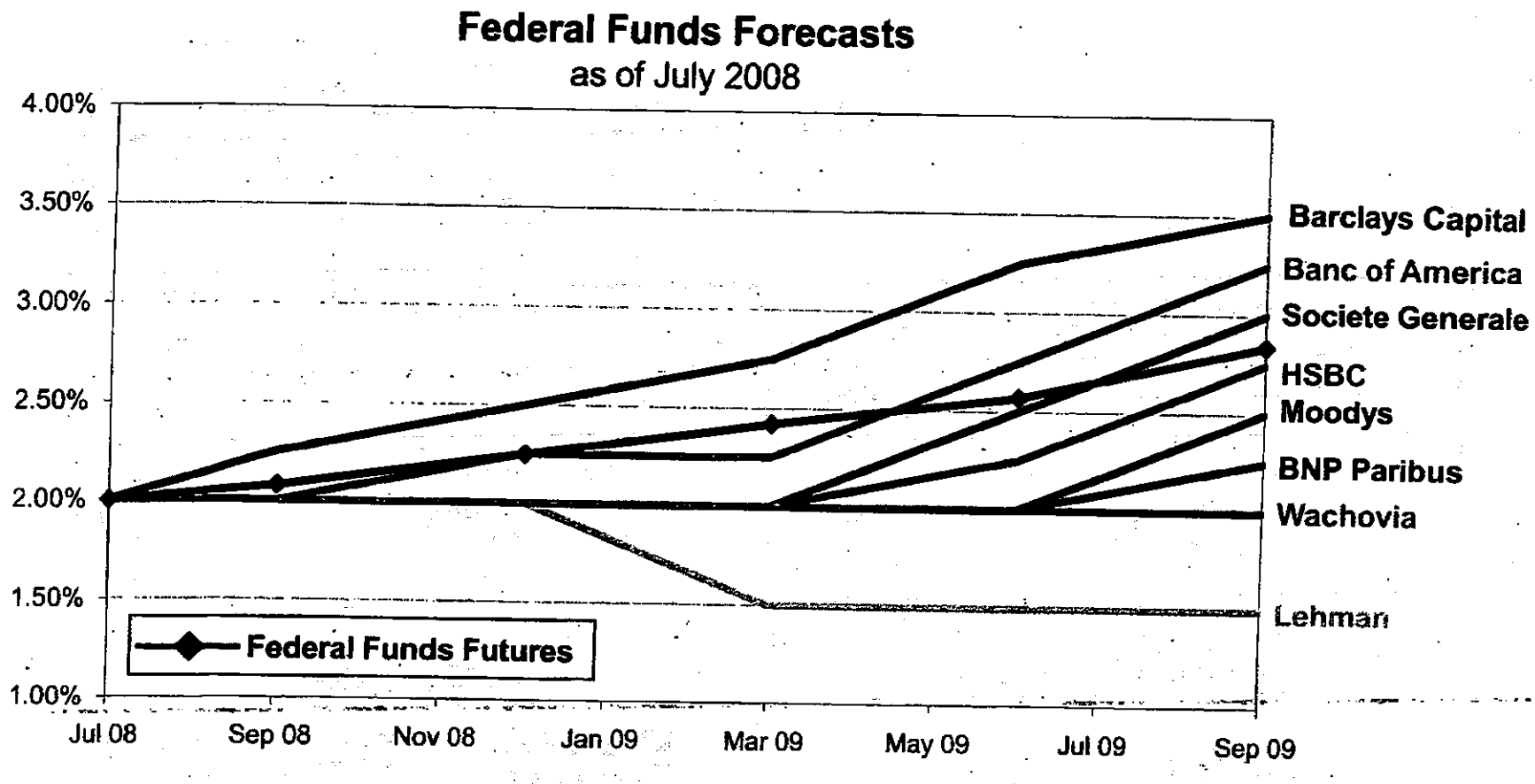
- During its June meeting, the Federal Open Market Committee (FOMC) held the Fed Funds target rate at 2.00%.

Fed Funds Target Rate
January 2000 – June 2008



Source: Federal Open Market Committee

Federal Funds Forecasts



Source: Bloomberg

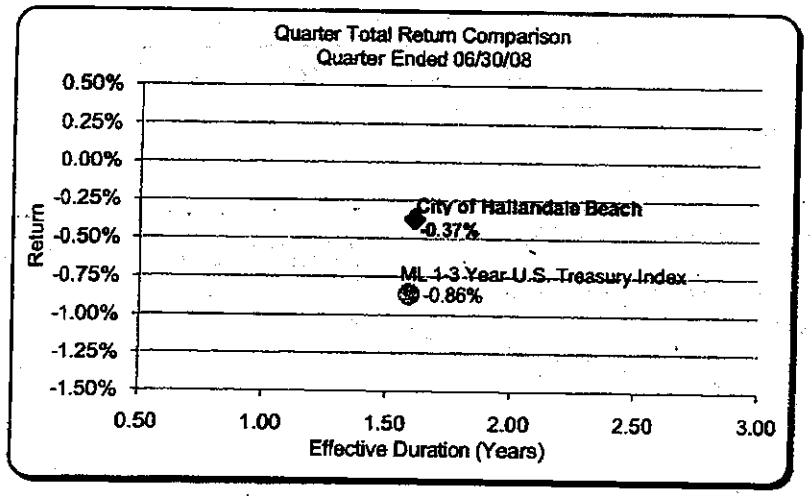
Investment Portfolio Performance

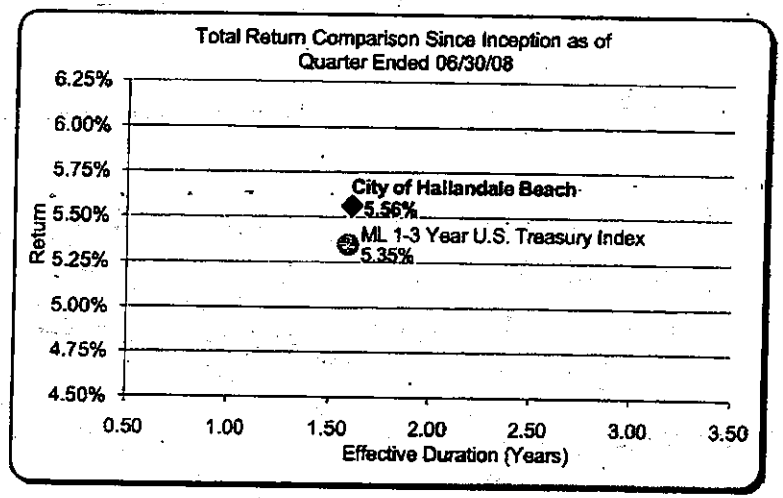
Total Portfolio Value[2]	June 30, 2008	March 31, 2008
Market Value	$30,016,162.36	$30,430,629.00
Amortized Cost	$29,702,750.32	$29,605,735.71

Total Return[1,2,3,4,5,7,8]	Quarterly Return June 30, 2008	Annualized Quarter	Last 12 Months	Last 24 Months	Since Inception December 31, 2005
Investment Portfolio	-0.37%	-1.49%	7.17%	6.26%	5.56%
Merril Lynch 1-3 Year U.S. Treasury Index	-0.86%	-3.39%	7.30%	6.17%	5.35%

