

**Orange County Treasurer-Tax Collector  
Noncompliance Report Summary  
For the Month Ended June 30, 2005**

During June 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**

International Lease Finance Corporation (ILFC)

- 03/15/05 S&P placed the respective long- and short-term ratings on credit watch-negative  
Moody's affirmed their ratings and cited a stable outlook
- 03/30/05 Fitch placed the long- and short-term ratings on credit watch-negative
- 03/31/05 Moody's affirmed their ratings with stable outlook
- 05/02/05 Fitch lowered the short-term rating to F-1 and removed its credit watch-negative  
Fitch lowered the long-term rating to A+ with credit watch-negative remaining  
Moody's affirmed their ratings with stable outlook
- 06/03/05 S&P confirmed the A-1+ and AA- ratings.

The ILFC securities were purchased before the rating actions and are considered technical incidents.

<b>Investment Pool</b>	<b>Instrument Type</b>	<b>Maturity Date</b>	<b>Face Amount</b>	<b>% of Portfolio</b>	<b>Credit Watch Negative</b>	<b>ST/LT Ratings</b>
County	CP	7/8/2005	\$24,000,000	0.82%	Fitch	F-1 /A+ *-
Educational	CP	7/8/2005	24,000,000	0.93%	Fitch	F-1 /A+ *-
			<u>\$48,000,000</u>			

\* Credit watch.

**ORANGE COUNTY TREASURER-TAX COLLECTOR**  
**INVESTMENT POLICY COMPLIANCE**  
 June 30, 2005

<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 (See Notes)</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	\$1,360,857,316	39.14%	\$177,848,210	8.79%	\$15,128,992	30.20%
45%	Commercial Paper	766,801,219	22.06%	936,327,760	46.25%	22,112,959	44.14%
50%	Repurchase Agreements	160,000,000	4.60%	90,000,000	4.45%	-	-
30%	Negotiable Certificates of Deposit	555,915,550	15.99%	441,965,391	21.84%	9,398,782	18.76%
20%	Money Market Funds	43,595,586	1.25%	66,372,501	3.28%	3,457,267	6.90%
40%	Bankers' Acceptances	127,494,948	3.67%	94,267,920	4.66%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	462,037,992	13.29%	217,210,680	10.73%	-	-
		<b>\$3,476,702,611</b>	<b>100.00%</b>	<b>\$2,023,992,462</b>	<b>100.00%</b>	<b>\$50,098,000</b>	<b>100.00%</b>

<b>Compliance Category (Yes/No)</b>	<b>Money Market Fund</b>	<b>Extended Fund</b>	<b>Orange County Educational Investment Pool</b>		<b>John Wayne Airport Investment Pool</b>	
Percentage Limits	Yes		Yes		Yes	
Maturity Limits	Yes	Yes	Yes		Yes	
Quality Limits	Yes		Yes		Yes	
Net Asset Value Limits	Yes		Yes		Yes	

- Notes: (1) The Money Market Fund is authorized to purchase an additional 5-percent of its total assets in any authorized investment type except commercial paper, for a period not to exceed 30 business days.
- (2) Commercial paper holdings in the Money Market Fund may increase up to 50 percent of the total assets if the portfolio's month-end weighted average credit rating (WACR) remains at AA- or higher.