ORANGE COUNTY
AUDITOR-CONTROLLER
INTERNAL AUDIT

Report on Review of the Statement of Assets Held by the County Treasury As of September 30, 2008

Job Number 1010

Report Date: November 26, 2008

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Orange County Auditor-Controller
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Transmittal Letter

Job No. 1010

November 26, 2008

TO: Members, Board of Supervisors

SUBJECT: Report on Review of the Statement of Assets Held by the County Treasury as of September 30, 2008

We have completed our Report on Review of the Statement of Assets held by the County Treasury as of September 30, 2008. Enclosed is a copy of the report.

David E. Sundstrom
Auditor-Controller

NI:lr/wg
Enclosure

Other recipients of this report:
- Members, Audit Oversight Committee
- Thomas G. Mauk, County Executive Officer
- Darlene J. Bloom, Clerk of the Board of Supervisors
- Chriss W. Street, Treasurer-Tax Collector
- Paul C. Gorman, Chief Assistant Treasurer-Tax Collector
- Jan Grimes, Director, Central Accounting Operations Auditor-Controller
- Foreperson, Grand Jury

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AUDITOR-CONTROLLER

INTERNAL AUDITOR'S REPORT

Job No. 1010

November 26, 2008

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 September 30, 2008 (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 inquires of department personnel and analytical procedures applied to financial data. The Treasurer prepared a statement showing the amount and type of assets in the County Treasury as of September 30, 2008. Our review included the following procedures:

(1) Counting cash in the County Treasury and confirming cash and investments held on behalf of the Treasurer.

(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.

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 Treasurer's assets. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The Treasurer-Tax Collector's Office has its own separate accounting staff and Fund Accounting System that maintains the Treasurer's financial records. The Auditor-Controller, who is an elected official, does have some responsibility for reconciling the Treasurer's cash and investments and we are disclosing this relationship because the Controller's role may be perceived as a potential impairment to our independence. Although the audit team that conducted this review is located outside the staff or line management function of the Auditor-Controller's Office, it does report to the elected Auditor-Controller who is organizationally the head of the department.

Nevertheless, the reader of this report is advised to consider the above disclosure as a qualification of scope that may have an effect on 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

Nancy N. Ishida, CPA
Audit Manager

NI:lr
Attachment

Other recipients of this report:
- Members, Audit Oversight Committee
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- Darlene J. Bloom, Clerk of the Board of Supervisors
- David E. Sundstrom, Auditor-Controller
- Jan Grimes, Director, Central Accounting Operations Auditor-Controller
- Chriss W. Street, Treasurer-Tax Collector
- Paul C. Gorman, Chief Assistant Treasurer-Tax Collector
- Foreperson, Grand Jury

OFFICE OF THE TREASURER-TAX COLLECTOR

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TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
CHIEF ASSISTANT TREASURER-TAX COLLECTOR

JENNIFER BURKHART, CFA
ASSISTANT TREASURER-TAX COLLECTOR

WALTER DANIELS
ASSISTANT TREASURER-TAX COLLECTOR
TAX COLLECTION

ROBIN RUSSELL
ASSISTANT TREASURER-TAX COLLECTOR
ADMINISTRATION

November 25, 2008

STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY
AS OF SEPTEMBER 30, 2008

	ASSETS			
	County Pool	**Educational Pool**	**Non-Pooled**	**Total**
CASH				
Cash on Hand	$ 4,706	$ -	$ -	$ 4,706
Demand Accounts	30,432,467	11,858,355	32,557	42,323,379
Total Cash	**30,437,173**	**11,858,355**	**32,557**	**42,328,085**
INVESTMENTS, stated at cost				
Orange County Investment Pool:				
Money Market Fund	1,629,865,512			1,629,865,512
Extended Fund	1,326,860,301			1,326,860,301
OC Extended Fund B	42,176,082			42,176,082
Orange County Educational Pool:				
Money Market Fund		1,703,746,128		1,703,746,128
Extended Fund		1,012,176,082		1,012,176,082
OC Extended Fund B		37,823,918		37,823,918
Non-Pooled			114,720,618	114,720,618
Total Investments	**2,998,901,895**	**2,753,746,128**	**114,720,618**	**5,867,368,641**
TOTAL ASSETS	**$ 3,029,339,068**	**$ 2,765,604,483**	**$ 114,753,175**	**$ 5,909,696,726**

Chriss W. Street
Treasurer-Tax Collector

See accompanying Internal Auditor's Report