COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2002

San Diego County Investment Pool California

(Investment Pool of the County of San Diego)

Issued By
Bart Hartman
Treasurer/Tax Collector

-COUNTY ADMINISTRATION BUILDING
HISTORICAL DRAWING TAKEN FROM SAN DIEGO COUNTY WEB SITE

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INTRODUCTORY SECTION

TREASURER-TAX COLLECTOR

COUNTY ADMINISTRATION CENTER• 1600 PACFIC HIGHWAY ROOM 112
SAN DIEGO, CALIFORNIA 92101-2479 • (619) 531-5686, FAX 557-4093

BART HARTMAN
TREASURER-TAX
COLLECTOR

NEIL J. ROSSI
CHIEF DEPUTY
TREASURER

August 30, 2002

To the Treasury Pool Oversight Committee
County of San Diego
San Diego County Administration Center
San Diego, California 92101

It is with great pleasure that I submit the Comprehensive Annual Financial Report (CAFR) of the San Diego County Investment Pool (the "Pool") for the fiscal year ended June 30, 2002. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Treasurer's Office.

To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and are reported in a manner designed to present fairly the financial position and results of operations of the Pool in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. All disclosures necessary to enable the reader to gain an understanding of the Pool's financial activities have been included.

The San Diego County Investment Pool's financial statements have been audited by KPMG LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of San Diego County Investment Pool for the fiscal year ended June 30, 2002, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the San Diego County Investment Pool's financial statements for the fiscal year ended June 30, 2002, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The San Diego County Investment Pool's MD&A can be found immediately following the report of the independent auditors.

This CAFR is presented in four major sections:

1. The introductory section, which consists of this letter of transmittal including the profile of the San Diego County Investment Pool, awards and acknowledgements and the organizational structure of the Treasurer's Office.

2. The financial section, which provides management's discussion and analysis, the financial statements and notes to the financial statements. This section contains the opinion of the independent auditor, KPMG LLP.

3. The investment section, which provides an overview of the Treasurer's Office Investment program. This section contains information relating to the investment activities of the Pool, including a summary of our investment policies, the Pool's asset allocation, and other portfolio information.

4. The statistical section is the final section of the report and consists of various tables and schedules depicting trends and miscellaneous relevant data concerning investments.

PROFILE OF THE SAN DIEGO COUNTY INVESTMENT POOL

The San Diego County Investment Pool was created when the State Legislature established the five-member County Board of Supervisors in 1853. It is a local government investment pool with approximately $3.3 billion in assets as of June 30, 2002. The Pool is headed by the San Diego County Treasurer-Tax Collector, an elected official that is responsible for tax collection, banking, investment, disbursement and accountability of public funds. The San Diego County Investment Pool is managed by the Treasurer's Office on behalf of the pool participants. Depositors in the Pool include both Mandatory and Voluntary Participants located within the County of San Diego (see San Diego County Pool Participants Composition chart, page 31).

Mandatory Participants include the County of San Diego, K-12 school districts, and various special districts and accounts controlled by the County Board of Supervisors. Mandatory Participants are defined as those agencies required by law to deposit their funds with the County Treasurer's Office. Mandatory Participants comprise the majority of Pool's assets, approximately 97.6% as of June 30, 2002.

Voluntary Participants are those agencies that are not required to place their funds in the County Treasury, and do so only as an investment option. Voluntary Participants include cities, fire districts, and various special districts. As of June 30, 2002, Voluntary Participants accounted for approximately 2.4% of the Pool.

Community Colleges fall somewhere between Mandatory and Voluntary Participants. While they have the ability to invest funds outside of the County Treasury, they receive banking, checking, and investment services from the County. They are included in the 97.6% mandatory participants.

In addition to investment management, the Treasurer's Office also provides banking services to all non-voluntary participants. These services include, but are not limited to, warrant redemption, ACH and Fed Wire payments, acceptance of deposits, fund accounting, and account reconciliation.

INVESTMENT POLICIES AND PRACTICES

The primary objectives of the Pool, as set forth in the Treasurer's Investment Policy, in order of importance, are safety, liquidity, and yield. These have always been the goals and objectives adhered to by this office and will continue to be the main investment objectives in the future. In addition, the following goals have been set for 2002/2003:

- Maintain AAA rating from Standard & Poor's rating service.
- Automate portions of the paper process with the implementation of the investment tracking software and Bond Edge analytical software, to enhance the management of the Pool.
- Implement a real-time credit rating monitoring system using Bloomberg.
- Enhance communication to Pool participants regarding the Pool's performance and future outlook.
- Continue to work with the Oversight Committee to enhance the quarterly meetings.
- Obtain a certificate of achievement for excellence in reporting by the Government Finance Officers Association.

To ensure the integrity of the Pool and provide guidelines for its operation, the Treasurer's Office prepares an Investment Policy (the "Policy") on an annual basis. Upon completion of the Policy by the Treasurer's Office, it is presented for review to the Treasurer's Oversight Committee, and then to the County Board of Supervisors for their approval at a public meeting.

The Policy strategically limits the maturity distribution of the Pool, and places limits and restrictions on the securities that may be purchased. Cash temporarily idle during the year was invested in negotiable certificates of deposit, obligations of the U.S. Treasury, U.S. government agencies, bankers acceptances, commercial paper, corporate bonds, medium term notes, money market mutual funds, LAIF and repurchase agreements and collateralized certificates of deposit. The maturities of the investments range from one day to four years, with an average weighted maturity of 284 days. The average yield on investments was 2.82%. To safeguard the investments, a custodian is employed to safekeep, settle, and accept interest payments on investments held by the Pool. To facilitate internal security and safeguards, the Policy requires an annual audit and the establishment and maintenance of internal controls and procedures.

For the 2001/2002 fiscal year, investments provided a 3.84% apportionment rate, which is the rate used in allocating the net earnings to the participants. The Pool's annualized rate of return over the last three years was 5.47%, and 4.94% over the last five years. The fair value of the securities represents 100.4% of the amortized cost of the securities. The book and fair values are used to present the data on investments. The Treasurer's Office has implemented a system of internal controls designed to ensure the reliability of reported investment information. The data presented in the Investment Section is in conformance with the presentation standards of the

Association for Investment Management and Research (AIMR). Additionally, the Treasurer's Office provides monthly and quarterly investment reports to the Board of Supervisors, who then reviews this information as part of their monitoring and oversight function. Please refer to the Investment Section of this CAFR for additional information on investments.

SIGNIFICANT EVENTS FOR THE YEAR

During the fiscal year 2001/2002, significant events included:

- The U.S. economy was already beginning to slow down in response to Federal rate hikes that ended in May of the previous year. The declines in economic growth were substantial in the manufacturing sector and the markets were highly anticipating a reversal of Federal monetary policy to counteract the weakness. The Federal Reserve accommodated market expectations with several rate cuts. While the rate cuts were instrumental in supporting consumer-spending patterns, the industrial sector continued to suffer. U.S. economic growth was expected to skirt an outright recession due to consumer resiliency, but the events of September 11th sealed its fate. Economic declines accelerated to what has now been confirmed as the first recession in a decade. The monetary easing, both before and after September 11th, has been extraordinary and provides strong support for an economic rebound in the first calendar quarter of 2002. However, economic growth should be modest and gradual. Consumer pent up demand is largely absent in this recovery and excess capacity in the industrial sector will take time to fill before capital investment can expand significantly. With rising personal income levels, extremely low market interest rates, and low inflation, consumer spending is not expected to rollover to any great extent. While the Federal Reserve has ended their historic easing cycle, there are no signs that the Federal Reserve will reverse course anytime soon. Low inflation and lack of confidence among investors should keep the Federal Reserve on hold through year-end.