Effective Duration(Years)[6]	June 30, 2008	March 31, 2008
Investment Portfolio	1.69	1.55
Merril Lynch 1-3 Year U.S. Treasury Index	1.59	1.65
Portfolio Duration % of Benchmark Duration	101%	94%

Yields	June 30, 2008	March 31, 2008
Yield at Market	3.21%	2.42%
Yield at Cost	4.19%	4.44%



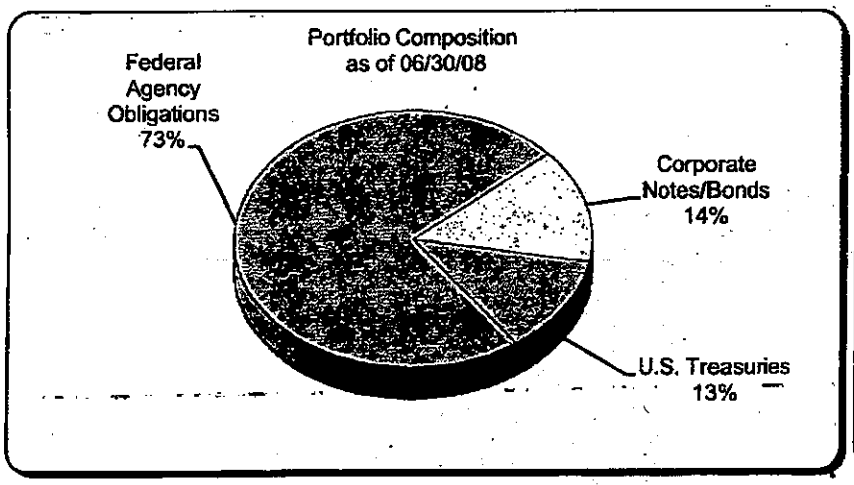


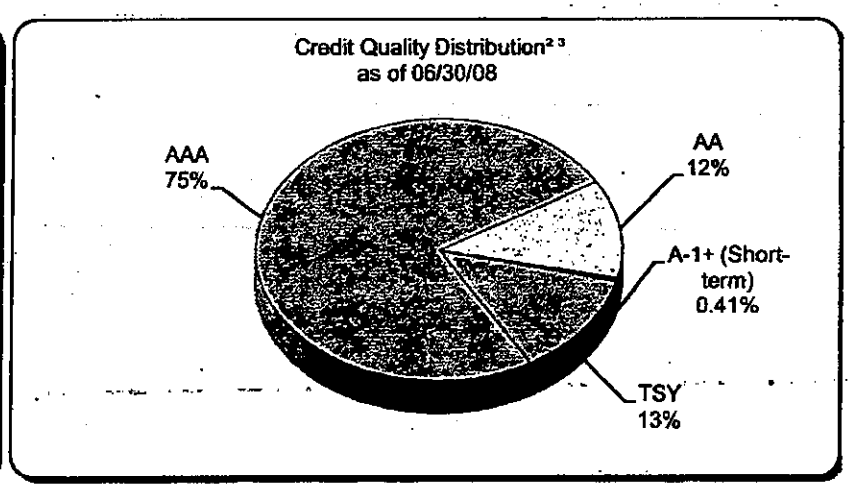
Notes:

1. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
2. End of quarter trade-date market values of portfolio holdings, including accrued interest.
3. Performance on trade date basis, gross (i.e., before fees), is in accordance with The CFA Institute's Global Investment Performance Standards (GIPS).
4. Merrill Lynch Indices provided by Bloomberg Financial Markets.
5. 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.
6. Excludes money market fund/cash in performance and duration computations.
7. Returns presented for 12 months or longer are presented on an annual basis.
8. Past performance is not indicative of future results.

Investment Portfolio Composition and Credit Quality Characteristics

Security Type[1]	June 30, 2008	% of Portfolio	March 31, 2008	% of Portfolio
U.S. Treasuries	$3,723,892.49	12.4%	$3,561,092.78	11.7%
Federal Agencies	22,015,249.75	73.3%	22,574,408.93	74.2%
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	4,277,020.12	14.2%	4,295,127.29	14.1%
Mortgage Backed	0.00	0.0%	0.00	0.0%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	$30,016,162.36	100.0%	$30,430,629.00	100.0%



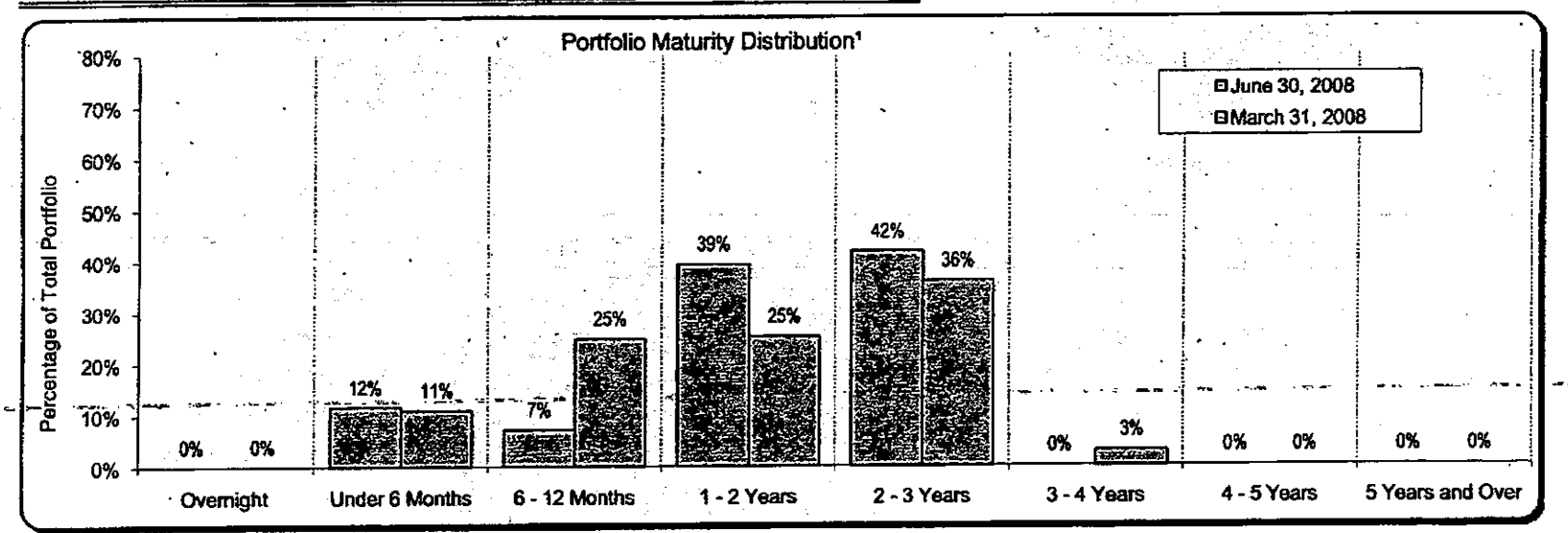


Notes:

