Orange County Treasurer-Tax Collector Noncompliance Report Summary For the Month Ended August 31, 2007

During August the County, Educational, John Wayne Airport, and Children and Families Commission Investment pools all were free of noncompliance incidents. 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.

Technical Incident

On August 22, Moody's announced that it placed the long-term ratings of First Horizon and its subsidiaries including First Tennessee under review for possible downgrade. The review will focus on First Horizon's ability to improve its core profitability. The First Tennessee (FIRTEN) securities were purchased before the rating actions and are considered technical incidents. The Treasurer has decided to hold these securities until maturity.

County Investment Pool	Description	Maturity 1 Date	Face Amount	% of Count Pool	Credit Watch Negative	ST/LT Ratings
FIRTEN FIRTEN	CD CD		7 30,000,000.00 7 50,000,000.00		S&P Moody's Fitch	A-1 /A P-1 /A1 *- F1 /A+
Educational Investment Pool	Description	Maturity 1 Date	Face Amount	% of Educationa Pool	Credit Watch Negative	ST/LT Ratings
FIRTEN	CD	9/7/2007	30,000,000.00	1.63	S&P Moody's Fitch	A-1 /A P-1 /A1 *- F1 /A+

John Wayne Pool		Maturity n Date	Face Amount	Education		ST/LT Ratings
FIRTEN	CD	9/7/2007	2,000,000.00	3.60	S&P Moody's Fitch	A-1 /A P-1 /A1 *- F1 /A+

ORANGE COUNTY TREASURER-TAX COLLECTOR INVESTMENT POLICY COMPLIANCE August 31, 2007

Investment Policy Guidelines		Orange County Investment Pool		Orange County Educational Investment Pool - MMF		John Wayne Airport Investment Pool	
Percent of Portfolio (See Notes)	Investment Type	Market Value of Investments	Percent of Portfolio	Market Value of Investments	Percent of Portfolio	Market Value of Investments	Percent of Portfolio
100%	U.S. Treasuries	\$ -	-	\$ -	-	\$-	-
40%	Bankers' Acceptances	-	-	-	-	-	-
30%	Negotiable Certificates of Deposit	280,956,664	6.91%	371,929,796	20.24%	7,998,464	14.39%
45%	Commercial Paper	573,845,508	14.11%	846,110,343	46.03%	23,879,699	42.95%
100%	U.S. Government Agencies	1,767,247,381	43.46%	276,285,921	15.03%	10,911,079	19.62%
20%	Money Market Funds	31,689,760	0.78%	26,327,456	1.43%	10,806,358	19.44%
30%	Medium-Term Notes	1,136,243,938	27.94%	162,974,656	8.87%	2,000,000	3.60%
50%	Repurchase Agreements	165,000,000	4.06%	85,000,000	4.62%	-	-
10%	Municipal Debt	111,392,431	2.74%	69,461,749	3.78%	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
		\$ 4,066,375,683	100.00%	\$ 1,838,089,922	100.01%	\$ 55,595,599	100.00%

Compliance Category (Yes/No)	Money Market Fund	Extended Fund	Orange County Educational Investment Pool - MMF		John Wayne Airport Investment Pool	
Percentage Limits	Yes		Yes		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.