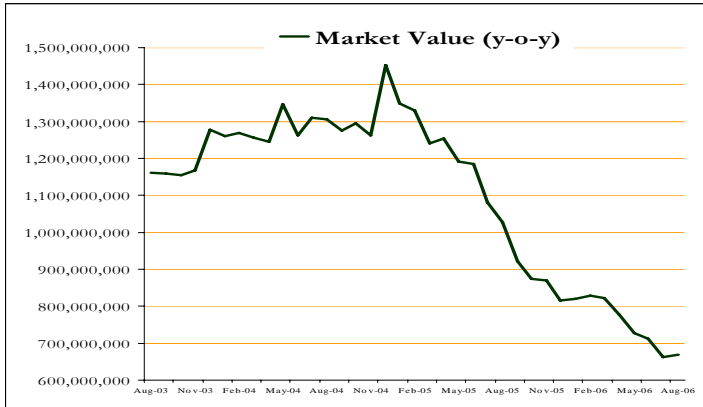


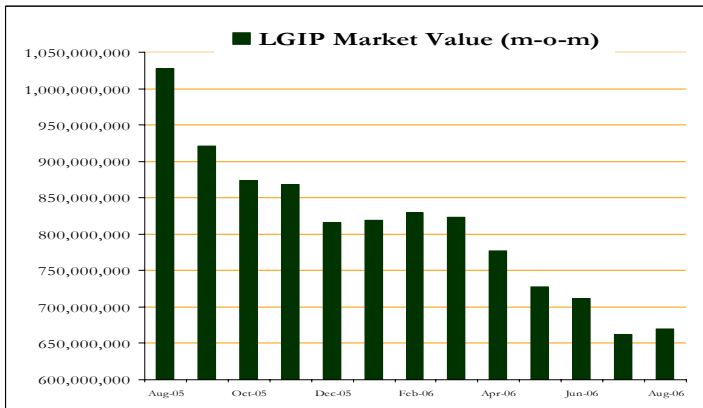
EXECUTIVE SUMMARY

As of August 31, 2006.

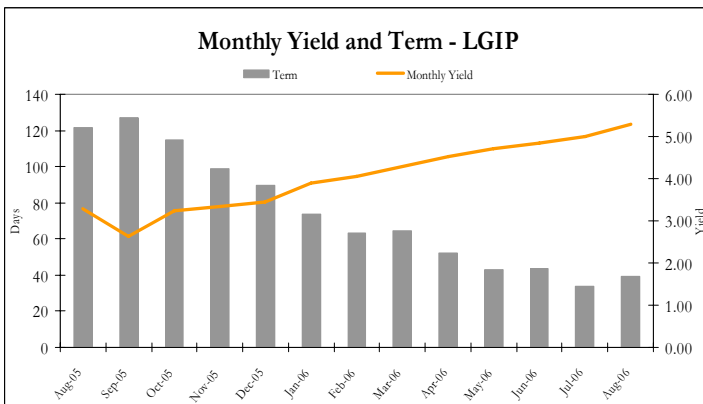
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)



- The market value of the LGIP portfolio as of August 31 was \$668.69 million, compared to a market value of \$1.027 billion at the same period in the prior fiscal year.



- The market value of the investment portfolio as of August 31, \$668.69 million, increased 1.0% over the \$662.3 million market value at July 31. The increase in pool balance can be attributed to participant response to promotion of the AAA rating and a much-improved, competitive yield.



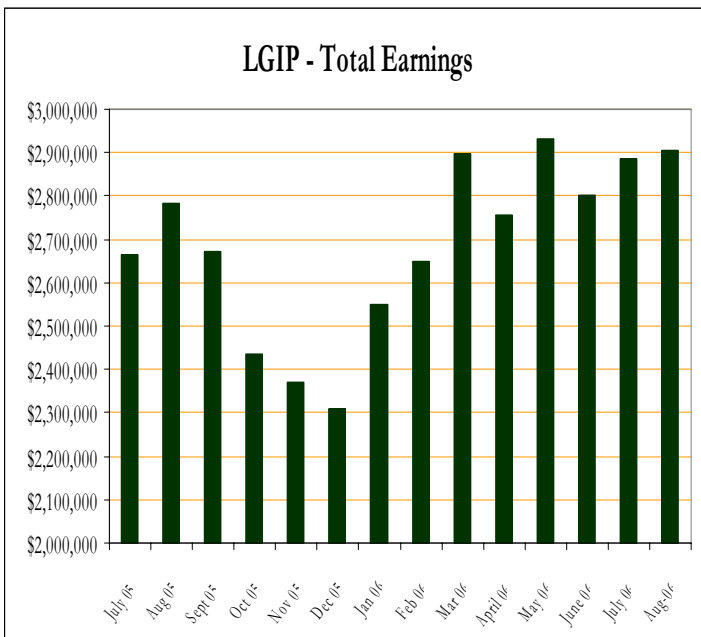
- The average yield of the LGIP Portfolio increased 28 basis points to 5.291% at August 31. The weighted average maturity at August 31 was 39 days, slightly up from July 31 weighted average maturity of 34 days, but still within the allowable limit of 50 days.

Local Government Investment Portfolio

Asset Type	Yield	Market Value	% of Portfolio	Term (days)
Agencies	5.18%	\$ 276,759,633	41.31%	25.10
Commercial Paper	5.45%	\$ 221,039,517	32.90%	57.70
Money Market Funds	5.29%	\$ 157,450,000	23.53%	1.22
Certificates of Deposit	4.39%	\$ 11,500,000	1.72%	83.60
LGIP Bank Account	5.03%	\$ 3,259,068	0.49%	1.00
Total:	5.29%	\$ 670,008,218	100.0%	39

- August investment activity in the LGIP Portfolio included the purchase of \$ 132.9 million in A-1+ commercial paper with an average yield of 5.436% and average term of 84 days. In addition, \$81.73 million in agency discount notes was purchased with an average yield of 5.345% and average term of 60 days.

LGIP - Total Earnings



- Total LGIP earnings for August were \$ 2.90 million a slight increase over July earnings of \$ 2.88 million. Fiscal year-to-date earnings for the LGIP totaled \$5.78 million compared to \$2.22 million for the same period last fiscal year.