- The San Diego County Investment Pool was rated by Standard & Poors, a nationally recognized rating agency with 'AAAf/S1' rating. This reflects the extremely strong protection the Pool's portfolio investments provide against losses from credit defaults. The 'S1' volatility rating signifies that the pool possesses low sensitivity to changing market conditions, given its low-risk profile and conservative investment policies. Rating considerations include:

    - Low exposure to market risk, by virtue of conservative investment policies and practices.
    - Limited use of leverage.
    - High standards for credit quality and diversification.
    - High degree of liquidity resulting from maturity profile and composition of pool participants.
    - Strong ability to forecast ongoing cash requirements.
    - Solid management oversight and operational controls.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Diego County Investment Pool for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2001. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Treasurer's Office must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of many individuals in the Treasurer's Office. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions and determining responsible stewardship of the funds in the Treasury.

Requests for Information

This financial report is designed to provide a general overview of the San Diego County Investment Pool's activities for all those with an interest in the Pool's investment activities. Questions concerning any of the information provided in this report or requests for additional financial information, including a complete list of the Pool's holdings, should be addressed to the Office of San Diego County Treasurer-Tax Collector, 1600 Pacific Highway, Room 152, San Diego, California, 92101. Copies of the comprehensive annual financial report will also be available on the internet at www.sdtreastax.com.

Respectfully submitted,

BART J. HARTMAN
Treasurer/Tax Collector

Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Diego County Investment Pool, California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

The Treasury Oversight Committee

Front row, left to right:
Victor Calderon, Helen Robbins-Meyer, Barry Newman, Bart J. Hartman, Barbara Underwood, Wayne Sink

Back row, left to right:
Don Shelton, Harry Ehrlich, William J. Kelly

Not in picture:
John Linn, Andrew White

The Treasury Oversight Committee

Members of the Oversight Committee:

Barry I. Newman, Esquire
Chairman of Oversight Committee, Public Member

Bart J. Hartman
Treasurer Tax Collector, County of San Diego

Helen Robbins-Meyer
Assistant Chief Administrative Officer, County of San Diego

Don Shelton, Ed.D.
Assistant Superintendent, San Diego County Office of Education

Vacant
Chief Administrative Officer, San Diego Unified School District

Harry Ehrlich
President, San Diego Chapter, California Special Districts Association

Victor M. Calderon, CPA
Public Member

John Linn
Public Member

Non-Member Representatives:

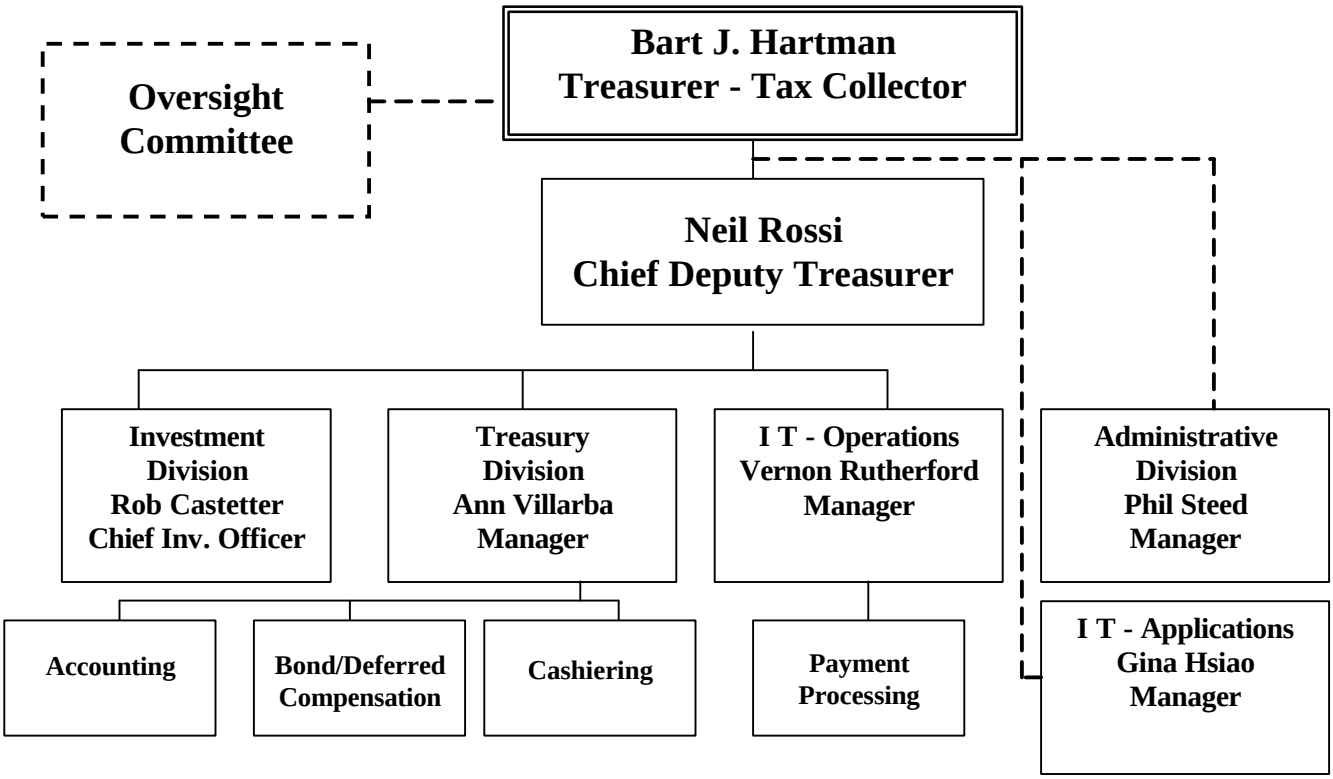
William J. Kelly
CFO & Auditor/Controller

Wayne Sink
Director of Finance and Administration, SANDAG

Barbara Underwood
Finance Director, City Of Vista

Andrew White
Finance Manager, City of Poway

TREASURER/TAX COLLECTOR ORGANIZATION CHART



Treasury Staff Members

Neil Rossi
Chief Deputy Treasurer

Ann Villarba, CPA
Treasury Manager

Gloria Arre
Assistant Manager

Gil Enriquez
Senior Accountant

Zenaida Deguzman
Associate Accountant

Barbara Hoffman
Supervising Specialist

Rob Castetter
Chief Investment Officer

Mark Friedrich
Investment Officer

Nancy Nuanes
Principal Supervising Specialist

Carol Bradford
Administrative Secretary II

Dorothy Dogan
Administrative Secretary II

Rosella Perez
Senior TTC Specialist

FINANCIAL SECTION

750 B Street
San Diego, CA 92101

Independent Auditors' Report

The Honorable Board of Supervisors of the
County of San Diego, California:

We have audited the accompanying basic financial statements of the San Diego County Investment Pool, County of San Diego, California, as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the management of the San Diego County Investment Pool. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's comparative information has been derived from the San Diego County Investment Pool's 2001 financial statements and, in our report dated August 10, 2001, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in the notes to the basic financial statements, the financial statements of the San Diego County Investment Pool present only the financial position and changes in financial position of only that portion of activity of the County of San Diego, California, attributable to the San Diego County Investment Pool and do not purport to, and do not, present fairly the financial position of the County of San Diego, California, as of June 30, 2002, and changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Diego County Investment Pool, County of San Diego, California, as of June 30, 2002, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 15 through 17 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory, investment, and statistical sections identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the San Diego County Investment Pool, County of San Diego, California. Such additional information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

KPMG LLP

August 9, 2002

KPMG LLP. KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the San Diego County Investment Pool, we offer readers of the Pool's financial statements this narrative overview and analysis of the financial activities of the San Diego County Investment Pool for the fiscal year ended June 30, 2002.

