

Treasurer's Monthly **INVESTMENT** OCTOBER 2018 **REPORT**

From the Office of
SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM
Orange County Treasurer



COUNTY OF ORANGE

**TREASURER'S INVESTMENT REPORT
For October 31, 2018**

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OFFICE OF THE TREASURER-TAX COLLECTOR
SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM



INTERDEPARTMENTAL COMMUNICATION

Date: November 15, 2018

To: Supervisor Andrew Do, Chairman
Supervisor Shawn Nelson, Vice-Chairman
Supervisor Michelle Steel
Supervisor Todd Spitzer
Supervisor Lisa Bartlett

From: Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM *[Signature]*

Subject: Treasurer's Investment Report for the Month Ended October 31, 2018

Attached please find the Treasurer's Investment Report for the County of Orange for the month ended October 31, 2018. The County Treasurer provides this report in compliance with California Government Code Sections 53607, 53646, and 27134 and the County's Investment Policy Statement (IPS). We have included some charts and other data for your information including charts on fund composition and the top ten pool participants. This report is also publicly available on our website at ocgov.com/ocinvestments.

INVESTMENT POOL COMPOSITION

The investments contained within this report are as of October 31, 2018. The Investment Pool Statistics summary shows the total investment responsibility of the County Treasurer as delegated by the Board of Supervisors: the Orange County Investment Pool (OCIP) that includes the Voluntary Participants' funds, the Orange County Educational Investment Pool (OCEIP), the John Wayne Airport Investment Fund and various other non-Pooled investment funds. The investment practices and policies of the Treasurer are based on compliance with State law and prudent money management. The primary goal is to invest public funds in a manner which will provide maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool Participants and lastly to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

The County Treasurer established three short-term funds, the Orange County Money Market Fund (OCMMF), the Orange County Educational Money Market Fund (OCEMMF), and the John Wayne Airport Investment Fund, which all are invested in cash-equivalent securities and provide liquidity for immediate cash needs. Standard & Poor's, on September 19, 2018, reaffirmed their highest rating of AAAM on the OCMMF and the OCEMMF. The County Treasurer also established the Extended Fund that is invested to meet cash needs between one and five years out. The Orange County Investment Pool is comprised of the Orange County Money Market Fund and portions of the Extended Fund. The Orange County Educational Investment Pool is comprised of the Orange County Educational Money Market Fund and portions of the Extended Fund.

The maximum maturity of investments for the OCMMF and the OCEMMF is 13 months, with a maximum weighted average maturity (WAM) of 60 days, and they have a current WAM of 35 and 55, respectively. The maximum maturity of investments for the John Wayne Airport Investment Fund is 15 months, with a maximum WAM of 90 days, and a current WAM of 88. The maximum maturity of the Extended Fund is five years, with duration not to exceed the Merrill Lynch 1-3 Year index +25% (2.31), and the duration is currently at 1.19. The investments in all of the funds are marked to market daily to calculate the daily fair value of the funds. To further maintain safety, adherence to an investment strategy of only purchasing top-rated securities and diversification of instrument types and maturities is required.

ECONOMIC UPDATE

In October 2018, the job market added 250,000 new jobs, and September's job numbers were revised downward by 16,000 to 118,000. The U.S. unemployment rate for October remained unchanged at 3.7%. The U.S. Gross Domestic Product third quarter rate decreased from the prior quarter rate of 4.2% to 3.5%. The Empire State Manufacturing Index increased to 21.1 from 19.0 in September, while the Philadelphia Fed Index decreased to 22.2 from 22.9 in September. The Federal Reserve uses these indexes as regional economic gauges, and a reading above zero signals economic expansion. With respect to housing, S&P/CaseShiller reported that housing prices continue to show positive momentum

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

as year-over-year prices increased for the seventy-sixth consecutive month in August, up 5.77 % from a year ago. The index for pending home sales decreased 3.4% on a year-over-year basis in September.

The 10-year Treasury rate increased from 3.05% in September to 3.15% in October. The short-term 90-day T-bill increased from 2.19% at the end of September to 2.34% at the end of October. The rate on the 2-year Treasury note was 2.87% at the end of October, up from 2.81% in September.

INVESTMENT INTEREST YIELDS AND FORECAST

The current gross interest yield year-to-date for fiscal year 2018/2019 is 1.73% for OCIP and 1.77% for OCEIP. The current net yield for fiscal year 2018/2019 is 1.67 for OCIP and 1.71% for OCEIP. The forecasted net yield for fiscal year 2018/2019 for both OCIP and OCEIP is 1.81%.

The County Treasurer recently received a principal distribution of \$175,006 from an investment previously owned by the County's pooled funds, commonly known as Whistlejacket. The receivers of Whistlejacket (Deloitte LLP) stated that this is the final distribution to holders of Whistlejacket and constitutes the full and final discharge of amounts owed to creditors. With this final distribution, the County's pooled funds have recovered 92.3% of the original investment of \$80 million in Whistlejacket. Consistent with past distributions, the County Treasurer will be allocating this principal payment pro rata to all the pooled fund accounts that had balances at the time the investment went into receivership in February 2008. This distribution will have no impact on the annual net yield due to the small amount of this final distribution.

APPORTIONMENT OF COMMINGLED POOL INTEREST EARNINGS

Each month, the County Treasurer apportions the accrued interest earnings to each pool participant. As of the first business day of the following month accrued, but unpaid, interest earnings are added to pool participants' average balances in determining a participant's relative share of the pool's monthly earnings. The actual cash distribution will generally be paid in the month following. The September 2018 and October 2018 interest apportionments are expected to be paid in December 2018 and January 2019 respectively. The investment administrative fee for fiscal year 2018/2019 is estimated at 5.9 basis points.

TEMPORARY TRANSFERS

The County Treasurer, as required by Constitution Article XVI, Section 6, and per the Board of Supervisor's Resolution 15-016, is authorized to make temporary transfers to school districts to address their short-term cash flow needs. The loans are secured by tax receipts to be received by the County Treasurer, as the banker for the school districts. Temporary transfers from the OCEIP total \$40 million and will be repaid by January 31, 2019.

PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS

Under guidelines outlined in the current IPS, the County Treasurer may invest in "A" or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. The Investment Pools may invest no more than 5% of individual pool assets in any one issuer, with the exception of the County of Orange which has a 10% limit. The Investment Pools have a total market value of \$237 million in County of Orange debt, which represents approximately 2.7% of total pooled assets. Prior to purchasing any pool participant debt, a standardized credit analysis is performed.

COMPLIANCE SUMMARY

The investment portfolios had no compliance exceptions for the month of October 2018. The Auditor-Controller issued their report on Review of the Schedule of Assets Held by the County Treasury (Schedule) as of March 31, 2018 stating that they were not aware of any material modification that should be made to the Schedule prepared on a modified cash-basis of accounting except for the omission of all disclosures. The County Treasurer's current practice is to prepare all required disclosures only in the Schedule for each fiscal year-end and not for the quarterly reviews.

