



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Treasurer - Tax Collector
Department No.: 065
For Agenda Of: 11/20/2007
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Bernice James, Treasurer - Tax Collector, 568-2490
Contact Info: Stacey Matson, Investment & Debt Officer, 568-2158

SUBJECT: Treasurer's Investment Pool, Fiscal Year 2007-2008 First Quarter (July -September)

County Counsel Concurrence:

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Other Concurrence: N/A

As to form: Yes No N/A

Recommended Action(s):

That the Board of Supervisors:

- A. Accept for filing the F/Y 2007-2008 First Quarter (July - September, 2007) report on the Treasurer's Investment Pool, pursuant to Government Code section 53646(b).

Summary:

As presented on Page 9, the value of the Treasurer's Pool at principal cost on September 30, 2007, was \$749,258,260, and \$2,616,081 in Directed Investments. Market value of the investment pool was \$749,991,767. The weighted average days to maturity (WAM) for the pool was 473 days.

Per Government Code Section 53600.5, the Santa Barbara County Treasurer has a mandated responsibility to manage and invest public funds with the primary objective of safeguarding principal, the secondary objective of meeting the liquidity needs of pool participants, and finally, the objective of attaining a market average rate of return, consistent with the primary objectives of safety and liquidity.

For the quarter ended 9/30/2007, the Treasurer's Pool anticipated and met all liquidity requirements, precluding any need to sell holdings unexpectedly at a potential loss. All investments purchased met or exceeded state and local policy requirements for credit quality. In addition, \$9,651,877, a return of 4.853%, was earned from investments of the pool and distributed for the benefit of programs provided by the County, schools, and special districts.

It is the adopted policy of the Santa Barbara County Treasurer to invest public funds in a manner, which provides the maximum security of principal while meeting the daily cash flow needs of investment pool participants. A lesser emphasis is to achieve the highest yield possible. The Santa Barbara County Treasurer conforms to all applicable State statutes and County resolutions that govern the investment of public funds.

Background:

The US economy expanded at an annual pace of 3.8% for the quarter ended 9/30/2007. Gross Domestic Product (GDP), the value of all goods and services produced within the economy, is expected to slow over the coming quarters. Analysts marked down the coming quarter's GDP reflecting their judgment that financial turbulence, particularly in the housing sector, would impose restraint on economic activity in coming months. The FOMC, on August 17th, issued a statement noting that "financial market conditions had deteriorated and that tighter credit conditions and increased uncertainty had the potential to restrain economic growth going forward.". The Federal unemployment rate increased to end the quarter at 4.7%, from a rate of 4.5% at the beginning of the quarter. Short-term interest rates and long-term interest rates were very volatile over the quarter due to continued concerns regarding the sub-prime sector, the deteriorating housing market, and the decline in the exchange value of the dollar. The yield curve remained positive, except in the very short term over the quarter. In a positive sloping yield curve environment short term interest rates are lower than long term rates.

On August 17, 2007 the FOMC issued a statement indicating that it was monitoring financial market conditions and stated "that it was prepared to act as needed to mitigate the adverse effects on the economy arising from the disruptions to the financial markets." At that time, they announced that "to promote the restoration of orderly conditions in financial markets" they had approved a 50 basis point reduction, in the primary credit rate to 5.75%. The primary credit rate is the interest rate charged to banks on loans they receive from the Federal Reserve.

On September 18, 2007 the Federal Funds overnight lending rate was decreased to 4.75%, from 5.25%. All members favored an easing of the stance of monetary policy. They judged the lowered rate necessary to offset the effects of tighter financial conditions on the economic outlook. The members approved a statement that "Developments in financial markets since the Committee's last regular meeting have increased the uncertainty surrounding the economic outlook. The Committee will continue to assess the effects of these and other developments on economic prospects and will act as needed to foster price stability and sustainable economic growth.". The Federal Open Market Committee will meet on October 31 and December 11, providing insights on the economy's growth prospects and inflation.

This quarterly report is being submitted to you as required by California Government Code section 53646 (b). In addition, California Government Code section 53646 (b) (3) requires the Treasurer-Tax Collector to include a statement in the Treasurer's Report affirming the ability of the Santa Barbara County Investment Pool to meet expenditure requirements for the next six months.

This report and the Treasurer's Investment Policy were reviewed and discussed by the Treasury Oversight Committee at its quarterly meeting. The Treasury Oversight Committee promotes the public interest and is governed by California Government Code sections 27130 through 27133.

Performance Measures:

The following performance measures are related to the Treasurer's Investment Pool:

To ensure the financial stability of the County, monitor and project liquidity requirements as evidenced by zero securities sold at a loss to meet cash flow needs of pool participants: Accomplished

Treasurer's **Investment Pool, Fiscal Year 2007-2008 First Quarter (July -September)**

11/20/2007

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To ensure the financial stability of the County and secure public agency funds, stay within compliance 100% of the time with the Government Code and the Treasurer's Investment Policy: Accomplished

To ensure the financial stability of the County, achieve an investment pool yield equal to, or greater than LAIF's, on a five year moving average: For the quarter ended 9/30/07 the pool's five year moving average rate of return is 3.24%, as compared to 3.33% for LAIF.

Fiscal and Facilities Impacts:

Budgeted: Yes No

Fiscal Analysis:

For the quarter ending September 30, 2007, net investment earnings achieved by the pool were \$9.86 million, with the County receiving 39%, Schools 52%, and Special Districts the balance of 9 %, as shown on Chart 4. The yield for the quarter and on an annualized basis is 4.853% and 4.67%, respectively.

Staffing Impact(s):

Legal Positions:
N/A

FTEs:
N/A

Special Instructions:

None

Attachments:

Treasurer's First Quarter Investment Pool Report

Authored by: Stacey Matson, Investment & Debt Officer

SANTA BARBARA COUNTY

**TREASURER'S REPORT TO THE BOARD OF SUPERVISORS AND
THE TREASURY OVERSIGHT COMMITTEE**

FOR THE QUARTER ENDED SEPTEMBER 30, 2007

Table of Contents

I. Economic Trend

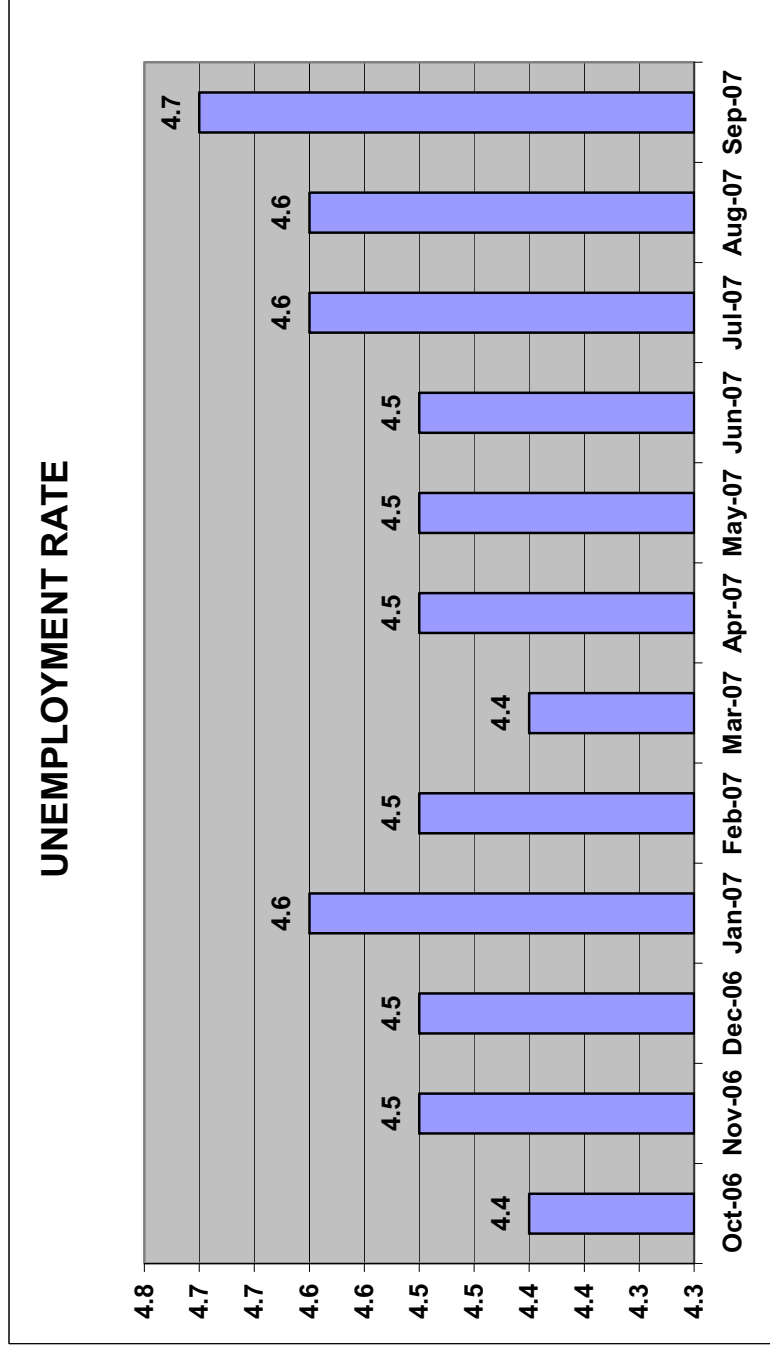
II. Overview of Investment Activities

ECONOMIC TREND: Impact on the Pool

- On September 18, 2007 the Federal Reserve (FED) decreased short - term interest rates by 50 basis points, from 5.25% to 4.75%. Prior to this meeting the FED met eight consecutive times with no rate change. There is now even more uncertainty regarding changes to the Federal Funds Rate, as compared to prior quarters. The Federal Open Market Committee's economic assessment indicated "some inflation risk", changed from the prior quarter's assessment of "inflation risk". Financial market conditions remain volatile. Due to the heightened uncertainty regarding the economic outlook it is unclear if the rate will change, or in what direction a change would take.
- The impact of the short - term rate decreasing from 5.25% to 4.75% results in fixed income investments being offered at a lower rate of return. The Treasurer's Investment Policy allows for investments with maturities up to five years. As older investments mature their lower rates may still be re-invested at a higher rate. As recent investments mature they are more likely to be invested at a lower rate, especially maturities with a shorter term necessary to meet the liquidity needs of pool participants.
- The unemployment rate increased last quarter, from a beginning rate of 4.5%, to 4.6% for the months ended July and August, ending the quarter at 4.7% in September. There were a total of 292,000 jobs created last quarter. This is a decrease from the 379,000 jobs created in the prior quarter.
- For the third quarter in a row, Consumer Confidence ended the quarter at a decrease, beginning the quarter at 105.3, declining each month, ending the quarter at 99.8 in September. The economy continued to experience growth, increasing to an annual rate of 3.8%, as compared to .6% the previous quarter. However, this growth occurred prior to deteriorations in the credit markets being recognized.