Financial Highlights

- The assets of the San Diego County Investment Pool exceeded its liabilities at the close of the most recent fiscal year by $3,252,138,901 (*net assets*).

- The Pool's total net assets increased by $484,350,432. The overall increase of 10.5% is largely attributable to increase in contributions. The decrease in investment income is due to the difficult financial markets. Withdrawals, distributions and expenses increased by 10.7%.

- The interest earnings of the Pool decreased from $153.0 million for the year ended June 30, 2001 to $108.9 million for the year ended June 30, 2002.

- During the year, the Pool distributed $105.0 million to participants compared to the previous year's distribution of $149.2 million.

- The Pool's expense ratio remained very competitive at 0.13% of the average daily balance for the fiscal year 01-02 and 0.15% for the fiscal year 00-01.

- The fair value of the portfolio showed an Unrealized Gain of $14.1 million at June 30, 2002 compared to $9.5 million at June 30, 2001.

- During the year, the Pool fair value over the amortized cost of the securities increased from 100.3% for the fiscal year ended June 30, 2001 to 100.4% for the fiscal year ended June 30, 2002.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the San Diego County Investment Pool's basic financial statements. The Pool's basic financial statements comprise two components:1-a) Statement of Net Assets, 1-b) Statement of Operations, and 1-c) Statement of Changes in Net Assets, and 2) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Assets presents information on San Diego County Investment Pool's assets and liabilities, with the difference between the two reported as *net assets*. The net assets held in trust for the Pool participants increased by $484 million (17.5%) in June 2002.

Net Assets held in trust for Pool Participants

A summary of the net assets held in trust for Pool participants is presented below.

Condensed Statements of Net Assets	2002	2001	Increase/Decrease Amount	%
Assets				
Investments at Fair Value	$ 3,193,962,101	$ 2,737,722,318	$ 456,239,783	16.7%
Cash and Receivables	83,138,512	71,055,867	12,082,645	17.0%
Total Assets	3,277,100,613	2,808,778,185	468,322,428	16.7%
Total Liabilities:				
Distributions Payable and Accrued Expenses	(24,961,712)	(40,989,716)	16,028,004	-39.1%
Net Assets held in trust for Pool participants	$ 3,252,138,901	$ 2,767,788,469	$ 484,350,432	17.5%

The Statement of Operations presents information on interest income, net increase in fair value of investments and administrative expenses. Unrealized gains or losses of securities are determined by taking the difference between amortized cost and the fair value of investments.

The Statement of Changes in Net Assets presents information showing how the Pool's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Changes in Net Assets

A summary of the changes in net assets is presented below:

Condensed Statement of Changes in Net Assets	(Amounts in thousands) 2002	2001	Increase/Decrease Amount	%
Additions				
Contributions	$ 35,031,871	$ 31,637,126	$ 3,394,745	10.7%
Investment Income	113,498	169,562	(56,064)	-33.1%
Total additions	35,145,369	31,806,688	3,338,681	10.5%
Deductions				
Withdrawals	34,552,164	31,169,558	3,382,606	10.9%
Interest distributions	104,957	149,227	(44,270)	-29.7%
Administrative expenses	3,898	3,744	154	4.1%
Total deductions	34,661,019	31,322,529	3,338,490	10.7%
Net increase in net assets	$ 484,350	$ 484,159	$ 191	0.0%

While contributions increased by 10.7% over the previous year, investment income decreased by $56 million (33.1%) for the fiscal year ending June 30, 2002, due to the difficult financial markets.

The investment pool is managed for the sole benefit of the participants. All income is distributed quarterly after deducting administrative costs. Withdrawals increased by 10.9% over the previous year. Distributions to participants decreased by $44 million (29.7%) due to reduced

earnings in the Pool. Administrative expenses increased by $154,000 (4.1%) over the previous year. The overall net increase in net assets was $484 million for both fiscal years ended June 30, 2002 and June 30, 2001.

As stated above, the events of September 11 had a considerable impact on the results of operations of the Pool. Earnings went down unexpectedly due to the extremely low market interest rates. Low inflation and lack of confidence among investors should keep the Federal Reserve on hold with its easing cycle through year-end.

STATEMENT A

SAN DIEGO COUNTY INVESTMENT POOL
STATEMENT OF NET ASSETS
June 30, 2002
(With comparative totals for June 30, 2001)

ASSETS	2002	2001
Investments at Fair Value:		
U.S. government obligations:		
Federal Home Loan Mortgage Corp. Notes	$ 308,333,150	$ 190,955,150
Federal Home Loan Bank Notes	172,474,672	436,958,988
Federal National Mortgage Assoc. Notes	306,461,500	635,557,019
Federal Farm Credit Bank Notes	25,023,500	15,016,350
Student Loan Marketing Assoc. Notes	50,068,000	-
Short-term notes:		
Commercial paper	1,080,635,814	729,194,253
Corporate medium-term notes	-	88,100,908
Repurchase agreement collateralized by money market securities	450,000,000	230,000,000
Negotiable certificates of deposit	540,965,465	145,939,650
Money market securities	260,000,000	266,000,000
	3,193,962,101	2,737,722,318
Other Assets:		
Cash on hand and in banks	62,072,585	35,829,646
Receivables and other	21,065,927	35,226,221
Total Assets	3,277,100,613	2,808,778,185
LIABILITIES		
Distributions payable	23,961,906	39,874,100
Accrued expenses	999,806	1,115,616
Total Liabilities	24,961,712	40,989,716
NET ASSETS held in trust for Pool Participants	$ 3,252,138,901	$ 2,767,788,469

See notes to basic financial statements

STATEMENT B

SAN DIEGO COUNTY INVESTMENT POOL
STATEMENT OF OPERATIONS
For the year ended June 30, 2002
(With comparative totals for the year ended June 30, 2001)

	2002	2001
Investment Income:		
Interest income	$ 108,854,683	$ 152,971,324
Net increase in fair value of investments	4,643,756	16,590,930
Total investment income	113,498,439	169,562,254
Expenses - administrative costs	3,897,890	3,743,964
Net increase in net assets resulting from operations	$ 109,600,549	$ 165,818,290

STATEMENT C

SAN DIEGO COUNTY INVESTMENT POOL
STATEMENT OF CHANGES IN NET ASSETS
For the year ended June 30, 2002
(With comparative totals for the year ended June 30, 2001)

	2002	2001
Net increase in net assets resulting from operations	$ 109,600,549	$ 165,818,290
Distributions to participants - distributions paid and payable	(104,956,793)	(149,227,360)
Net increase after distributions	4,643,756	16,590,930
Capital transactions:		
Contributions	35,031,870,943	31,637,125,987
Withdrawals	(34,552,164,267)	(31,169,558,294)
Net increase resulting from capital transactions	479,706,676	467,567,693
Total increase in net assets	484,350,432	484,158,623
Net assets, beginning of year	2,767,788,469	2,283,629,846
Net assets, end of year	$ 3,252,138,901	$ 2,767,788,469

See notes to basic financial statements

San Diego County Investment Pool
Notes to the Basic Financial Statements
For the year ended June 30, 2002

Summary of Significant Accounting Policies

The Financial Reporting Entity

The San Diego County Investment Pool (the Pool) is a local government investment pool with approximately $3.3 billion in assets as of June 30, 2002. It is headed by the Treasurer/Tax Collector, an elective office that is responsible for tax collection, banking, investment, disbursement and accountability of public funds. The San Diego County Investment Pool is managed by the County Treasurer's Office on behalf of the pool participants which include the County, local school districts, local community colleges and other districts and agencies. The local school districts are required by State statutes to deposit their funds with the County of San Diego. "Mandatory" participants in the Pool comprise the majority of the pool's assets, approximately 97.6%. The State of California gives the Board of Supervisors the ability to delegate the investment authority to the County Treasurer's Office in accordance with Section 53607 of the California Government code. The Pool's investment objectives are to safeguard principal, meet the liquidity needs of the participants, and return an acceptable yield within the parameters of prudent risk management.

