

Voyageur ASSET MANAGEMENT INC.

**Penn Manor School District
General Fund
December 31, 2002**

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Market Overview

Interest rates fell sharply through the month of December, with the five-year Treasury yield dropping 0.55% to 2.72%. A host of issues including concerns about war in Iraq, lackluster economic reports, threats from North Korea and an oil blockade in Venezuela have increased investor fears, driving another flight to quality. The yield on the two-year Treasury fell to 1.59%, and the ten-year Treasury yield fell to 3.82%. Yields on money market securities were unchanged near 1.20%. The slope of the Treasury curve from two to ten years remains steep at over 2.20%.

Economy

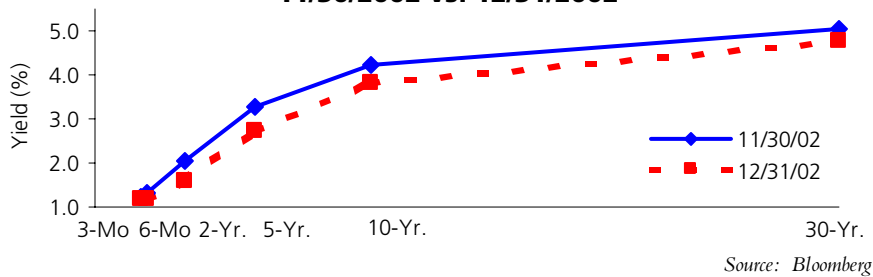
GDP: Gross Domestic Product rose 4.0% for the third quarter of 2002, slightly higher than earlier estimates due to higher than estimated inventory building and consumer spending. The GDP deflator remains low, at an annual rate of 1.0% the past quarter. Analyst expectations are for fourth quarter GDP growth to be much lower, with weaker auto sales slowing the pace of overall growth.

Inflation: The Consumer Price Index rose 0.2% in November, and is up 2.2% on a year-over-year basis. Excluding the food and energy components, the core CPI is up 2.0% from a year ago.

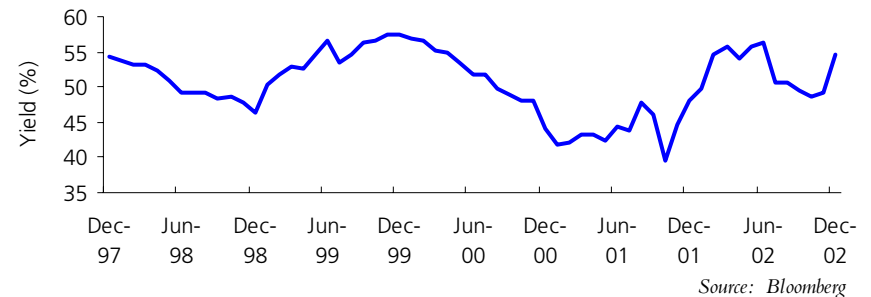
Fed: The Federal Reserve Open Market Committee left its target rate for fed funds at 1.25% at its December meeting. In various speeches Federal Reserve Chairman Alan Greenspan and other governors have been more direct in addressing the forces of deflation. In their remarks they have detailed the policy tools that can be used to combat lower prices. Perhaps more importantly they are informing investors of their awareness of a potential problem and can be expected to take action in preventing it. For this reason analysts conclude that a move to tighten policy will come only after an economic rebound is firmly in place.

ISM: The Institute of Supply Management purchasing managers' survey index rose to 54.7 in December. The result was a surprisingly strong reading, fueled largely by growth in the New Orders component, suggesting that inventory levels may be set to rebound in anticipation of further consumption.