ECONOMIC TREND: Unemployment Rate

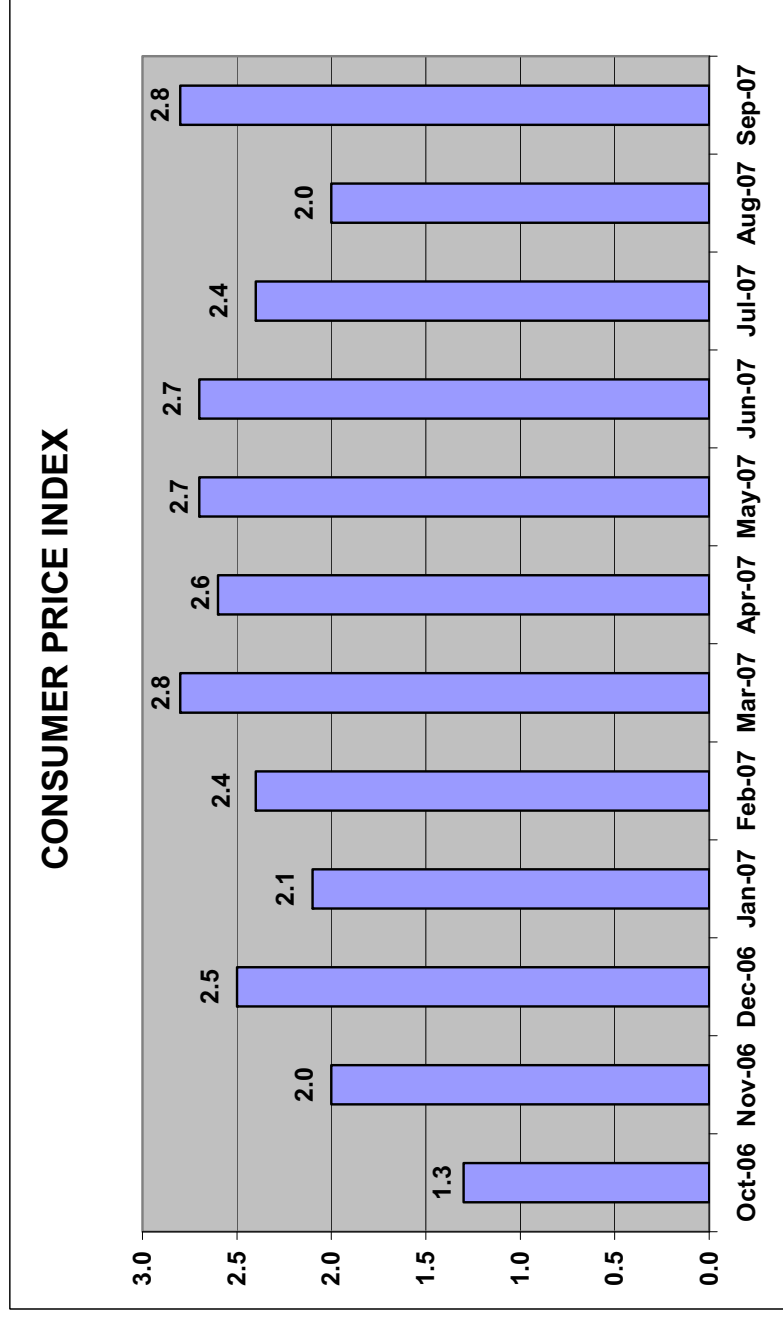
The unemployment rate increased in the first month of the past quarter, remained stable the following month, and ended the quarter with an increase. It began the quarter at 4.5% increased to 4.6% in July, where it remained for the month ending August, and then increased to 4.7% in September. The unemployment rate represents the number of unemployed persons as a percent of the labor force. The sampling used each month to calculate the rate is approximately 60,000 households.



Source: Bureau of Labor Statistics

ECONOMIC TREND: Inflation

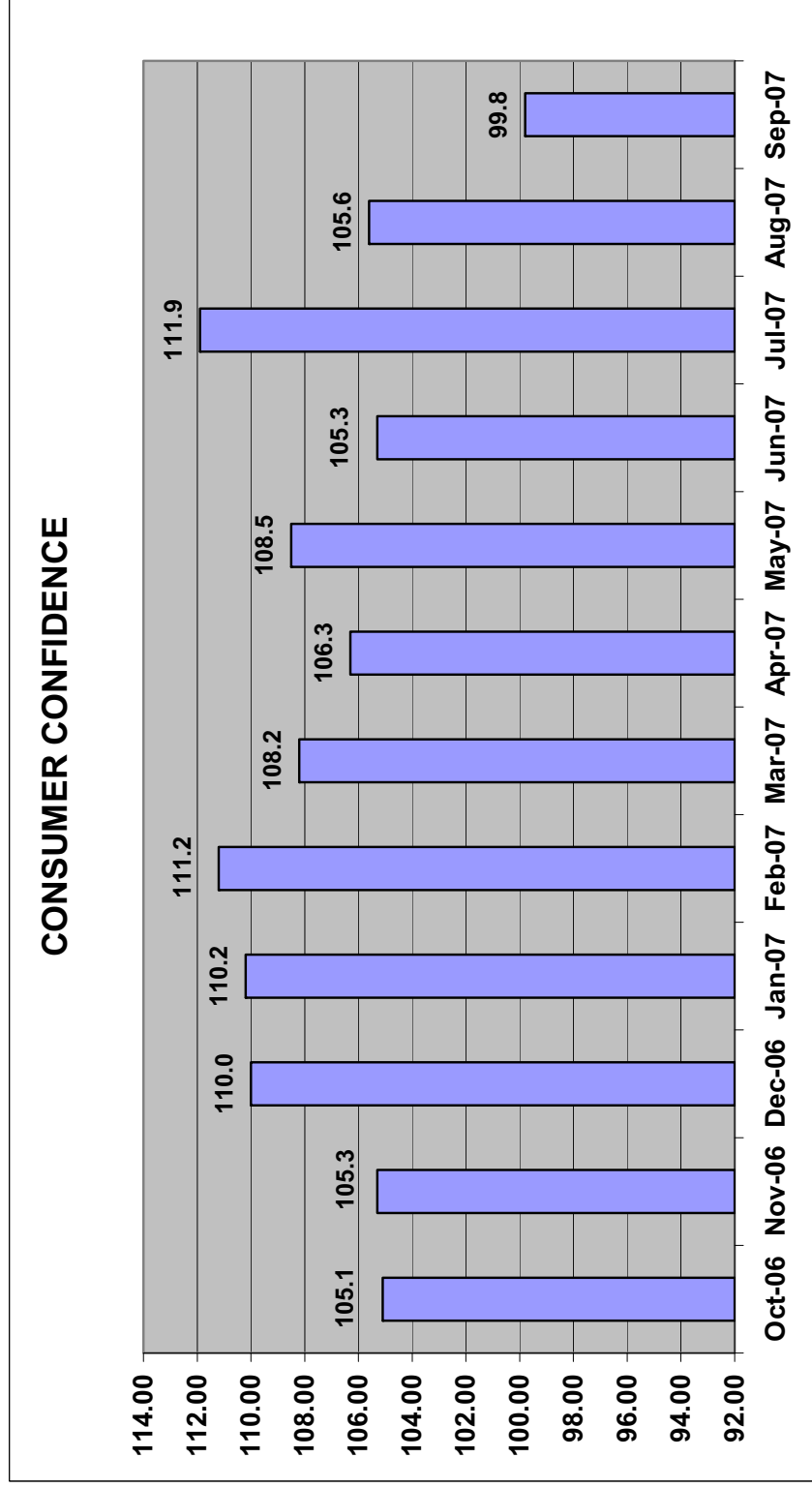
The Consumer Price Index (CPI) increased during the quarter ending September 30, 2007. It started the quarter at 2.7% and ended at 2.8%. The Core CPI, which excludes food and energy, decreased, beginning the quarter at 2.2% and ending the quarter at 2.1%. The CPI represents changes in prices of all goods and services purchased for consumption by urban households.