Pursuant to Sections 27130-27137 of the California Government Code, the Board of Supervisors has established an oversight committee that monitors and reviews the Pool's investment policy. The oversight committee consists of members appointed from the districts or offices that they represent, and up to five members of the public, having expertise in, or an academic background in public finance. This committee requires a financial audit to be conducted annually on a fiscal year basis which includes limited tests of compliance with laws and regulations. The San Diego County Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company.

Measurement Focus, basis of accounting and financial statement presentation

The accompanying financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Earnings on investments are recognized as revenue in the period in which they are earned and administrative costs are recognized as expense when incurred, regardless of the timing of related cash flows. Pool participants' cash balances and withdrawals are based on cost while investments are reported at fair value.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. In June 2001, the GASB issued Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government:Omnibus, which amended certain provisions of GASB Statement No. 34. The adoption of GASB Statement No. 34 required the Pool to present Management's Discussion and Analysis (MD&A). The MD&A is considered to be required supplementary information and precedes the financial statements. The

adoption of GASB Statement No. 34 had no other impact on the Pool's financial statements or its net assets.

Assets, liabilities and net assets

1. Deposits: At year-end the bank balance of the Pool's deposits with various financial institutions totaled $62,053,578 consisting of $61,563,578 in demand deposits and $490,000 in collateralized deposits. Of these amounts, $790,000 was covered by federal deposit insurance and $61,263,578 was uncollateralized. However, state statutes require that depositories holding public funds on deposit maintain collateral in the form of a pool of securities with the agent of the depository having a market value of at least 10% in excess of the total amount of all public funds on deposit.

2. Investments: The San Diego County Investment Pool operates under the prudent person standard. State statutes, specifically California Government Code Sections 27000.1-27000.5, 27130-27137, and 53600-53686, authorize the Treasurer to invest funds in permissible types of investment or financial instruments. These include government obligation securities, bankers' acceptances, commercial paper, medium-term notes, pass-through securities, negotiable certificates of deposit, repurchase and reverse repurchase agreements, money market mutual funds, Local Agency Investment Fund and collateralized certificates of deposit.

The Pool's primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of the participants. The third objective is to achieve an investment return on the funds within the parameters of prudent risk management.

Investments in the pooled funds are stated at fair value. Securities which are traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of investments is determined monthly and is provided by the custodian bank. All purchases of investments are accounted for on a settlement date basis. Unrealized gains or losses of securities are determined by taking the difference between amortized cost and the fair value of investments. Securities in the aggregate amount of $315,000,000 were sold during the year with net gain of $372,174. The Pool is authorized to have leverage exposure through the use of Reverse Repurchase Agreements (RRP) and Securities Lending. The maximum exposure is 20% of the total portfolio. However, there were no RRPs or securities lending transactions during the fiscal year.

Investments are categorized below to give an indication of the level of risk at year-end.

- Category 1 – Includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name.

- Category 2 – Includes uninsured and unregistered investments for which the securities are held by the counter-party's trust department or agent in the County's name.

- Category 3 – Includes uninsured and unregistered investments for which the securities are held by the counter-party or by its trust department or agent, but not in the County's name.

The entire portfolio as of June 30, 2002 is under Category 1 except for Open-end Institutional Money Market funds, which do not fall under any of the above categories as the investment in these funds are not evidenced by specific securities.

San Diego County Investment Pool
Fair Value
06/30/2002

Except for the Open-end Institutional Money Market funds, the entire portfolio is under Category 1:

	Rate Range %	Maturity Date Range	Par Value (000)	Amortized Cost (000)	Fair Value (000)
U.S. government obligations					
Federal Home Loan Bank	2.80 - 7.25	8/02 - 12/05	$169,990	$169,957	$172,475
Federal Home Loan Mortgage Corp.	2.55 - 7.00	3/02 - 3/06	305,000	304,975	308,333
Federal Nat'l Mortgage Assn.	4.25 - 7.13	9/02 - 3/06	300,000	299,986	306,462
Federal Farm Credit Bank	2.25	11/02	25,000	25,003	25,023
Student Loan Marketing Assn.	2.25	1/03	50,000	50,013	50,068
Short-term notes					
Commercial Paper	2.00 - 2.19	7/02 -3/03	1,085,346	1,079,921	1,080,636
Repurchase Agreements*	2.06	7/02	450,000	450,000	450,000
Negotiable Certificates of Deposit	2.00 - 2.52	10/02 - 7/03	540,000	539,980	540,965
Total categorized securities			2,925,336	2,919,835	2,933,962
Open-end Inst'l.Money Market funds**	1.77 - 1.81	7/02	260,000	260,000	260,000
Total Investments			**$3,185,336**	**$3,179,835**	**$3,193,962**

* Repurchase Agreements and Institutional Money Market funds are carried at portfolio book value (carrying cost).

** Open-end Insitutional Money Market funds are not categorized because they do not fall under any of the categories of credit risk as the investment in these funds is not evidenced by specific securities.

Comparative Data

Certain reclassifications have been made to the prior year's comparative financial data to conform to the current year's presentation.

3. Receivables and payables

Receivables consist of interest accrued on investments and amortization of investments. The payables represent the interest for the last quarter that will be distributed to pool participants. Accrued expenses represent the administrative fees for the last quarter of the fiscal year 2001-2002.

4. Interest Apportionment

Earnings on investments are distributed to Pool participants and are calculated using the accrual basis of accounting. Section 27013 of the California Government Code authorizes the Treasurer's Office and Auditor & Controller to deduct administrative fees related to investments. The net realized earnings on investments are apportioned to the Pool participants quarterly, based on their daily average balances. During the fiscal year ended June 30, 2002, the Pool distributed $105.0 million of investment earnings compared to the previous year's distribution of $149.2 million.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

6. Portfolio Pool Participant Composition

The County portion of the Investment Pool assets as of June 30, 2002 is $1,453 million while the external portion that is not part of the County is $1,824 million. As of June 30, 2002 and 2001, the pool participants by percentage of assets consist of:

	2002	2001
County Funds	31.7%	37.5%
Unapportioned Tax/Interest Funds/Other	13.9	15.3
K-12 Schools	47.6	39.9
Community Colleges	4.4	5.5
Voluntary Depositors	2.4	1.8
Total	100%	100%

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INVESTMENT SECTION

Administrative Overview

The Pool was created when the State Legislature established the five-member County Board of Supervisors, approximately in 1853. For fiscal year 2001/2002 the Pooled Money Fund has accomplished many goals:

- The unrealized gain increased from $9.5 million at June 30, 2001 to $14.1 million at June 30, 2002.

- The Pool has had a decrease in weighted average days to maturity from 559 days at June 30, 2001 to 284 days at June 30, 2002.

- During the year the Pool structure has remained in compliance with the maturity policy which requires 50% of securities to mature under one year, 25% to mature in 90 days, 25% to mature from 91-365 days; as of June 30, 2002 the Pool has 78% maturing less than one year.

- The Pool's expense ratio remained very competitive at 0.13% of the average daily balance for the fiscal year 2001/2002 and 0.15% for 2000/2001.

- The Pool received a 'AAAf/S1' rating by Standard & Poor's, a nationally recognized rating agency.

- The yield to maturity of the Investment Pool decreased from 5.29% on June 30, 2001 to 2.82% on June 30, 2002.