CREDIT UPDATE

During October, there were no changes to the Treasurer's Approved Issuer List. An ongoing credit analysis of all issuers owned in the Investment Pools is reviewed on a daily, monthly, quarterly, and annual basis.

I certify that this report includes all pooled and non-pooled investments as of October 31, 2018 and is in conformity with all State laws and the IPS approved by the Board of Supervisors on November 14, 2017. The investments herein shown provide adequate liquidity to meet the next six months of projected cash flow requirements. I am available if you have any questions on this Investment Report at (714) 834-7625.

Enclosures

cc: Distribution List

ORANGE COUNTY TREASURER-TAX COLLECTOR

SUMMARY OF INVESTMENT DATA

INVESTMENT TRENDS

	OCTOBER 2018	SEPTEMBER 2018	INCREASE (DECREASE)	NET CHANGE %	OCTOBER 2017	INCREASE (DECREASE)	NET CHANGE %
<u>Orange County Investment Pool (OCIP)</u>							
End Of Month Market Value ^{1,2}	\$ 4,418,845,835	\$ 3,767,385,607	\$ 651,460,228	17.29%	\$ 4,367,840,772	\$ 51,005,063	1.17%
End Of Month Book Value ^{1,2}	\$ 4,440,012,364	\$ 3,788,455,916	\$ 651,556,448	17.20%	\$ 4,379,246,925	\$ 60,765,439	1.39%
Monthly Average Balance ²	\$ 4,146,037,665	\$ 3,761,688,842	\$ 384,348,823	10.22%	\$ 4,137,406,218	\$ 8,631,447	0.21%
Year-To-Date Average Balance	\$ 3,898,500,396	\$ 3,815,987,973	\$ 82,512,423	2.16%	\$ 3,966,178,248	\$ (67,677,852)	-1.71%
Monthly Accrued Earnings ³	\$ 6,414,310	\$ 5,422,064	\$ 992,246	18.30%	\$ 3,916,082	\$ 2,498,228	63.79%
Monthly Net Yield ³	1.76%	1.70%	0.07%	3.89%	1.05%	0.71%	67.97%
Year-To-Date Net Yield ³	1.67%	1.63%	0.03%	2.13%	1.05%	0.61%	58.33%
Annual Estimated Gross Yield ⁴	1.87%	1.87%	0.00%	0.00%	1.28%	0.59%	45.80%
Weighted Average Maturity (WAM)	328	357	(29)	-8.12%	299	29	9.70%
<u>Orange County Educational Investment Pool (OCEIP)</u>							
End Of Month Market Value ¹	\$ 4,258,106,847	\$ 4,416,020,298	\$ (157,913,451)	-3.58%	\$ 4,002,851,877	\$ 255,254,970	6.38%
End Of Month Book Value ¹	\$ 4,281,312,303	\$ 4,439,034,297	\$ (157,721,994)	-3.55%	\$ 4,014,315,161	\$ 266,997,142	6.65%
Monthly Average Balance	\$ 4,382,243,496	\$ 4,530,663,894	\$ (148,420,398)	-3.28%	\$ 4,188,972,983	\$ 193,270,513	4.61%
Year-To-Date Average Balance	\$ 4,670,936,236	\$ 4,767,167,150	\$ (96,230,913)	-2.02%	\$ 4,322,005,268	\$ 348,930,969	8.07%
Monthly Accrued Earnings ³	\$ 7,011,855	\$ 6,743,750	\$ 268,105	3.98%	\$ 4,020,371	\$ 2,991,484	74.41%
Monthly Net Yield ³	1.80%	1.74%	0.06%	3.27%	1.06%	0.74%	70.36%
Year-To-Date Net Yield ³	1.71%	1.68%	0.03%	1.74%	1.05%	0.66%	62.92%
Annual Estimated Gross Yield ⁴	1.87%	1.87%	0.00%	0.00%	1.30%	0.57%	44.13%
Weighted Average Maturity (WAM) ⁵	371	340	31	9.12%	324	47	14.51%

¹ Market values provided by Bloomberg and Northern Trust. The OCIP and OCEIP market values are slightly lower than book value due to the seven Federal Reserve short-term rate increases totaling 1.75% since November 2016. Note that, as disclosed on page 6, the OCIP and OCEIP both have a net asset value (NAV) of .99. They both have sufficient liquidity to meet projected cash flow needs.

² In October 2018, OCIP End Of Month Market and Book values increased from prior month primarily due to incoming secured property tax receipts.

³ In October 2018, the OCIP and OCEIP Monthly Accrued Earnings, Monthly Net Yields and Year-To-Date Net Yields were higher than the prior year primarily due to the seven Federal Reserve short-term rate increases totaling 1.75% since November 2016.

⁴ The OCIP and OCEIP annual estimated gross yields for October 2017 are reported at the actual annual gross yields for FY 17/18, and their annual estimated gross yields for October 2018 are reported at the forecasted gross yield of 1.87%. The OCIP and OCEIP annual estimated gross yields for FY 18/19 are higher than FY 17/18 yields of 1.28% and 1.30% respectively, primarily due to the seven Federal Reserve short-term rate increases totaling 1.75% since November 2016.

⁵ The OCEIP WAM in October 2018 was higher than the prior year primarily due to more investments with longer maturities being purchased.

ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POOL STATISTICS
 FOR THE MONTH AND QUARTER ENDED: October 31, 2018

