



# Orange County Auditor-Controller Internal Audit



Review of the Schedule of Assets  
Held by the County Treasury as of  
December 31, 2018

Audit Number 1886  
Report Date: April 30, 2019



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

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



**Transmittal Letter**

**Audit No. 1886**

**April 30, 2019**

**TO:** Members, Board of Supervisors  
Chairwoman Lisa A. Bartlett, 5th District  
Vice Chair Michelle Steel, 2nd District  
Andrew Do, 1st District  
Vacant, 3rd District  
Doug Chaffee, 4th District

**SUBJECT:** Review of the Schedule of Assets Held by the County Treasury  
as of December 31, 2018

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

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

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 – Treasury  
Robert Sharp, Accounting/Compliance Manager, Treasurer-Tax Collector – Treasury  
Salvador Lopez, Chief Deputy Auditor-Controller  
JC Squires, 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



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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 December 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 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 Departures from the 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 Departures from the 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 schedules 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

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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  
April 30, 2019



# Schedule of Assets Held by the County Treasury

**ORANGE COUNTY TREASURY**  
**Schedule of Assets Held by the County Treasury**  
**As of December 31, 2018**

**ASSETS**

	<b>OCIP</b>	<b>OCEIP</b>	<b>Non-Pooled</b>	<b>Total</b>
<b>CASH</b>				
Cash On Hand	\$ 47,077	\$ -	\$ -	\$ 47,077
Bank Demand Accounts	2,972,857	159,449	21,584,461	24,716,767
<b>Total Cash</b>	<b>3,019,934</b>	<b>159,449</b>	<b>21,584,461</b>	<b>24,763,844</b>
<b>INVESTMENTS, stated at fair value</b>				
<i>Orange County Investment Pool (OCIP):</i>				
Money Market Fund	1,321,837,296	-	-	1,321,837,296
Extended Fund	3,686,571,552	-	-	3,686,571,552
<i>Orange County Educational Investment Pool (OCEIP):</i>				
Money Market Fund	-	1,024,704,481	-	1,024,704,481
Extended Fund	-	4,346,016,153	-	4,346,016,153
<i>Non-Pooled</i>	-	-	106,238,584	106,238,584
<b>Total Investments</b>	<b>5,008,408,848</b>	<b>5,370,720,634</b>	<b>106,238,584</b>	<b>10,485,368,066</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,011,428,782</b>	<b>\$ 5,370,880,083</b>	<b>\$ 127,823,045</b>	<b>\$ 10,510,131,910</b>