Outline of Investment Policy

The Pooled Money Fund is managed in accordance with prudent money management principles and California State law Sections 27000.1 – 27000.5, 27130 – 27137, and 53600 – 53686.

The objectives of the Pooled Money Fund are as follows:

1. The primary objective shall be to safeguard the principal of the funds under the control of the Treasurer's Office.

2. The secondary objective shall be to meet the liquidity needs of participants.

3. The third objective shall be to achieve an investment return on the funds under control of the Treasurer within the parameters of prudent risk management.

The Treasurer's Oversight Committee (TOC) annually reviews and approves the Treasurer's Pooled Money Fund Investment Policy. Once the TOC has recommended approval, the Board of Supervisors reviews and adopts the Investment Policy in a public forum. The Policy focuses on risk management by setting limits on principal exposure by type of security, by issuer of debt, by

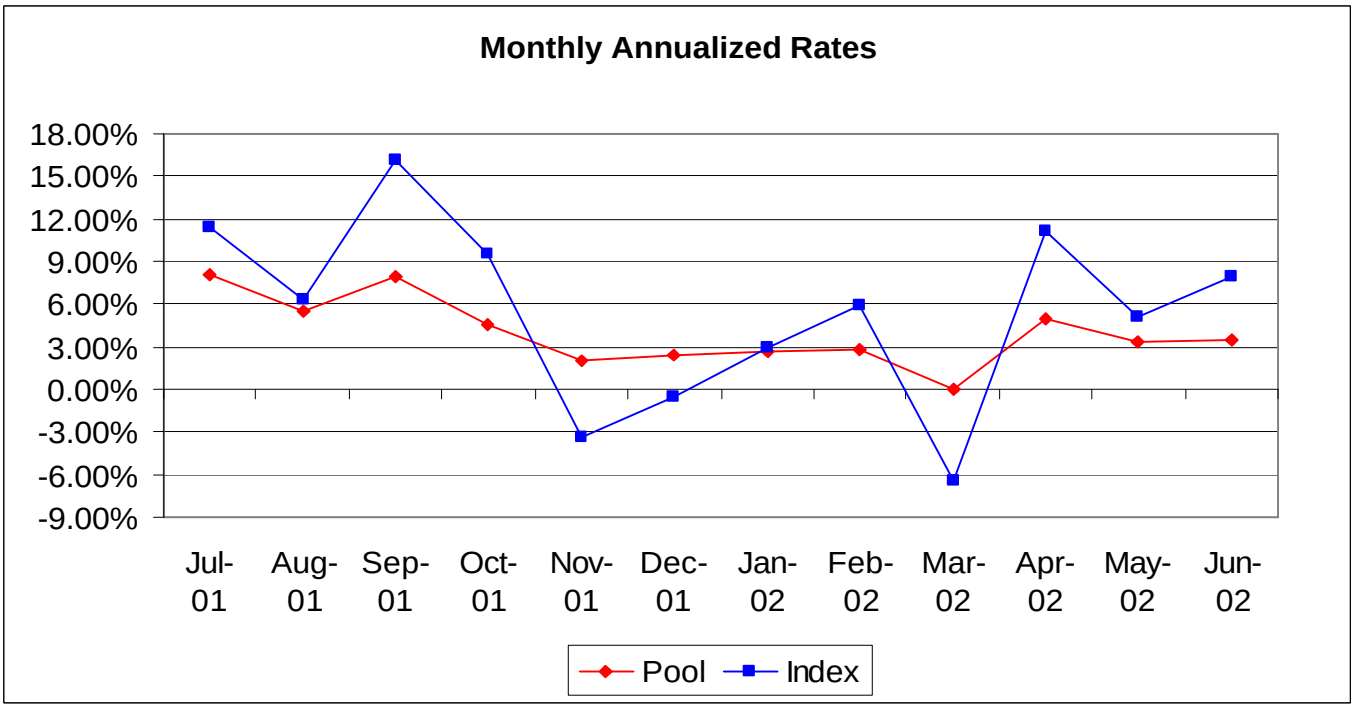
minimum credit ratings; limits on liquidity by placing return as the least important compared to safety and liquidity. The Policy includes a detailed section on terms and conditions for Voluntary Participants' deposits and withdrawal of funds from the Pool. All investment transactions are handled by the internal Investment Officers. There are no outside investment advisors.

Investment Results

During the year, the Treasurer's Office Pooled Money Fund totaling $3.3 billion in assets.The fund outperformed the custom index in 3 out of 12 months during the year. The average monthly annualized market value return for the fund during the fiscal year 2001/2002 was at 3.99% while the average monthly annualized market value return for the index was 5.50%. The custom index is made up of the following components:

Investment Type	Maturity Range	Allocation
• Treasuries	1 – 3 year	24%
• Treasuries	3 – 5 year	24%
• T-Bills	0 – 3 mos	12.50%
• T-Bills	3 – 6 mos	9%
• T-Bills	6 – 9 mos	9%
• T-Bills	12 mos	9%
• US Libor	1 mo	6.25%
• US Libor	3 mos	6.25%

A chart of the Pooled Money Fund vs. custom index is shown below.



Performance Returns
As of June 30, 2002

INVESTMENT TYPE	Reported in Percentages 1Year	3 Years	5 Years
TOTAL PLAN	**3.83**	**5.39**	**4.89**
CUSTOM INDEX	**5.59**	**6.39**	**6.24**
FFCB	2.69	4.42	5.00
FHLB	5.85	6.17	4.97
FNMA	5.26	5.53	5.35
FHLMC	5.04	5.57	5.54
SLMA	2.25		
REPURCHASE AGREEMENTS	2.45	4.67	5.00
NEGOTIABLE C/DS, FIXED	2.78	5.15	5.29
COMMERCIAL PAPER, DIS	2.51	4.91	5.17
MONEY MARKET FUNDS ACT/365	2.38	4.52	4.86
TD WITH CALC CODE OF CSC-01	3.03	5.00	5.19
TD WITH CALC CODE OF CSC-02	3.71	5.03	5.03
TD WITH CALC CODE OF CSC-05	5.93	5.93	5.76

The above calculations were prepared using time-weighted rates of return in accordance with AIMR's Performance Presentation Standards.

Income Allocation

The interest earned by each participant is proportionate to the average daily balance of the local agency. Prior to distribution, expenses incurred by the County will be deducted from the earnings of the Pooled Money Fund. The Pool's expense ratio for 2001/2002 was 0.13% of the average daily balance. The apportionment rate is set approximately two weeks after each calendar quarter end. The earnings are usually credited in two increments, with the first distribution occurring during the second month after quarter-end. The second distribution will be made the following month, which is the last month of the new quarter. The incremental amounts that can be distributed are based on the balance in the Apportionment Fund. Generally sixty percent (60%) or more of the quarterly earnings will be distributed during the first apportionment and the balance will be distributed during the second apportionment. Apportionments are not paid out by warrants; all earnings are reinvested in the Pool.

Economic Environment

We entered 2001 as the U.S. economy was already beginning to slow in response to Federal rate hikes that ended in May of the previous year. Year over year GDP growth slowed to 2.8% in the fourth quarter of 2000 from a peak level of 5.2% in the prior June Quarter. The declines in

economic growth were substantial in the manufacturing sector and the markets were highly anticipating a reversal of Federal monetary policy to counteract the weakness.