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

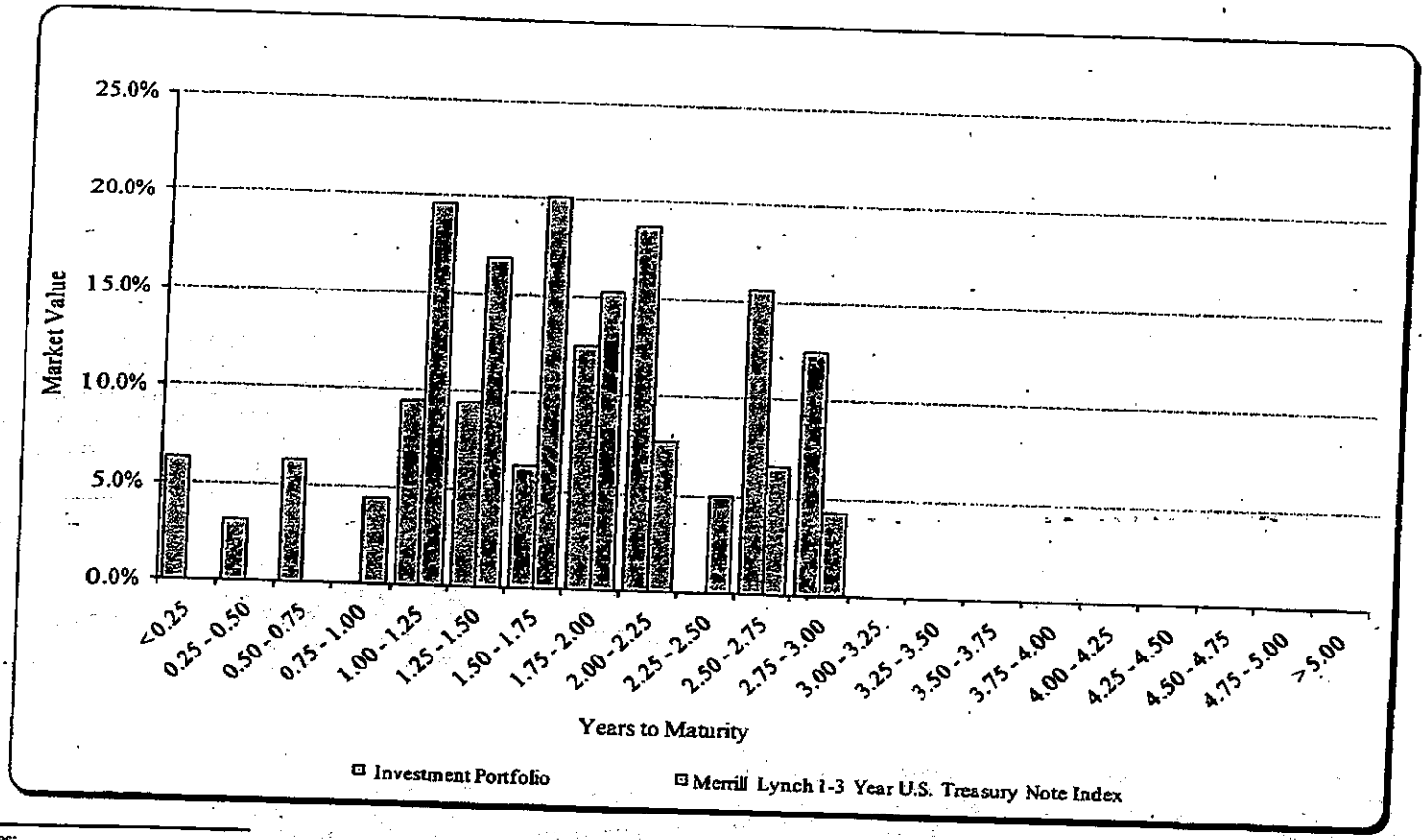
Maturity Distribution[1]	June 30, 2008	March 31, 2008
Overnight (Money Market Fund)	$0.00	$0.00
Under 6 Months	3,486,597.82	3,336,479.88
6 - 12 Months	2,147,045.71	7,548,332.83
1 - 2 Years	11,819,362.66	7,678,123.53
2 - 3 Years	12,583,156.17	10,975,059.43
3 - 4 Years	0.00	892,633.33
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	$30,036,162.36	$30,430,629.00



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 Benchmark[1]



Notes:

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

Short Term Fund Portfolio Statistics

Account Name	Amortized Cost[1,2,3] June 30, 2008	Amortized Cost[1,2,3] March 31, 2008	Market Value[1,2,3] June 30, 2008	Market Value[1,2,3] March 31, 2008	Duration (Years) June 30, 2008
Short Term Fund	$1,319,641.12	$2,620,940.85	$1,319,403.20	$2,621,997.18	0.15

Account Name	Quarterly Average Yield to Maturity on Cost[4] June 30, 2008	Quarterly Average Yield to Maturity on Cost[4] March 31, 2008	Quarterly Average Yield to Maturity at Market June 30, 2008	Quarterly Average Yield to Maturity at Market March 31, 2008	Duration (Years) March 31, 2008
Short Term Fund	2.86%	2.97%	2.63%	2.94%	0.20

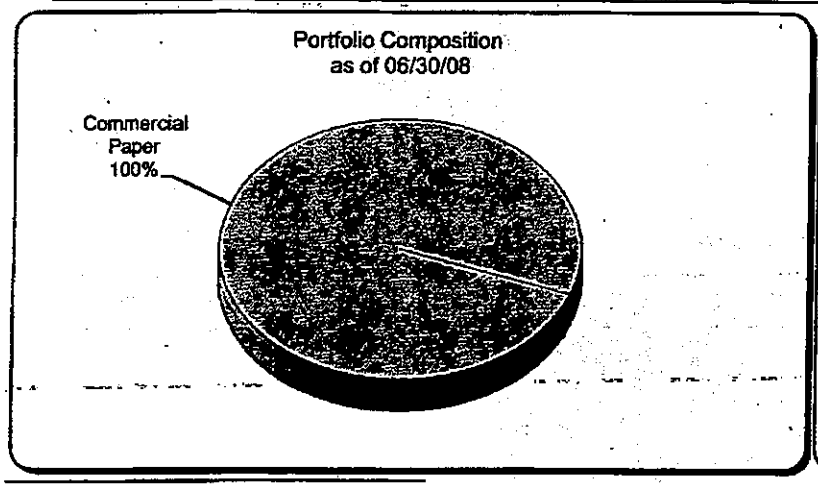
Benchmarks	June 30, 2008	March 31, 2008
Florida SBA Quarterly Return[5]	2.55%	3.79%

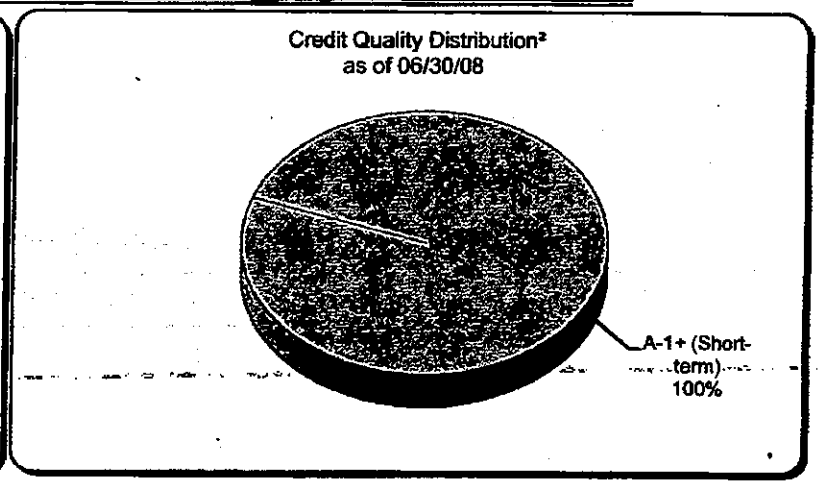
Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
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.

