# ORANGE COUNTY TREASURER-TAX COLLECTOR INVESTMENT POLICY COMPLIANCE June 30, 2000

Investment Policy		O.C. Treasurer's Money Market		O.C. Treasurer's Money Market		John Wayne Airport	
Guidelines		Commingled Investment Pool		Educational Investment Pool		Portfolio	
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
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	U.S. Treasuries	<b>-</b>	-	-	-	-	-
100%	U.S. Government Agencies	\$42,341,301	2.19%	-	-	\$14,960,043	38.67%
40%	Commercial Paper	764,697,268	39.48%	\$448,726,030	38.51%	12,897,780	33.34%
50%	Repurchase Agreements	59,000,000	3.04%	40,000,000	3.43%	-	-
30%	Negotiable Certificates of Deposit	526,181,273	27.17%	326,455,343	28.02%	1,696,412	4.38%
20%	Money Market Funds	6,408,123	0.33%	2,952,860	0.25%	4,030,316	10.42%
40%	Bankers' Acceptances	28,067,841	1.45%	33,903,200	2.91%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	510,284,629	26.34%	313,134,372	26.88%	5,103,813	13.19%
		\$1,936,980,435	100.00%	\$1,165,171,805	100.00%	\$38,688,364	100.00%

Compliance Category (Yes/No)	For the Month of June, 2000								
Percentage Limits	Yes		No		Yes				
Maturity Limits	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, 2000

During June there was one investment noncompliance incident for the Educational Investment Pool, and none in the County or John Wayne Airport Investment Pools. However, we have disclosed noncompliance with the Investment Policy Statement related to the monthly distribution of accrual basis interest income.

## **County Investment Pool**

06-30 Gross investment earnings and the monthly administrative and overhead costs were not reflected in pool participants' accounts as of the first working day of the month.

May's investment earnings, administrative and overhead costs were not distributed to pool participants' accounts during June. As explained in last month's cover letter, the Auditor-Controller and the Treasurer have arrived at a compromise for posting monthly accrual basis interest earnings. This noncompliance condition will continue to be reported monthly until the necessary changes to our accounting systems can be implemented.

#### **Educational Investment Pool**

06-14 The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio.

Due to a calculation error made while determining the current holdings of Toronto Dominion, an additional investment was made increasing the total holdings to 5.02 percent. On June 21, the acquisition matured bringing the overall single issuer holdings back within compliance.

## **Technical Incidents**

Issues regarding technical incidents are reported as follows:

### **County Investment Pool**

05-19 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 increased Lehman Brothers Holdings to 5.58 percent of the market value of the portfolio. The Treasurer has decided to hold the respective security until it's maturity on July 5, 2000.

06-22 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 increased holdings of Syndicated Loan Funding to 5.16 percent of the market value of the portfolio. The Treasurer has decided to hold the respective securities until maturity.

# **Educational Investment Pool**

06-12 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 increased holdings of Syndicated Loan Funding to 5.41 percent of the market value of the portfolio. The Treasurer has decided to hold the respective securities until maturity.

06-01 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 increased holdings of Bank One Texas to 5.15% of the market value of the portfolio. The Treasurer has decided to hold the respective security until it's maturity.