**U.S. Treasury Yield Curve
11/30/2002 vs. 12/31/2002**

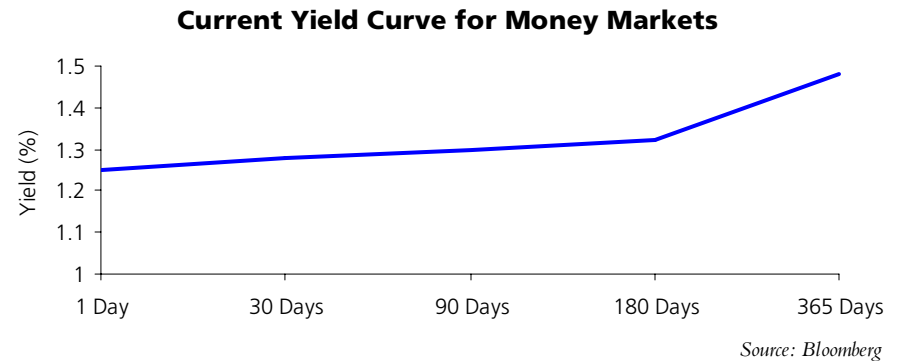
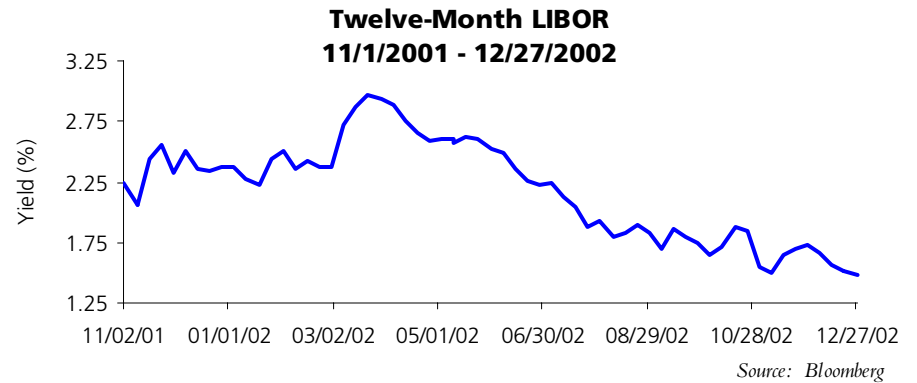


**ISM Purchasing Managers' Index
11/30/1997 - 12/31/2002**



Cash Management

Short-term yields drifted lower throughout the month of December, while the target fed funds rate remained steady at 1.25%. Investors noted that yields settled to around 1.30% across one- through six-month terms to maturity, while yields in the one-year area fell another 20 basis points as the month progressed. The market is not expecting the FOMC to lower rates further in the first quarter. However, yields are still vulnerable to drift lower based on a heavy demand for product, the continued mixed economic data, and uncertainty in the global political climate.



Portfolio Asset Allocation

Penn Manor School District General Fund

	Quantity (Units)	Amortized Cost	Market Value	Market Yield	Estimated Income	Percent Assets
Cash	228,849	228,849.46	228,849.46	1.04%	2,380.03	1.02%
Fixed Income	21,873,000	22,077,938.52	22,100,934.40	1.29%	1,033,879.75	98.98%
Total	22,101,849	22,306,787.98	22,329,783.86	1.29%	1,036,259.78	100.00%