Short Term Fund Portfolio Composition and Credit Quality Characteristics

Security Type[1]	June 30, 2008	% of Portfolio	March 31, 2008	% of Portfolio
U.S. Treasuries	$0.00	0.0%	$0.00	0.0%
Federal Agencies	0.00	0.0%	0.00	0.0%
Commercial Paper	1,319,403.20	100.0%	2,621,997.18	100.0%
Certificates of Deposit	0.00	0.0%	0.00	0.0%
Bankers Acceptances	0.00	0.0%	0.00	0.0%
Repurchase Agreements	0.00	0.0%	0.00	0.0%
Municipal Obligations	0.00	0.0%	0.00	0.0%
Corporate Notes/Bonds	0.00	0.0%	0.00	0.0%
Mortgage Backed	0.00	0.0%	0.00	0.0%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	$1,319,403.20	100.0%	$2,621,997.18	100.0%



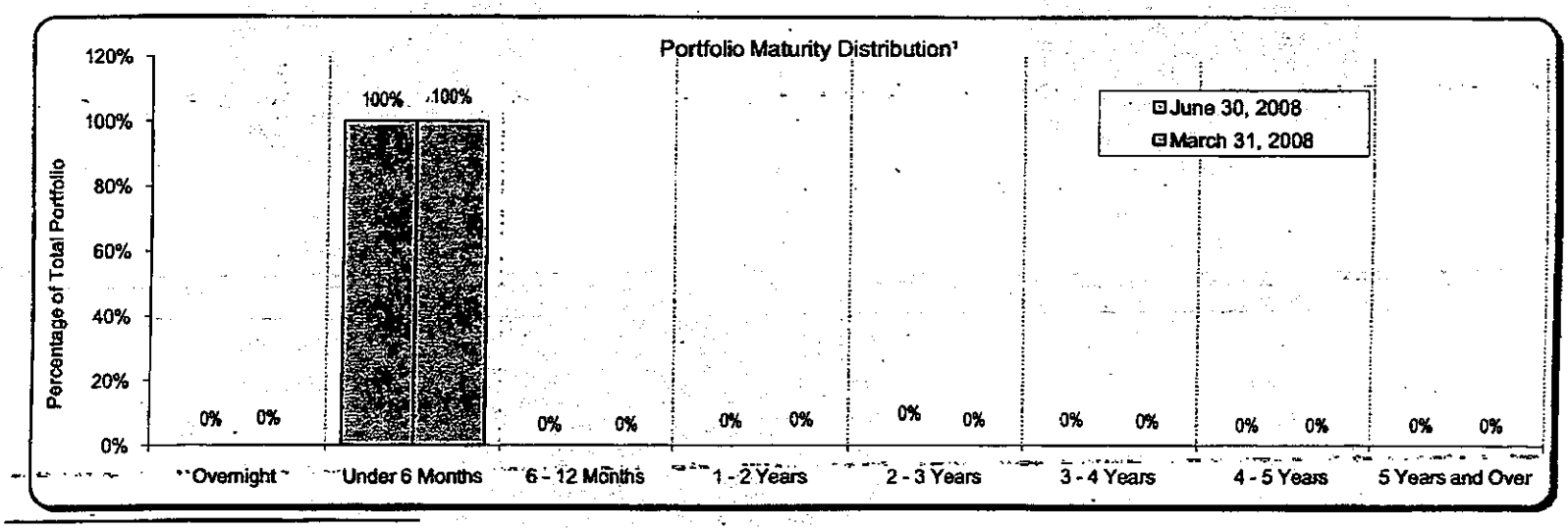


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, exclusive of money market fund/LGIP.

Short Term Fund Portfolio Maturity Distribution

Maturity Distribution[1]	June 30, 2008	March 31, 2008
Overnight (Money Market Fund)	$0.00	$0.00
Under 6 Months	1,319,403.20	2,621,997.18
6 - 12 Months	0.00	0.00
1 - 2 Years	0.00	0.00
2 - 3 Years	0.00	0.00
3 - 4 Years	0.00	0.00
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	$1,319,403.20	$2,621,997.18

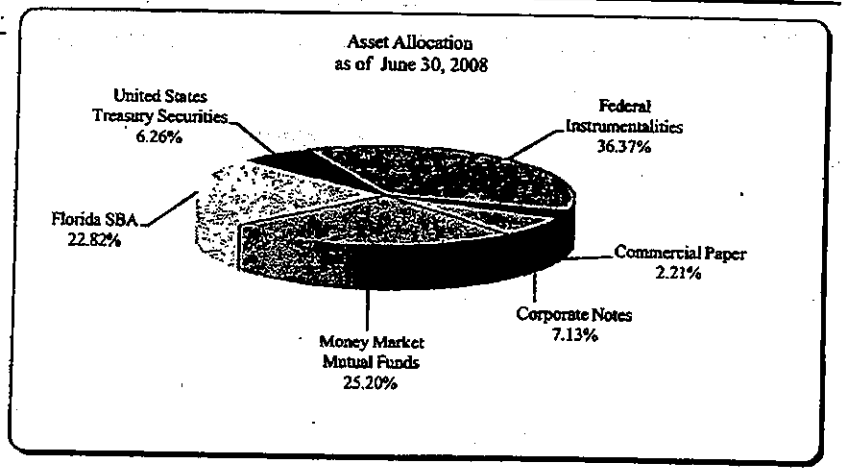


Notes:

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.

Asset Allocation as of June 30, 2008*

Security Type	June 30, 2008	Notes	Permitted by Policy
Florida SBA	22.82%		100%
United States Treasury Securities	6.26%		100%
United States Government Agency Securities	0.00%		100%
Federal Instrumentalities	36.37%	1	100%
Certificates of Deposit	0.00%		10%
Repurchase Agreements	0.00%		20%
Commercial Paper	2.21%		25%
Corporate Notes	7.13%		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	25.20%		20%
Intergovernmental Investment Pool	0.00%		25%



Individual Issuer Breakdown	June 30, 2008	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	0.08%		40%
Federal Farm Credit Bank (FFCB)	4.53%		40%
Federal Home Loan Bank (FHLB)	4.76%		40%
Federal National Mortgage Association (FNMA)	15.54%		40%
Federal Home Loan Mortgage Corporation (FHLMC)	11.36%		40%
Student Loan Marketing Association (SLMA)	0.00%		0%

Individual Issuer Breakdown	June 30, 2008	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%
Bank of America CP	2.21%		5%
CP B	0.00%		5%
CP C	0.80%		5%
Fleet National Bank	2.07%		5%
Wall-Mart	1.75%		5%
General Electric	1.10%		5%
Citigroup	2.21%		5%
BA Bank A	0.00%		5%
AID Israel Agency Notes	10.19%		40%
CCRF Money Market Fund	25.20%	2	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 June 30, 2008 is 36.37%.
2. Approved by City Commission due to the SBA situation.