INVESTMENT STATISTICS - By Investment Pool ⁽¹⁾					
DESCRIPTION	CURRENT BALANCES	Average Days to Maturity	Daily Yield as of 10/31/2018	MONTHLY Gross Yield	Current NAV ⁽⁴⁾
<u>COMBINED POOL BALANCES</u> <u>(includes the Extended Fund)</u>					
	MARKET Value \$ 4,418,845,835	328	1.98%	1.82%	0.99 ⁽⁵⁾
	COST (Capital) \$ 4,439,170,560				
	MONTHLY AVG Balance \$ 4,146,037,665				
	BOOK Value \$ 4,440,012,364				
Orange County Investment Pool (OCIP)					
Orange County Educational Investment Pool (OCEIP)	MARKET Value \$ 4,258,106,847	371	1.98%	1.86%	0.99 ⁽⁵⁾
	COST (Capital) \$ 4,281,370,378				
	MONTHLY AVG Balance \$ 4,382,243,496				
	BOOK Value \$ 4,281,312,303				
INVESTMENT STATISTICS - Non-Pooled Investments ⁽²⁾					
DESCRIPTION	CURRENT BALANCE	INVESTMENT BALANCES AT COST			
Specific Investment					
Funds:	MARKET Value \$ 104,900,628	John Wayne Airport Investment Fund		51,397,026	
283, FVSD, CCCD	COST (Capital) \$ 106,565,113	Fountain Valley School District Fund 40		34,790,770	
	MONTHLY AVG Balance \$ 106,524,301	CCCD Series 2017E Bonds		20,377,317	
	BOOK Value \$ 106,373,052				
		\$ 106,565,113			
MONTH END TOTALS					
INVESTMENTS & CASH		INVESTMENTS & CASH			
<u>COUNTY MONEY MARKET FUND (OCMMF)</u>					
County Money Market Fund	\$ 1,259,927,885	OCIP		\$4,474,181,422	
County Cash & Cash Equivalent	35,010,862	OCEIP		4,287,298,961	
<u>EXTENDED FUND</u>	6,654,760,129	Specific Investment Funds		106,565,113	
<u>EDUCATIONAL MONEY MARKET FUND (OCEMMF)</u>		Non-Pooled Cash & Cash Equivalent		17,324,204	
Educational Money Market Fund	805,852,924				
Educational Cash & Cash Equivalent	5,928,583				
<u>NON-POOLED INVESTMENTS</u>					
Non-Pooled Investments @ Cost	106,565,113				
Non-Pooled Cash & Cash Equivalent	17,324,204				
	\$ 8,885,369,700			\$8,885,369,700	
KEY POOL STATISTICS					
INTEREST RATE YIELD		WEIGHTED AVERAGE MATURITY (WAM)			
OCMMF - MONTHLY GROSS YIELD	1.81%	OCMMF		35	
OCEMMF - MONTHLY GROSS YIELD	2.11%	OCEMMF		55	
JOHN WAYNE AIRPORT - MONTHLY GROSS YIELD	2.13%	JOHN WAYNE AIRPORT WAM		88	
OCIP - YTD NET YIELD ⁽³⁾	1.67%	LGIP WAM (Standard & Poors)		38	
OCEIP - YTD NET YIELD ⁽³⁾	1.71%				
90-DAY T-BILL YIELD - MONTHLY AVERAGE	2.28%				

ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POOL STATISTICS
FOR THE MONTH AND QUARTER ENDED: October 31, 2018

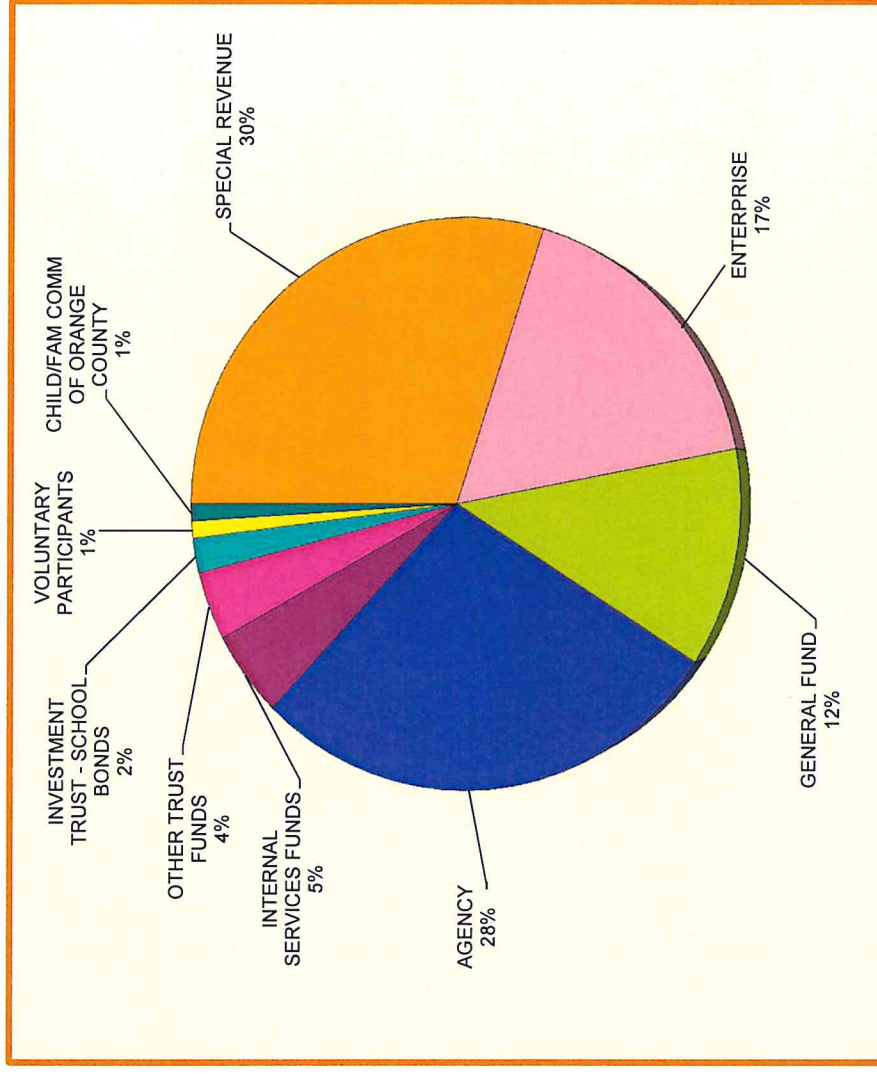
INVESTMENT STATISTICS - By Investment Fund

DESCRIPTION	CURRENT BALANCES	Average Days to Maturity	Daily Yield as of 10/31/2018	MONTHLY Gross Yield	Current NAV ⁽⁵⁾
<u>County Money Market Fund (OCMMF)</u>	MARKET Value \$ 1,261,626,895 COST (Capital) \$ 1,259,927,885 MONTHLY AVG Balance \$ 971,992,828 BOOK Value \$ 1,261,696,152	35	2.13%	1.81%	1.00
<u>Educational Money Market Fund (OCEMMF)</u>	MARKET Value \$ 806,665,529 COST (Capital) \$ 805,852,924 MONTHLY AVG Balance \$ 906,726,042 BOOK Value \$ 806,807,650	55	2.19%	2.11%	1.00
<u>Extended Fund</u>	MARKET Value \$ 6,608,660,258 COST (Capital) \$ 6,654,760,129 MONTHLY AVG Balance \$ 6,649,562,291 BOOK Value \$ 6,652,820,865	444	1.93%	1.82%	0.99 ⁽⁶⁾
ALLOCATION OF EXTENDED FUND					
<u>Extended Fund</u>					
<u>OCIP Share</u>	MARKET Value \$ 3,157,218,940 COST (Capital) \$ 3,179,242,675 MONTHLY AVG Balance \$ 3,174,044,837 BOOK Value \$ 3,178,316,212	444	1.93%	1.82%	0.99
<u>OCEIP Share</u>	MARKET Value \$ 3,451,441,318 COST (Capital) \$ 3,475,517,454 MONTHLY AVG Balance \$ 3,475,517,454 BOOK Value \$ 3,474,504,653	444	1.93%	1.82%	0.99
<u>Modified Duration</u>	1.19				