Fixed Income Holdings

Penn Manor School District General Fund

	Rating	Purchase Date	Quantity (Units)	Security Description	Amortized Cost	Market Value	Unrealized Gain/Loss	Accrued Income	Trade Yield	Mkt Yield	Avg Life	Mod Dur	Percent Assets
Cash/MMF			228,849	Cash/Money Market -CASH-	228,849.46	228,849.46	0.00	0.00	1.04%	1.04%	0.00	0.00	1.02%
Agency	AGY/AGY	08/29/02	1,200,000	FNMA Discount Note 0.000 01/08/03 313588AH8	1,199,549.33	1,199,685.33	136.00	0.00	1.72%	1.20%	0.02	0.02	5.37%
	AGY/AGY	10/15/02	405,000	FNMA Global 5.250 01/15/03 31359MDF7	405,533.87	405,607.50	73.63	9,804.38	1.82%	1.27%	0.04	0.04	1.82%
	AGY/AGY	08/28/02	1,000,000	FHLB 5.610 01/21/03 3133M2K48	1,002,085.91	1,002,360.00	274.09	24,933.33	1.82%	1.26%	0.06	0.06	4.49%
	AGY/AGY	09/04/02	1,250,000	FFCB 1.730 02/03/03 31331LVE5	1,250,000.00	1,250,390.63	390.63	9,010.42	1.72%	1.35%	0.09	0.09	5.60%
	AGY/AGY	12/30/02	200,000	FHLB 5.000 02/14/03 3133MD6M0	200,862.00	200,870.00	8.00	3,777.78	1.44%	1.41%	0.12	0.12	0.90%
	AGY/AGY	12/11/02	500,000	FNMA 5.000 02/14/03 31359MHA4	502,136.13	502,150.00	13.87	9,444.44	1.39%	1.45%	0.12	0.12	2.25%
	AGY/AGY	07/08/02	1,225,000	FHLMC Global 7.000 02/15/03 3134A33D6	1,232,553.31	1,233,421.88	868.57	32,394.44	1.90%	1.30%	0.13	0.13	5.52%
	AGY/AGY	08/29/02	1,000,000	FNMA Discount Note 0.000 02/19/03 313588CB9	997,680.56	998,263.89	583.33	0.00	1.71%	1.27%	0.14	0.14	4.47%
	AGY/AGY	08/28/02	2,130,000	FHLB 5.000 02/28/03 3133MDGE7	2,140,957.67	2,142,354.00	1,396.33	36,387.50	1.72%	1.24%	0.17	0.16	9.59%
	AGY/AGY	10/31/02	200,000	FHLB 6.025 03/17/03 3133M3SS5	201,830.70	201,980.00	149.30	3,481.11	1.65%	1.28%	0.21	0.21	0.90%
	AGY/AGY	10/31/02	250,000	FHLB 6.085 03/24/03 3133M3WG6	252,533.53	252,734.38	200.85	4,098.92	1.65%	1.29%	0.23	0.23	1.13%
	AGY/AGY	11/06/02	200,000	FHLMC 6.220 03/24/03 313400TH6	202,168.90	202,250.00	81.10	3,351.89	1.48%	1.29%	0.23	0.23	0.91%
	AGY/AGY	07/08/02	1,604,000	FNMA Global 5.750 04/15/03 31359MDT7	1,622,300.80	1,624,551.25	2,250.45	19,470.78	1.74%	1.27%	0.29	0.29	7.28%
	AGY/AGY	11/25/02	225,000	FHLB 5.025 04/28/03 3133M5ZL7	227,511.27	227,671.88	160.61	1,978.59	1.56%	1.33%	0.33	0.32	1.02%
	AGY/AGY	08/22/02	500,000	FHLB 6.020 05/06/03 3133M44W0	507,208.50	508,125.00	916.50	4,598.61	1.82%	1.30%	0.35	0.34	2.28%
	AGY/AGY	10/03/02	1,450,000	FHLB 7.250 05/15/03 3133MBHK6	1,480,255.91	1,481,465.00	1,209.09	13,432.64	1.59%	1.37%	0.38	0.37	6.63%