Source: Bureau of Labor Statistics

ECONOMIC TREND: Consumer Confidence

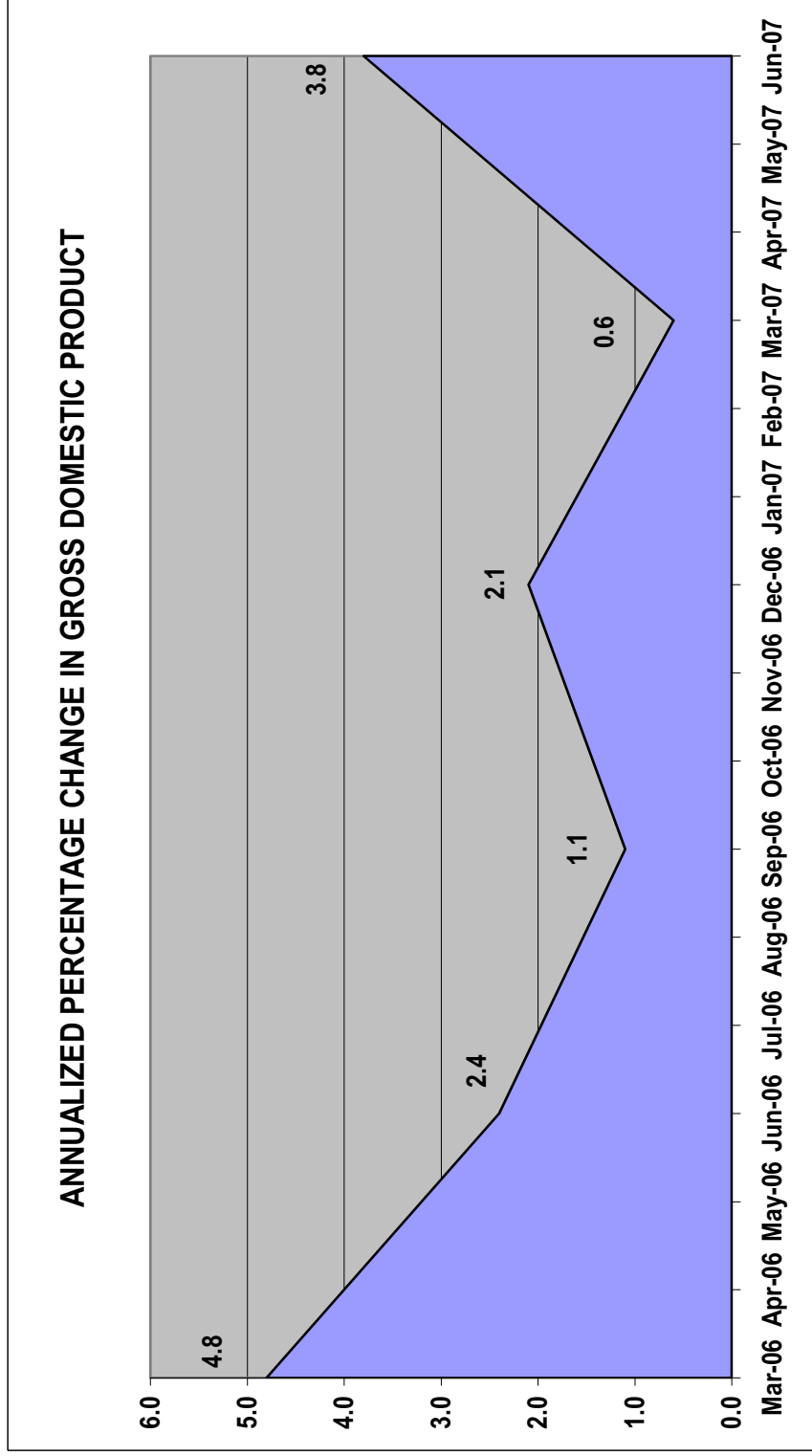
Consumer Confidence began the quarter at 105.3 and ended this quarter significantly decreased at 99.8. This Index is the average of responses to current business and employment conditions and responses to six-month future expectations for business conditions, employment conditions, and total family income.



Source: Conference Board

ECONOMIC TREND: GDP (Gross Domestic Product)

The economy grew at an annual rate of 3.8% for the quarter ended 9/30/07, an increase over the previous quarter's rate of .6%. Gross domestic product is the value of all goods and services produced. The 4.8% GDP growth for the quarter ended 3/31/06 is the highest rate of growth for any quarter of the last three years and the .6% for the quarter ended 3/31/07 is the lowest rate of growth for any quarter since December 2002.



Source: Bureau of Economic Analysis

II. Overview of Investment Activities

SANTA BARBARA COUNTY INVESTMENT FUNDS

Quarter Ending September 30, 2007

| | |
|---|---------------|
| SUMMARY OF INVESTMENTS IN THE TREASURER'S POOL | |
| PRINCIPAL COST | \$749,258,260 |
| MARKET VALUE (provided by Union Bank) | \$749,991,767 |
| CUMULATIVE UNREALIZED GAIN | \$733,507* |
| TOTAL NET EARNINGS ON THE TREASURER'S POOL | \$9,651,877 |
| AVERAGE DAILY BALANCE ON THE TREASURER'S POOL | \$789,123,647 |
| CASH | \$14,309,340 |
| ACCRUED INTEREST AT PURCHASE | \$266,850 |
| NET INTEREST RATE ON THE TREASURER'S POOL | 4.853 % |
| WEIGHTED AVERAGE DAYS TO MATURITY | 473 |
| WEIGHTED AVERAGE DAYS TO CALL DATE | 184 |
| SUMMARY OF INVESTMENTS IN TOBACCO SETTLEMENT FUND | |
| PRINCIPAL COST | \$2,616,081 |
| MARKET VALUE | \$2,628,201 |
| CUMULATIVE UNREALIZED GAIN | \$12,120 |
| YIELD TO MATURITY | 4.911% |
| WEIGHTED AVERAGE DAYS TO MATURITY | 1,406 |
| SUMMARY OF THE CERTIFICATES OF PARTICIPATION RESERVE FUNDS | |
| PRINCIPAL COST | \$13,795,319 |
| MARKET VALUE | \$13,872,167 |
| CUMULATIVE UNREALIZED GAIN | \$76,848* |
| YIELD TO MATURITY | 4.59% |
| WEIGHTED AVERAGE DAYS TO MATURITY | 508 |

CHARTS: The following charts are provided for your review:

- Chart 1: Asset Distribution by Sector**
- Chart 2: Credit Rating By Percent of Book Value**
- Chart 3: Maturity Distribution**
- Chart 4: Agency Quarterly Income Distribution**
- Chart 5: Quarterly Performance Versus Selected Benchmarks**

As you can see on Chart 1, for the quarter ending September 30, 2007, 16.5% of the pool's assets were invested in Government Agency Bonds, 44.9% in Callable Securities, 17.0% in Commercial Paper, 5.3% in LAIF (Local Agency Investment Fund), 11.9% in Medium Term Notes, and 4.4% in Negotiable Certificates of Deposit.

Chart 2 shows that 66% of securities in the pool are rated AAA, 7% are rated AA, 20% are rated A-1, P-1, F-1, 2% A-1, F-1, and 5% are in LAIF.

Chart 3 shows that 25.6% of the pool's investments have a maturity between 1 and 90 days, 28.1% between 91 days and 1 year, 13.5% between 1 year and 2 years, 11.7% between 2 and 3 years, 5.3% between 3 and 4 years, 10.5% between 4 and five years, and the other 5.3% is invested in LAIF.

Chart 4 reflects how the pool's earnings of \$9,651,877 were distributed between the County (39%), Schools (52%) and Special Districts (9%).

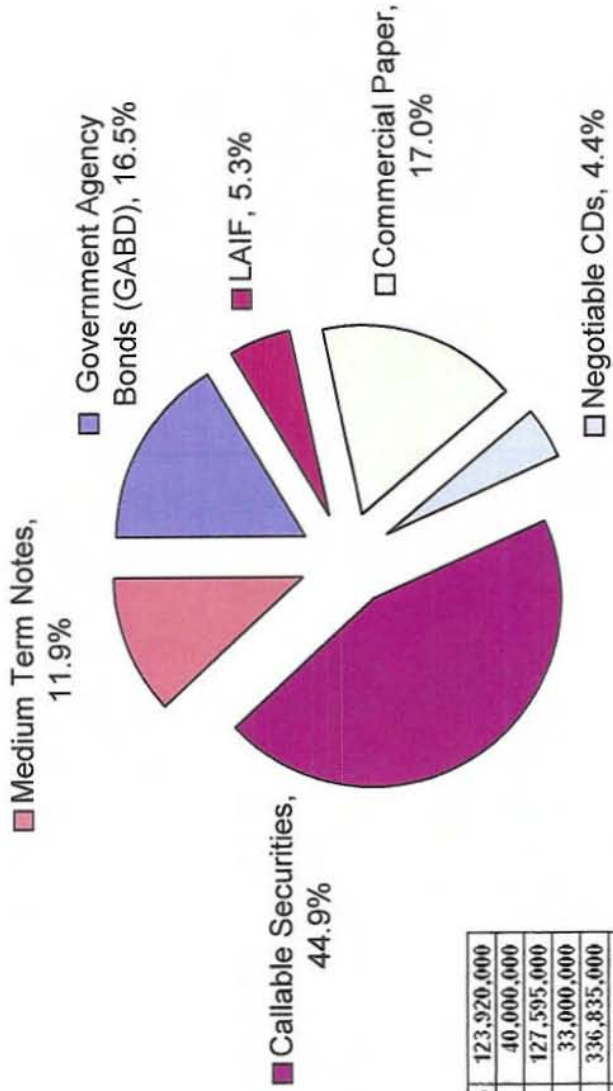
Finally, Chart 5 compares the County's return to various indexes on a quarterly basis.

The investment portfolio as of the quarter ending September 30, 2007 is in compliance with the Treasurer's statement of investment policy.

The Treasurer's Investment Pool has sufficient cash flow available to meet all budgeted expenditures for the next six months.

* Sufficient liquidity is maintained in the pool and for required reserve funds to avoid the actual realization of any unrealized losses due to market interest rate fluctuations. It is our basic policy to retain securities in the pool until maturity, when the pool realizes the full par value of the investment.

