



# Orange County Auditor-Controller Internal Audit



Report on Review of the  
Schedule of Assets Held by the  
County Treasury as of December 31, 2015

Audit Number 1549  
Report Date: July 19, 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**

<b>Toni Smart, CPA</b>	<b>Director, Internal Audit</b>
<b>Scott Suzuki, CPA, CIA, CISA</b>	<b>Assistant Director</b>
<b>Carol Swe, CPA, CIA</b>	<b>Senior Audit Manager</b>
<b>Michael Steinhaus, CPA</b>	<b>Audit Manager I</b>
<b>Scott Kim, CPA</b>	<b>Senior Auditor</b>

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**Santa Ana, CA 92701**

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



**Transmittal Letter**

**Audit No. 1549**

**July 19, 2016**

**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 December 31, 2015

We have completed our Report on Review of the Schedule of Assets Held by the County Treasury as of December 31, 2015. 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.

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

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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# Independent Accountant's Review Report

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July 19, 2016

## **Independent Accountant's Review Report**

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 December 31, 2015, 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 Statements***

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 Treasurer-Tax Collector 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, 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.

### ***Basis of Accounting***

The financial schedule is prepared on the modified cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

This report is intended for the information 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", is positioned above the printed name.

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  
SANTA ANA, CALIFORNIA 92702-4515  
(714) 834-7625 FAX: (714) 834-2912



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 DECEMBER 31, 2015

	ASSETS			
	County Pool	Educational Pool	Non-Pooled	Total
<b>CASH</b>				
Cash On Hand	\$ 37,389	\$ -	\$ -	\$ 37,389
Bank Demand Accounts	2,856,273	40,000	-	2,896,273
<b>Total Cash</b>	<b>\$ 2,893,662</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ 2,933,662</b>
<b>INVESTMENTS, stated at fair value</b>				
<i>Orange County Investment Pool (OCIP):</i>				
Orange County Money Market Fund	1,720,712,911	-	-	1,720,712,911
Extended Fund	2,512,209,051			2,512,209,051
<i>Orange County Educational Investment Pool (OCEIP):</i>				
Orange County Educational Money Market Fund		1,925,021,216		1,925,021,216
Extended Fund		2,523,807,840		2,523,807,840
<i>Non-Pooled</i>			300,074,435	300,074,435
<b>Total Investments</b>	<b>\$ 4,232,921,962</b>	<b>\$ 4,448,829,056</b>	<b>\$ 300,074,435</b>	<b>\$ 8,981,825,453</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,235,815,624</b>	<b>\$ 4,448,869,056</b>	<b>\$ 300,074,435</b>	<b>\$ 8,984,759,115</b>

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

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