* 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

June 30, 2008

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

Account Summary:
(Excluding Cash)

33880100 CITY OF HALLANDALE BEACH INV PORT

MONTH ENDED: June 30, 2008

SECURITY TYPE	PAR VALUE	AMORTIZED COST	MARKET VALUE	MARKET % OF PORTFOLIO	YTM AT COST	YTM AT MARKET	DURATION TO WORST
CORPORATE NOTE	4,105,000.00	4,170,913.04	4,191,456.21	14.131	4.966	3.800	0.872
FED AGY BOND/NOTE	21,192,000.00	21,346,464.35	21,650,962.57	72.995	4.312	3.183	1.629
FED AGY DN	123,000.00	122,908.71	122,933.85	0.414	3.395	2.152	0.024
US TSY BOND/NOTE	3,570,000.00	3,706,987.44	3,695,332.95	12.459	2.614	2.753	2.328
TOTAL SECURITIES	**28,990,000.00**	**29,347,273.54**	**29,660,685.58**	**100.000**	**4.189 %**	**3.212 %**	**1.602**
TOTAL INVESTMENTS	**28,990,000.00**	**29,347,273.54**	**29,660,685.58**	**100.000 %**			
ACCRUED INTEREST		355,476.78	355,476.78				
TOTAL PORTFOLIO	**$28,990,000.00**	**$29,702,750.32**	**$30,016,162.36**				

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.

PFM Asset Management LLC

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

(Excluding Cash)

MONTH ENDED: June 30, 2008

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												
046003JT7	ASSOCIATES CORP NA (CITI) GL SR N	1,300,000	6.250	11/01/08	AA-	08/29/07	09/04/07	1,311,479.00	5.445	13,541.67	1,303,396.43	1,310,622.30
33901LAA2	FLEET NATIONAL BANK (BAC) SUB I	1,200,000	5.750	01/15/09	AA	12/28/06	01/04/07	1,213,920.00	5.140	31,816.67	1,203,838.93	1,211,955.60
931142BE2	WAL-MART STORES INC GLOBAL SR	1,000,000	6.875	08/10/09	AA	09/26/06	09/29/06	1,048,780.00	5.022	26,927.08	1,019,719.85	1,036,761.00
36962GWB6	GENERAL ELEC CAP CORP GLOBAL S	605,000	6.125	02/22/11	AAA	03/03/08	03/06/08	648,432.95	3.549	13,278.49	643,957.83	632,117.31
		4,105,000						4,222,611.95	4.966	85,563.91	4,170,913.04	4,191,456.21
FED AGY BOND/NOTE												
31359MYY3	FNMA GLOBAL NOTES (EX-CALLA	2,000,000	4.750	08/25/08	AAA	11/22/05	11/23/05	1,989,400.00	4.955	33,250.00	1,999,399.04	2,006,250.00
3133XFEQ5	FHLB TAP BONDS	875,000	5.250	03/13/09	AAA	04/06/07	04/10/07	879,060.00	4.992	13,781.25	876,531.44	889,492.19
3134A3M78	FHLMC GLOBAL REFERENCE NOTES	198,000	6.625	09/15/09	AAA	08/31/06	09/06/06	206,933.76	4.999	3,862.38	201,718.16	206,600.63
31359MEY5	FNMA GLOBAL BENCHMARK NOTES	640,000	6.625	09/15/09	AAA	08/31/06	09/06/06	668,821.76	5.002	12,484.44	651,995.71	667,800.00
465139TX1	AID ZERO COUPON GLOBAL US GOV	120,000		11/01/09	TSY	11/22/05	11/23/05	100,462.50	4.563	0.00	112,994.25	115,880.76
3137EABB4	FHLMC GLOBAL NOTES	1,270,000	4.125	11/30/09	AAA	12/27/07	01/02/08	1,278,634.73	3.749	4,511.15	1,276,504.95	1,290,637.50
3133XGYT5	FHLB TAP BONDS	1,000,000	5.000	12/11/09	AAA	07/11/07	07/12/07	995,270.00	5.209	2,777.78	997,128.62	1,028,437.50
31331XRP9	FFCB BONDS	1,335,000	4.800	03/08/10	AAA	05/30/07	06/01/07	1,324,093.05	5.117	20,114.00	1,328,247.34	1,369,626.56
3133XJUS5	FHLB TAP BONDS	935,000	5.000	03/12/10	AAA	05/09/07	05/14/07	936,568.00	4.930	14,154.86	936,005.68	964,218.75
31331XWL2	FFCB DESIGNATED BONDS	1,350,000	4.750	05/07/10	AAA	07/31/07	08/01/07	1,340,381.25	5.026	9,618.75	1,343,495.12	1,388,812.50
31359MFS7	FNMA GLOBAL BENCHMARK NOTES	1,370,000	7.125	06/15/10	AAA	09/27/07	09/28/07	1,462,496.92	4.453	4,338.33	1,437,835.14	1,471,037.50
3137EABL2	FHLMC GLOBAL NOTES	1,437,000	2.875	06/28/10	AAA	06/10/08	06/10/08	1,417,857.72	3.552	4,360.90	1,418,392.59	1,427,811.82
3134A4VB7	FHLMC GLOBAL REFERENCE NOTES	750,000	4.125	07/12/10	AAA	07/05/07	07/09/07	725,739.75	5.302	14,523.44	733,215.20	763,125.00
31359MYN7	FNMA GLOBAL BENCHMARK NOTES	256,000	4.250	08/15/10	AAA	08/17/07	08/20/07	252,272.38	4.779	4,110.22	253,299.87	261,120.00
31359MYN7	FNMA GLOBAL BENCHMARK NOTES	258,000	4.250	08/15/10	AAA	08/21/07	08/24/07	254,819.63	4.698	4,142.33	255,690.11	263,160.00
3128X4GV7	FHLMC GLOBAL NOTES (EX-CALLA	246,000	4.875	08/16/10	AAA	08/21/07	08/24/07	246,998.76	4.727	4,497.19	246,728.59	254,092.42
31398AGU0	FNMA GLOBAL BENCHMARK NOTES	1,916,000	4.375	09/13/10	AAA	11/13/07	11/14/07	1,928,915.76	4.118	25,147.50	1,926,235.98	1,959,110.00
31359MF40	FNMA GLOBAL BENCHMARK NOTES	1,445,000	4.500	02/15/11	AAA	01/31/08	02/05/08	1,510,604.45	2.922	24,565.00	1,502,144.45	1,485,189.06
31359MF40	FNMA GLOBAL BENCHMARK NOTES	180,000	4.500	02/15/11	AAA	03/04/08	03/06/08	189,361.98	2.650	3,060.00	188,380.18	185,006.25
3137EABF5	FHLMC GLOBAL NOTES	143,000	3.250	02/25/11	AAA	01/15/08	01/17/08	143,277.13	3.183	2,155.92	143,241.34	142,240.31
3137EABF5	FHLMC GLOBAL NOTES	1,840,000	3.250	02/25/11	AAA	03/31/08	04/03/08	1,873,510.08	2.591	27,740.56	1,870,824.53	1,830,225.00
31359MJH7	FNMA GLOBAL BENCHMARK NOTES	800,000	6.000	05/15/11	AAA	05/30/07	06/01/07	824,844.00	5.122	6,133.33	818,537.25	852,000.00
3128X7VB7	FHLMC MTN (CALLABLE)	828,000	4.000	06/09/11	AAA	05/20/08	06/09/08	827,917.20	4.004	2,024.00	827,918.81	829,088.82
		21,192,000						21,378,240.81	4.312	241,353.33	21,346,464.35	21,650,962.57
FED AGY DN												
313588ZD0	FNMA DISC NOTE	123,000		07/09/08	A-1+	01/15/08	01/17/08	121,014.37	3.395	0.00	122,908.71	122,933.85
		123,000						121,014.37	3.395	0.00	122,908.71	122,933.85
US TSY BOND/NOTE												
912828HU7	US TREASURY NOTES	755,000	1.750	03/31/10	TSY	04/18/08	04/23/08	749,632.42	2.126	3,321.17	750,147.83	745,267.30

