



Orange County Auditor-Controller Internal Audit



Report on Review of the
Schedule of Assets Held by the
County Treasury as of March 31, 2016

Audit Number 1550
Report Date: August 23, 2016



O R A N G E C O U N T Y
AUDITOR-CONTROLLER
I N T E R N A L A U D I T

Eric H. Woolery, CPA
Orange County Auditor-Controller

Toni Smart, CPA	Director, Internal Audit
Scott Suzuki, CPA, CIA, CISA	Assistant Director
Carol Swe, CPA, CIA, CISA	Senior Audit Manager
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ERIC H. WOOLERY, CPA
AUDITOR-CONTROLLER



Transmittal Letter

August 23, 2016

Audit No. 1550

TO: Members, Board of Supervisors
Chairwoman Lisa A. Bartlett, 5th District Supervisor
Vice Chair Michelle Steel, 2nd District Supervisor
Supervisor Andrew Do, 1st District
Supervisor Todd Spitzer, 3rd District
Supervisor Shawn Nelson, 4th District

SUBJECT: Report on Review of the Schedule of Assets Held
by the County Treasury as of March 31, 2016

We have completed our Report on Review of the Schedule of Assets Held by the County Treasury as of March 31, 2016. Our final report is attached for your review.

I submit an **Audit Status Report** quarterly to the Audit Oversight Committee (AOC) and a monthly report to the Board of Supervisors (BOS) where I detail any critical and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Although there were no findings noted during this review, the results will be included in future status reports to the AOC and BOS.

A handwritten signature in blue ink, appearing to read "Toni Smart".

Toni Smart, CPA, Director
Auditor-Controller Internal Audit Division

Attachments

Other recipients of this report:

- Members, Audit Oversight Committee
- Members, Treasury Oversight Committee
- Eric H. Woolery, Auditor-Controller
- Shari L. Freidenrich, Treasurer-Tax Collector
- Frank Kim, County Executive Officer
- Michelle Aguirre, Chief Financial Officer
- Paul C. Gorman, Chief Assistant Treasurer-Tax Collector – Treasury
- Claire Moynihan, Director, Central Accounting Operations, Auditor-Controller
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Macias Gini & O'Connell LLP, County External Auditor



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Held by the County Treasury
Audit No. 1550*

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Independent Accountant's Review Report

Independent Accountant's Review Report

The Honorable Board of Supervisors
County of Orange, California

We have reviewed the accompanying Schedule of Assets Held by the County Treasury—Modified Cash-Basis (financial schedule) of the Office of the Orange County Treasurer-Tax Collector, as of March 31, 2016, pursuant to Government Code Section 26920(a)(1) and (3). A review includes primarily applying analytical procedures to management's financial data and making inquiries of department management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial schedule as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of this financial schedule in accordance with the modified cash-basis of accounting; this includes determining that the basis of accounting the County Treasury uses for financial reporting is an acceptable basis for the preparation of financial schedules in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial schedule for it to be in accordance with the basis of accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, except for the issue noted in the Known Departure from Modified Cash-Basis of Accounting paragraph, we are not aware of any material modifications that should be made to the accompanying financial schedule in order for it to be in accordance with the modified cash-basis of accounting.

Known Departure from Modified Cash-Basis of Accounting

The financial schedule is prepared in accordance with the modified cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received by the Treasurer; disbursements are recognized when paid by the bank; and the value of investments is stated at fair value. The modified cash-basis of accounting requires that financial statements include adequate disclosures. Management has elected to omit all disclosures ordinarily included in a financial schedule prepared on the modified cash-basis of accounting. If the omitted disclosures were included in the financial schedule they might influence the users' conclusions about the County Treasury's assets.



Independent Accountant's Review Report

Other Matter

This report is intended solely for the information and use of the Board of Supervisors and the management of the Orange County Auditor-Controller. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink, appearing to read "Toni Smart".

Toni Smart, CPA, Director
Auditor-Controller Internal Audit Division



Schedule of Assets Held by the County Treasury



OFFICE OF THE TREASURER-TAX COLLECTOR

COUNTY OF ORANGE
P.O. BOX 4515
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SHARI L. FREIDENRICH, CPA
TREASURER-TAX COLLECTOR

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Treasurer@ttc.ocgov.com

SCHEDULE OF ASSETS HELD BY THE COUNTY TREASURY AS OF MARCH 31, 2016

	ASSETS			
	OCIP	OCEIP	Non-Pooled	Total
CASH				
Cash On Hand	\$ 111,348	\$ -	\$ -	\$ 111,348
Bank Demand Accounts	22,288,470	8,015,644	-	30,304,114
Total Cash	22,399,818	8,015,644	-	30,415,462
INVESTMENTS, stated at fair value				
<i>Orange County Investment Pool (OCIP):</i>				
Orange County Money Market Fund	1,530,995,992			1,530,995,992
Extended Fund	2,533,407,697			2,533,407,697
<i>Orange County Educational Investment Pool (OCEIP):</i>				
Orange County Educational Money Market Fund		1,327,818,642		1,327,818,642
Extended Fund		2,533,538,901		2,533,538,901
<i>Non-Pooled</i>			303,831,451	303,831,451
Total Investments	4,064,403,689	3,861,357,543	303,831,451	8,229,592,683
TOTAL ASSETS	\$ 4,086,803,507	\$ 3,869,373,187	\$ 303,831,451	\$ 8,260,008,145


SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM
Treasurer-Tax Collector

Mission: Ensure safe and timely receipt, deposit, collection and investment of public funds.