ORANGE COUNTY TREASURER-TAX COLLECTOR INVESTMENT POLICY COMPLIANCE October 31, 2000

Investment Policy Guidelines		Orange County Investment Pool		Orange County Educational		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
	U.S. Treasuries	-	-	-	-	-	-
	U.S. Government Agencies	\$173,783,549	8.67%	-	-	\$18,401,600	44.75%
	Commercial Paper	736,417,098	36.72%	\$353,808,332	35.69%	16,305,284	39.65%
	Repurchase Agreements	25,000,000	1.25%	40,000,000	4.04%	-	-
30%	Negotiable Certificates of Deposit	500,832,046	24.97%	287,938,640	29.05%	1,799,946	4.38%
20%	Money Market Funds	7,138,877	0.36%	7,963,860	0.80%	3,361,374	8.17%
40%	Bankers' Acceptances	55,861,056	2.79%	8,000,000	0.81%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	506,235,435	25.24%	293,557,924	29.61%	1,252,148	3.05%
		\$2,005,268,061	100.00%	\$991,268,756	100.00%	\$41,120,352	100.00%

Compliance Category	Money Market Fund	Extended Fund	Orange County Educational		John Wayne Airport	
(Yes/No)	(Fund #692)	(Fund #699)	Investment Pool		Investment Pool	
Percentage Limits	Yes		No		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 October 31, 2000

During October there was one noncompliance incident in the Educational Investment Pool and none in the County or John Wayne Airport Investment Pools. In addition, we have included a noncompliance incident discovered subsequent to our June 2000, Noncompliance Report Summary. Although certain Investment Policy Statement guidelines were temporarily exceeded, the Treasurer believes there was no material impact of a negative nature to the Educational Investment Pool.

Educational Investment Pool

10-27 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 an additional \$39 million of Albertson's Inc. commercial paper was purchased, bringing their total holdings to 6.36 percent. On October 31, two business days later, this acquisition was sold bringing the overall holdings for a single issuer back into compliance.

Educational Investment Pool - Subsequent Event for June 30 through October 30, 2000

06-15 The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio.

On June 15, a \$13 million purchase of Medium Term Notes (MTN) issued by Syndicated Loan Funding settled. On the same day an earlier purchase of \$13 million from the same issuer matured. Syndicated Loan Funding was reported as a June 12 technical incident in our June Noncompliance Report Summary. As the maturity and purchase were for the same date and amount and as it was already reported as a technical incident, the deficiency was overlooked. This purchase should have been recorded as a deficiency as the purchase brought the overall holdings for this issuer to 5.13 percent. We discovered the error on October 23 while responding to Fitch IBCA's June 30, 2000, compliance review in accordance with agreed upon procedures. On October 31, 2000, the \$13 million Syndicated Loan Funding MTN was sold. The sale removed the deficiency from the portfolio. However, Syndicated Loan Funding remains in excess of the 5 percent single issuer limit due to a decrease in assets. The overall issuer holdings as of October 31, 2000, represent 5.05 percent of the market value of the portfolio and will continue to be reported as a technical incident. The Treasurer has decided to hold the respective securities until maturity in March 2001. In our review of this transaction and the related controls for the appropriate recording of investment purchases, we are of the opinion this is a one-time isolated incident. We will review our controls and make any necessary modifications to further improve our procedures for recording the purchase of investments.

Technical Incidents

Issues regarding technical incidents are reported as follows:

Educational Investment Pool

- 10-31 The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio.
 - C A reduction in the Pool's total assets increased holdings of DG Bank to 5.54 percent of the market value of the portfolio. The Treasurer has decided to hold the respective securities until maturity. A maturity on December 13, 2000 will reduce these holdings below the single issuer limit of 5 percent.
 - C A reduction in the Pool's total assets increased holdings of UBS AG Stamford to 5.04 percent of the market value of the portfolio. The Treasurer has decided to hold the respective securities until maturity. A maturity December 18, 2000 will reduce these holdings below the single issuer limit of 5 percent.
 - C As reported in the above subsequent event note, the overall issuer holdings for Syndicated Loan Funding as of October 31, 2000, represent 5.05 percent of the market value of the portfolio. The Treasurer has decided to hold the respective securities until maturity in March 2001.