**TREASURER'S INVESTMENT PORTFOLIO
ASSET DISTRIBUTION BY SECTOR (PAR VALUE)
9/30/2007**

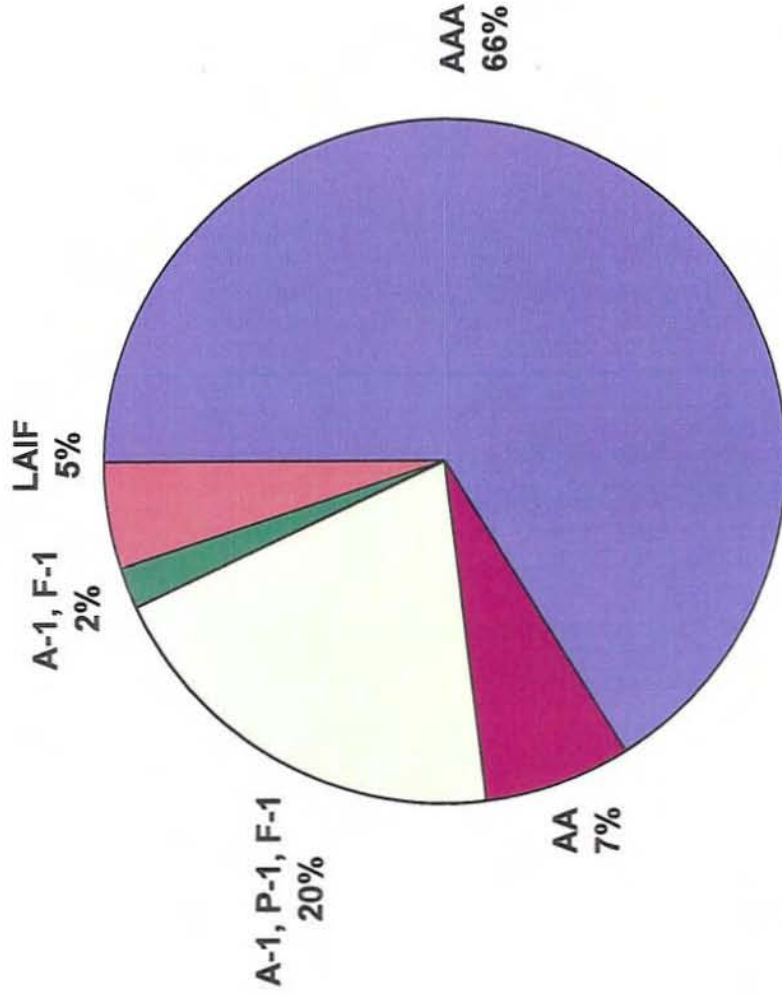


| | |
|--------------------------------|--------------------|
| Government Agency Bonds (GABD) | 123,920,000 |
| LAIF | 40,000,000 |
| Commercial Paper | 127,595,000 |
| Negotiable CDs | 33,000,000 |
| Callable Securities | 336,835,000 |
| Medium Term Notes | 89,516,000 |
| TOTAL | 750,866,000 |



CHART 1

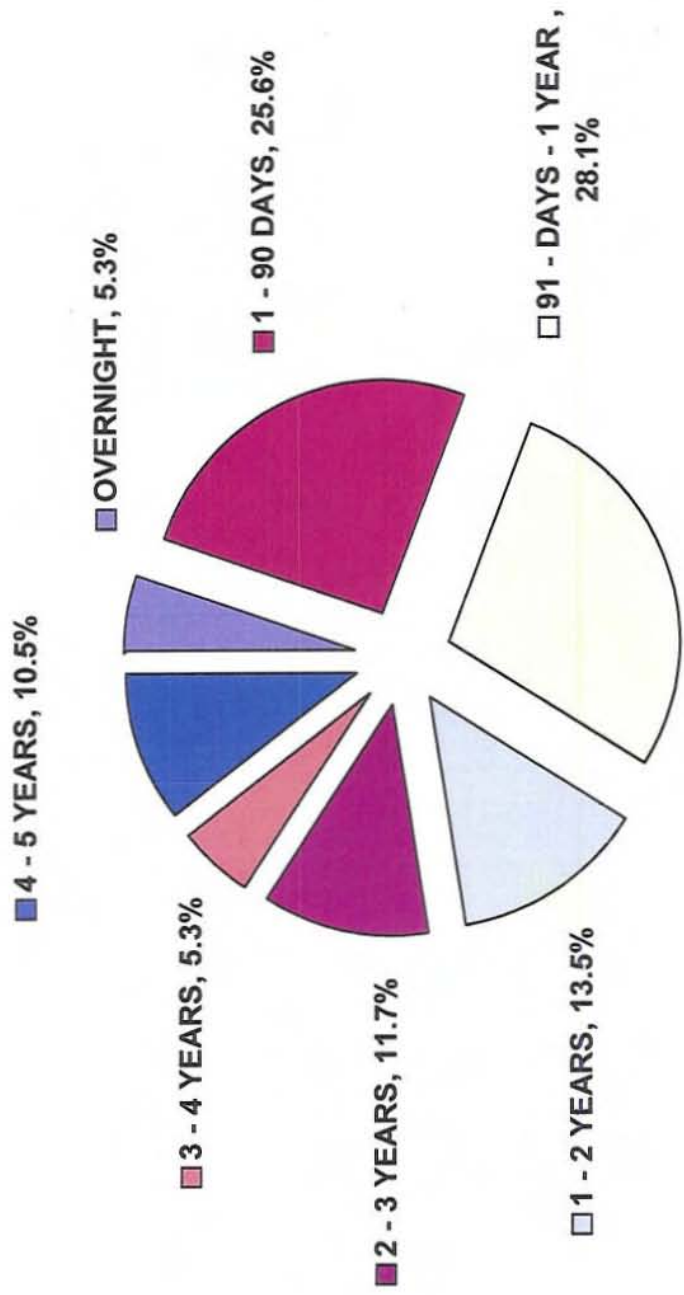
Credit Rating By Percent of Book Value 9/30/2007



Agency of the Federal Government/US Government Sponsored: AAA
 Commercial Paper of US Corporations, Assets Greater Than \$500 million: A1, P1, F1 (by two of the three rating agencies)
 State of California: LAIF: N/A
 Negotiable CD's: A1, P1, F1 (by two of the three rating agencies)
 Medium Term Notes/Corporate Notes of US Corporations: Up to three years: AA- by at least two of the three rating agencies.
 Greater than three years: AA by at least two of the three rating agencies.

CHART 2

**TREASURER'S INVESTMENT PORTFOLIO
Maturity Distribution
9/30/2007**



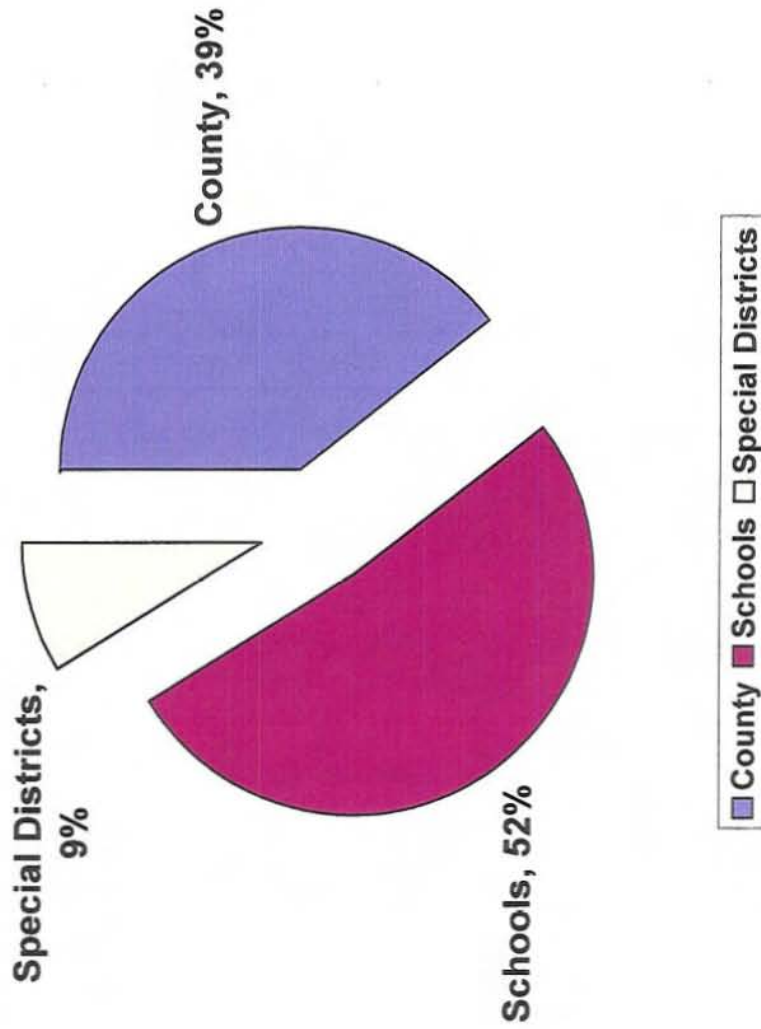
■ 4 - 5 YEARS, 10.5%
 ■ OVERNIGHT, 5.3%
 ■ 1 - 90 DAYS, 25.6%
 □ 91 - DAYS - 1 YEAR, 28.1%
■ 3 - 4 YEARS, 5.3%
 ■ 2 - 3 YEARS, 11.7%
 □ 1 - 2 YEARS, 13.5%
■ 4 - 5 YEARS
 □ 1 - 90 DAYS
 □ 91 - DAYS - 1 YEAR
 □ 1 - 2 YEARS
 ■ 2 - 3 YEARS
 ■ 3 - 4 YEARS
 ■ 4 - 5 YEARS

