County of Orange Treasury Oversight Committee Annual Report to the Board of Supervisors For the Period January 2004 to December, 2004

The Treasury Oversight Committee was established by the Board of Supervisors in 1996 in accordance with the California Government Code Section 27130, et seq. Four Committee members were nominated by the County Treasurer and confirmed by the Board of Supervisors. Subsequently a second member of the public was added.

During 2004, four Committee meetings were held. All meetings were open to the public and were held in the Treasurer's Conference Room, Hall of Finance and Records, 12 Civic Center Plaza, Santa Ana, California on the following dates:

February 11 May 5 July 28 October 27

The bylaws and Rules of Procedure were reviewed during the year for conformity with requirements of California Code sections. The Committee recommended to the Board of Supervisors amended bylaws and the appointment of Robert H. Fauteux to serve as representative of outside participants with no term limit and Charles H. Schroeder as a member of the public for a term ending March 13, 2006. The Committee welcomed and seated Thomas G. Mauk as County Executive Officer replacing James Ruth. At the present time, the following are members of the Committee:

Robert H. Fauteux, Representative of Participating Agencies Hon. William Habermehl, Superintendent, Department of Education Thomas G. Mauk, County Executive Officer Charles H. Schroeder, Member of the Public and Chairman Hon. David E. Sundstrom, Auditor-Controller

During the year, the Committee spent many hours deliberating modifications to the Investment Policy Statement. The basic priorities continue to be safety of principal, liquidity and attaining a competitive return for funds entrusted to the County.

The compliance audit report was received in July. No significant exception items were noted in this audit of the investment activities of the Treasurer's Office.

It is the opinion of the Treasury Oversight Committee that during the Year 2004 the Treasurer maintained an acceptable level of compliance with the statutory requirements contained in Article 6 of Division 2 of Title 3 of the Government Code and as further required by County Resolution No. 95-946.

For the Committee

Charles H. Schroeder, Chairman