	AGY/AGY	09/05/02	2,285,000	FHLB 4.500 05/15/03 3133MEUD1	2,308,297.35	2,312,134.38	3,837.03	13,138.75	1.73%	1.28%	0.38	0.37	10.37%
	AGY/AGY	11/25/02	880,000	FHLMC Global 7.375 05/15/03 3134A34H6	899,555.62	899,800.00	244.38	8,292.78	1.36%	1.28%	0.38	0.37	4.03%

Fixed Income Holdings

Penn Manor School District General Fund

Rating	Purchase Date	Quantity (Units)	Security Description	Amortized Cost	Market Value	Unrealized Gain/Loss	Accrued Income	Trade Yield	Mkt Yield	Avg Life	Mod Dur	Percent Assets	
AGY/AGY	09/16/02	500,000	FNMA 6.710 05/21/03 31364CDD7	509,215.23	510,464.50	1,249.27	3,727.78	1.91%	1.28%	0.39	0.38	2.29%	
AGY/AGY	12/17/02	595,000	FNMA Discount Note 0.000 05/30/03 313588GF6	591,405.21	591,851.46	446.25	0.00	1.48%	1.29%	0.41	0.41	2.65%	
AGY/AGY	10/31/02	500,000	FHLB 5.865 06/02/03 3133M4KM4	508,723.65	509,531.25	807.60	2,362.29	1.67%	1.28%	0.42	0.42	2.28%	
AGY/AGY	08/28/02	1,000,000	FFCB 5.720 06/03/03 31331RVH5	1,016,165.25	1,018,630.00	2,464.75	4,448.89	1.84%	1.27%	0.43	0.42	4.56%	
AGY/AGY	11/27/02	344,000	FHLMC Global 4.500 06/15/03 3134A4FF6	348,852.93	348,781.60	-71.33	688.00	1.38%	1.42%	0.46	0.45	1.56%	
AGY/AGY	10/04/02	405,000	FFCB 5.700 06/18/03 31331RWK7	412,399.43	413,268.08	868.65	833.63	1.72%	1.26%	0.47	0.46	1.85%	
AGY/AGY	08/14/02	700,000	FFCB 6.230 06/30/03 31331HXA0	715,603.99	717,162.60	1,558.61	121.14	1.72%	1.30%	0.50	0.49	3.21%	
AGY/AGY	08/28/02	843,000	FNMA 6.050 06/30/03 31364AZT2	860,635.36	862,918.40	2,283.04	141.67	1.82%	1.29%	0.50	0.49	3.86%	
Subtotal		21,391,000		21,596,022.41	21,618,423.01	22,400.60	209,919.76	1.70%	1.29%	0.27	0.27	96.82%	
Cert Dep	P-1/A-1	11/14/02	98,000	Mill Creek Bank CD 1.750 02/20/03 59982PEL2	98,000.00	98,048.11	48.11	200.08	1.77%	1.42%	0.14	0.14	0.44%
	P-1/A-1	11/07/02	98,000	Gateway Bank FSB 1.900 05/19/03 36758PBD3	98,000.00	98,190.76	190.76	227.58	1.93%	1.41%	0.38	0.38	0.44%
	P-1/A-1	11/14/02	98,000	Heritage Bank 1.550 05/22/03 42725DAP2	97,980.78	98,060.61	79.83	168.78	1.62%	1.41%	0.39	0.39	0.44%
	P-1/A-1	11/19/02	98,000	Beal Bank 1.700 05/28/03 07368XWW4	97,980.08	98,123.29	143.21	161.97	1.77%	1.41%	0.41	0.41	0.44%
	P-1/A-1	12/20/02	90,000	Memphis First Bank 1.600 06/30/03 586262AC1	89,955.25	90,088.62	133.37	7.89	1.70%	1.40%	0.50	0.50	0.40%
Subtotal			482,000		481,916.11	482,511.39	595.28	766.30	1.76%	1.41%	0.36	0.36	2.16%
Total			22,101,849		22,306,787.98	22,329,783.86	22,995.88	210,686.06	1.70%	1.29%	0.27	0.26	100.00%