CHART 3

**TREASURER'S INVESTMENT PORTFOLIO
AGENCY QUARTERLY INCOME DISTRIBUTION**

9/30/07

\$9,651,877



TREASURER'S INVESTMENT PORTFOLIO
 QUARTERLY PERFORMANCE VERSUS SELECTED BENCHMARKS
 9/30/2007

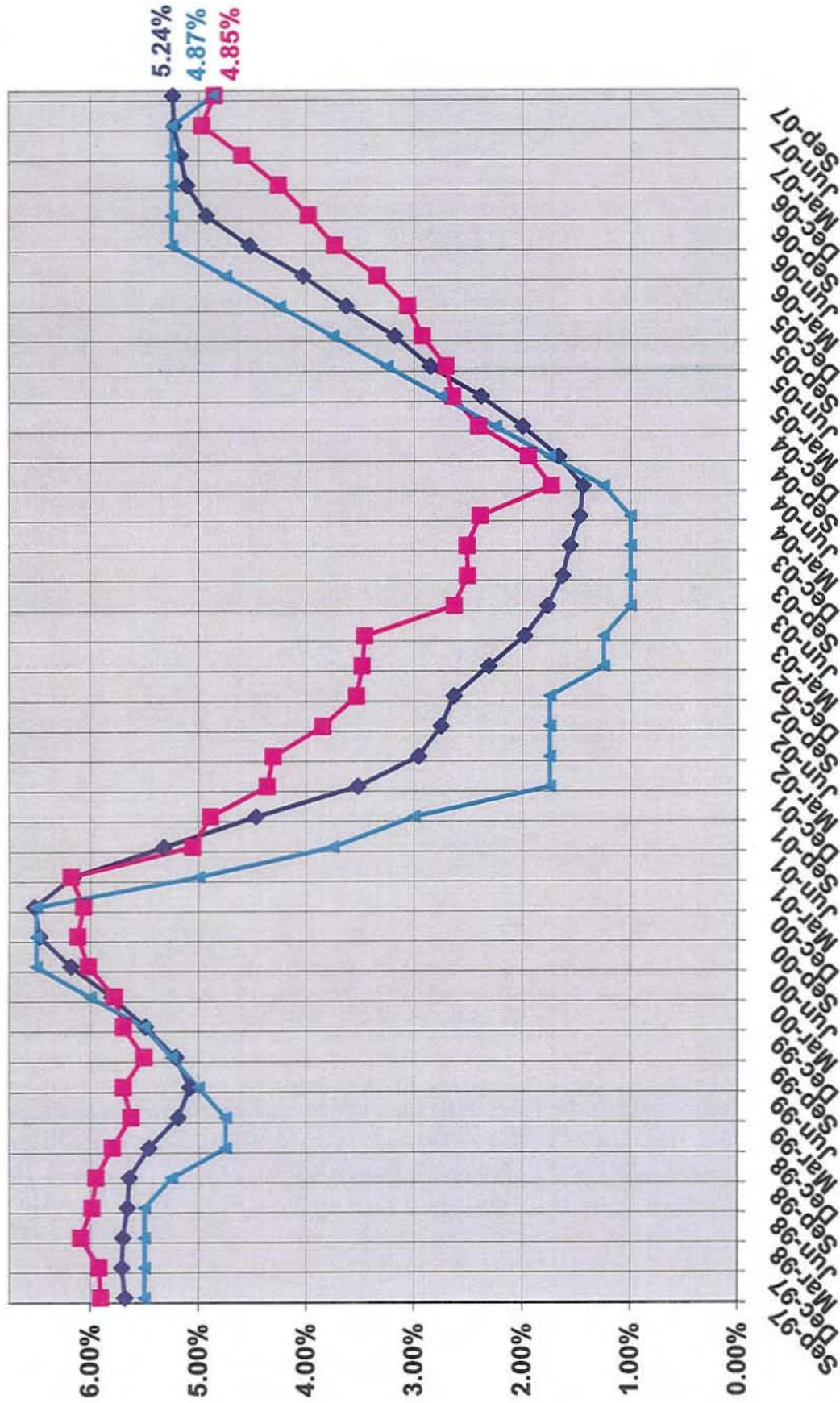


CHART 5
 LAIF — TTC — Fed Funds



**County Pool 2007-2008
Portfolio Management
Portfolio Summary
July 1, 2007 through September 30, 2007**

| Investments | Par Value | Market Value | Book Value | % of Portfolio | Term | Days to Maturity | YTM | YTM 360 Equiv. |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|-------------------------|--------------|-----------------------|
| Local Agency Investment Funds | 40,000,000.00 | 40,000,000.00 | 40,000,000.00 | 5.33 | 1 | 1 | 5.170 | 5.099 |
| Negotiable CDs | 33,000,000.00 | 33,000,000.00 | 33,000,000.00 | 4.40 | 140 | 89 | 5.281 | 5.281 |
| Medium Term Notes | 89,516,000.00 | 89,361,365.97 | 89,418,917.53 | 11.92 | 932 | 628 | 5.148 | 5.094 |
| Medium Term Notes - Callable | 9,000,000.00 | 8,920,050.00 | 8,927,475.59 | 1.19 | 904 | 616 | 5.338 | 5.265 |
| Commercial Paper Disc. -Amortizing | 127,595,000.00 | 127,445,106.75 | 127,435,821.68 | 16.99 | 36 | 8 | 5.351 | 5.351 |
| Federal Agency Coupon Securities | 123,920,000.00 | 123,574,140.00 | 123,721,216.84 | 16.49 | 920 | 152 | 4.528 | 4.466 |
| Federal Agency Coupon - Callables | 327,835,000.00 | 327,691,103.95 | 327,656,328.39 | 43.68 | 1,313 | 826 | 5.066 | 4.996 |
| Investments | 750,866,000.00 | 749,991,766.67 | 750,159,760.03 | 100.00% | 859 | 473 | 5.053 | 5.002 |

| Total Earnings | September 30 | Period Ending |
|---------------------------------|-----------------------|----------------------|
| Current Year | 9,857,205.46 | |
| Average Daily Balance | 779,191,535.01 | |
| Effective Rate of Return | 5.02% | |

Stacey Matson, CPA, Investment & Debt Officer

**County Pool 2007-2008
Portfolio Management
Investment Status Report - Investments
September 30, 2007**

| CUSIP | Investment # | Issuer | Par Value | Stated Rate | Maturity Date | Purchase Date | Term | Days to Maturity | Market Value | Accrued Interest At Purchase | Current Principal | Book Value |
|--------------------------------------|--------------|---|----------------------|-------------|---------------|---------------|------------|------------------|----------------------|------------------------------|----------------------|----------------------|
| CalTrust | | | | | | | | | | | | |
| SY53289 | 3289 | CALTRU | 0.00 | 5.280 | | 07/01/2007 | 1 | 1 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | CalTrust Totals | 0.00 | | | | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| Local Agency Investment Funds | | | | | | | | | | | | |
| SY51009 | 1009 | LAIF | 40,000,000.00 | 5.170 | | | 1 | 1 | 40,000,000.00 | 0.00 | 40,000,000.00 | 40,000,000.00 |
| | | Local Agency Investment Funds Totals | 40,000,000.00 | | | | 1 | 1 | 40,000,000.00 | 0.00 | 40,000,000.00 | 40,000,000.00 |
| Negotiable CDs | | | | | | | | | | | | |
| 1730D0R99 | 3813 | CITINA | 5,000,000.00 | 5.480 | 11/29/2007 | 08/29/2007 | 92 | 59 | 5,000,000.00 | 0.00 | 5,000,000.00 | 5,000,000.00 |
| 1730D0S72 | 3814 | CITINA | 5,000,000.00 | 5.540 | 11/29/2007 | 08/29/2007 | 92 | 59 | 5,000,000.00 | 0.00 | 5,000,000.00 | 5,000,000.00 |
| 25152XEE6 | 3409 | DEUTSC | 5,000,000.00 | 5.400 | 01/30/2008 | 01/30/2007 | 365 | 121 | 5,000,000.00 | 0.00 | 5,000,000.00 | 5,000,000.00 |
| 90531A3T1 | 3847 | UBKCAL | 6,000,000.00 | 5.120 | 01/02/2008 | 09/21/2007 | 103 | 93 | 6,000,000.00 | 0.00 | 6,000,000.00 | 6,000,000.00 |
| 90531A3Z7 | 3854 | UBKCAL | 12,000,000.00 | 5.120 | 01/08/2008 | 09/26/2007 | 104 | 99 | 12,000,000.00 | 0.00 | 12,000,000.00 | 12,000,000.00 |
| | | Negotiable CDs Totals | 33,000,000.00 | | | | 140 | 89 | 33,000,000.00 | 0.00 | 33,000,000.00 | 33,000,000.00 |
| Medium Term Notes | | | | | | | | | | | | |
| 060505BU7 | 3744 | BAC | 5,000,000.00 | 4.500 | 08/01/2010 | 07/10/2007 | 1,118 | 1,035 | 4,950,000.00 | Received | 4,860,800.00 | 4,871,040.87 |
| 172967DU2 | 3202 | CITIG | 5,000,000.00 | 5.100 | 09/29/2011 | 10/24/2006 | 1,801 | 1,459 | 4,987,350.00 | Received | 4,956,900.00 | 4,965,082.93 |
| 5526E0AK9 | 3201 | FIA | 5,000,000.00 | 5.375 | 01/15/2008 | 10/24/2006 | 448 | 106 | 5,005,200.00 | Received | 5,002,150.00 | 5,000,507.03 |
| 339030AG3 | 3253 | FLEETB | 4,885,000.00 | 3.850 | 02/15/2008 | 11/17/2006 | 455 | 137 | 4,861,552.00 | Received | 4,810,210.65 | 4,862,629.97 |
| 36962GH49 | 1849 | GECC | 7,000,000.00 | 3.125 | 04/01/2009 | 04/01/2004 | 1,826 | 548 | 6,818,000.00 | Received | 6,989,080.00 | 6,996,724.00 |
| 36962GUL6 | 3158 | GECC | 10,938,000.00 | 7.375 | 01/19/2010 | 10/02/2006 | 1,205 | 841 | 11,481,837.36 | Received | 11,700,050.46 | 11,469,573.53 |
| 36962GR48 | 3713 | GECC | 5,000,000.00 | 4.125 | 09/01/2009 | 06/22/2007 | 802 | 701 | 4,929,800.00 | Received | 4,870,550.00 | 4,886,792.78 |
| 36962GT79 | 3831 | GECC | 5,000,000.00 | 5.400 | 01/05/2009 | 09/07/2007 | 486 | 462 | 4,985,600.00 | 48,000.00 | 4,992,850.00 | 4,993,203.09 |
| 36962GM76 | 3833 | GECC | 5,000,000.00 | 5.680 | 11/21/2011 | 09/10/2007 | 1,533 | 1,512 | 4,951,650.00 | 15,777.78 | 4,984,350.00 | 4,984,564.38 |
| 441815AQ0 | 3127 | HSBCFI | 5,000,000.00 | 5.836 | 02/15/2008 | 09/18/2006 | 515 | 137 | 5,004,850.00 | Received | 5,033,500.00 | 5,008,854.04 |
| 46623ECM9 | 3511 | JPMCC | 5,000,000.00 | 5.619 | 09/05/2008 | 03/16/2007 | 539 | 340 | 4,998,750.00 | Received | 4,997,050.00 | 4,998,139.15 |
| 89233PJ98 | 3823 | TOYMTN | 5,000,000.00 | 5.591 | 09/05/2008 | 09/04/2007 | 367 | 340 | 4,991,100.00 | Received | 5,000,000.00 | 5,000,000.00 |
| 929903AC6 | 3444 | WACCOR | 4,000,000.00 | 3.500 | 08/15/2008 | 02/12/2007 | 550 | 319 | 3,947,320.00 | Received | 3,900,840.00 | 3,942,658.86 |
| 929903AD4 | 3849 | WACCOR | 7,693,000.00 | 3.625 | 02/17/2009 | 09/24/2007 | 512 | 505 | 7,552,756.61 | 28,661.77 | 7,548,910.11 | 7,550,915.34 |
| 949746JB8 | 3017 | WELLS | 5,000,000.00 | 4.000 | 08/15/2008 | 07/18/2006 | 759 | 319 | 4,948,000.00 | Received | 4,852,250.00 | 4,937,893.57 |
| 949746MZ1 | 3156 | WELLS | 5,000,000.00 | 4.625 | 08/09/2010 | 09/29/2006 | 1,410 | 1,043 | 4,947,600.00 | Received | 4,932,850.00 | 4,950,337.99 |
| | | Medium Term Notes Totals | 89,516,000.00 | | | | 932 | 628 | 89,361,365.97 | 92,439.55 | 89,432,341.22 | 89,418,917.53 |
| Medium Term Notes - Callable | | | | | | | | | | | | |
| 89233PB70 | 3467 | TOYMTN | 5,000,000.00 | 5.375 | 01/28/2010 | 02/27/2007 | 1,066 | 850 | 4,997,850.00 | Received | 4,997,500.00 | 4,998,009.04 |
| 94974BAT7 | 3134 | WELLS | 4,000,000.00 | 3.120 | 08/15/2008 | 09/18/2006 | 697 | 319 | 3,922,200.00 | Received | 3,845,680.00 | 3,929,466.55 |

