

Report on Review of the Schedule of Assets Held by the County Treasury as of March 31, 2018



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Transmittal Letter

Audit No. 1719

October 12, 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 March 31, 2018

We have completed our Report on Review of the Schedule of Assets Held by the County Treasury as of March 31, 2018. Our final report is attached for your review.

Eric H. Woolery, CPA Auditor-Controller

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
Larry Walker, Assistant Treasurer-Tax Collector
JC Squires, Financial Manager, Treasurer-Tax Collector — Treasury
Lappifor Han, Assistant Treasurer-Tax Collector — Treasury

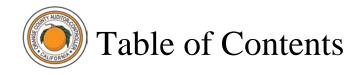
Jennifer Han, Accounting/Compliance Manager, Treasurer-Tax Collector – Treasury
Mark Malbon, Interim Director of Central Accounting Operations, Auditor Central Accounting

Mark Malbon, Interim Director of Central Accounting Operations, Auditor-Controller

Foreperson, Grand Jury

Robin Stieler, Clerk of the Board of Supervisors

Vavrinek, Trine, Day & Co., LLP, County External Auditor



Report on Review of the Schedule of Assets Held by the County Treasury Audit No. 1719

As of March 31, 2018

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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 County of Orange, California, as of March 31, 2018, 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 cashbasis 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

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.

Eric H. Woolery, CPA

Auditor-Controller October 12, 2018



Schedule of Assets Held by the County Treasury

ORANGE COUNTY TREASURY

Schedule of Assets Held by the County Treasury As of March 31, 2018

ASSETS

	OCIP		OCEIP		Non-Pooled		Total	
CASH								
Cash On Hand	\$	115,319	\$	-	\$	-	\$	115,319
Bank Demand Accounts	69,462,241		31,441,133		22,897,828			123,801,202
Total Cash	69,577,560		31,441,133		22,897,828		123,916,521	
INVESTMENTS, stated at fair value								
Orange County Investment Pool (OCIP):							
Money Market Fund	1.	,466,459,327		-		-	1	,466,459,327
Extended Fund	3	,243,931,985		-		-	3	3,243,931,985
Orange County Educational Inves	tment Poo	ol (OCEIP):						
Money Market Fund		-	1,149,	359,827		-	1	,149,359,827
Extended Fund		-	3,408,	311,124		-	3	3,408,311,124
Non-Pooled					100,9	89,670		100,989,670
Total Investments	4	,710,391,312	4,557,	670,951	100,98	89,670	9	,369,051,933
TOTAL ASSETS	\$ 4	,779,968,872	\$ 4,589.	112,084	\$ 123,8	87,498	\$ 9	,492,968,454