Detailed Transaction Summary

Penn Manor School District General Fund

Trade Date	Settlement Date	Trans Type	Quantity (Units)	CUSIP	Security Description		Trans Price	Principal Amount	Net Amount	Trade Yield	Realized Gain/Loss
12/31/02	01/02/03	Buy	500,000	31359MDT7	FNMA Global	5.750	04/15/03 101.264	506,320.00	512,469.31	1.30%	0.00
12/30/02	12/31/02	Buy	200,000	3133MD6M0	FHLB	5.000	02/14/03 100.431	200,862.00	204,639.78	1.44%	0.00
12/24/02	12/24/02	Wdrwl	600,000	-CASH-	Cash/Money Market			600,000.00	600,000.00		0.00
12/23/02	12/23/02	Mature	500,000	3133M2UD7	FHLB	5.905	12/23/02 100.000	500,000.00	500,000.00		0.00
12/23/02	12/23/02	Mature	310,000	313589U35	FNMA Discount Note	0.000	12/23/02 100.000	310,000.00	310,000.00		0.00
12/20/02	12/30/02	Buy	90,000	586262AC1	Memphis First Bank	1.600	06/30/03 99.950	89,955.00	89,955.00	1.70%	0.00
12/20/02	12/20/02	Mature	545,000	313385T89	FHLB Discount Note	0.000	12/20/02 100.000	545,000.00	545,000.00		0.00
12/18/02	12/18/02	Mature	764,000	313589T60	FNMA Discount Note	0.000	12/18/02 100.000	764,000.00	764,000.00		0.00
12/18/02	12/18/02	Wdrwl	400,000	-CASH-	Cash/Money Market			400,000.00	400,000.00		0.00
12/17/02	12/18/02	Buy	595,000	313588GF6	FNMA Discount Note	0.000	05/30/03 99.344	591,093.66	591,093.66	1.48%	0.00
12/11/02	12/12/02	Buy	545,000	313385T89	FHLB Discount Note	0.000	12/20/02 99.972	544,844.98	544,844.98	1.30%	0.00
12/11/02	12/12/02	Buy	500,000	31359MHA4	FNMA	5.000	02/14/03 100.616	503,080.00	511,205.00	1.39%	0.00
12/11/02	12/11/02	Mature	1,250,000	313385S72	FHLB Discount Note	0.000	12/11/02 100.000	1,250,000.00	1,250,000.00		0.00
12/11/02	12/11/02	Wdrwl	850,000	-CASH-	Cash/Money Market			850,000.00	850,000.00		0.00
12/09/02	12/10/02	Buy	764,000	313589T60	FNMA Discount Note	0.000	12/18/02 99.973	763,791.17	763,791.17	1.25%	0.00
12/09/02	12/10/02	Buy	310,000	313589U35	FNMA Discount Note	0.000	12/23/02 99.954	309,857.83	309,857.83	1.29%	0.00
12/09/02	12/09/02	Mature	864,000	313385S56	FHLB Discount Note	0.000	12/09/02 100.000	864,000.00	864,000.00		0.00
12/04/02	12/04/02	Mature	498,000	313589R88	FNMA Discount Note	0.000	12/04/02 100.000	498,000.00	498,000.00		0.00
12/02/02	12/02/02	Mature	1,500,000	313589R62	FNMA Discount Note	0.000	12/02/02 100.000	1,500,000.00	1,500,000.00		0.00
12/02/02	12/02/02	Wdrwl	919,143	-CASH-	Cash/Money Market			919,143.10	919,143.10		0.00
12/01/02	12/01/02	Contr	1,277	-CASH-	Cash/Money Market			1,277.00	1,277.00		0.00
Total											0.00