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

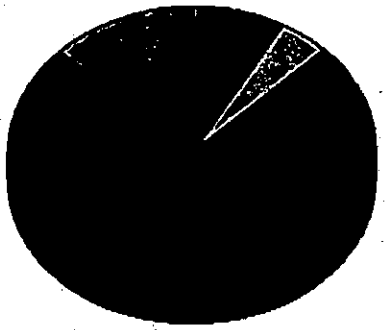
(Excluding Cash) MONTH ENDED: June 30, 2008

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
912828ED8	US TREASURY NOTES	770,000	4.125	08/15/10	TSY	05/29/08	05/30/08	791,596.09	2.807	11,954.57	790,771.52	793,340.24
912828FD7	US TREASURY NOTES	1,185,000	4.875	04/30/11	TSY	04/29/08	04/30/08	1,265,728.13	2.504	9,732.78	1,261,334.31	1,249,157.09
912828FH8	US TREASURY NOTES	860,000	4.875	05/31/11	TSY	05/29/08	05/30/08	906,023.44	2.998	3,551.02	904,733.78	907,568.32
		3,570,000						3,712,980.08	2.614	28,559.54	3,706,987.44	3,695,332.95
TOTAL SECURITIES		**$28,990,000**						**$29,434,847.21**	**4.189 %**	**$355,476.78**	**$29,347,273.54**	**$29,660,685.58**

Issuer by Market Value

AGENCY FOR INTERNATIONAL DEVELOPMENT	$115,881	0.4%
BANK OF AMERICA	$1,211,856	4.1%
CITIGROUP INC	$1,310,622	4.4%
FFCB	$2,758,429	9.3%
FHLB	$2,842,148	9.7%
FHLMC	$6,743,832	22.7%
FNMA	$9,273,657	31.3%
GENERAL ELECTRIC CO	$632,117	2.1%
UNITED STATES TREASURY	$3,695,333	12.5%
WAL-MART STORES INC	$1,656,791	5.6%
Total:	$29,660,686	100.0%

Ratings by Market Value



A-1+	$122,934	0.4%
AA	$2,248,717	7.6%
AA-	$1,310,622	4.4%
AAA	$22,167,199	74.7%
TSY	$3,811,214	12.8%
Total:	$29,660,686	100.0%

Fair Market Values & Analytics: 33880100 CITY OF HALLANDALE BEACH INV PORT

(Excluding Cash)

MONTH ENDED: June 30, 2008

SECURITY TYPE CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	FIRST CALL DATE	MARKET PRICE	MARKET VALUE	UNREAL G/(L) ON AMORT COST	UNREAL G/(L) ON COST	DURATION TO WORST	YTM AT MKT
CORPORATE NOTE											
046003JT7	ASSOCIATES CORP NA (CITI) GL SR N	1,300,000	6.250	11/01/08		100.817	1,310,622.30	7,225.87	(856.70)	0.332	3.750
33901LAA2	FLEET NATIONAL BANK (BAC) SUB I	1,200,000	5.750	01/15/09		100.996	1,211,955.60	8,116.67	(1,964.40)	0.518	3.870
931142BE2	WAL-MART STORES INC GLOBAL SR	1,000,000	6.875	08/10/09		103.676	1,036,761.00	17,041.15	(12,019.00)	1.045	3.469
36962GWB6	GENERAL ELEC CAP CORP GLOBAL S	605,000	6.125	02/22/11		104.482	632,117.31	(11,840.52)	(16,315.64)	2.385	4.311
FED AGY BOND/NOTE											
31359MYY3	FNMA GLOBAL NOTES (EX-CALLA	2,000,000	4.750	08/25/08	08/25/06	100.313	2,006,250.00	6,850.96	16,850.00	0.152	2.653
3133XFEQ5	FHLB TAP BONDS	875,000	5.250	03/13/09		101.656	889,492.19	12,960.75	10,432.19	0.681	2.846
3134A3M78	FHLMC GLOBAL REFERENCE NOTES	198,000	6.625	09/15/09		104.344	206,600.63	4,882.47	(333.13)	1.145	2.935
31359MEY5	FNMA GLOBAL BENCHMARK NOTES	640,000	6.625	09/15/09		104.344	667,800.00	15,804.29	(1,021.76)	1.145	2.935
465139TX1	AID ZERO COUPON GLOBAL US GOV	120,000		11/01/09		96.567	115,880.76	2,886.51	15,418.26	1.322	2.631
3137EABB4	FHLMC GLOBAL NOTES	1,270,000	4.125	11/30/09		101.625	1,290,637.50	14,132.55	12,002.77	1.367	2.944
3133XGYT5	FHLB TAP BONDS	1,000,000	5.000	12/11/09		102.844	1,028,437.50	31,308.88	33,167.50	1.391	2.977
31331XRP9	FFCB BONDS	1,335,000	4.800	03/08/10		102.594	1,369,626.56	41,379.22	45,533.51	1.595	3.207
3133XJUS5	FHLB TAP BONDS	935,000	5.000	03/12/10		103.125	964,218.75	28,213.07	27,650.75	1.605	3.096
31331XWL2	FFCB DESIGNATED BONDS	1,350,000	4.750	05/07/10		102.875	1,388,812.50	45,317.38	48,431.25	1.758	3.138
31359MFS7	FNMA GLOBAL BENCHMARK NOTES	1,370,000	7.125	06/15/10		107.375	1,471,037.50	33,202.36	8,540.58	1.832	3.208
3137EABL2	FHLMC GLOBAL NOTES	1,437,000	2.875	06/28/10		99.361	1,427,811.82	9,419.23	9,954.10	1.917	3.206
3134A4VB7	FHLMC GLOBAL REFERENCE NOTES	750,000	4.125	07/12/10		101.750	763,125.00	29,909.80	37,385.25	1.905	3.228
31359MYN7	FNMA GLOBAL BENCHMARK NOTES	256,000	4.250	08/15/10		102.000	261,120.00	7,820.13	8,847.62	1.992	3.267
31359MYN7	FNMA GLOBAL BENCHMARK NOTES	258,000	4.250	08/15/10		102.000	263,160.00	7,469.89	8,340.37	1.992	3.267
3128X4GV7	FHLMC GLOBAL NOTES (EX-CALLA	246,000	4.875	08/16/10	08/16/06	103.290	254,092.42	7,363.83	7,093.66	1.982	3.260
31398AGU0	FNMA GLOBAL BENCHMARK NOTES	1,916,000	4.375	09/13/10		102.250	1,959,110.00	32,874.02	30,194.24	2.065	3.305
31359MF40	FNMA GLOBAL BENCHMARK NOTES	1,445,000	4.500	02/15/11		102.781	1,485,189.06	(16,955.39)	(25,415.39)	2.427	3.382
31359MF40	FNMA GLOBAL BENCHMARK NOTES	180,000	4.500	02/15/11		102.781	185,006.25	(3,373.93)	(4,355.73)	2.427	3.382
3137EABF5	FHLMC GLOBAL NOTES	143,000	3.250	02/25/11		99.469	142,240.31	(1,001.03)	(1,036.82)	2.483	3.459
3137EABF5	FHLMC GLOBAL NOTES	1,840,000	3.250	02/25/11		99.469	1,830,225.00	(40,599.53)	(43,285.08)	2.483	3.459
31359MJH7	FNMA GLOBAL BENCHMARK NOTES	800,000	6.000	05/15/11		106.500	852,000.00	33,462.75	27,156.00	2.626	3.598
3128X7VB7	FHLMC MTN (CALLABLE)	828,000	4.000	06/09/11	09/09/08	100.132	829,088.82	1,170.01	1,171.62	0.191	3.951
FED AGY DN											
313588ZD0	FNMA DISC NOTE	123,000		07/09/08		99.946	122,933.85	25.14	1,919.48	0.024	2.152

