

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY COMPLIANCE  
February 28, 2002**

<b>Investment Policy Guidelines</b>		<b>Orange County Investment Pool</b>		<b>Orange County Educational Investment Pool</b>		<b>John Wayne Airport Investment Pool</b>	
<b>Percent of Portfolio</b>	<b>Investment Type</b>	<b>Market Value of Investments</b>	<b>Percent of Portfolio</b>	<b>Market Value of Investments</b>	<b>Percent of Portfolio</b>	<b>Market Value of Investments</b>	<b>Percent of Portfolio</b>
100%	U.S. Treasuries	-	-	-	-	-	-
100%	U.S. Government Agencies	\$795,849,203	33.66%	\$322,584,284	20.73%	\$16,766,946	44.17%
40%	Commercial Paper	681,453,190	28.82%	607,777,612	39.05%	14,941,713	39.37%
50%	Repurchase Agreements	40,000,000	1.69%	40,000,000	2.57%	-	-
30%	Negotiable Certificates of Deposit	419,693,603	17.75%	358,189,775	23.02%	-	-
20%	Money Market Funds	115,277,365	4.87%	106,459,265	6.84%	4,741,733	12.49%
40%	Bankers' Acceptances	59,841,600	2.53%	14,981,911	0.96%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	252,472,781	10.68%	106,258,000	6.83%	1,507,734	3.97%
		<b>\$2,364,587,742</b>	<b>100.00%</b>	<b>\$1,556,250,847</b>	<b>100.00%</b>	<b>\$37,958,126</b>	<b>100.00%</b>

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

**Orange County Treasurer-Tax Collector  
Noncompliance Report Summary  
For the Month Ended February 28, 2002**

During February, there was one noncompliance incident in the Educational Investment Pool, and none in the County or John Wayne Airport Investment Pools. 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.

**Educational Investment Pool**

02-19 The percentage of commercial paper holdings exceeded 40 percent of the market value of the portfolio.

Due to a miscalculation, current day purchases of commercial paper resulted in holdings exceeding 40% of the market value of the portfolio. On the next business day, maturities brought the percentage of commercial paper holdings below the IPS limit.

**Technical Incidents**

Issues regarding technical incidents are reported as follows:

**Credit Watch–Negative**

On February 14, 2002, Fitch Ratings (Fitch) placed Sigma Finance Corp. (Sigma) on credit watch-negative (F1+\*-). By the next business day, Standard & Poor’s and Moody’s had affirmed their ratings (A1+/P1). All Sigma holdings were purchased before Fitch’s action and are considered technical incidents. On March 6, 2002, Fitch reaffirmed their rating and removed Sigma from credit watch-negative.

<b><u>County Investment Pool</u></b>	<b><u>Description</u></b>	<b><u>Maturity Date</u></b>	<b><u>Face Amount</u></b>	<b><u>% of Total Portfolio</u></b>	<b><u>Credit Watch Negative</u></b>
<b><u>Extended Fund</u></b>					
Sigma Finance Corp.	MTN	02/19/03	\$ 30,000,000	1.27%	Fitch
Sigma Finance Corp.	MTN	12/17/04	25,000,000	1.06%	Fitch
Sigma Finance Corp.	MTN	12/17/04	25,000,000	1.06%	Fitch
Sigma Finance Corp.	MTN	12/17/04	25,000,000	1.06%	Fitch
<b>Total</b>			<u>\$ 105,000,000</u>	<u>4.45%</u>	Fitch
<b><u>Educational Investment Pool</u></b>					
Sigma Finance Corp.	CP	05/01/02	\$ 50,000,000	3.19%	Fitch
<b>Total</b>			<u>\$ 50,000,000</u>	<u>3.19%</u>	