ORANGE COUNTY TREASURER-TAX COLLECTOR INVESTMENT POLICY COMPLIANCE

November 30, 2009

Investment Policy Guidelines		Orange County Money Market Fund		Extended Fund		Orange County Educational Money Market Fund		John Wayne Airport Investment Pool	
Percent of									
Portfolio	Investment Type	Market Value of	Percent of	Market Value of	Percent of	Market Value of	Percent of	Market Value of	Percent of
(See Notes)		Investments	Portfolio	Investments	Portfolio	Investments	Portfolio	Investments	Portfolio
100%	U.S. Treasuries	\$ -	-	\$ 114,939,821	4.37%	\$ -	-	\$ -	-
40%	Bankers' Acceptances	-	-	-	-	-	-	-	-
30%	Negotiable Certificates of Deposit	244,007,847	9.91%	60,000,000	2.28%	200,003,640	9.65%	2,000,000	4.04%
45%	Commercial Paper	580,254,355	23.56%	311,806,073	11.86%	394,968,362	19.07%	6,249,509	12.64%
100%	U.S. Government Agencies	817,452,877	33.18%	1,739,621,548	66.16%	497,802,339	24.03%	17,613,358	35.62%
20%	Money Market Funds	400,403,303	16.26%	-	-	350,145,145	16.90%	8,238,688	16.66%
30%	Medium-Term Notes	139,256,703	5.65%	140,193,960	5.33%	74,265,302	3.58%	11,352,269	22.95%
50%	Repurchase Agreements	172,157,814	6.99%	124,000,000	4.72%	452,705,943	21.85%	-	-
30%	Municipal Debt	109,626,778	4.45%	101,438,965	3.86%	101,723,722	4.91%	4,000,000	8.09%
10%	Asset Backed Securities	-	-	37,405,659	1.42%	-	-	-	-
		\$ 2,463,159,678	100.00%	\$ 2,629,406,027	100.00%	\$ 2,071,614,454	100.00%	\$ 49,453,824	100.00%

Compliance Category (Yes/No)	Orange County Money Market Fund	Extended Fund	Orange County Educational Money Market Fund		John Wayne Airport Investment Pool	
Percentage Limits	No	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 (MMF) 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) The Money Market Fund (MMF) is authorized to purchase up to 12.5 percent of its total assets in any authorized issuer for a period not to exceed 3 business days.
- (3) The Extended Fund includes the Extended Fund and OC Extended Fund B.
- (4) The Extended Fund is limited to Commercial Paper holdings of 40%, while the Money Market Fund is limited to Commercial Paper holdings of 45%

Noncompliance Report Summary For the Month Ended December 31, 2009

During December, the Orange County Educational Money Market Fund, Extended Fund, John Wayne Airport, and the Children and Families Commission Investment Pools were all free of noncompliance incidents. However, there was one Compliance Deficiency in the Orange County Money Market Fund.

Although certain Investment Policy Statement (IPS) guidelines were temporarily exceeded during the month in the Orange County Educational Money Market Fund the Treasurer believes these technical incidents did not cause any material impact of a negative nature.

Compliance Deficiency

Orange County Money Market Fund

The Orange County Money Market Fund is authorized to invest up to 45 percent of its total assets in Commercial Paper. During December, as discussed below, the Money Market Fund exceeded this threshold.

12-18 A purchase in the Orange County Money Market Fund on December 18, 2009 increased the holdings of commercial paper to 45.48% of the market value of the portfolio. This violation was cleared the following business day on December 21, 2009.

Mitigating Conditions

This Compliance Deficiency appears to have occurred due to the existence of open orders (executed trades which will settle at a future time) within the Orange County Money Market Fund. These open orders are not included within the Bloomberg system when conducting subsequent pre-trade compliance checks. The Treasurer has since added a soft warning to the existing rule within the Bloomberg system which warns the trader that the limits are fast approaching. In addition, an end of day compliance check is performed by the same Bloomberg system at the close of the Business Day. With these mitigating conditions, in addition to the subsequent day compliance checks we already have, we believe this problem can be eliminated from future occurrences.