

**Orange County Treasurer-Tax Collector
Noncompliance Report Summary
For the Month Ended May 31, 2005**

During May 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.

Investment Diversification Disclosure

The money market fund is authorized to purchase an additional 5 percent of its total assets in any authorized investment type for a period not to exceed 30 business days. The IPS requires disclosure of any investing under this provision. During May, as discussed below, Negotiable Certificates of Deposit holdings exceeded the 30% IPS limitation.

05-31 A reduction in the Educational Pool's total assets on May 31, 2005 increased holdings of total Negotiable Certificates of Deposit to 31.70% of the market value of the portfolio. We anticipate that the next maturity day, June 13, will bring the percentage of total Negotiable Certificates of Deposit holdings back within the 30% limitation.

Technical Incidents

Issues regarding technical incidents are reported as follows:

County Investment Pool

The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio:

05-6 A reduction in the Pool's total assets on May 6, 2005 increased holdings of First Tennessee Bank Inc. to 5.08% of the market value of the portfolio. The Treasurer has decided to hold these securities until maturity.

Credit Watch-Negative

On March 15, 2005, Standard & Poor's placed the respective long-term and short-term debt ratings for International Lease Finance Corporation (ILFC) on credit watch negative. On March 30, Fitch placed their long and short-term ratings on credit watch negative. Also on May 2, Fitch lowered the long-term rating one notch to A+ with credit watch negative remaining. The ILFC securities were purchased before the rating actions and are considered technical incidents.

Investment Pool	Instrument Type	Maturity Date	Face Amount	% of Portfolio	Credit Watch Negative	ST/LT Ratings
County	CP	7/8/2005	\$24,000,000	0.81%	S&P Fitch	A-1+ *- /AA- *- F1 /A+ *-
Educational	CP	7/8/2005	24,000,000	0.85%	S&P Fitch	A-1+ *- /AA- *- F1 /A+ *-
			\$48,000,000			

* Credit watch.

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY COMPLIANCE
May 31, 2005**

Investment Policy Guidelines		Orange County Investment Pool		Orange County Educational Investment Pool		John Wayne Airport Investment Pool	
Percent of Portfolio (See Notes)	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	\$1,340,285,061	38.30%	\$215,075,254	9.50%	\$10,147,673	20.30%
45%	Commercial Paper	558,246,231	15.96%	863,366,735	38.11%	22,059,941	44.14%
50%	Repurchase Agreements	170,000,000	4.86%	85,000,000	3.75%	-	-
30%	Negotiable Certificates of Deposit	868,924,714	24.83%	717,957,957	31.70% *	13,398,561	26.81%
20%	Money Market Funds	21,754,690	0.62%	31,092,574	1.37%	4,373,945	8.75%
40%	Bankers' Acceptances	103,129,884	2.95%	110,511,787	4.88%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	436,599,066	12.48%	242,222,138	10.69%	-	-
		\$3,498,939,646	100.00%	\$2,265,226,445	100.00%	\$49,980,120	100.00%

Compliance Category (Yes/No)	Money Market Fund	Extended Fund	Orange County Educational Investment Pool		John Wayne Airport Investment Pool	
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.