

October 19, 2005

Independent Accountants' Report
On Applying Agreed-Upon Procedures For Portfolio Compliance Monitoring of
The County Treasury For Quarter Ended September 30, 2005

John M. W. Moorlach, C.P.A., CFP®
Treasurer-Tax Collector:

We have performed the procedures enumerated below, which were agreed to by the Treasurer for the purpose of assisting in determining whether the County funds managed by the Orange County Treasurer's office, the Money Market Funds and the Extended Fund, are in compliance as of that date with certain provisions of the Treasurer's Investment Policy Statement (IPS). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of Treasury management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our examination was conducted in accordance with a series of agreed-upon procedures which required that we review, on a test basis, evidence of the portfolio holdings, perform certain mathematical calculations, and review the results with respect to the Treasurer's IPS. In conducting our review, we examined the portfolio holdings on the following dates: July 7, July 28, August 16, August 23, September 14, and September 30, 2005.

The agreed-upon procedures and the associated findings are as follows:

1. We will verify the completeness and accuracy of the portfolio downloads obtained from the Treasurer's office.

Finding: We noted no exceptions as a result of the procedure.

2. We will perform calculations to determine that the portfolio concentrations of the Money Market and Extended Funds have met the diversification limits for investment types and allowable issuer percentages in accordance with Sections V.2 and VI of the Treasurer's IPS.

Finding: We noted no exceptions as a result of the procedure.

3. We will perform calculations to determine that a Net Asset Value (NAV) of approximately \$1 (within a range of .995 - 1.005) was maintained for the Money Market Funds in accordance with Section II.4 of the Treasurer's IPS.

Finding: We noted no exceptions as a result of the procedure.

4. We will perform calculations to determine that a Weighted Average Maturity (WAM) of less than 90 days was maintained for the Money Market Funds and a WAM of less than 18 months was maintained for the Extended Fund in accordance with Section VI.1 of the Treasurer's IPS.

Finding: We noted no exceptions as a result of this procedure.

5. We will select a representative sample of investment purchases made during the quarter from each fund and will independently confirm that the investments conform with authorized investment requirements in accordance with Sections IV, V.3, V.7 through V.9, VI.2 and XI of the Treasurer's IPS.

Finding: We noted no exceptions as a result of this procedure.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Treasury management and Treasury Oversight Committee and is not intended to be and should not be used by anyone other than these specified parties.

Howland & Associates, Inc.