Cash Reconciliation

Penn Manor School District General Fund

Beginning Cash Balance	169,426.77
Buy	-3,527,856.73
Management Fee	-1,277.00
Wdrwl	-2,769,143.10
Contr	1,277.00
Coupon	124,613.25
Income	809.27
Mature	6,231,000.00
Ending Cash Balance	228,849.46

Summary of Portfolio Changes

Penn Manor School District General Fund

Beginning Market Value plus Accrued Income			25,278,303.91
Contributions		1,277.00	
Withdrawal / Management Fee		(2,770,420.10)	
<i>Total Contributions, Withdrawals, and Management Fee</i>			<i>(2,769,143.10)</i>
Interest Received		125,422.52	
Interest Purchased		(18,052.09)	
Amortization Change		(53,088.59)	
Ending Accrued Income		210,686.06	
Beginning Accrued Income		(233,452.50)	
Accrued Income Change		(22,766.44)	
<i>Total Earned Income</i>			<i>31,515.40</i>
Ending Market Value	22,329,783.86		
Ending Book Value	(22,306,787.98)	22,995.88	
Beginning Market Value	25,044,851.41		
Beginning Book Value	(25,021,649.24)	23,202.17	
Change in Unrealized Gain/Loss		(206.29)	
Realized Gain/Loss		0.00	
<i>Change in Market Value</i>			<i>(206.29)</i>
Total Investment Change			(2,737,833.99)
Ending Market Value plus Accrued Income			22,540,469.92

Amortization Reconciliation

Penn Manor School District General Fund

Purchase / Sale Date	Quantity (Units)	Security Description	Ending Market Value	Original Cost	Beginning Book Value	Principal Purchased	Current Month Am/Ac	Principal Received	Realized Gain/Loss	Ending Book Value	Unrealized Gain/Loss
	228,849.00	Cash/Money Market	228,849.46	228,849.46	169,426.77	59,422.69	0.00	0.00	0.00	228,849.46	0.00
		-CASH-									
08/14/02	700,000.00	FFCB 6.230 06/30/03 31331HXA0	717,162.60	727,307.00	718,204.66	0.00	-2,600.67	0.00	0.00	715,603.99	1,558.61
09/04/02	1,250,000.00	FFCB 1.730 02/03/03 31331LVE5	1,250,390.63	1,250,000.00	1,250,000.00	0.00	0.00	0.00	0.00	1,250,000.00	390.63
08/28/02	1,000,000.00	FFCB 5.720 06/03/03 31331RVH5	1,018,630.00	1,029,140.00	1,019,462.11	0.00	-3,296.86	0.00	0.00	1,016,165.25	2,464.75
10/04/02	405,000.00	FFCB 5.700 06/18/03 31331RWK7	413,268.08	416,121.30	413,772.98	0.00	-1,373.55	0.00	0.00	412,399.43	868.65
08/28/02	1,000,000.00	FHLB 5.610 01/21/03 3133M2K48	1,002,360.00	1,014,810.00	1,005,319.08	0.00	-3,233.17	0.00	0.00	1,002,085.91	274.09
10/31/02	200,000.00	FHLB 6.025 03/17/03 3133M3SS5	201,980.00	203,276.00	202,577.44	0.00	-746.74	0.00	0.00	201,830.70	149.30
10/31/02	250,000.00	FHLB 6.085 03/24/03 3133M3WG6	252,734.38	254,365.00	253,479.79	0.00	-946.26	0.00	0.00	252,533.53	200.85
08/22/02	500,000.00	FHLB 6.020 05/06/03 3133M44W0	508,125.00	514,590.00	508,996.21	0.00	-1,787.71	0.00	0.00	507,208.50	916.50
10/31/02	500,000.00	FHLB 5.865 06/02/03 3133M4KM4	509,531.25	512,190.00	510,514.60	0.00	-1,790.95	0.00	0.00	508,723.65	807.60
11/25/02	225,000.00	FHLB 5.025 04/28/03 3133M5ZL7	227,671.88	228,262.50	228,176.64	0.00	-665.37	0.00	0.00	227,511.27	160.61
10/03/02	1,450,000.00	FHLB 7.250 05/15/03 3133MBHK6	1,481,465.00	1,497,530.00	1,487,255.41	0.00	-6,999.50	0.00	0.00	1,480,255.91	1,209.09
12/30/02	200,000.00	FHLB 5.000 02/14/03 3133MD6M0	200,870.00	200,862.00	0.00	200,862.00	0.00	0.00	0.00	200,862.00	8.00
08/28/02	2,130,000.00	FHLB 5.000 02/28/03 3133MDGE7	2,142,354.00	2,159,560.30	2,146,917.11	0.00	-5,959.44	0.00	0.00	2,140,957.67	1,396.33
09/05/02	2,285,000.00	FHLB 4.500 05/15/03 3133MEUD1	2,312,134.38	2,325,584.95	2,313,687.04	0.00	-5,389.69	0.00	0.00	2,308,297.35	3,837.03
11/06/02	200,000.00	FHLMC 6.220 03/24/03 313400TH6	202,250.00	203,580.00	202,978.98	0.00	-810.08	0.00	0.00	202,168.90	81.10
07/08/02	1,225,000.00	FHLMC Global 7.000 02/15/03 3134A33D6	1,233,421.88	1,259,634.50	1,237,874.97	0.00	-5,321.66	0.00	0.00	1,232,553.31	868.57
11/25/02	880,000.00	FHLMC Global 7.375 05/15/03 3134A34H6	899,800.00	904,424.80	904,079.69	0.00	-4,524.07	0.00	0.00	899,555.62	244.38
11/27/02	344,000.00	FHLMC Global 4.500 06/15/03 3134A4FF6	348,781.60	349,799.84	349,770.25	0.00	-917.32	0.00	0.00	348,852.93	-71.33
12/11/02	500,000.00	FNMA 5.000 02/14/03 31359MHA4	502,150.00	503,080.00	0.00	503,080.00	-943.87	0.00	0.00	502,136.13	13.87