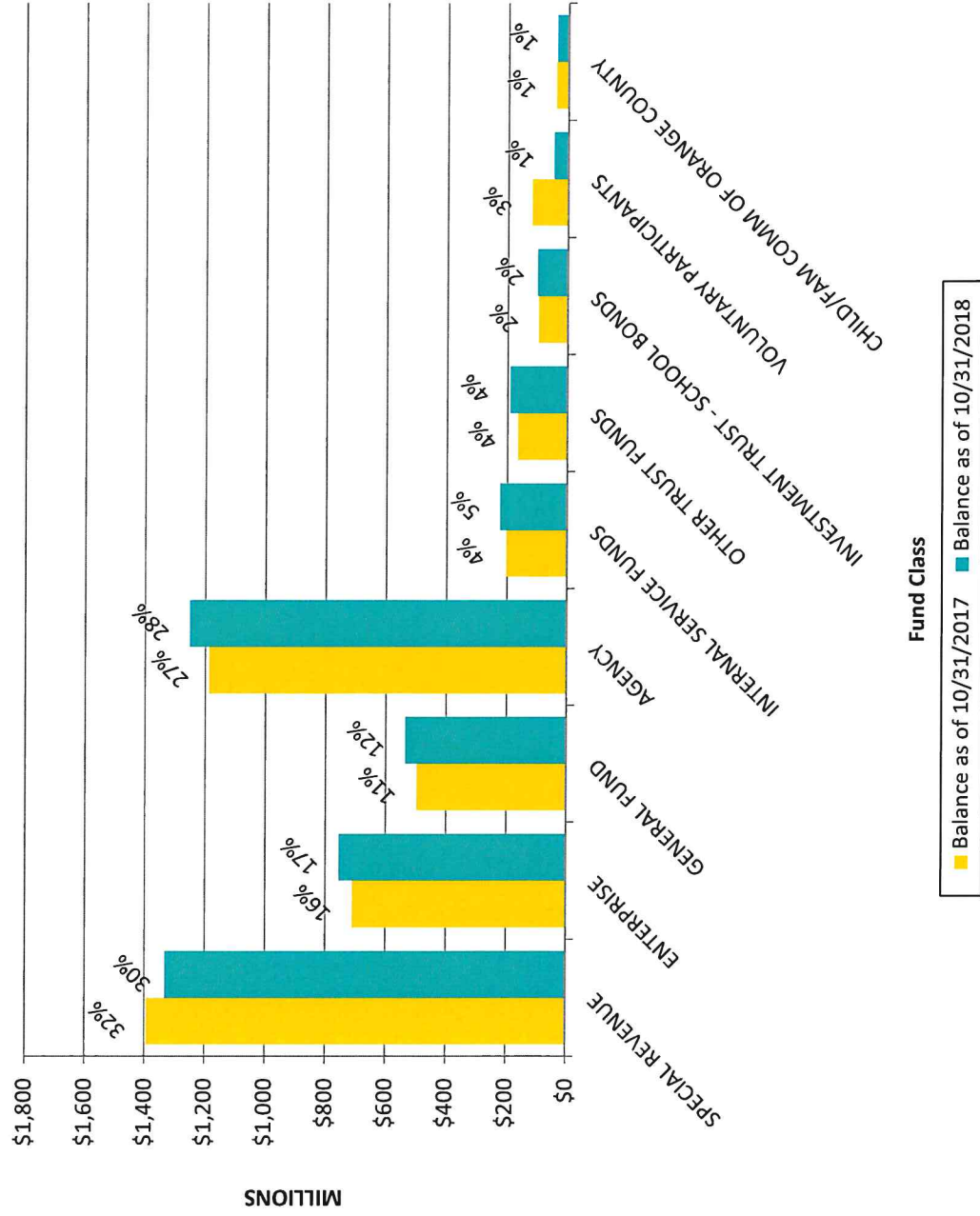
- (1) The Combined Pool Balances include the County and Educational Money Market Funds and their respective portions of the Extended Fund.
- (2) Specific non-pooled investments are reported in compliance with Government Code Section 53646 (b)(1). Detailed descriptions are included in the inventory listing in Section VII of this report.
- (3) The Net Yield differs from the Monthly Gross Yield as it includes the deduction of the Investment Administrative Fee.
- (4) Book Value is computed as Cost reduced by amortization of premium and increased by the accretion of discount of the Investment Portfolio. Net Asset Value (NAV) is equal to Market Value divided by Book Value.
- (5) The OCIP and OCEIP market values in the current year have caused the current NAVs to drop to .99, as the Extended Fund portion represents 71% and 81% of the total OCIP and OCEIP balances respectively, and its NAV is .99. The Extended Fund generally purchases investments between 1 and 5 years, and the decrease in NAV of 1% is due to the seven Federal Reserve short-term rate increases totaling 1.75% since November 2016. The OCIP and OCEIP have sufficient liquidity to meet projected cash flow needs.

ORANGE COUNTY INVESTMENT POOL
COMPOSITION BY FUND
AS OF OCTOBER 31, 2018

FUNDS	BALANCE
SPECIAL REVENUE	\$ 1,332,536,808
ENTERPRISE	754,754,214
GENERAL FUND	535,098,527
AGENCY	1,251,935,348
INTERNAL SERVICE FUNDS	223,027,076
OTHER TRUST FUNDS	190,824,478
INVESTMENT TRUST - SCHOOL BONDS	101,386,591
VOLUNTARY PARTICIPANTS	47,828,256
CHILD/FAM COMM OF ORANGE COUNTY	36,790,124
TOTAL	\$ 4,474,181,422

