

**ORANGE COUNTY TREASURER-TAX COLLECTOR**  
**INVESTMENT POLICY COMPLIANCE**  
**September 30, 2007**

<b>Investment Policy Guidelines</b>		<b>Orange County Investment Pool</b>		<b>Orange County Educational Investment Pool - MMF</b>		<b>John Wayne Airport Investment Pool</b>	
<b>Percent of Portfolio (See Notes)</b>	<b>Investment Type</b>	<b>Market Value of Investments</b>	<b>Percent of Portfolio</b>	<b>Market Value of Investments</b>	<b>Percent of Portfolio</b>	<b>Market Value of Investments</b>	<b>Percent of Portfolio</b>
100%	U.S. Treasuries	\$ -	-	\$ -	-	\$ -	-
40%	Bankers' Acceptances	-	-	-	-	-	-
30%	Negotiable Certificates of Deposit	271,480,859	6.83%	421,959,490	23.19%	5,999,288	10.75%
45%	Commercial Paper	554,032,759	13.95%	784,886,284	43.14%	22,805,639	40.84%
100%	U.S. Government Agencies	1,599,924,885	40.28%	179,155,365	9.85%	17,927,980	32.11%
20%	Money Market Funds	34,701,772	0.87%	112,853,942	6.20%	7,103,909	12.72%
30%	Medium-Term Notes	1,216,729,595	30.63%	172,887,239	9.50%	2,000,000	3.58%
50%	Repurchase Agreements	195,000,000	4.91%	85,000,000	4.67%	-	-
10%	Municipal Debt	100,559,603	2.53%	62,706,649	3.45%	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
		<b>\$ 3,972,429,474</b>	<b>100.00%</b>	<b>\$ 1,819,448,968</b>	<b>100.00%</b>	<b>\$ 55,836,817</b>	<b>100.00%</b>

<b>Compliance Category (Yes/No)</b>	<b>Money Market Fund</b>	<b>Extended Fund</b>	<b>Orange County Educational Investment Pool - MMF</b>		<b>John Wayne Airport Investment Pool</b>	
Percentage Limits	Yes		No		Yes	
Maturity Limits	Yes	Yes	Yes		Yes	
Quality Limits	Yes		Yes		Yes	
Net Asset Value Limits	Yes		Yes		Yes	

- Notes: (1) The Money Market Fund (MMF) is authorized to purchase an additional 5-percent of its total assets in any authorized investment type, except commercial paper, for a period not to exceed 30 business days.
- (2) Commercial paper holdings in the Money Market Fund may increase up to 50 percent of the total assets if the portfolio's month-end weighted average credit rating (WACR) remains at AA- or higher.
- (3) The Money Market Fund (MMF) is authorized to purchase up to 12.5 percent of its total assets in any authorized issuer for a period not to exceed 3 business days.

**Orange County Treasurer-Tax Collector  
Noncompliance Report Summary  
For the Month Ended September 30, 2007**

During September The County, John Wayne Airport, and Children and Families Commission Investment pools were free of noncompliance incidents. The Educational Investment pools had one noncompliance incident which is explained in detail below.

Although certain Investment Policy Statement (IPS) guidelines were temporarily exceeded during the month in both the County and Educational Pools, the Treasurer believes they did not cause any material impact of a negative nature.

**Noncompliance Incident**

**Educational Investment Pool**

The percentage of portfolio holdings for commercial paper exceeded 50% of the market value of the portfolio:

09-25 A purchase of commercial paper brought the percentage of portfolio holdings of commercial paper to 50.27%. This deficiency was due a temporary inconsistency in the total Educational Investment Pool dollars used in the initial calculations. The percentage of overall holdings in commercial paper was back within IPS limits the following business day and the inconsistency has since been rectified.

**Technical Incident**

**County Investment Pool**

The percentage of portfolio holdings for medium-term notes exceeded 30% of the market value of the portfolio:

09-21 A reduction in the Pool's total assets increased the holdings of medium-term notes to 30.63% of the market value of the portfolio. The Treasurer expects this to clear when pool balances increase sufficiently or upon the maturities of medium-term note holdings on November 28 and December 10, 2007. This will bring the percentage of portfolio holdings in medium-term notes back within IPS limits.