Amortization Reconciliation

Penn Manor School District General Fund

Purchase / Sale Date	Quantity (Units)	Security Description	Ending Market Value	Original Cost	Beginning Book Value	Principal Purchased	Current Month Am/Ac	Principal Received	Realized Gain/Loss	Ending Book Value	Unrealized Gain/Loss
08/28/02	843,000.00	FNMA 6.050 06/30/03 31364AZT2	862,918.40	869,545.50	863,574.58	0.00	-2,939.22	0.00	0.00	860,635.36	2,283.04
09/16/02	500,000.00	FNMA 6.710 05/21/03 31364CDD7	510,464.50	515,995.00	511,255.74	0.00	-2,040.51	0.00	0.00	509,215.23	1,249.27
08/29/02	1,200,000.00	FNMA Discount Note 0.000 01/08/03 313588AH8	1,199,685.33	1,192,620.33	1,197,803.00	0.00	1,746.33	0.00	0.00	1,199,549.33	136.00
08/29/02	1,000,000.00	FNMA Discount Note 0.000 02/19/03 313588CB9	998,263.89	991,974.72	996,242.50	0.00	1,438.06	0.00	0.00	997,680.56	583.33
12/17/02	595,000.00	FNMA Discount Note 0.000 05/30/03 313588GF6	591,851.46	591,093.66	0.00	591,093.66	311.55	0.00	0.00	591,405.21	446.25
10/15/02	405,000.00	FNMA Global 5.250 01/15/03 31359MDF7	405,607.50	408,393.90	406,716.01	0.00	-1,182.14	0.00	0.00	405,533.87	73.63
07/08/02	1,604,000.00	FNMA Global 5.750 04/15/03 31359MDT7	1,624,551.25	1,642,115.20	1,119,551.99	506,320.00	-3,571.19	0.00	0.00	1,622,300.80	2,250.45
11/19/02	98,000.00	Beal Bank 1.700 05/28/03 07368XWW4	98,123.29	97,975.50	97,975.90	0.00	4.18	0.00	0.00	97,980.08	143.21
11/07/02	98,000.00	Gateway Bank FSB 1.900 05/19/03 36758PBD3	98,190.76	98,000.00	98,000.00	0.00	0.00	0.00	0.00	98,000.00	190.76
11/14/02	98,000.00	Heritage Bank 1.550 05/22/03 42725DAP2	98,060.61	97,975.50	97,976.58	0.00	4.20	0.00	0.00	97,980.78	79.83
12/20/02	90,000.00	Memphis First Bank 1.600 06/30/03 586262AC1	90,088.62	89,955.00	0.00	89,955.00	0.25	0.00	0.00	89,955.25	133.37
11/14/02	98,000.00	Mill Creek Bank CD 1.750 02/20/03 59982PEL2	98,048.11	98,000.00	98,000.00	0.00	0.00	0.00	0.00	98,000.00	48.11
09/11/02		FHLB 5.905 12/23/02 3133M2UD7			501,249.06	0.00	-1,249.06	500,000.00	0.00	0.00	0.00
11/01/02		FHLB Discount Note 0.000 12/09/02 313385S56			863,654.40	0.00	345.60	864,000.00	0.00	0.00	0.00
09/11/02		FHLB Discount Note 0.000 12/11/02 313385S72			1,249,350.69	0.00	649.31	1,250,000.00	0.00	0.00	0.00
12/11/02		FHLB Discount Note 0.000 12/20/02 313385T89			0.00	544,844.98	155.02	545,000.00	0.00	0.00	0.00
11/14/02		FNMA Discount Note 0.000 12/02/02 313589R.62			1,499,899.17	0.00	100.83	1,500,000.00	0.00	0.00	0.00
10/25/02		FNMA Discount Note 0.000 12/04/02 313589R88			497,905.89	0.00	94.11	498,000.00	0.00	0.00	0.00
12/09/02		FNMA Discount Note 0.000 12/18/02 313589T60			0.00	763,791.17	208.83	764,000.00	0.00	0.00	0.00