**County Pool 2007-2008
Portfolio Management
Investment Status Report - Investments
September 30, 2007**

| CUSIP | Investment # | Issuer | Par Value | Stated Rate | Maturity Date | Purchase Date | Term | Days to Maturity | Market Value | Accrued Interest At Purchase | Current Principal | Book Value |
|--|--------------|--------|-----------------------|-------------|---------------|---------------|------------|------------------|-----------------------|------------------------------|-----------------------|-----------------------|
| Medium Term Notes - Callable Totals | | | | | | | | | | | | |
| | | | 9,000,000.00 | | | | 904 | 616 | 8,920,050.00 | 0.00 | 8,843,180.00 | 8,927,475.59 |
| Commercial Paper Disc. -Amortizing | | | | | | | | | | | | |
| 12556VX17 | 3839 | CIT | 6,700,000.00 | 6.000 | 10/01/2007 | 09/17/2007 | 14 | 0 | 6,700,000.00 | | 6,684,366.67 | 6,700,000.00 |
| 12556VX33 | 3845 | CIT | 9,200,000.00 | 5.350 | 10/03/2007 | 09/20/2007 | 13 | 2 | 9,197,516.00 | | 9,182,226.11 | 9,197,265.56 |
| 12556VX41 | 3846 | CIT | 2,000,000.00 | 5.400 | 10/04/2007 | 09/21/2007 | 13 | 3 | 1,999,200.00 | | 1,996,100.00 | 1,999,100.00 |
| 25153KXF9 | 3834 | DB BAN | 15,000,000.00 | 5.245 | 10/15/2007 | 09/10/2007 | 35 | 14 | 14,971,350.00 | | 14,923,510.42 | 14,969,404.17 |
| 25153KX10 | 3858 | DB BAN | 9,500,000.00 | 5.000 | 10/01/2007 | 09/28/2007 | 3 | 0 | 9,500,000.00 | | 9,496,041.67 | 9,500,000.00 |
| 2960E3X48 | 3855 | ERSTE | 9,200,000.00 | 5.025 | 10/04/2007 | 09/27/2007 | 7 | 3 | 9,196,320.00 | | 9,191,010.83 | 9,196,147.50 |
| 3763P3X27 | 3736 | GIRBAL | 8,000,000.00 | 5.270 | 10/02/2007 | 07/05/2007 | 89 | 1 | 7,998,960.00 | | 7,895,771.11 | 7,998,828.89 |
| 45920GX19 | 3859 | IBMP | 3,400,000.00 | 4.740 | 10/01/2007 | 09/28/2007 | 3 | 0 | 3,400,000.00 | | 3,398,657.00 | 3,400,000.00 |
| 5006E1X58 | 3733 | KOREA | 3,500,000.00 | 5.270 | 10/05/2007 | 07/03/2007 | 94 | 4 | 3,498,145.00 | | 3,451,838.06 | 3,497,950.56 |
| 5006E1XR0 | 3741 | KOREA | 2,095,000.00 | 5.260 | 10/25/2007 | 07/09/2007 | 108 | 24 | 2,087,981.75 | | 2,061,940.90 | 2,087,653.53 |
| 5006E1YT5 | 3856 | KOREA | 5,000,000.00 | 5.180 | 11/27/2007 | 09/27/2007 | 61 | 57 | 4,959,850.00 | | 4,956,113.89 | 4,958,991.67 |
| 5777E3X50 | 3750 | MAX | 8,200,000.00 | 5.290 | 10/05/2007 | 07/12/2007 | 85 | 4 | 8,195,654.00 | | 8,097,579.72 | 8,195,180.22 |
| 74432KX94 | 3826 | PRUD | 10,000,000.00 | 5.800 | 10/09/2007 | 09/05/2007 | 34 | 8 | 9,989,100.00 | | 9,945,222.22 | 9,987,111.11 |
| 74432KXV5 | 3852 | PRUD | 8,500,000.00 | 5.200 | 10/29/2007 | 09/26/2007 | 33 | 28 | 8,466,850.00 | | 8,459,483.33 | 8,465,622.22 |
| 89233HXG4 | 3835 | TOYOTA | 3,000,000.00 | 5.260 | 10/16/2007 | 09/11/2007 | 35 | 15 | 2,993,880.00 | | 2,984,658.33 | 2,993,425.00 |
| 89233HX17 | 3836 | TOYOTA | 9,000,000.00 | 5.220 | 10/01/2007 | 09/12/2007 | 19 | 0 | 9,000,000.00 | | 8,975,205.00 | 9,000,000.00 |
| 90262DX42 | 3824 | UBSF | 9,000,000.00 | 5.670 | 10/04/2007 | 09/04/2007 | 30 | 3 | 8,996,400.00 | | 8,957,475.00 | 8,995,747.50 |
| 90262DXA8 | 3832 | UBSF | 5,000,000.00 | 5.285 | 10/10/2007 | 09/07/2007 | 33 | 9 | 4,993,900.00 | | 4,975,777.08 | 4,993,393.75 |
| 96442MX18 | 3788 | WHITE | 1,300,000.00 | 5.420 | 10/01/2007 | 08/07/2007 | 55 | 0 | 1,300,000.00 | | 1,289,235.28 | 1,300,000.00 |
| Commercial Paper Disc. -Amortizing Totals | | | 127,595,000.00 | | | | 36 | 8 | 127,445,106.75 | 0.00 | 126,922,212.62 | 127,435,821.68 |
| Federal Agency Coupon Securities | | | | | | | | | | | | |
| 3133X9FZ8 | 2089 | FHLB | 4,920,000.00 | 5.000 | 11/28/2007 | 11/29/2004 | 1,094 | 58 | 4,920,000.00 | | 4,913,850.00 | 4,919,675.12 |
| 3133XEEH8 | 2721 | FHLB | 5,000,000.00 | 4.900 | 07/24/2008 | 01/27/2006 | 909 | 297 | 5,007,800.00 | Received | 4,987,250.00 | 4,995,835.28 |
| 3133XEEL9 | 2739 | FHLB | 5,000,000.00 | 4.750 | 11/08/2007 | 02/08/2006 | 638 | 38 | 4,998,450.00 | | 4,987,850.00 | 4,999,286.43 |
| 3133XDGC9 | 3003 | FHLB | 5,000,000.00 | 4.500 | 10/12/2007 | 07/12/2006 | 457 | 11 | 4,998,450.00 | Received | 4,936,500.00 | 4,998,447.78 |
| 3133XJM39 | 3515 | FHLB | 5,000,000.00 | 5.250 | 02/01/2008 | 03/21/2007 | 317 | 123 | 5,004,700.00 | Received | 5,000,000.00 | 5,000,000.00 |
| 3133XC4D2 | 3540 | FHLB | 4,000,000.00 | 4.100 | 06/13/2008 | 03/30/2007 | 441 | 256 | 3,981,240.00 | Received | 3,955,200.00 | 3,973,927.02 |
| 31339YGN6 | 3542 | FHLB | 5,000,000.00 | 3.750 | 07/15/2008 | 04/02/2007 | 470 | 288 | 4,920,300.00 | Received | 4,852,435.00 | 4,909,484.97 |
| 3133X0LJ6 | 3572 | FHLB | 5,000,000.00 | 3.750 | 08/15/2008 | 04/11/2007 | 492 | 319 | 4,960,950.00 | Received | 4,915,000.00 | 4,944,855.37 |
| 3128X0Q28 | 1445 | FHLMC | 10,000,000.00 | 3.500 | 03/12/2008 | 03/12/2003 | 1,827 | 163 | 9,938,100.00 | | 9,995,000.00 | 9,999,552.78 |
| 3128X1JB4 | 1583 | FHLMC | 10,000,000.00 | 2.850 | 06/03/2008 | 06/04/2003 | 1,826 | 246 | 9,873,400.00 | Received | 9,998,500.00 | 9,999,798.22 |
| 3128X1LC9 | 1582 | FHLMC | 10,000,000.00 | 2.700 | 12/17/2007 | 06/17/2003 | 1,644 | 77 | 9,952,800.00 | | 9,997,500.00 | 9,999,882.72 |
| 3128X4WK3 | 2667 | FHLMC | 5,000,000.00 | 5.000 | 12/12/2007 | 12/12/2005 | 730 | 72 | 4,999,150.00 | | 5,000,000.00 | 5,000,000.00 |
| 3128X4F48 | 2738 | FHLMC | 5,000,000.00 | 5.000 | 02/08/2008 | 02/08/2006 | 730 | 130 | 5,000,750.00 | | 5,000,000.00 | 5,000,000.00 |
| 3128X4F48 | 2756 | FHLMC | 5,000,000.00 | 5.000 | 02/08/2008 | 02/14/2006 | 724 | 130 | 5,000,750.00 | Received | 4,987,750.00 | 4,997,821.08 |