The Federal Reserve accommodated market expectations with swift inter-meeting rate costs beginning in January. While the rate cuts were instrumental in supporting consumer-spending patterns, the industrial sector continued to suffer. Inventory and capacity in the technology and telecommunications sectors were highly over extended. U.S. Economic growth was expected to skirt an outright recession due to consumer resiliency, but the events of September 11th sealed its fate. Economic declines accelerated to what has now been confirmed as the first recession in a decade. The monetary easing, both before and after September 11th, has been extraordinary and provides strong support for an economic rebound in the first quarter of 2002. Federal Reserve officials cut interest rates in eleven separate occasions for a total of 475 basis points. In addition, despite a partisan logjam on an expanded fiscal stimulus package, at least $90 billion in fiscal support has already been enacted and should add further stimulus to the recovery. However, economic growth should be modest and gradual. Consumer pent up demand is largely absent in this recovery and excess capacity in the industrial sector will take time to fill before capital investment can expand significantly.

Declines in payroll employment during the course of the year have been considerable; especially the heavy declines post September 11th. Over 1.3 million jobs have been lost since March of 2001, the perceived beginning of the current recession. While this seems significant, it represents less than 1.0% of total U.S. payrolls, far below the average post-war recessionary decline of 2.5%. Severe event-driven-declines in October and November should prove temporary and therefore subsequent payroll data is expected to improve.

Despite the steady global economic recovery that transpired throughout 2002, equity markets gave way to the onslaught of controversy and scandal that seemingly destroyed investor confidence in just about every American institution. Corporate governance issues were at the forefront of the controversy during the past several months as fraudulent account practices and outright criminal actions were unveiled by renewed scrutiny from a politically pressured Securities and Exchange Commission (SEC).

Wall Street came under fire as state attorney generals filed lawsuits against several major brokerage firms, whose analysts supported and marketed many of these same corporations on their way to ultimate bankruptcy. Obvious conflicts of interest were publicized and scorned as if these conflicts were a complete surprise to regulators and investors alike. Add to the mix, perceived high market valuations, a deteriorating U.S. dollar, a nuclear showdown in Southeast Asia, continued Israeli and Palestinian conflicts, threats of a U.S. invasion of Iraq to oust Saddam Hussein, and unending terrorists threats from al Qaida, and it is a wonder the U.S. stock market held the previous September 21st lows.

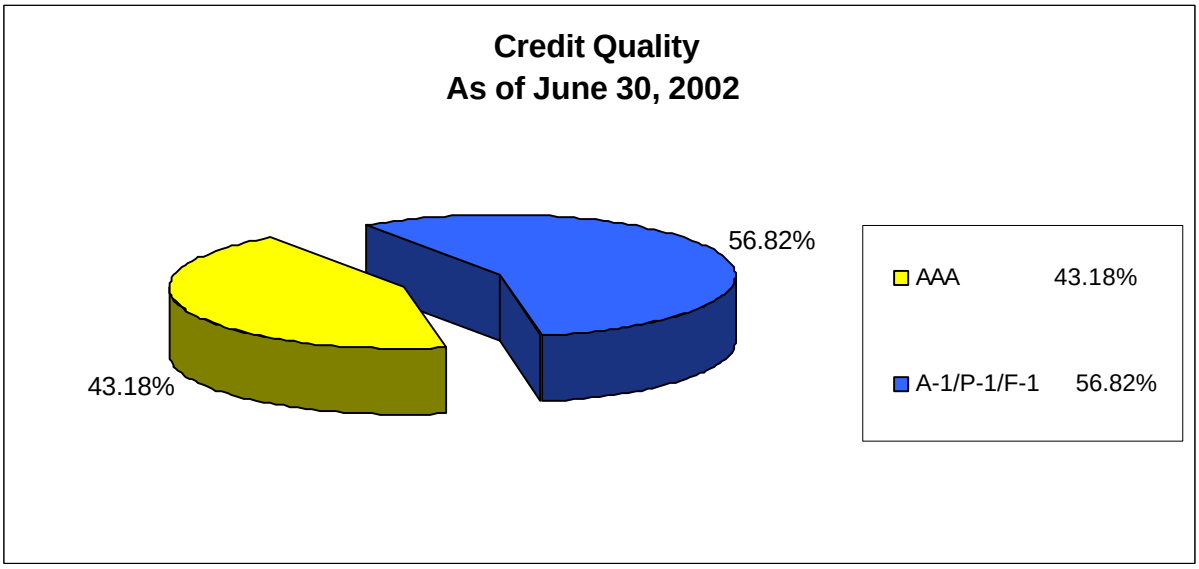
There are indeed no shortage of concerns in the market and a seemingly complete lack of confidence on Wall Street. This is despite the fact that economic and earnings fundamentals of the market steadily improved throughout the second quarter. We are on the verge of the first positive earnings growth quarter in the past six. This should not only lead to a more constructive equity market, but will provide the incentive for increased corporate capital expenditures, which can accelerate the current economic recovery. Consumers have certainly continued to support economic momentum during the quarter and with rising personal income levels, extremely low

market interest rates, and low inflation, consumer spending is not expected to rollover to any great extent. While the Federal Reserve has ended their historic easing cycle, there are no signs that the Fed will reverse course anytime soon. Low inflation and lack of confidence among investors should keep the Fed on hold through year-end.

Risk Profile

The three main risk factors for the Pooled Money Fund are credit, liquidity, and interest rate exposure.

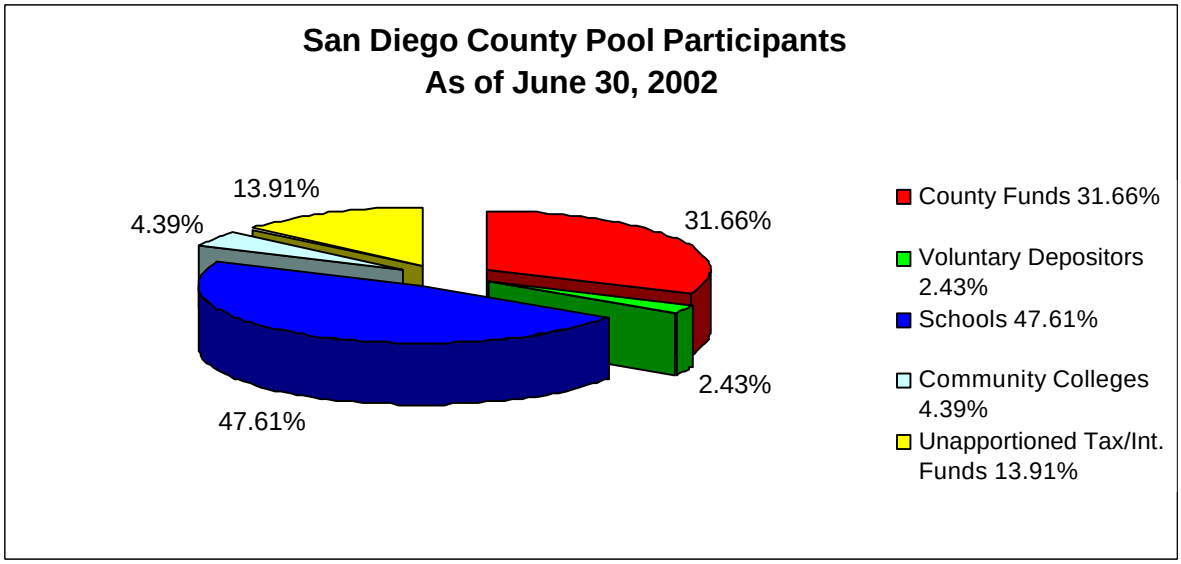
The credit limits of the investments held by the Pool meet and in many cases exceed the requirements of the California Government Code. For example, the Pool is limited to buying corporate and medium-term notes of issuers rated AAA or better when the maturity is beyond one year, whereas the Code allows for buying corporate and medium-term notes of issuers rated A or better. The following pie chart displays the percentage breakdown of credit exposure for the Pool.