Amortization Reconciliation

Penn Manor School District General Fund

Purchase / Sale Date	Quantity (Units)	Security Description	Ending Market Value	Original Cost	Beginning Book Value	Principal Purchased	Current Month Am/Ac	Principal Received	Realized Gain/Loss	Ending Book Value	Unrealized Gain/Loss
12/09/02	0.000	FNMA Discount Note 12/23/02 313589U35			0.00	309,857.83	142.17	310,000.00	0.00	0.00	0.00
Total			22,329,783.86	22,476,611.96	25,021,649.24	3,569,227.33	-53,088.59	6,231,000.00	0.00	22,306,787.98	22,995.88

Income Reconciliation

Penn Manor School District General Fund

Purchase Date	Sale Date	CUSIP	Quantity (Units)	Security Description	Coupon Rate	Maturity Date	Beginning Accrued Income	Current Month Int. Earned	Interest Purchased	Interest Received	Ending Accrued Income
		-CASH-	228,849.00	Cash/Money Market			0.00	809.27	0.00	809.27	0.00
08/14/02		31331HXA0	700,000.00	FFCB	6.230	06/30/03	18,291.97	3,634.17	0.00	21,805.00	121.14
09/04/02		31331LVE5	1,250,000.00	FFCB	1.730	02/03/03	7,208.33	1,802.09	0.00	0.00	9,010.42
08/28/02		31331RVH5	1,000,000.00	FFCB	5.720	06/03/03	28,282.22	4,766.67	0.00	28,600.00	4,448.89
10/04/02		31331RWK7	405,000.00	FFCB	5.700	06/18/03	10,452.38	1,923.75	0.00	11,542.50	833.63
08/28/02		3133M2K48	1,000,000.00	FHLB	5.610	01/21/03	20,258.33	4,675.00	0.00	0.00	24,933.33
10/31/02		3133M3SS5	200,000.00	FHLB	6.025	03/17/03	2,476.94	1,004.17	0.00	0.00	3,481.11
10/31/02		3133M3WG6	250,000.00	FHLB	6.085	03/24/03	2,831.22	1,267.70	0.00	0.00	4,098.92
08/22/02		3133M44W0	500,000.00	FHLB	6.020	05/06/03	2,090.28	2,508.33	0.00	0.00	4,598.61
10/31/02		3133M4KM4	500,000.00	FHLB	5.865	06/02/03	14,581.04	2,443.75	0.00	14,662.50	2,362.29
11/25/02		3133M5ZL7	225,000.00	FHLB	5.025	04/28/03	1,036.41	942.18	0.00	0.00	1,978.59
10/03/02		3133MBHK6	1,450,000.00	FHLB	7.250	05/15/03	4,672.22	8,760.42	0.00	0.00	13,432.64
12/30/02		3133MD6M0	200,000.00	FHLB	5.000	02/14/03	0.00	0.00	3,777.78	0.00	3,777.78
08/28/02		3133MDGE7	2,130,000.00	FHLB	5.000	02/28/03	27,512.50	8,875.00	0.00	0.00	36,387.50
09/05/02		3133MEUD1	2,285,000.00	FHLB	4.500	05/15/03	4,570.00	8,568.75	0.00	0.00	13,138.75
11/06/02		313400TH6	200,000.00	FHLMC	6.220	03/24/03	2,315.22	1,036.67	0.00	0.00	3,351.89
07/08/02		3134A33D6	1,225,000.00	FHLMC Global	7.000	02/15/03	25,248.61	7,145.83	0.00	0.00	32,394.44
11/25/02		3134A34H6	880,000.00	FHLMC Global	7.375	05/15/03	2,884.44	5,408.34	0.00	0.00	8,292.78
11/27/02		3134A4FF6	344,000.00	FHLMC Global	4.500	06/15/03	7,138.00	1,290.00	0.00	7,740.00	688.00
12/11/02		31359MHA4	500,000.00	FNMA	5.000	02/14/03	0.00	1,319.44	8,125.00	0.00	9,444.44
08/28/02		31364AZT2	843,000.00	FNMA	6.050	06/30/03	21,392.30	4,250.12	0.00	25,500.75	141.67
09/16/02		31364CDD7	500,000.00	FNMA	6.710	05/21/03	931.94	2,795.84	0.00	0.00	3,727.78
08/29/02		313588AH8	1,200,000.00	FNMA Discount Note	0.000	01/08/03	0.00	0.00	0.00	0.00	0.00
08/29/02		313588CB9	1,000,000.00	FNMA Discount Note	0.000	02/19/03	0.00	0.00	0.00	0.00	0.00
12/17/02		313588GF6	595,000.00	FNMA Discount Note	0.000	05/30/03	0.00	0.00	0.00	0.00	0.00
10/15/02		31359MDF7	405,000.00	FNMA Global	5.250	01/15/03	8,032.50	1,771.88	0.00	0.00	9,804.38
07/08/02		31359MDT7	1,604,000.00	FNMA Global	5.750	04/15/03	8,111.33	5,210.14	6,149.31	0.00	19,470.78
11/19/02		07368XWW4	98,000.00	Beal Bank	1.700	05/28/03	18.51	143.46	0.00	0.00	161.97
11/07/02		36758PBD3	98,000.00	Gateway Bank FSB	1.900	05/19/03	67.24	160.34	0.00	0.00	227.58
11/14/02		42725DAP2	98,000.00	Heritage Bank	1.550	05/22/03	37.98	130.80	0.00	0.00	168.78
12/20/02		586262AC1	90,000.00	Memphis First Bank	1.600	06/30/03	0.00	7.89	0.00	0.00	7.89
11/14/02		59982PEL2	98,000.00	Mill Creek Bank CD	1.750	02/20/03	52.40	147.68	0.00	0.00	200.08
09/11/02		3133M2UD7		FHLB	5.905	12/23/02	12,958.19	1,804.31	0.00	14,762.50	0.00
11/01/02		313385S56		FHLB Discount Note	0.000	12/09/02	0.00	0.00	0.00	0.00	0.00
09/11/02		313385S72		FHLB Discount Note	0.000	12/11/02	0.00	0.00	0.00	0.00	0.00
12/11/02		313385T89		FHLB Discount Note	0.000	12/20/02	0.00	0.00	0.00	0.00	0.00
11/14/02		313589R62		FNMA Discount Note	0.000	12/02/02	0.00	0.00	0.00	0.00	0.00
10/25/02		313589R88		FNMA Discount Note	0.000	12/04/02	0.00	0.00	0.00	0.00	0.00

Income Reconciliation

Penn Manor School District General Fund

Purchase Date	Sale Date	CUSIP	Quantity (Units)	Security Description	Coupon Rate	Maturity Date	Beginning Accrued Income	Current Month Int. Earned	Interest Purchased	Interest Received	Ending Accrued Income
12/09/02		313589T60		FNMA Discount Note	0.000	12/18/02	0.00	0.00	0.00	0.00	0.00
12/09/02		313589U35		FNMA Discount Note	0.000	12/23/02	0.00	0.00	0.00	0.00	0.00
Total							233,452.50	84,603.99	18,052.09	125,422.52	210,686.06

Disclaimer

This performance evaluation is provided as a service enabling you to review your overall securities positions on a periodic basis. This evaluation should not be construed as a substitute for your custodian statement. All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. The security valuations contained in this evaluation have been obtained from reliable sources. They do not, however, represent guaranteed bids, offers, or markets for securities, and are subject to change. The prices, yields, and maturities have been obtained from sources believed to be reliable, but the data is not necessarily complete, the reliability cannot be guaranteed, and the availability of specific issues are subject to change.

The performance figures in this report represent the past performance of your account and do not guarantee future results. Gross performance returns for the account will be reduced by management fees and any other expenses incurred in the management of the account.

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Sources of Information: Bloomberg, CMS BondEdge, FT Interactive Data, Portia, and various other sources from time to time, as may be referenced on the report page of their use.

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