

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

During May 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 Incidents

County Investment Pool

The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio:

- 04-20 A reduction in the Pool's total assets on April 20, 2007 increased the holdings of Barclays Bank PLC NY to 5.11% of the market value of the portfolio. The Treasurer has decided to hold this security until its maturity on June 13, 2007. This will bring the percentage of overall holdings for a single issuer back within IPS limits.

Educational Investment Pool

The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio:

- 05-29 A reduction in the Pool's total assets on May 29, 2007 increased the holdings of Kitty Hawk Funding Corp. to 5.01% of the market value of the portfolio. The Treasurer has decided to hold this security until its maturity on June 7, 2007. This will bring the percentage of overall holdings for a single issuer back within IPS limits.
- 05-31 A reduction in the Pool's total assets on May 31, 2007 increased the holdings of Barclays Bank PLC NY to 5.37% of the market value of the portfolio. The Treasurer has decided to hold this security until its maturity on June 4, 2007. This will bring the percentage of overall holdings for a single issuer back within IPS limits.

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

Investment Policy Guidelines		Orange County Investment Pool		Orange County Educational Investment Pool		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	726,969,658	16.87%	697,976,131	30.97%	9,999,788	18.26%
45%	Commercial Paper	799,803,961	18.57%	855,121,733	37.95%	23,963,707	43.76%
100%	U.S. Government Agencies	1,594,927,544	37.02%	229,349,450	10.18%	9,396,749	17.16%
20%	Money Market Funds	10,733,460	0.25%	12,445,646	0.55%	7,398,484	13.51%
30%	Medium-Term Notes	824,790,084	19.14%	276,090,442	12.25%	4,002,160	7.31%
50%	Repurchase Agreements	200,000,000	4.64%	100,000,000	4.44%	-	-
10%	Municipal Debt	151,159,117	3.51%	82,498,480	3.66%	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
		\$ 4,308,383,824	100.00%	\$ 2,253,481,882	100.00%	\$ 54,760,888	100.00%

Compliance Category (Yes/No)	Money Market Fund	Extended Fund	Orange County Educational Investment Pool		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 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 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.