San Diego County Investment Pool Participants - June 30, 2002

County	**31.66%**
Unapportioned Tax/Interest Funds/Other	**13.91%**
Schools (K thru 12)	
Alpine Union	
Bonsall Union	
Borrego Springs Unified	
Cajon Valley Union	
Cardiff	
Carlsbad Unified	
Chula Vista Elementary	
Coronado Unified	
Dehesa	
Del Mar Union	
Encinitas Union	
Escondido Union	
Escondido Union High	
Fallbrook Union Elementary	
Fallbrook Union High	
Grossmont Union High	
Jamul-Dulzura Union	
Julian Union	
Julian Union High	
La Mesa- Spring Valley	
Lakeside Union	
Lemon Grove	
Mountain Empire Unified	
National	
Oceanside Unified	
Pauma	
Poway Unified	
Ramona Unified	
Rancho Santa Fe	
San Diego Unified	
San Dieguito Union High	
San Marcos Unified	
San Pasqual Union	
San Ysidro	
Santee	
Solana Beach	
South Bay Union	
Spencer Valley	
Sweetwater Union High	
Vallecitos	
Valley Center Union	
Vista Unified	
Warner Unified	
Education - Cemetery Districts	
Department of Education	
Education - Debt Service	
Education - Building Funds	
Total for Schools	**47.61%**
Community Colleges	
San Diego	
Grossmont/Cuyamaca	
MiraCosta	
Palomar	
Southwestern	
Total for Community Colleges	**4.39%**

Retirement	
Cities	
Encinitas	
La Mesa	
Independent Agencies	
Alpine Fire Protection	
Bonita Sunnyside Fire Protection	
Borrego Springs Fire Protection	
Deer Springs Fire Protection	
East County Fire Protection	
Fallbrook Public Utility	
Fallbrook Sanitation	
Fire Agency Self Insurance System (PASIS)	
Julian-Cuyamaca Fire Protection	
Lake Cuyamaca Recreation & Park	
Lakeside Fire	
Lower Sweetwater Fire Protection	
Majestic Pines Community Services District	
Metropolitan Transit District Board	
Metropolitan Transit Service	
Mission Resource Conservation	
North County Cemetery District	
North County Cemetery Perpetual	
North County Cemetery	
North County Dispatch	
North County Fire Protection	
Otay Water District	
Palomar Resource Conservation	
Pine Valley Fire Protection	
Pomerado Cemetery Perpetual	
Pomerado Cemetery District	
Ramona Cemetery District	
Ramona Cemetery Perpetual	
Rancho Santa Fe Fire Protection	
SANDAG	
San Diego Rural Fire Protection	
San Dieguito River	
San Marcos Fire Protection	
San Miguel Fire Protection	
San Ysidro Sanitation	
South County OPS Center	
Spring Valley/Casa de Oro	
Upper San Luis Rey Resource Conservation	
Valley Center Fire Protection	
Valley Center Cemetery	
Valley Center Cemetery Perpetual	
Vista Fire Protection	
Total for Ret., Cities, Independent Agencies	**2.43%**
TOTAL	**100.00%**



The cash flow projections extend two years into the future, which allows for more precise positioning of the Portfolio maturity structure.

Leverage Exposure

The Pooled Money Fund is allowed to have leverage exposure through the use of Reverse Repurchase Agreements (RRP) and Securities Lending. The maximum exposure is 20% of the Portfolio value. There were no RRP's or Securities Lending transactions during fiscal year 2002.

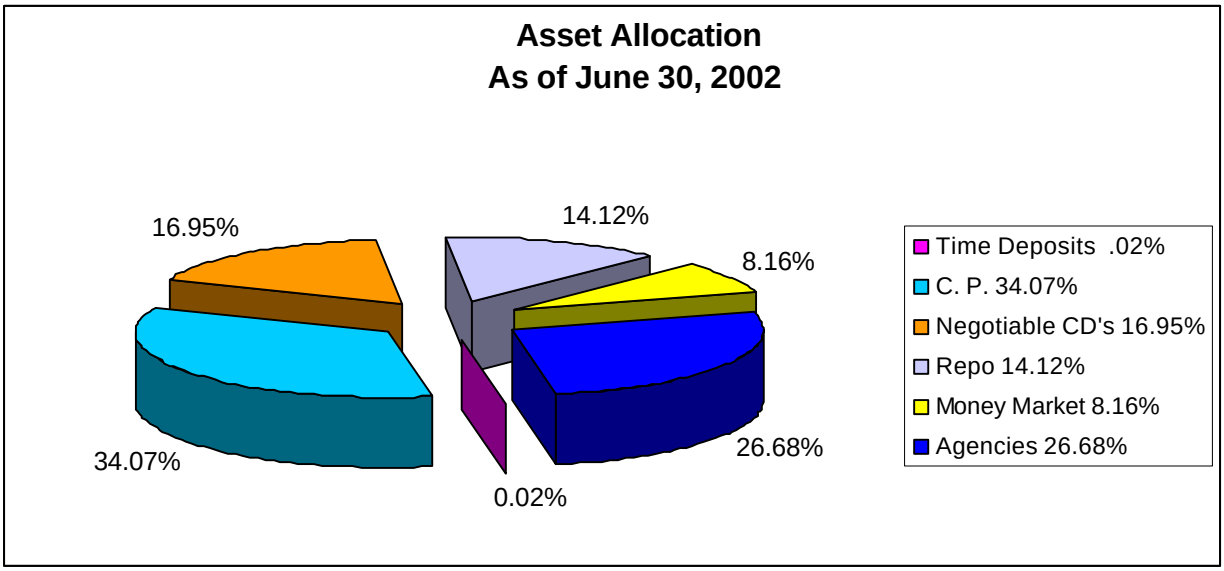
The San Diego County Portfolio Statistics table gives a detailed listing of the Portfolio diversification, yields by type of securities, and weighted average maturities as of June 30, 2002.

Treasurer-Tax Collector
San Diego County Portfolio Statistics
As of June 30, 2002

	Percent Of Portfolio	Book Value	Market Price	Accrued Interest	Market Value	Unrealized Gain/(Loss)	Yield To Maturity	Weighted Average Days To Maturity
Federal Farm Credit Bank Notes	0.78%	$25,002,638	100.09%	$93,750	$25,023,500	$20,862	2.22%	124
Federal Home Loan Bank Notes	5.40%	169,956,835	101.46%	1,109,564	172,474,672	2,517,837	5.52%	674
Federal Nat'l Mortgage Assoc. Notes	9.59%	299,986,456	102.15%	3,482,469	306,461,500	6,475,044	5.39%	1,082
Federal Home Loan Mortg. Corp. Notes	9.65%	304,975,252	101.09%	1,610,553	308,333,150	3,357,898	4.45%	826
Student Loan Marketing Assoc. Notes	1.57%	50,013,067	100.14%	556,250	50,068,000	54,933	2.20%	187
Money Market Funds	8.14%	260,000,000	100.00%	582,177	260,000,000	0	1.80%	1
Repurchase Agreements	14.09%	450,000,000	100.00%	77,583	450,000,000	0	2.07%	1
Negotiable Certificates Of Deposit	16.93%	539,980,149	100.18%	5,835,073	540,965,465	985,316	2.29%	195
Commercial Paper	33.83%	1,079,920,845	99.57%	0	1,080,635,814	714,970	2.09%	89
Collateralized Certificates of Deposit*	0.02%	490,000	100.00%	631	490,000	0	2.75%	95
Totals For June 2002	100.00%	$3,180,325,241	100.27%	$13,348,050	$3,194,452,101	$14,126,861	2.82%	284

*Collateralized CDs classified as Cash deposits in Statement of Net Assets

The apportionment rate during fiscal year 2001/2002 was 3.84%. The preceding 3 years annualized was 5.47% and the preceding 5 years annualized was 4.94%.