Fair Market Values & Analytics:

33880100 *CITY OF HALLANDALE BEACH INV PORT*

(Excluding Cash)

MONTH ENDED: June 30, 2008

SECURITY TYPE CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	FIRST CALL DATE	MARKET PRICE	MARKET VALUE	UNREAL G/(L) ON AMORT COST	UNREAL G/(L) ON COST	DURATION TO WORST	YTM AT MKT
US TSY BOND/NOTE											
912828HU7	US TREASURY NOTES	755,000	1.750	03/31/10		98.711	745,267.30	(4,880.53)	(4,365.12)	1.704	2.506
912828ED8	US TREASURY NOTES	770,000	4.125	08/15/10		103.031	793,340.24	2,568.72	1,744.15	2.003	2.648
912828FD7	US TREASURY NOTES	1,185,000	4.875	04/30/11		105.414	1,249,157.09	(12,177.22)	(16,571.04)	2.629	2.871
912828FH8	US TREASURY NOTES	860,000	4.875	05/31/11		105.531	907,568.32	2,834.54	1,544.88	2.712	2.884
SUBTOTALS							$29,660,685.58	$313,412.04	$225,838.37	1.602	3.212 %

ACCRUED INTEREST ON INVESTMENT	355,476.78
TOTAL MARKET VALUE OF INVESTMENTS	$30,016,162.36

Security Transactions & Interest: *33880100* *CITY OF HALLANDALE BEACH INV PORT*

(Excluding Cash)

MONTH ENDED: June 30, 2008

TRADE	SETTLE	TRAN TYPE	SECURITY DESCRIPTION	CUSIP	S&P RATING	PAR	COUPON	MATURITY DATE	PRINCIPAL AMOUNT	ACCRUED INTEREST	TOTAL
06/02/08	06/02/08	INTEREST	MONEY MARKET FUND	MONEY0002	NR				0.00	404.88	404.88
06/11/08	06/11/08	INTEREST	FHLB TAP BONDS	3133XGYT5	AAA	1,000,000	5.000	12/11/09	0.00	25,000.00	25,000.00
06/15/08	06/15/08	INTEREST	FNMA GLOBAL BENCHMARK NOTES	31359MFS7	AAA	1,370,000	7.125	06/15/10	0.00	48,806.25	48,806.25
						2,370,000			0.00	74,211.13	74,211.13
05/20/08	06/09/08	BUY	FHLMC MTN (CALLABLE)	3128X7VB7	AAA	828,000	4.000	06/09/11	(827,917.20)	0.00	(827,917.20)
06/10/08	06/10/08	BUY	FHLMC GLOBAL NOTES	3137EABL2	AAA	1,437,000	2.875	06/28/10	(1,417,857.72)	(1,950.93)	(1,419,808.65)
						2,265,000			(2,245,774.92)	(1,950.93)	(2,247,725.85)
06/09/08	06/09/08	MATURITY	FHLMC DISC NOTE	313396XX6	A-1+	820,000	0.000	06/09/08	820,000.00	0.00	820,000.00
						820,000			820,000.00	0.00	820,000.00

TOTAL SECURITY TRANSACTIONS **(1,353,514.72)**

Cash Transactions Report: *33880100* *CITY OF HALLANDALE BEACH INV PORT*

MONTH ENDED: June 30, 2008

CASH DATE	TRANSACTION CODE	TRANSACTION DESCRIPTION	TOTAL AMOUNT
06/30/08	CC	TRANSFER FROM 33880110	454.58
			454.58
NET CASH CONTRIBUTIONS/(WITHDRAWS)			$454.58

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

(Excluding Cash)

MONTH ENDED: June 30, 2008

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
06/09/08	06/09/08	MATURITY		FHLMC DISC NOTE	313396XX6	820,000	0.000	820,000.00	697.00	0.00
TOTAL GAINS AND LOSSES									$697.00	$0.00

Cash Balance Report: 33880100 CITY OF HALLANDALE BEACH INV PORT

MONTH ENDED: June 30, 2008

CASH BALANCE: $75,429.22

Earnings Calculation Templates

Current Month-End Book Value	+	
Current Month-End Accrued Interest	+	
Less Purchases	-	
Less Purchased Interest	-	
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		

Add Coupon Interest Received	+	
Less Purchased Interest Related to Coupons	-	
Add/Subtract Gains or Losses on Cost For The Mth	+/-	
Total Cost Basis Earnings For The Month		

Economic Calendar

07/01/2008 - ISM Manufacturing
07/03/2008 - Unemployment Rate
07/03/2008 - Change in Nonfarm Payrolls
07/08/2008 - Pending Homes Sales
07/15/2008 - Retail Sales
07/15/2008 - Producer Price Index
07/16/2008 - Consumer Price Index
07/17/2008 - Housing Starts
07/25/2008 - New Home Sales
07/25/2008 - Durable Goods Orders
07/31/2008 - 2nd Quarter GDP
07/31/2008 - Chicago Purchasing Manager

Market Commentary

The FOMC opted to leave the overnight lending rate unchanged at 2.00% during their June meeting. The Fed noted economic weakness but also emphasized its concern over growing inflation expectations. Global markets have become increasingly worried that surging energy and food price will push key inflation measures higher. Central bankers around the world, including the United States, have warned that they would be willing to increase interest rates in order to help combat inflation. Most economists, analysts and investors now expect the Fed's next interest rate action to be an increase. The timing and extent of potential rate hikes will be dependent on economic conditions. Central banks will have to strike a delicate balance between growth and the need to control inflation. Equity markets are now close to entering bear market territory as credit concerns continue to pressure financial stocks. Consumer confidence continues to decline as most measures indicate that consumers are worried about energy costs and their future financial outlook. Housing seems to have stabilized but still high inventories could pressure prices. The labor market continues to weaken as the unemployment rate jumped from 5.0% to 5.5%. The future direction of the economy is anything but clear resulting in a great deal of uncertainty in most markets.