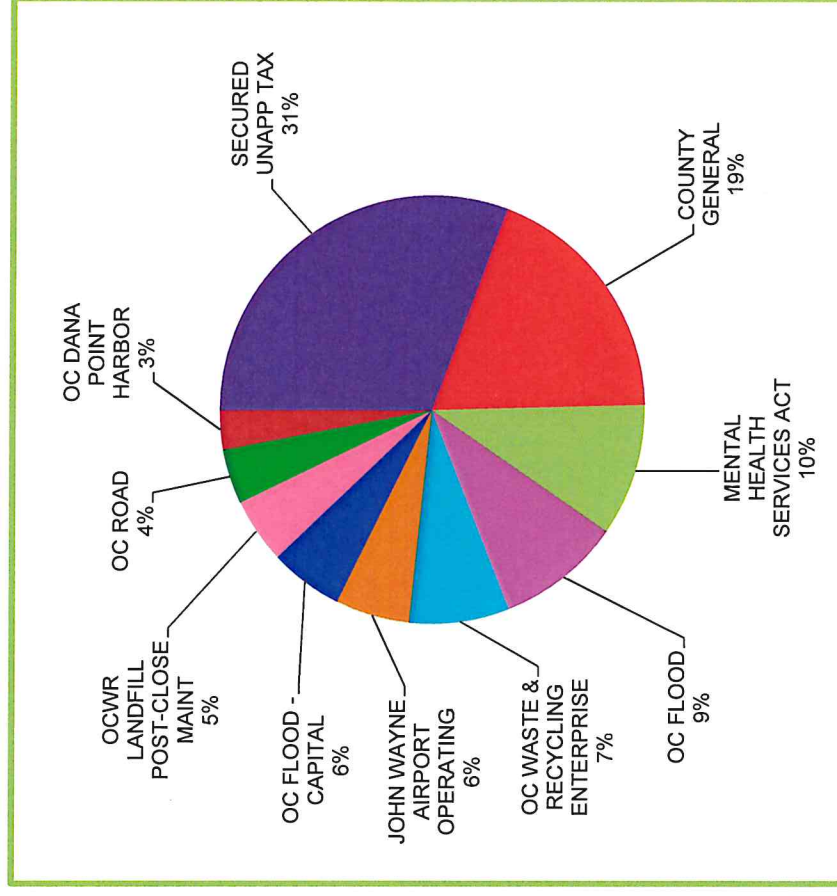


ORANGE COUNTY INVESTMENT POOL COMPOSITION BY FUND AS OF OCTOBER 31



**ORANGE COUNTY INVESTMENT POOL
TOP TEN POOL PARTICIPANTS
AS OF OCTOBER 31, 2018**

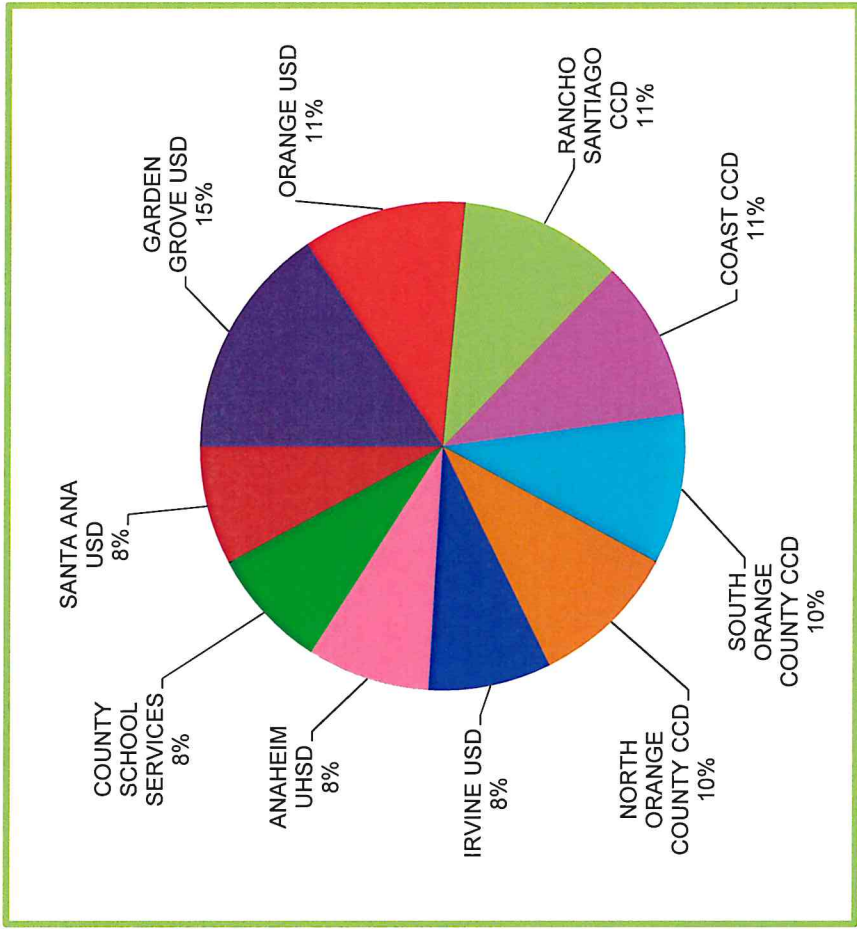
FUND #	FUND NAME	BALANCE
673	SECURED UNAPP TAX	\$ 800,085,388
100	COUNTY GENERAL	492,803,305
13Y	MENTAL HEALTH SERVICES ACT	260,363,090
400	OC FLOOD	245,207,126
299	OC WASTE & RECYCLING ENTERPF	198,579,269
280	JOHN WAYNE AIRPORT OPERATING	147,267,221
404	OC FLOOD - CAPITAL	146,534,877
279	OCWR LANDFILL POST-CLOSE MAIL	128,863,032
115	OC ROAD	107,785,890
108	OC DANA POINT HARBOR	78,418,601
	TOTAL	\$ 2,605,907,799



ORANGE COUNTY EDUCATIONAL INVESTMENT POOL TOP TEN POOL PARTICIPANTS AS OF OCTOBER 31, 2018

DISTRICT #	SCHOOL DISTRICT	BALANCE ⁽¹⁾
72	GARDEN GROVE USD	\$ 440,640,488 (1)
80	ORANGE USD	309,729,471 (1)
92	RANCHO SANTIAGO CCD	307,843,658 (1)
90	COAST CCD	302,190,769 (1)
96	SOUTH ORANGE COUNTY CCD	284,072,134
88	NORTH ORANGE COUNTY CCD	280,381,303 (1)
75	IRVINE USD	233,109,337 (1)
64	ANAHEIM UHSD	232,554,336 (1)
94	COUNTY SCHOOL SERVICES	228,073,496
84	SANTA ANA USD	224,866,895 (1)
	TOTAL	\$ 2,843,461,887