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| CUSIP | Investment # | Issuer | Par Value | Stated Rate | Maturity Date | Purchase Date | Term | Days to Maturity | Market Value | Accrued Interest At Purchase | Current Principal | Book Value |
|--|--------------|--------|-----------------------|-------------|---------------|---------------|------------|------------------|-----------------------|------------------------------|-----------------------|-----------------------|
| Federal Agency Coupon Securities | | | | | | | | | | | | |
| 3128X4YE5 | 3582 | FHLMC | 5,000,000.00 | 5.000 | 07/23/2008 | 04/13/2007 | 467 | 296 | 5,011,500.00 | Received | 4,992,300.00 | 4,995,112.17 |
| 3128X5S33 | 3625 | FHLMC | 5,000,000.00 | 4.875 | 09/12/2008 | 05/02/2007 | 499 | 347 | 5,012,000.00 | Received | 4,987,450.00 | 4,991,266.22 |
| 3136F7JZ1 | 2531 | FNMA | 5,000,000.00 | 4.750 | 03/07/2008 | 09/07/2005 | 912 | 158 | 4,996,900.00 | | 4,999,218.75 | 4,999,864.58 |
| 3136F7MT1 | 2644 | FNMA | 5,000,000.00 | 5.000 | 11/23/2007 | 11/23/2005 | 730 | 53 | 5,000,000.00 | | 4,998,750.00 | 4,999,909.72 |
| 31359MZN6 | 2670 | FNMA | 5,000,000.00 | 5.000 | 12/13/2007 | 12/13/2005 | 730 | 73 | 5,000,000.00 | | 5,000,000.00 | 5,000,000.00 |
| 3136F7PQ4 | 2688 | FNMA | 5,000,000.00 | 5.000 | 12/27/2007 | 12/27/2005 | 730 | 87 | 5,000,000.00 | | 5,000,000.00 | 5,000,000.00 |
| 31359MZX2 | 2723 | FNMA | 5,000,000.00 | 4.900 | 11/28/2007 | 01/30/2006 | 667 | 58 | 4,998,450.00 | Received | 4,994,700.00 | 4,999,540.88 |
| 31359MZX2 | 2909 | FNMA | 5,000,000.00 | 4.900 | 11/28/2007 | 05/12/2006 | 565 | 58 | 4,998,450.00 | Received | 4,970,312.50 | 4,996,956.50 |
| Federal Agency Coupon Securities Totals | | | 123,920,000.00 | | | | 920 | 152 | 123,574,140.00 | 0.00 | 123,469,566.25 | 123,721,216.84 |
| Federal Agency Coupon - Callables | | | | | | | | | | | | |
| 31331Q3A3 | 1591 | FFCB | 9,665,000.00 | 2.950 | 06/30/2008 | 06/30/2003 | 1,827 | 273 | 9,538,195.20 | | 9,660,167.50 | 9,664,277.81 |
| 31331XAV4 | 3184 | FFCB | 5,000,000.00 | 5.320 | 10/17/2008 | 10/17/2006 | 731 | 382 | 5,000,000.00 | | 4,992,968.75 | 4,996,328.13 |
| 31331XGE6 | 3312 | FFCB | 5,000,000.00 | 5.200 | 12/08/2008 | 12/13/2006 | 726 | 434 | 5,000,000.00 | Received | 4,997,500.00 | 4,998,506.99 |
| 31339XMK7 | 1581 | FHLB | 10,000,000.00 | 3.150 | 06/17/2008 | 06/17/2003 | 1,827 | 260 | 9,887,500.00 | | 9,995,312.50 | 9,999,333.33 |
| 3133X0FJ3 | 1629 | FHLB | 5,000,000.00 | 4.000 | 08/13/2008 | 08/13/2003 | 1,827 | 317 | 4,970,300.00 | | 4,996,250.00 | 4,999,350.00 |
| 3133XCRA3 | 2491 | FHLB | 5,000,000.00 | 4.470 | 02/15/2008 | 08/15/2005 | 914 | 137 | 4,990,650.00 | | 4,979,687.50 | 4,996,975.69 |
| 3133XEKR9 | 2759 | FHLB | 5,000,000.00 | 5.000 | 02/15/2008 | 02/15/2006 | 730 | 137 | 5,000,000.00 | | 4,996,875.00 | 5,000,000.00 |
| 3133XFPC4 | 3082 | FHLB | 5,000,000.00 | 5.500 | 06/05/2009 | 08/21/2006 | 1,019 | 613 | 5,009,400.00 | | 5,000,000.00 | 5,000,000.00 |
| 3133XHD90 | 3192 | FHLB | 5,000,000.00 | 5.550 | 10/19/2009 | 10/19/2006 | 1,096 | 749 | 5,003,150.00 | | 4,998,000.00 | 4,998,633.33 |
| 3133XHJW0 | 3275 | FHLB | 5,000,000.00 | 5.500 | 11/30/2010 | 12/01/2006 | 1,460 | 1,156 | 5,000,000.00 | | 5,000,000.00 | 5,000,000.00 |
| 3133XHJW0 | 3284 | FHLB | 5,000,000.00 | 5.500 | 11/30/2010 | 12/05/2006 | 1,456 | 1,156 | 5,000,000.00 | | 5,000,000.00 | 5,000,000.00 |
| 3133XHWE8 | 3313 | FHLB | 3,525,000.00 | 5.375 | 12/04/2009 | 12/13/2006 | 1,087 | 795 | 3,530,499.00 | | 3,523,347.66 | 3,523,791.99 |
| 3133XJME5 | 3394 | FHLB | 5,000,000.00 | 5.375 | 10/23/2009 | 01/24/2007 | 1,003 | 753 | 5,003,150.00 | | 4,996,998.99 | 4,996,998.99 |
| 3133XJXN3 | 3480 | FHLB | 5,000,000.00 | 5.370 | 08/28/2009 | 03/02/2007 | 910 | 697 | 5,000,000.00 | | 5,000,000.00 | 5,000,000.00 |
| 3133XKDY8 | 3555 | FHLB | 5,000,000.00 | 5.500 | 04/01/2010 | 04/05/2007 | 1,092 | 913 | 5,012,500.00 | | 4,999,750.00 | 4,999,790.89 |
| 3133XKDD4 | 3573 | FHLB | 5,000,000.00 | 5.300 | 10/09/2008 | 04/12/2007 | 546 | 374 | 5,001,550.00 | | 4,998,437.50 | 4,998,929.24 |
| 3133XM5S6 | 3808 | FHLB | 3,570,000.00 | 5.750 | 08/27/2012 | 08/28/2007 | 1,826 | 1,792 | 3,587,850.00 | | 3,570,000.00 | 3,570,000.00 |
| 3133XL5X7 | 3860 | FHLB | 7,000,000.00 | 5.500 | 06/11/2009 | 09/28/2007 | 622 | 619 | 7,002,170.00 | 114,430.56 | 7,000,000.00 | 7,000,000.00 |
| 3128X3UV3 | 2010 | FHLMC | 6,000,000.00 | 4.000 | 09/16/2008 | 09/24/2004 | 1,453 | 351 | 5,964,780.00 | Received | 6,000,000.00 | 6,000,000.00 |
| 3128X5JL8 | 3115 | FHLMC | 5,000,000.00 | 5.450 | 09/02/2011 | 09/12/2006 | 1,816 | 1,432 | 5,042,300.00 | Received | 4,991,100.00 | 4,992,984.41 |
| 3128X5QW1 | 3298 | FHLMC | 5,000,000.00 | 5.250 | 12/05/2011 | 12/08/2006 | 1,823 | 1,526 | 5,007,450.00 | Received | 4,989,100.00 | 4,990,877.24 |
| 3128X5TL2 | 3332 | FHLMC | 5,000,000.00 | 5.300 | 06/20/2008 | 12/20/2006 | 548 | 263 | 5,006,050.00 | | 5,000,000.00 | 5,000,000.00 |
| 3128X5VM7 | 3350 | FHLMC | 5,000,000.00 | 5.550 | 12/28/2011 | 12/28/2006 | 1,826 | 1,549 | 5,013,300.00 | | 4,990,000.00 | 4,991,516.67 |
| 3128X5VM7 | 3369 | FHLMC | 5,000,000.00 | 5.550 | 12/28/2011 | 01/05/2007 | 1,818 | 1,549 | 5,013,300.00 | Received | 4,994,531.25 | 4,995,342.56 |
| 3128X5WH7 | 3373 | FHLMC | 5,000,000.00 | 5.550 | 01/09/2012 | 01/09/2007 | 1,826 | 1,561 | 5,015,200.00 | | 5,000,000.00 | 5,000,000.00 |
| 3128X5CA8 | 3446 | FHLMC | 5,000,000.00 | 5.375 | 02/08/2010 | 02/14/2007 | 1,090 | 861 | 5,014,400.00 | Received | 5,000,000.00 | 5,000,000.00 |

