ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY COMPLIANCE
December 31, 2006

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	976,981,566	21.92%	689,914,764	29.18%	7,497,536	14.04%
45%	Commercial Paper	929,347,055	20.85%	1,133,781,338	47.96%	26,566,742	49.74%
100%	U.S. Government Agencies	1,601,992,729	35.94%	176,544,669	7.47%	6,469,970	12.11%
20%	Money Market Funds	29,197,548	0.65%	43,090,544	1.82%	5,604,237	10.50%
30%	Medium-Term Notes	635,540,207	14.26%	210,959,986	8.92%	7,267,560	13.61%
50%	Repurchase Agreements	220,000,000	4.94%	110,000,000	4.65%	-	-
10%	Municipal Debt	64,076,909	1.44%	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
		$ 4,457,136,014	100.00%	$ 2,364,291,301	100.00%	$ 53,406,044	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.

Orange County Treasurer-Tax Collector
Noncompliance Report Summary
For the Month Ended December 31, 2006

During December 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:

12-21 A reduction in the Pool's total assets on December 21, 2006 increased the holdings of Lloyds TSB Bank PLC NY to 5.17% of the market value of the portfolio. The Treasurer has decided to hold this security until its maturity on January 22, 2007. This will bring the percentage of overall holdings for a single issuer back within IPS limits.

John Wayne Airport Investment Pool

Credit Watch-Negative

On October 13, 2006, Standard & Poor's placed Gannett Co. Inc.'s 'A' long-term and 'A-1' short-term ratings on credit watch negative, reflecting Gannett's higher debt levels and the continued weakness in its U.S. and U.K. newspaper businesses. S&P has indicated that if the ratings are lowered, it is expected to be limited to one notch. Moody's also placed Gannett's long and short-term ratings on credit watch negative on October 19th. The Gannett (GCI) securities were purchased before the rating actions and are considered technical incidents. The Treasurer has decided to hold this security until its maturity on April 1, 2007

On December 22, 2006 Standard & Poor's lowered both the short-term and long-term ratings one notch to A-2 and A- respectively, citing "Gannett's credit profile will be more consistent with the new ratings over the intermediate term". Standard & Poor's outlook was changed to Stable in light of "strong discretionary cash flow generation."

JWA Investment Pool	Description	Maturity Date	Face Amount	% of JWA Pool	Credit Watch Negative	ST/LT Ratings
GCI	MTN	4/01/2007	1,000,000.00	1.872	Mdy S&P	P-1 *- /A2 *- A-2/A-