



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

Orange County Auditor-Controller
David E. Sundstrom, CPA



Nancy N. Ishida, CPA	Audit Manager
Christine Young	Staff Auditor

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12 Civic Center Plaza, Room 200
Santa Ana, CA 92701

Orange County Web Site
<http://egov.ocgov.com/ocgov>

**Report on Review of the Statement of Assets
Held by the County Treasury**

As of March 31, 2011

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PROGRAM MANAGER
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DAVID E. SUNDSTROM, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Job No. 1060

June 21, 2011

TO: Members, Board of Supervisors
Chair Bill Campbell, Supervisor 3rd District
Vice Chair John M. W. Moorlach, Supervisor 2nd District
Supervisor Janet Nguyen, 1st District
Supervisor Shawn Nelson, 4th District
Supervisor Patricia C. Bates, 5th District

SUBJECT: Report on Review of the Statement of Assets Held by the
County Treasury as of March 31, 2011

We have completed our Report on Review of the Statement of Assets held by the County Treasury as of March 31, 2011. Enclosed is a copy of the report.

David E. Sundstrom
Auditor-Controller

Enclosure

Other recipients of this report:

Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Robert J. Franz, Chief Financial Officer
Shari L. Freidenrich, Treasurer-Tax Collector
Paul C. Gorman, Chief Assistant Treasurer-Tax Collector
Members, Treasury Oversight Committee
Jan Grimes, Director, Central Accounting Operations Auditor-Controller
Darlene J. Bloom, Clerk of the Board of Supervisors
Foreperson, Grand Jury



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INTERNAL AUDITOR'S REPORT

Job No. 1060

June 21, 2011

Members, Board of Supervisors
Hall of Administration Building
333 W. Santa Ana Blvd., 5th Floor
Santa Ana, CA 92701

Pursuant to Government Code §26920(a), we have reviewed the accompanying Statement of Assets Held by the County Treasury as of March 31, 2011 (financial statement). All information included in this financial statement is the representation of the management of the Treasurer's Office.

Our review was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. A review consists principally of inquiries of department personnel and analytical procedures applied to financial data. The Treasurer's Office prepared a statement showing the amount and type of assets held in the County Treasury as of March 31, 2011. Our review included the following procedures:

- (1) Counting cash in the County Treasury and confirming cash and investments held on behalf of the Treasurer's Office.
- (2) Verifying that the records of the County Treasury and Auditor-Controller are reconciled for cash and investment accounts.

Based on our review, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statement prepared on the cash basis, as modified, which is a comprehensive basis of accounting other than United States generally accepted accounting principles. Accordingly, it is the Treasurer's policy to not recognize trades until the settlement date.

Management has elected to omit all disclosures ordinarily included in a financial statement prepared on the cash basis as modified. If the omitted disclosures were included in the financial statement they might influence the user's conclusions about the Treasury's assets. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Members, Board of Supervisors
June 21, 2011

The Treasurer-Tax Collector's Office has its own separate accounting staff and accounting information systems that maintain the Treasury financial records. Treasury staff is responsible for the recordation and reconciliation of the Treasury's cash and investments and also reconciles the Treasury financial systems.

The Auditor-Controller is elected by and accountable to the citizens of Orange County. The Auditor-Controller General Ledger Unit is responsible for the reconciliation of the Treasury cash fund balances to the County general ledger. We are disclosing this relationship because the Controller's role may be perceived as a potential impairment to our independence. However, the Internal Audit Unit that conducted this review is organizationally located outside of the line-management function of the Auditor-Controller's Office and is not responsible for the recordation or reconciliation of financial transactions. The Internal Audit Unit reports administratively to the elected Auditor-Controller.

Nevertheless, the reader of this report is advised to consider the above disclosure when using this report.

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

Nancy N. Ishida, CPA
Audit Manager

Attachment

Other recipients of this report:

Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Robert J. Franz, Chief Financial Officer
Shari L. Freidenrich, Treasurer-Tax Collector
Paul C. Gorman, Chief Assistant Treasurer-Tax Collector
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Jan Grimes, Director, Central Accounting Operations Auditor-Controller
Darlene J. Bloom, Clerk of the Board of Supervisors
Foreperson, Grand Jury



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CFA

ROBIN RUSSELL
ASSISTANT TREASURER-TAX COLLECTOR

June 10, 2011

STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY AS OF MARCH 31, 2011

ASSETS				
	County Pool	Educational Pool	Non-Pooled	Total
CASH				
Cash on Hand	\$ 110,293	\$ -	\$ -	\$ 110,293
Demand Accounts	24,830,290	4,831,186	-	29,661,476
Total Cash	24,940,583	4,831,186	-	29,771,769
INVESTMENTS, stated at fair value				
<i>Orange County Investment Pool:</i>				
Money Market Fund	1,873,051,091			1,873,051,091
Extended Fund	1,726,331,706			1,726,331,706
<i>Orange County Educational Pool:</i>				
Money Market Fund		1,537,413,718		1,537,413,718
Extended Fund		1,349,419,638		1,349,419,638
<i>Non-Pooled</i>			65,169,657	65,169,657
Total Investments	3,599,382,797	2,886,833,356	65,169,657	6,551,385,810
TOTAL ASSETS	\$ 3,624,323,380	\$ 2,891,664,542	\$ 65,169,657	\$ 6,581,157,579


Shari L. Freidenrich, CPA, CCMT, CPFA, CPFIM
Treasurer-Tax Collector

See accompanying Internal Auditor's Report

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