



# Orange County Auditor-Controller Internal Audit



Report on Review of the  
Schedule of Assets Held by the  
County Treasury as of September 30, 2017

Audit Number 1717  
Report Date: March 20, 2018



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**

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**ERIC H. WOOLERY, CPA**  
AUDITOR-CONTROLLER



**Transmittal Letter**

**Audit No. 1717**

**March 20, 2018**

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

**SUBJECT:** Report on Review of the Schedule of Assets Held by the County Treasury  
as of September 30, 2017

We have completed our Report on Review of the Schedule of Assets Held by the County Treasury as of September 30, 2017. Our final report is attached for your review.

An **Audit Status Report** is submitted quarterly to the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS) detailing any critical and significant audit findings released in reports during the prior quarter 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.

Additionally, we will request the department to complete a **Customer Survey** of Review Services. The department will receive the survey shortly after the distribution of our final report.

A handwritten signature in blue ink that reads "Eric H. Woolery".

Eric H. Woolery, CPA  
Auditor-Controller

**Attachments**

Other recipients of this report:

- Members, Audit Oversight Committee
- Members, Treasury Oversight Committee
- Shari L. Freidenrich, Treasurer-Tax Collector
- Frank Kim, County Executive Officer
- Michelle Aguirre, Chief Financial Officer
- Mark Malbon, Chief Assistant Treasurer-Tax Collector
- JC Squires, Financial Manager, Treasurer-Tax Collector – Treasury
- Jennifer Han, Accounting/Compliance Manager, Treasurer-Tax Collector – Treasury
- Claire Moynihan, Director of Central Accounting Operations, Auditor-Controller
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Macias Gini & O'Connell LLP, County External Auditor



# Table of Contents

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*Report on Review of the Schedule of Assets  
Held by the County Treasury  
Audit No. 1717*

As of September 30, 2017

<b>Transmittal Letter</b>	<b>i</b>
<b>Independent Accountant's Review Report</b>	<b>1</b>
<b>Schedule of Assets Held by the County Treasury as of September 30, 2017</b>	<b>3</b>

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# Independent Accountant's Review Report

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## **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 County of Orange, California, as of September 30, 2017, pursuant to Government Code Section 26920(a). 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 modified cash-basis of accounting. 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 statement, they might influence the users' conclusions about the County Treasury's assets.



# Independent Accountant's Review Report

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## *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 that reads "E. H. Woolery".

Eric H. Woolery, CPA  
Auditor-Controller  
**March 20, 2018**



# Schedule of Assets Held by the County Treasury

**ORANGE COUNTY TREASURY**  
**Schedule of Assets Held by the County Treasury**  
**As of September 30, 2017**

**ASSETS**

	<b>OCIP</b>	<b>OCEIP</b>	<b>Non-Pooled</b>	<b>Total</b>
<b>CASH</b>				
Cash On Hand	\$ 94,503	\$ -	\$ -	\$ 94,503
Bank Demand Accounts	24,874,243	3,900,045	20,950,550	49,724,838
<b>Total Cash</b>	<b>24,968,746</b>	<b>3,900,045</b>	<b>20,950,550</b>	<b>49,819,341</b>
<b>INVESTMENTS, stated at fair value</b>				
<i>Orange County Investment Pool (OCIP):</i>				
Money Market Fund	885,572,484	-	-	885,572,484
Extended Fund	2,976,267,826	-	-	2,976,267,826
<i>Orange County Educational Investment Pool (OCEIP):</i>				
Money Market Fund	-	1,319,525,808	-	1,319,525,808
Extended Fund	-	2,997,795,646	-	2,997,795,646
<i>Non-Pooled</i>			84,442,005	84,442,005
<b>Total Investments</b>	<b>3,861,840,310</b>	<b>4,317,321,454</b>	<b>84,442,005</b>	<b>8,263,603,769</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,886,809,056</b>	<b>\$ 4,321,221,499</b>	<b>\$ 105,392,555</b>	<b>\$ 8,313,423,110</b>