ORANGE COUNTY TREASURER-TAX COLLECTOR INVESTMENT POLICY COMPLIANCE December 31, 2004

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	-	-	-	-	\$1,996,876	4.49%
100%	U.S. Government Agencies	\$1,133,759,651	31.96%	\$330,946,113	14.68%	12,708,141	28.56%
40%	Commercial Paper	947,594,381	26.72%	828,339,678	36.72%	17,157,409	38.57%
50%	Repurchase Agreements	160,000,000	4.51%	100,000,000	4.44%	-	-
30%	Negotiable Certificates of Deposit	556,506,922	15.69%	481,946,237	21.37%	10,999,327	24.72%
20%	Money Market Funds	145,971,989	4.12%	84,789,578	3.76%	1,628,038	3.66%
40%	Bankers' Acceptances	9,917,030	0.28%	36,202,228	1.61%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	593,187,808	16.72%	392,790,946	17.42%	-	-
		\$3,546,937,781	100.00%	\$2,255,014,780	100.00%	\$44,489,791	100.00%

Compliance Category (Yes/No)	Money Market Fund	Extended Fund	Orange County E	John Wayne Investment	•
Percentage Limits	Yes		Yes	Yes	
Maturity Limits	Yes	Yes	Yes	Yes	
Quality Limits	Yes		Yes	Yes	
Net Asset Value Limits	Yes		Yes	Yes	

Orange County Treasurer-Tax Collector Noncompliance Report Summary For the Month Ended December 31, 2004

During December the County, Educational, and John Wayne Airport Investment pools all were free of noncompliance incidents. Although certain Investment Policy Statement (IPS) guidelines were temporarily exceeded during the month in the County and Educational Pools, the Treasurer believes they did not cause any material impact of a negative nature.

Technical Incidents

Issues regarding technical incidents are reported as follows:

Credit Watch-Negative

On September 30, 2004, Moody's placed the respective long-term senior unsecured debt rating for Merck & Co. Inc. on credit watch negative. The short-term rating was affirmed. The Merck (MRK) securities were purchased before the rating actions and are considered technical incidents.

	Instrument	Maturity	Credit Watch			
Investment Pool	Type	Date	Face Amount	% of Portfolio	Negative	ST/LT Ratings
County	MTN	2/22/2005	\$50,700,000	1.62%	Moody's	P1/Aa2 *-
Educational	MTN	2/22/2005	50,000,000	1.83%	Moody's	P1/Aa2 *-
		Total	\$100,700,000	 -		

^{*} Credit Watch.