Schedule of Top Ten Fixed-Income Securities
As of June 30, 2002

TOP TEN FIXED-INCOME SECURITIES			
Security Name	**Cusip No.**	**Par**	**Fair Value**
Tri-Party Repurchase Agreement	N/A	$450,000,000	$450,000,000
Federated MM	60934N-203	210,000,000	210,000,000
Societe Generale CP	83365SHW6	100,000,000	99,688,000
Grey Hawk CP	39789MH90	75,000,000	74,832,000
Moriarty CP	61761UQH0	75,000,000	73,947,750
Federal National Mortgage Assosciation	3136F0AJ1	50,000,000	51,234,500
Federal Home Loan Mortgage Corp.	312925LV0	50,000,000	50,714,500
Bayerische Landesbank	072M5VG4	50,000,000	50,159,050
Bayerische Landesbank	0727M5VK5	50,000,000	50,129,350
Rabo Bank NCD	7497T1GC5	50,000,000	50,127,350

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STATISTICAL SECTION

SAN DIEGO COUNTY INVESTMENT POOL

SCHEDULE OF EARNINGS,RETURNS,FEES,APPORT.RATE
AVERAGE DAILY BALANCES (ADB) AND RATIO OF FEES/ADB

Year	Earnings	Total Returns	Amount Recovered	Net Earnings	Fees	Net Distributed	Apport. Rate	Ave. Daily Balances (In Millions)	Ratio of Fees/ADB
01/02	$ 108,854,683	3.83%		$ 108,854,683	$ 3,897,890	$ 104,956,793	3.84%	$ 2,949.0	0.13%
00/01	152,971,324	6.37%		152,971,324	3,743,964	149,227,360	6.50%	$ 2,455.3	0.15%
99/00	112,764,518	5.68%		112,764,518	2,454,710	110,309,808	5.80%	2,002.9	0.12%
98/99	73,660,290	4.25%	$ 462,010	73,198,280	2,238,038	70,960,242	4.27%	1,765.6	0.13%
97/98	69,467,385	3.88%	850,000	68,617,385	2,925,421	65,691,964	3.82%	1,821.4	0.16%
96/97	72,903,124	3.86%	1,200,000	71,703,124	2,857,237	68,845,887	3.77%	1,911.8	0.15%
95/96	85,337,127	4.10%			2,309,845	83,027,282	3.99%	2,074.5	0.11%
94/95	150,945,338	4.76%			1,876,892	149,068,446	4.73%	3,236.6	0.06%
93/94	219,305,767	5.93%			2,130,708	217,175,059	6.09%	3,783.1	0.06%
92/93	223,563,651	7.48%			1,771,258	221,792,393	7.58%	3,109.4	0.06%
91/92	212,666,105	8.62%			1,807,322	210,858,783	8.80%	2,544.3	0.07%
90/91	165,582,726	8.81%			1,708,963	163,873,763	9.37%	1,948.6	0.09%

Note: $2,512,010 were withheld from actual apportionments during the fiscal years 96/97, 97/98 and 98/99 as a result of excess apportionment that occurred in prior years. All excess amounts distributed have been fully recovered.

SAN DIEGO COUNTY INVESTMENT POOL
Schedule of Professional Fees
(Administrative Costs)

FOR THE FISCAL YEARS ENDED:	06/30/02	06/30/01	06/30/00	06/30/99	6/30/98
PROFESSIONAL FEES:					
BANK OF AMERICA-BANKING FEES	$ 709,229	$ 368,699	$ 377,776	$ 520,655	$ 570,109
SWISS BANK - CUSTODIAL FEES					196,700
STATE STREET BANK-CUSTODIAL FEES	86,196	64,030	41,186	40,090	
COMPUTER-RELATED EXPENSES:					
BLOOMBERG	50,490	49,093	41,280	40,539	29,578
SUNGARD FINANCIAL SYSTEMS	30,600	34,296	30,586	35,295	27,655
SOFTWARE SERVICES	40,500	40,500	25,500	25,500	28,040
WASSAU FINANCIAL SYSTEM	46,640	115,525			
OTG SOFTWARE INC	63,000				
TELERATE				4,230	26,357
MONEY MARKET SERVICES				6,120	5,460
UNISYS					83,500
TOTAL PROFESSIONAL FEES	1,026,655	672,143	516,328	672,429	967,399
OTHER COSTS:					
FIXED ASSET - 7.5 MPE/IMAGING EQUIPT	315,455	752,365		-	370,000
SALARIES & BENEFITS	1,448,103	1,223,884	1,057,848	858,363	835,162
SERVICES & SUPPLIES	449,534	364,837	287,039	232,957	145,177
DEPARTMENT OVERHEAD	291,623	274,007	262,663	272,757	239,541
EXTERNAL OVERHEAD	226,520	276,728	205,832	105,536	315,870
SUB-TOTAL	2,731,235	2,891,821	1,813,382	1,469,613	1,905,750
AUDITORS' COST	140,000	180,000	125,000	95,996	52,272
TOTAL COSTS	$3,897,890	$3,743,964	$ 2,454,710	$ 2,238,038	$2,925,421

SAN DIEGO COUNTY INVESTMENT POOL
ASSET ALLOCATION
MARKET VALUE
(Dollar amount in thousands)

INVESTMENT TYPE	6/30/02 Amount	%	06/30/01 Amount	%	06/30/00 Amount	%	06/30/99 Amount	%	06/30/98 Amount	%
Treasury Notes	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$104,848	6.4%
Government Agencies	862,361	27.0%	1,278,488	46.7%	793,040	35.1%	625,905	33.9%	590,938	36.0%
Corporate Med.Term Notes	-	0.0%	88,101	3.2%	117,900	5.2%	174,277	9.4%	100,137	6.1%
Commercial Paper	1,080,636	33.8%	729,194	26.6%	629,437	27.8%	263,913	14.3%	215,947	13.2%
Repurchase Agreements	450,000	14.1%	230,000	8.4%	330,000	14.6%	172,000	9.3%	165,000	10.1%
Negotiable Cert. of Deposit	540,965	16.9%	145,939	5.3%	364,026	16.1%	592,991	32.1%	441,877	26.9%
Open-end Money Market Funds	260,000	8.2%	266,000	9.8%	26,300	1.2%	17,500	1.0%	21,500	1.3%
TOTAL	$3,193,962	100.0%	$2,737,722	100.0%	2,260,703	100.0%	$1,846,586	100.0%	$1,640,247	100.0%

SAN DIEGO COUNTY INVESTMENT POOL PARTICIPANTS

PARTICIPANTS	06/30/02 Amount	%	06/30/01 Amount	%	06/30/00 Amount	%	06/30/99 Amount	%	06/30/98 Amount	%
County	$1,012,486	31.7%	$1,026,646	37.5%	$877,153	38.8%	$834,657	45.2%	$649,538	39.6%
Undistributed Taxes/Int./Other	443,961	13.9%	418,871	15.3%	302,934	13.4%	83,096	4.5%	108,256	6.6%
K-12 Schools	1,520,326	47.6%	1,092,351	39.9%	938,192	41.5%	786,646	42.6%	744,672	45.4%
Community Colleges	140,534	4.4%	150,575	5.5%	101,732	4.5%	120,028	6.5%	113,177	6.9%
Voluntary Deposits	76,655	2.4%	49,279	1.8%	40,692	1.8%	22,159	1.2%	24,604	1.5%
TOTAL	$3,193,962	100.0%	$2,737,722	100.0%	2,260,703	100.0%	$1,846,586	100.0%	$1,640,247	100.0%