Investment Portfolio Information For

CITY OF HALLANDALE BEACH SHORT TERM FUND

Portfolio #

33880110

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

June 30, 2008

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

PFM Asset Management LLC * One Keystone Plaza * North Front & Market Streets, Suite 300 * Harrisburg, PA 17101-2044 * (717)232-2723
For more information, please contact your client manager: STEVEN ALEXANDER (407) 648-2208 ALEXANDERS@pfm.com

PFM Asset Management LLC

Account Summary:

33880110 CITY OF HALLANDALE BEACH SHORT TERM FUND

MONTH ENDED: June 30, 2008

(Excluding Cash)

SECURITY TYPE	PAR VALUE	AMORTIZED COST	MARKET VALUE	MARKET % OF PORTFOLIO	YTM AT COST	YTM AT MARKET	DURATION TO WORST
COMMERCIAL PAPER	1,325,000.00	1,319,641.12	1,319,403.20	100.000	2.611	2.679	0.154
TOTAL SECURITIES	**1,325,000.00**	**1,319,641.12**	**1,319,403.20**	**100.000**	**2.611 %**	**2.679 %**	**0.154**
TOTAL INVESTMENTS	**1,325,000.00**	**1,319,641.12**	**1,319,403.20**	**100.000 %**			
ACCRUED INTEREST		0.00	0.00				
TOTAL PORTFOLIO	**$1,325,000.00**	**$1,319,641.12**	**$1,319,403.20**				

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.

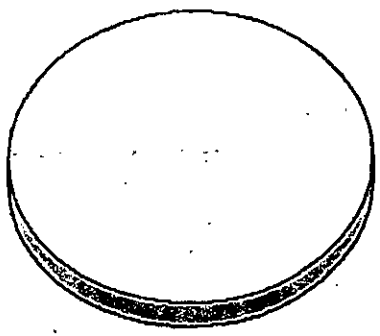
Detail of Securities Held: 33880110 CITY OF HALLANDALE BEACH SHORT TERM FUND

(Excluding Cash)

MONTH ENDED: June 30, 2008

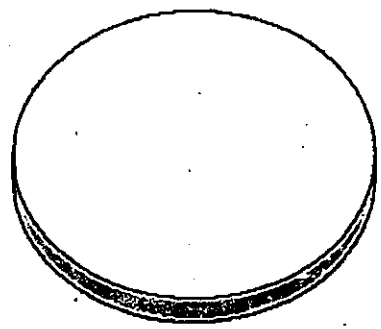
SECURITY TYPE CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	S&P RATING	TRADE DATE	SETTLE DATE	ORIGINAL COST	YTM AT COST	ACCRUED INTEREST	AMORTIZED COST	MARKET VALUE
COMMERCIAL PAPER												
0660P0HS5	BANK OF AMERICA CORP COMM PA	1,325,000		08/26/08	A-1+	06/27/08	06/30/08	1,319,545.42	2.611	0.00	1,319,641.12	1,319,403.20
		1,325,000						1,319,545.42	2.611	0.00	1,319,641.12	1,319,403.20
TOTAL SECURITIES		$1,325,000						$1,319,545.42	2.611 %	$0.00	$1,319,641.12	$1,319,403.20

Issuer by Market Value



BANK OF AMERICA CORP	$1,319,403	100.0%
Total:	$1,319,403	100.0%

Ratings by Market Value



A-1+	$1,319,403	100.0%
Total:	$1,319,403	100.0%

Fair Market Values & Analytics: *33880110* *CITY OF HALLANDALE BEACH SHORT TERM FUND*

(Excluding Cash)

MONTH ENDED: June 30, 2008

SECURITY TYPE CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	FIRST CALL DATE	MARKET PRICE	MARKET VALUE	UNREAL G/(L) ON AMORT COST	UNREAL G/(L) ON COST	DURATION TO WORST	YTM AT MKT
COMMERCIAL PAPER											
0660P0HS5	BANK OF AMERICA CORP COMM PA	1,325,000		08/26/08		99.578	1,319,403.20	(237.92)	(142.22)	0.154	2.679
SUBTOTALS							$1,319,403.20	($237.92)	($142.22)	0.154	2.679 %

ACCRUED INTEREST ON INVESTMENT	0.00
TOTAL MARKET VALUE OF INVESTMENTS	$1,319,403.20

Security Transactions & Interest: *33880110* *CITY OF HALLANDALE BEACH SHORT TERM FUND*

(Excluding Cash)

MONTH ENDED: June 30, 2008

TRADE	SETTLE	TRAN TYPE	SECURITY DESCRIPTION	CUSIP	S&P RATING	PAR	COUPON	MATURITY DATE	PRINCIPAL AMOUNT	ACCRUED INTEREST	TOTAL
06/27/08	06/30/08	BUY	BANK OF AMERICA CORP COMM PAPE	0660P0HS5	A-1+	1,325,000	0.000	08/26/08	(1,319,545.42)	0.00	(1,319,545.42)
						1,325,000			(1,319,545.42)	0.00	(1,319,545.42)
06/30/08	06/30/08	MATURITY	CITIGROUP FUNDING INC COMM PAPE	17307RFW9	A-1+	1,320,000	0.000	06/30/08	1,320,000.00	0.00	1,320,000.00
						1,320,000			1,320,000.00	0.00	1,320,000.00

TOTAL SECURITY TRANSACTIONS 454.58

PFM Asset Management LLC

Cash Transactions Report: *33880110* *CITY OF HALLANDALE BEACH SHORT TERM FUND*

MONTH ENDED: June 30, 2008

CASH DATE	TRANSACTION CODE	TRANSACTION DESCRIPTION	TOTAL AMOUNT
06/30/08	CW	TRANSFER TO 33880100	(454.58)
			(454.58)
NET CASH CONTRIBUTIONS/(WITHDRAWS)			($454.58)

Realized Gains and Losses: 33880110 CITY OF HALLANDALE BEACH SHORT TERM FUND

MONTH ENDED: June 30, 2008

(Excluding Cash)

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
06/30/08	06/30/08	MATURITY		CITIGROUP FUNDING INC COMM PAPER	17307RFW9	1,320,000	0.000	1,320,000.00	16,333.17	0.00
TOTAL GAINS AND LOSSES									$16,333.17	$0.00

PFM Asset Management LLC

Cash Balance Report: 33880110 CITY OF HALLANDALE BEACH SHORT-TERM FUND

MONTH ENDED: June 30, 2008

CASH BALANCE: $0.00

Earnings Calculation Templates

Current Month-End Book Value	+	
Current Month-End Accrued Interest	+	
Less Purchases	-	
Less Purchased Interest	-	
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		

Add Coupon Interest Received	+	
Less Purchased Interest Related to Coupons	-	
Add/Subtract Gains or Losses on Cost For The Mth	+/-	
Total Cost Basis Earnings For The Month		

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