INTERNAL AUDIT DEPARTMENT

COUNTY OF ORANGE

Recipient of the Institute of Internal Auditors Award for Excellence

Integrity ◆ Objectivity ◆ Independence

REPORT ON REVIEW OF THE STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY

AS OF MARCH 31, 2006

AUDIT NUMBER: 2569 **REPORT DATE: MAY 31, 2006**

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

As of March 31, 2006

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Transmittal Letter

Audit No. 2569

May 31, 2006

TO: Members, Board of Supervisors

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department

SUBJECT: Report on Review of the Statement of Assets Held by the County Treasury, As of March 31, 2006

At the request of the Auditor-Controller, we have completed our Report on Review of the Statement of Assets held by the County Treasury as of December 31, 2005.

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

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INTERNAL AUDITOR'S REPORT

Audit No. 2569

May 30, 2006

Members, Board of Supervisors
Hall of Administration Building
10 Civic Center Center Plaza
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, 2006 (financial statement) in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in this financial statement is the representation of the management of the Treasurer's Office.

A review consists primarily of inquiries of Treasury personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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.

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.

Sincerely,

Peter Hughes, Ph.D., CPA
Director, Internal Audit

OFFICE OF THE TREASURER-TAX COLLECTOR

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PAUL C. GORMAN, C.P.A., CTP
DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

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DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY AS OF MARCH 31, 2006

ASSETS

	County Pool	Educational Pool	Non-Pooled	Total
CASH				
Cash on Hand	$ 100,060	$ -	$ -	$ 100,060
Demand Accounts	28,343,038	3,547,544	31,369	31,921,951
Total Cash	28,443,098	3,547,544	31,369	32,022,011
INVESTMENTS, stated at cost				
Orange County Investment Pool:				
Money Market Fund	1,952,915,761			1,952,915,761
Extended Fund	1,149,710,564			1,149,710,564
Orange County Educational Pool:				
Money Market Fund		1,973,413,245		1,973,413,245
Extended Fund		550,000,000		550,000,000
Non-pooled			66,310,538	66,310,538
Total Investments	3,102,626,325	2,523,413,245	66,310,538	5,692,350,108
TOTAL ASSETS	**$ 3,131,069,423**	**$ 2,526,960,789**	**$ 66,341,907**	**$ 5,724,372,119**

John M. W. Moorlach, C.P.A., CFP®
Treasurer-Tax Collector