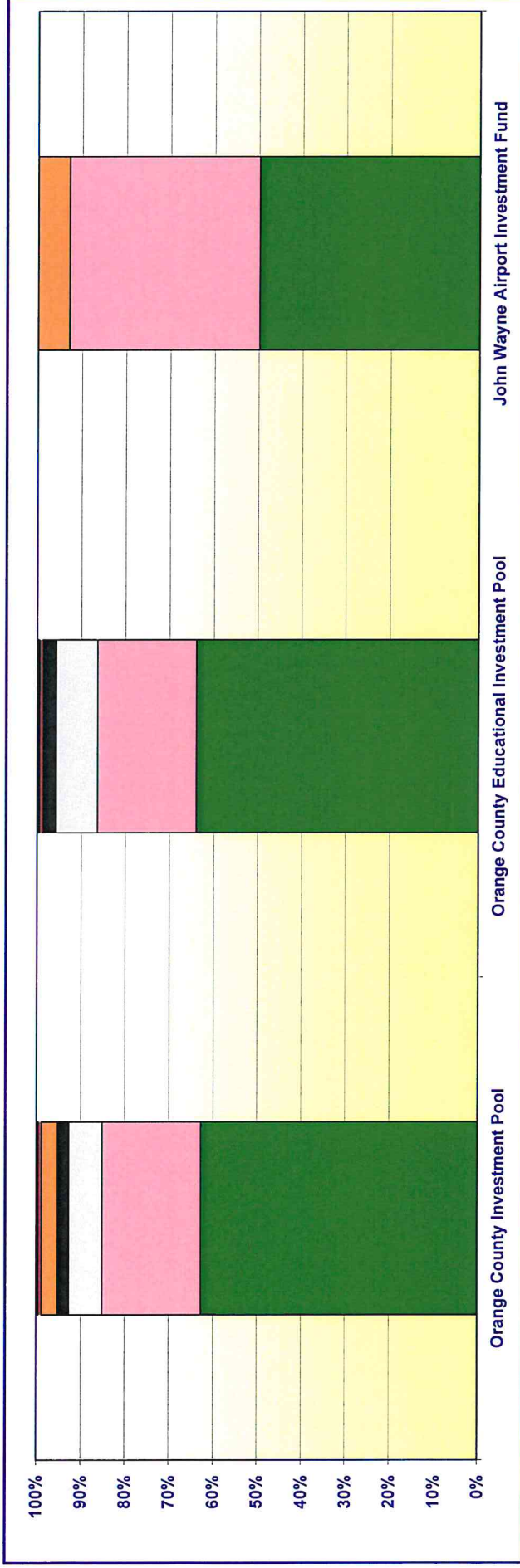
(1) BALANCES INCLUDE GENERAL OBLIGATION BOND PROCEEDS



ORANGE COUNTY TREASURER - TAX COLLECTOR

BY INVESTMENT TYPE AT MARKET VALUE - By Percentage Holdings

October 31, 2018

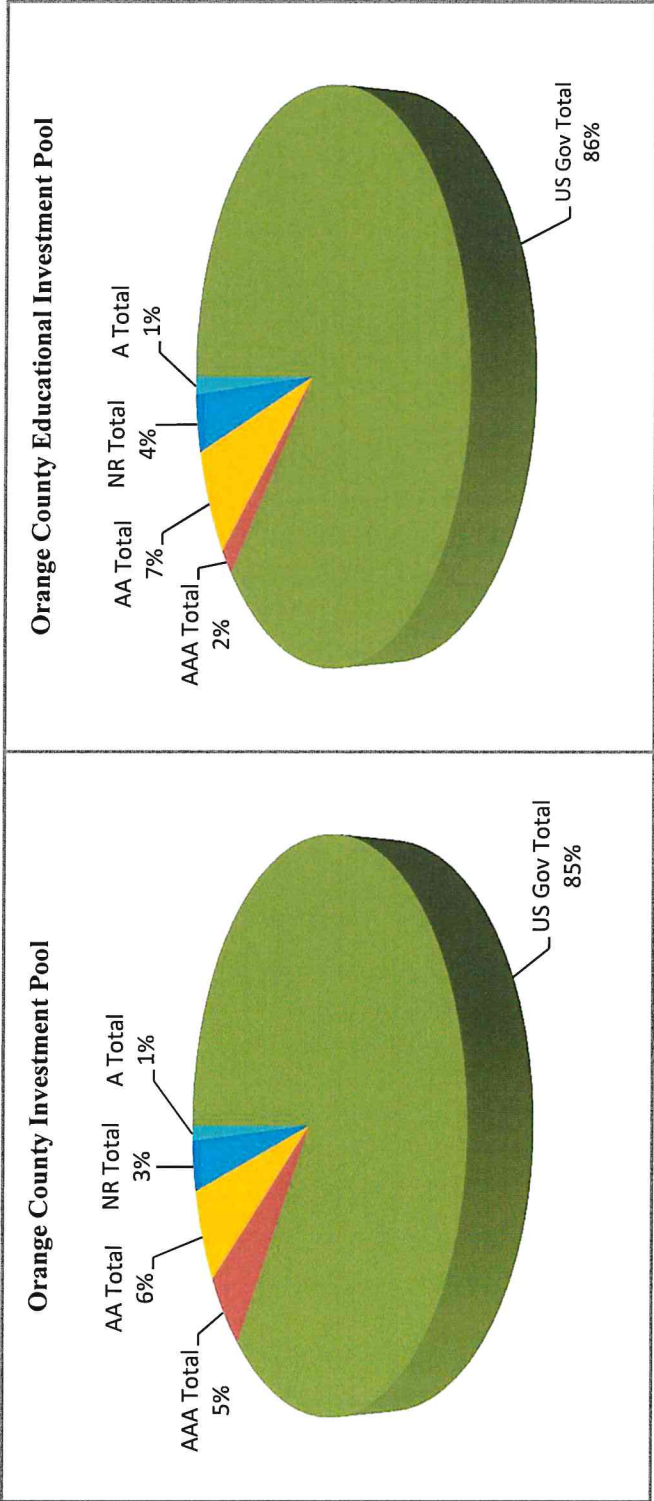


Orange County Investment Pool			
	In Thousands		%
U. S. GOVERNMENT AGENCIES	\$ 2,772,137		62.73%
U. S. TREASURIES	991,469		22.44%
MEDIUM-TERM NOTES	328,770		7.44%
MUNICIPAL DEBT	113,267		2.56%
MONEY MARKET MUTUAL FUNDS	163,837		3.71%
LOCAL AGENCY INVESTMENT FUND	30,331		0.69%
CERTIFICATES OF DEPOSIT	19,035		0.43%
	<u>\$ 4,418,846</u>		<u>100.00%</u>

Orange County Educational Investment Pool			
	In Thousands		%
U. S. GOVERNMENT AGENCIES	\$ 2,721,051		63.90%
U. S. TREASURIES	955,768		22.45%
MEDIUM-TERM NOTES	394,674		9.27%
MUNICIPAL DEBT	123,822		2.91%
MONEY MARKET MUTUAL FUNDS	8,826		0.20%
LOCAL AGENCY INVESTMENT FUND	33,157		0.78%
CERTIFICATES OF DEPOSIT	20,809		0.49%
	<u>\$ 4,258,107</u>		<u>100.00%</u>

John Wayne Airport Investment Fund			
	In Thousands		%
U. S. GOVERNMENT AGENCIES	\$ 25,596		49.84%
U. S. TREASURIES	22,097		43.02%
MONEY MARKET MUTUAL FUNDS	3,665		7.14%
	<u>\$ 51,358</u>		<u>100.00%</u>

