

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY COMPLIANCE
June 30, 2001**

Investment Policy Guidelines		Orange County Investment Pool		Orange County Educational Investment Pool		John Wayne Airport Investment Pool	
Percent of Portfolio	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	-	-	-	-	-	-
100%	U.S. Government Agencies	\$651,620,333	28.82%	\$286,793,482	20.60%	\$15,472,953	41.70%
40%	Commercial Paper	585,314,386	25.89%	470,970,998	33.84%	13,926,447	37.53%
50%	Repurchase Agreements	40,000,000	1.77%	40,000,000	2.87%	-	-
30%	Negotiable Certificates of Deposit	529,555,171	23.43%	254,673,413	18.30%	-	-
20%	Money Market Funds	9,194,123	0.41%	5,795,860	0.42%	4,598,372	12.39%
40%	Bankers' Acceptances	112,292,571	4.97%	67,403,711	4.84%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	332,478,381	14.71%	266,315,611	19.13%	3,110,922	8.38%
		\$2,260,454,966	100.00%	\$1,391,953,075	100.00%	\$37,108,694	100.00%

Compliance Category (Yes/No)	Money Market Fund (Fund #692)	Extended Fund (Fund #699)	Orange County Educational Investment Pool		John Wayne Airport Investment Pool	
Percentage Limits	Yes		Yes		No	
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 June 30, 2001**

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

John Wayne Investment Pool

06-05 The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio.

A purchase of \$1.5 million of Autobahn Funding commercial paper on June 5 caused the overall holdings for a single issuer to attain 8.10% of the market value of the portfolio. The security was sold the following day.

Technical Incidents

Issues regarding technical incidents are reported as follows:

Educational Investment Pool

06-30 The rating on medium-term note issuers does not meet the criteria set forth by the IPS.

As reported in January's Noncompliance Report Summary, Moody's, Standard and Poor's, and Fitch lowered their commercial paper and long-term ratings on Edison International to NP/C/D and Caa3/CC/CC, respectively, making them an ineligible issuer. On June 30, our holdings of Edison International consisted of a \$20 million medium-term note maturing July 18. The Treasurer has decided to hold this security until either maturity or when a favorable trading opportunity presents itself.

John Wayne Investment Pool

06-30 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 May 1 increased holdings of CIT Group to 5.14% of the market value of the portfolio. The Treasurer has decided to hold the respective security until maturity.

Additional technical incidents related to the IPS revisions on March 27 are reported on Page 2.

**Orange County Treasurer-Tax Collector
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For the Month Ended June 30, 2001**

Technical Incidents (continued)

The Board of Supervisors approved a revised IPS on March 27, 2001. Any prior purchases of securities in our portfolio on that date that are "split-rated" or on "credit watch-negative" are considered technical incidents. The Treasurer has decided at this time to hold these acquisitions to maturity.

The following are the remaining securities from the prior month that are considered technical incidents. No additional securities have been reported as "split-rated" or "credit watch-negative" in the current month.

<u>County Investment Pool</u>	<u>Description</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>% of Total Portfolio</u>	<u>Split- Rated</u>
<u>Money Market Fund</u>					
Transamerica Financial	MTN	11/01/01	\$ 17,850,000	1.02%	A2/P1/F1+
Total			\$ 17,850,000	1.02%	
<u>Extended Fund</u>					
Countrywide Home Loan	MTN	09/05/01	\$ 22,000,000	4.32%	A1/P2/F1
Total			\$ 22,000,000	4.32%	
<u>Educational Investment Pool</u>					
Countrywide Home Loan	MTN	09/05/01	\$ 18,000,000	1.29%	A1/P2/F1
Transamerica Financial	MTN	12/14/01	18,480,000	1.33%	A2/P1/F1+
Total			\$ 36,480,000	2.62%	
<u>John Wayne Airport Investment Pool</u>					
Countrywide Home Loan	MTN	08/10/01	\$ 1,200,000	3.23%	A1/P2/F1
Total			\$ 1,200,000	3.23%	