# ORANGE COUNTY TREASURER-TAX COLLECTOR INVESTMENT POLICY COMPLIANCE January 31, 2002

Investment Policy Guidelines		Orange County Investment Pool		Orange County Educational Investment Pool		John Wayne Airport Investment Pool	
Percent of		Market Value of Percent of		Market Value of	Percent of	Market Value of	Percent of
Portfolio	Investment Type	Investments	Portfolio	Investments	Portfolio	Investments	Portfolio
100%	U.S. Treasuries	-	-	-	-	-	-
100%	U.S. Government Agencies	\$813,962,619	32.13%	\$385,682,312	25.73%	\$17,765,707	46.86%
40%	Commercial Paper	739,501,336	29.19%	595,128,968	39.70%	14,438,885	38.08%
50%	Repurchase Agreements	40,000,471	1.58%	40,000,511	2.67%	-	-
30%	Negotiable Certificates of Deposit	444,936,298	17.56%	246,307,016	16.43%	-	-
20%	Money Market Funds	118,053,477	4.66%	71,675,142	4.78%	4,197,446	11.07%
40%	Bankers' Acceptances	54,852,222	2.16%	14,977,639	1.00%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	322,360,697	12.72%	145,168,826	9.69%	1,513,359	3.99%
		\$2,533,667,120	100.00%	\$1,498,940,414	100.00%	\$37,915,397	100.00%

Compliance Category	Money Market Fund	<b>Extended Fund</b>	Orange County Educational		John Wayne Airport	
(Yes/No)	(Fund #692)	(Fund #699)	Investment Pool		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	
Internal Control-Trade Approval	No	Yes	No		Yes	

# Orange County Treasurer-Tax Collector Noncompliance Report Summary For the Month Ended January 31, 2002

During January, there was one noncompliance incident in the County Investment Pool, one in the Educational Investment Pool, and none in the John Wayne Airport Investment Pool. Although certain Investment Policy Statement (IPS) guidelines were temporarily exceeded during the month, the Treasurer believes they did not cause any material impact of a negative nature.

# **County and Educational Investment Pools**

O1-25 Investment purchases for January 24 were not approved by the Treasurer/Assistant Treasurer/Compliance Manager by the close of the following business day.

Due to a scheduling conflict and delegation miscommunication, investment purchases were not approved by the Treasurer, Assistant Treasurer, or Compliance Manager by the close of the following business day. The investments were approved on January 28, the second following business day, and corrective actions were implemented for these rare instances.

#### **Technical Incidents**

Issues regarding technical incidents are reported as follows:

### **County Investment Pool**

01-23 The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio.

A reduction in the Pool's total assets on January 23 increased holdings of Conduit Asset Backed Securities. The Treasurer has decided to hold these securities until maturity.

# **Credit Watch-Negative or Actual Downgrades**

The following securities were downgraded or placed on credit watch-negative after they were acquired and are considered technical incidents. The Treasurer has decided at this time to hold these acquisitions to maturity.

<b>County Investment Pool</b>	Description	Maturity Date	Fa	ce Amount	% of Total Portfolio	Split- Rated	Credit Watch- Negative
Money Market Fund							
GMAC	MTN	02/01/02	\$	9,650,000	0.52%	A2/P1/F2	
GMAC	MTN	02/07/02		8,752,000	0.47%	A2/P1/F2	
GMAC	MTN	02/07/02		26,025,000	1.39%	A2/P1/F2	
Ford Motor	MTN	02/15/02		12,200,000	0.65%	A2/P1/F2	
Total			\$	56,627,000	3.03%		
Educational Investment Pool							
Oneok Inc.	CP	02/28/02	\$	20,000,000	1.33%		Moody's
Ford Motor	MTN	02/28/02		5,000,000	0.33%	A2/P1/F2	
Total			\$	25,000,000	1.66%		