ORANGE COUNTY TREASURER - TAX COLLECTOR **CREDIT QUALITY BY MARKET VALUE** **October 31, 2018**

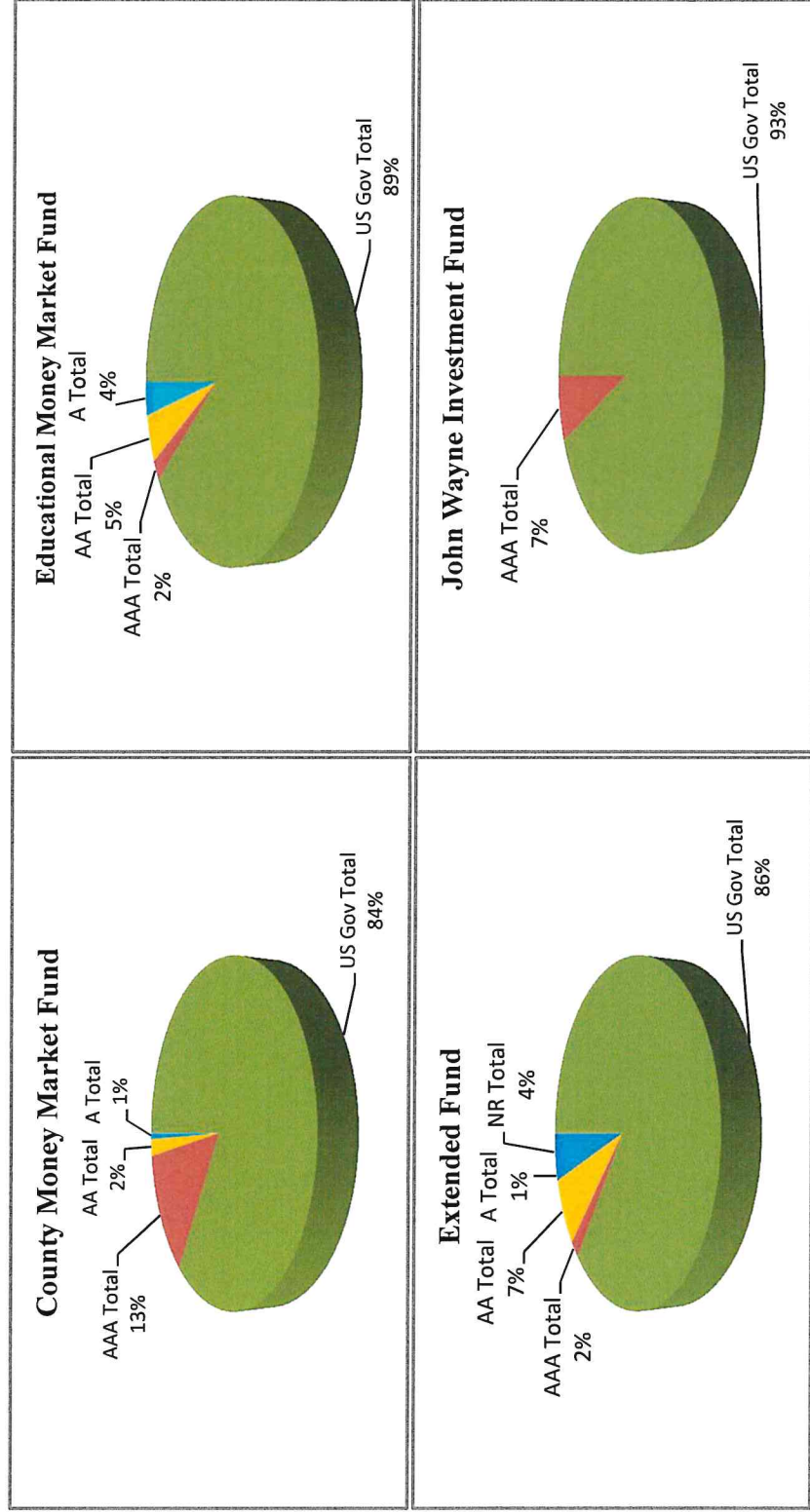


US GOV Includes Agency & Treasury Debt
 AA Includes AA+, AA-, & AA
 A includes A+, A-, & A
 NR Includes LAIF and Orange County Pension Obligation Bonds

ORANGE COUNTY TREASURER - TAX COLLECTOR

CREDIT QUALITY BY MARKET VALUE

October 31, 2018



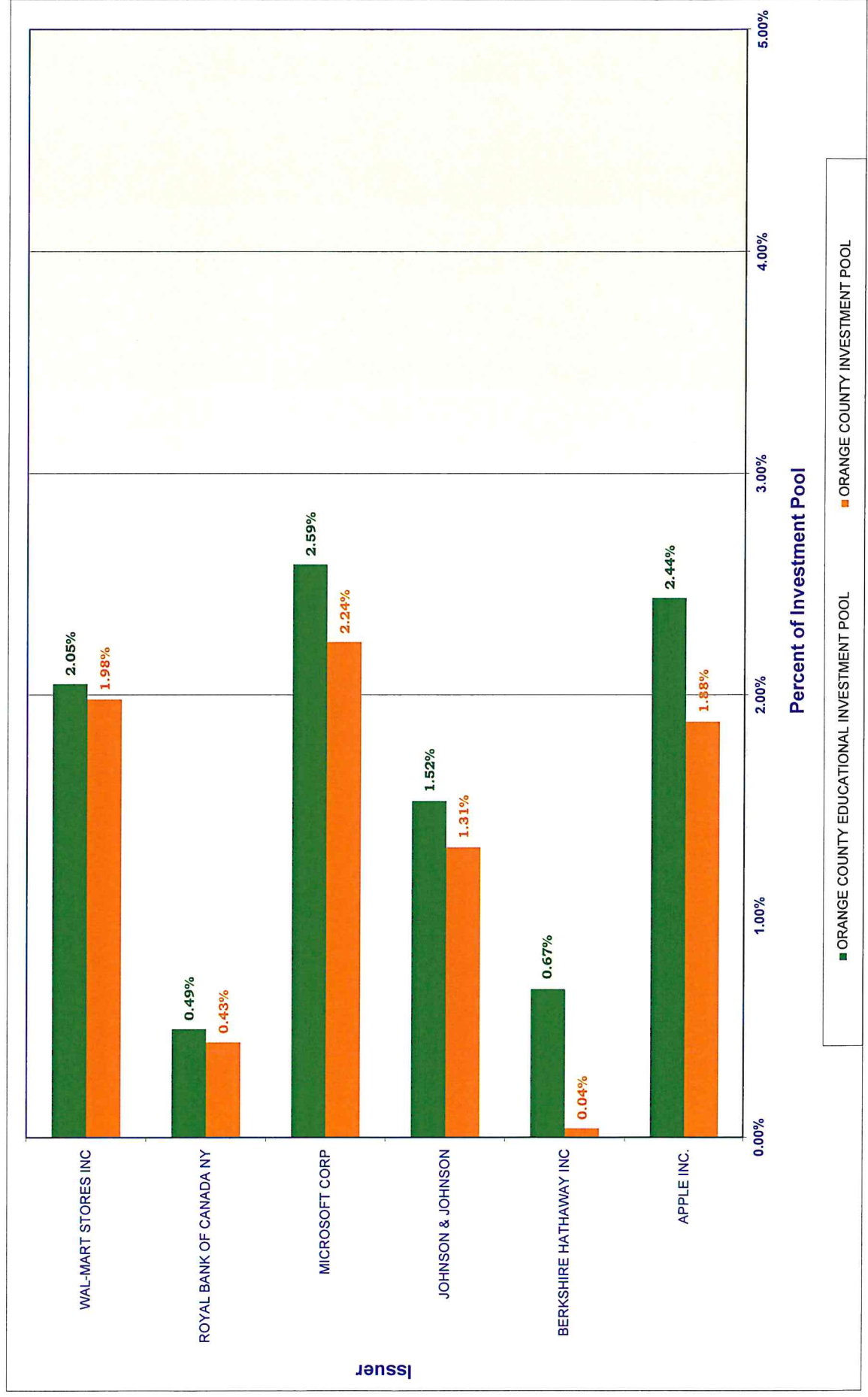
US GOV Includes Agency & Treasury Debt

AA includes AA+, AA-, & AA

A includes A+, A-, & A

NR Includes LAIF and Orange County Pension Obligation Bonds

ORANGE COUNTY TREASURER - TAX COLLECTOR
MEDIUM-TERM NOTES / CERTIFICATES OF DEPOSIT
ISSUER CONCENTRATION-By Investment Pool
October 31, 2018