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| CUSIP | Investment # | Issuer | Par Value | Stated Rate | Maturity Date | Purchase Date | Term | Days to Maturity | Market Value | Accrued Interest At Purchase | Current Principal | Book Value |
|---|--------------|--------|---------------|-------------|---------------|---------------|-------|------------------|-----------------------|------------------------------|-----------------------|-----------------------|
| 3128X5H92 | 3486 | FHLMC | 5,000,000.00 | 5.550 | 03/05/2010 | 03/05/2007 | 1,096 | 886 | 5,009,400.00 | | 5,000,000.00 | 5,000,000.00 |
| 3128X1RX7 | 3591 | FHLMC | 3,875,000.00 | 3.060 | 07/15/2008 | 04/18/2007 | 454 | 288 | 3,825,593.75 | Received | 3,779,016.25 | 3,814,017.04 |
| 3128X6BP0 | 3707 | FHLMC | 5,000,000.00 | 5.700 | 06/12/2012 | 06/21/2007 | 1,818 | 1,716 | 5,038,750.00 | 7,125.00 | 4,977,500.00 | 4,978,756.28 |
| 3128X6GR1 | 3768 | FHLMC | 5,000,000.00 | 6.000 | 07/24/2012 | 07/24/2007 | 1,827 | 1,758 | 5,057,800.00 | | 5,000,000.00 | 5,000,000.00 |
| 3136F3WW2 | 1575 | FNMA | 10,000,000.00 | 3.000 | 06/11/2008 | 06/11/2003 | 1,827 | 254 | 9,881,300.00 | | 9,993,000.00 | 9,999,027.78 |
| 3136F5BL4 | 1838 | FNMA | 15,000,000.00 | 4.100 | 02/13/2009 | 03/18/2004 | 1,793 | 501 | 14,910,900.00 | Received | 15,040,500.00 | 15,000,000.00 |
| 3136F3TM8 | 2023 | FNMA | 5,000,000.00 | 4.000 | 05/20/2008 | 10/01/2004 | 1,327 | 232 | 4,975,000.00 | Received | 4,998,100.00 | 4,999,667.61 |
| 3136F7LJ4 | 2589 | FNMA | 5,000,000.00 | 5.000 | 10/17/2008 | 10/17/2005 | 1,096 | 382 | 5,000,000.00 | | 5,000,000.00 | 5,000,000.00 |
| 3136F7LJ4 | 2590 | FNMA | 5,000,000.00 | 5.000 | 10/17/2008 | 10/17/2005 | 1,096 | 382 | 5,000,000.00 | | 5,005,000.00 | 5,000,000.00 |
| 3136F7MJ3 | 2696 | FNMA | 6,000,000.00 | 5.000 | 05/23/2008 | 01/05/2006 | 869 | 235 | 6,000,000.00 | Received | 5,994,000.00 | 5,998,377.62 |
| 31359MZV8 | 2708 | FNMA | 5,000,000.00 | 5.125 | 01/18/2008 | 01/18/2006 | 730 | 109 | 5,000,000.00 | | 5,000,000.00 | 5,000,000.00 |
| 3136F7RJ8 | 2732 | FNMA | 5,000,000.00 | 5.000 | 02/01/2008 | 02/03/2006 | 728 | 123 | 5,000,000.00 | Received | 4,992,187.50 | 4,998,694.29 |
| 3136F7VJ3 | 3146 | FNMA | 5,000,000.00 | 5.340 | 02/22/2011 | 09/28/2006 | 1,608 | 1,240 | 5,017,200.00 | Received | 4,993,750.00 | 4,995,182.29 |
| 31359MZJ5 | 3172 | FNMA | 5,000,000.00 | 5.200 | 11/08/2010 | 10/06/2006 | 1,494 | 1,134 | 5,003,150.00 | Received | 4,979,000.00 | 4,984,064.54 |
| 31359MY49 | 3175 | FNMA | 5,000,000.00 | 5.375 | 10/11/2011 | 10/11/2006 | 1,826 | 1,471 | 5,001,550.00 | | 4,990,234.38 | 4,992,133.25 |
| 31359MY64 | 3281 | FNMA | 5,000,000.00 | 5.125 | 10/03/2008 | 12/04/2006 | 669 | 368 | 5,000,000.00 | Received | 5,000,000.00 | 5,000,000.00 |
| 3136F73V7 | 3294 | FNMA | 5,000,000.00 | 5.500 | 10/17/2010 | 12/07/2006 | 1,775 | 1,477 | 5,003,150.00 | Received | 5,000,000.00 | 5,000,000.00 |
| 3136F8BM6 | 3323 | FNMA | 5,000,000.00 | 5.500 | 12/15/2010 | 12/15/2006 | 1,461 | 1,171 | 5,010,950.00 | | 4,998,500.00 | 4,998,797.92 |
| 31359M2G7 | 3326 | FNMA | 5,000,000.00 | 5.250 | 11/20/2008 | 12/18/2006 | 703 | 416 | 5,004,700.00 | Received | 5,000,000.00 | 5,000,000.00 |
| 31359MY49 | 3340 | FNMA | 5,000,000.00 | 5.375 | 10/11/2011 | 12/26/2006 | 1,750 | 1,471 | 5,001,550.00 | Received | 4,996,875.00 | 4,997,373.19 |
| 3136F8BV6 | 3355 | FNMA | 5,000,000.00 | 5.550 | 12/29/2010 | 12/29/2006 | 1,461 | 1,185 | 5,012,500.00 | | 5,000,000.00 | 5,000,000.00 |
| 3136F75S2 | 3375 | FNMA | 5,000,000.00 | 5.550 | 11/15/2011 | 01/10/2007 | 1,770 | 1,506 | 5,006,250.00 | Received | 4,998,000.00 | 4,998,299.14 |
| 3136F8EJ0 | 3420 | FNMA | 3,200,000.00 | 5.520 | 01/19/2010 | 02/01/2007 | 1,083 | 841 | 3,202,016.00 | Received | 3,198,500.00 | 3,198,837.08 |
| 3136F8JL0 | 3535 | FNMA | 5,000,000.00 | 5.400 | 03/29/2010 | 03/29/2007 | 1,096 | 910 | 5,010,950.00 | Received | 4,995,600.00 | 4,996,341.48 |
| 31359M5N9 | 3597 | FNMA | 5,000,000.00 | 5.300 | 02/26/2010 | 04/19/2007 | 1,044 | 879 | 5,014,050.00 | Received | 4,999,200.00 | 4,999,326.19 |
| 31359M7L1 | 3603 | FNMA | 10,000,000.00 | 5.700 | 04/20/2012 | 04/20/2007 | 1,827 | 1,663 | 10,006,300.00 | | 10,000,000.00 | 10,000,000.00 |
| 31359M4Q3 | 3655 | FNMA | 5,000,000.00 | 5.375 | 02/01/2010 | 05/23/2007 | 985 | 854 | 5,014,050.00 | Received | 4,999,000.00 | 4,999,132.23 |
| 3136F8BP9 | 3666 | FNMA | 5,000,000.00 | 5.500 | 12/21/2009 | 05/30/2007 | 936 | 812 | 5,010,950.00 | Received | 4,999,250.00 | 4,999,348.53 |
| 31398ABQ4 | 3735 | FNMA | 5,000,000.00 | 5.450 | 05/14/2009 | 07/03/2007 | 681 | 591 | 5,001,550.00 | 37,090.28 | 4,997,000.00 | 4,997,393.44 |
| 3136F8PG4 | 3738 | FNMA | 5,000,000.00 | 5.500 | 07/02/2009 | 07/06/2007 | 727 | 640 | 5,012,500.00 | 3,055.56 | 4,999,218.75 | 4,999,311.50 |
| 3136F8QB4 | 3747 | FNMA | 5,000,000.00 | 5.500 | 07/12/2010 | 07/12/2007 | 1,096 | 1,015 | 5,001,550.00 | | 4,998,500.00 | 4,998,609.72 |
| 3136F8QE8 | 3763 | FNMA | 5,000,000.00 | 5.750 | 07/19/2010 | 07/19/2007 | 1,096 | 1,022 | 5,003,150.00 | | 5,000,000.00 | 5,000,000.00 |
| 3136F8HT5 | 3851 | FNMA | 10,000,000.00 | 5.500 | 03/21/2012 | 09/26/2007 | 1,638 | 1,633 | 10,040,600.00 | 7,638.89 | 10,000,000.00 | 10,000,000.00 |
| Federal Agency Coupon - Callables Totals | | | | | | | | | 327,835,000.00 | 174,410.50 | 327,590,959.54 | 327,656,328.39 |
| Federal Agency Coupon - Callables | | | | | | | | | 327,691,103.95 | 174,410.50 | 327,590,959.54 | 327,656,328.39 |

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| CUSIP | Investment # | Issuer | Par Value | Stated Rate | Maturity Date | Purchase Date | Term | Days to Maturity | Market Value | Accrued Interest At Purchase | Current Principal | Book Value |
|-------|--------------|-------------------|----------------|-------------|---------------|---------------|------|------------------|----------------|------------------------------|-------------------|----------------|
| | | Investment Totals | 750,866,000.00 | | | | 859 | 473 | 749,991,766.67 | 266,850.05 | 749,258,259.63 | 750,159,760.03 |