ORANGE COUNTY TREASURER-TAX COLLECTOR
APPROVED ISSUER LIST - OCIP, OCEIP, and JWA
October 31, 2018

ISSUER	S/T RATINGS			L/T RATINGS		
	S&P	Moody's	Fitch	S&P	Moody's	Fitch
U.S. TREASURY SECURITIES						
U.S. GOVERNMENT	A-1+	P-1	F1+	AA+	Aaa	AAA
U.S. GOVERNMENT AGENCY SECURITIES						
FEDERAL NATIONAL MORTGAGE ASSOCIATION	A-1+	P-1	F1+	AA+	Aaa	AAA
FEDERAL HOME LOAN MORTGAGE CORPORATION	A-1+	P-1	F1+	AA+	Aaa	AAA
FEDERAL HOME LOAN BANKS	A-1+	P-1	NR	AA+	Aaa	NR
FEDERAL FARM CREDIT BANKS	A-1+	P-1	F1+	AA+	Aaa	AAA
MEDIUM-TERM NOTES						
APPLE INC	A-1+	P-1	NR	AA+	Aa1	NR
JOHNSON & JOHNSON	A-1+	P-1	F1+	AAA	Aaa	AAA
MICROSOFT CORPORATION	A-1+	P-1	F1+	AAA	Aaa	AA+
BERKSHIRE HATHAWAY INC *	A-1+	P-1	NR	AA	Aa2	A+
BERKSHIRE HATHAWAY FINANCE *	NR	NR	NR	NR	Aa2	A+
ISSUERS ON HOLD						
ROYAL BANK OF CANADA NY (JULY, 2016) **	A-1+	P-1	F1+	AA-	A2	AA
TORONTO DOMINION BANK NY (MARCH, 2017) ***	A-1+	P-1	F1+	AA-	Aa3	AA-
WALMART INC (JULY, 2018)****	A-1+	P-1	F1+	AA	Aa2	AA
MUNICIPAL BONDS						
ORANGE CNTY CA PENSION OBLG 2018 A	NR	NR	NR	NR	NR	NR
STATE POOL - LOCAL AGENCY INVESTMENT FUND						
LOCAL AGENCY INVESTMENT FUND	NR	NR	NR	NR	NR	NR
MONEY MARKET MUTUAL FUNDS *****						
NAME OF FUND	S & P	Moody's	Fitch			
INVESCO GOVERNMENT & AGENCY SHORT-TERM INVESTMENTS TRUST (AIM)	AAAm	Aaa-mf	AAAmmf			
GOLDMAN SACHS FINANCIAL SQUARE GOVT FUND	AAAm	Aaa-mf	NR			
MORGAN STANLEY INSTITUTIONAL LIQUIDITY FUNDS - GOVT	AAAm	Aaa-mf	NR			
NORTHERN INSTITUTIONAL TREASURY PORTFOLIO	AAAm	NR	NR			

* Further purchase restrictions apply due to Investment Policy Statement rating limits.

** Moody's downgraded its L/T issuer credit rating from Aa2 to A2 on September 24, 2018 and kept the issuer rating Outlook on Stable. S&P changed its outlook from Negative to Stable on June 27, 2018.

*** Moody's downgraded its L/T issuer credit rating from Aa1 to Aa3 on September 24, 2018 and kept its issuer rating Outlook on Stable.

**** S&P placed its L/T issuer credit rating on Negative Outlook (S&P - May 9, 2018).

***** All money market funds are institutional money market funds investing in debt issued or guaranteed by the U.S. Government and its agencies.

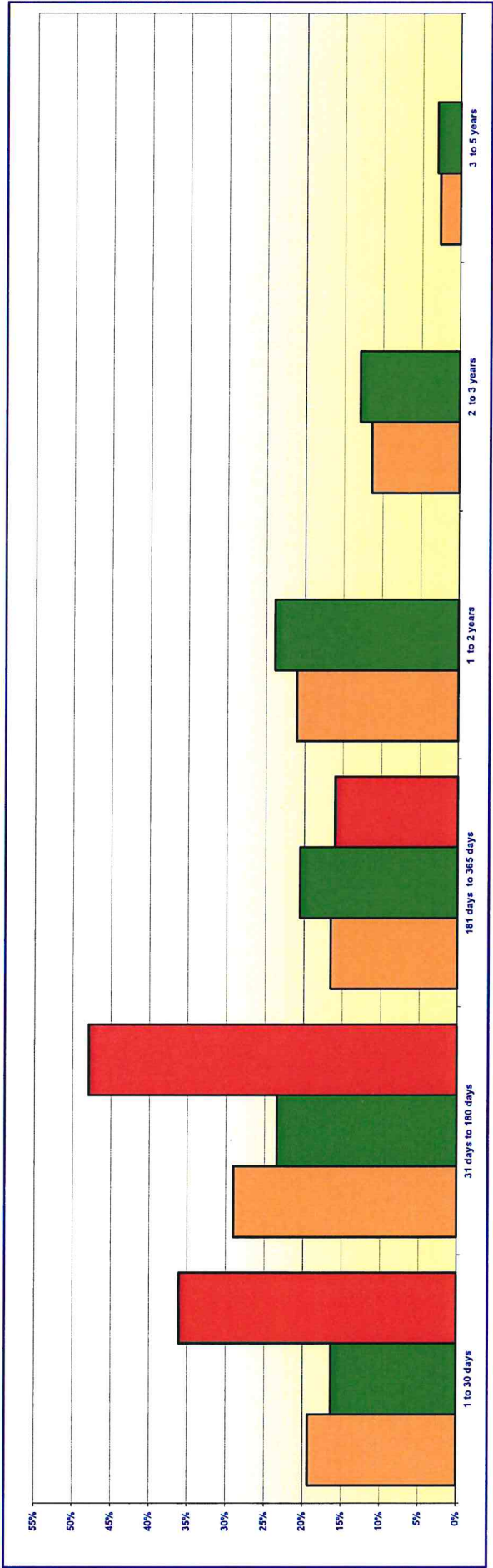
**Orange County Treasurer-Tax Collector
Changes in Approved Issuer's List
For the Month Ended October 31, 2018**

During October, there were no changes to the Treasurer's Approved Issuer List.

An ongoing credit analysis of all issuers owned in the Investment Pools is reviewed on a daily, monthly, quarterly, and annual basis.

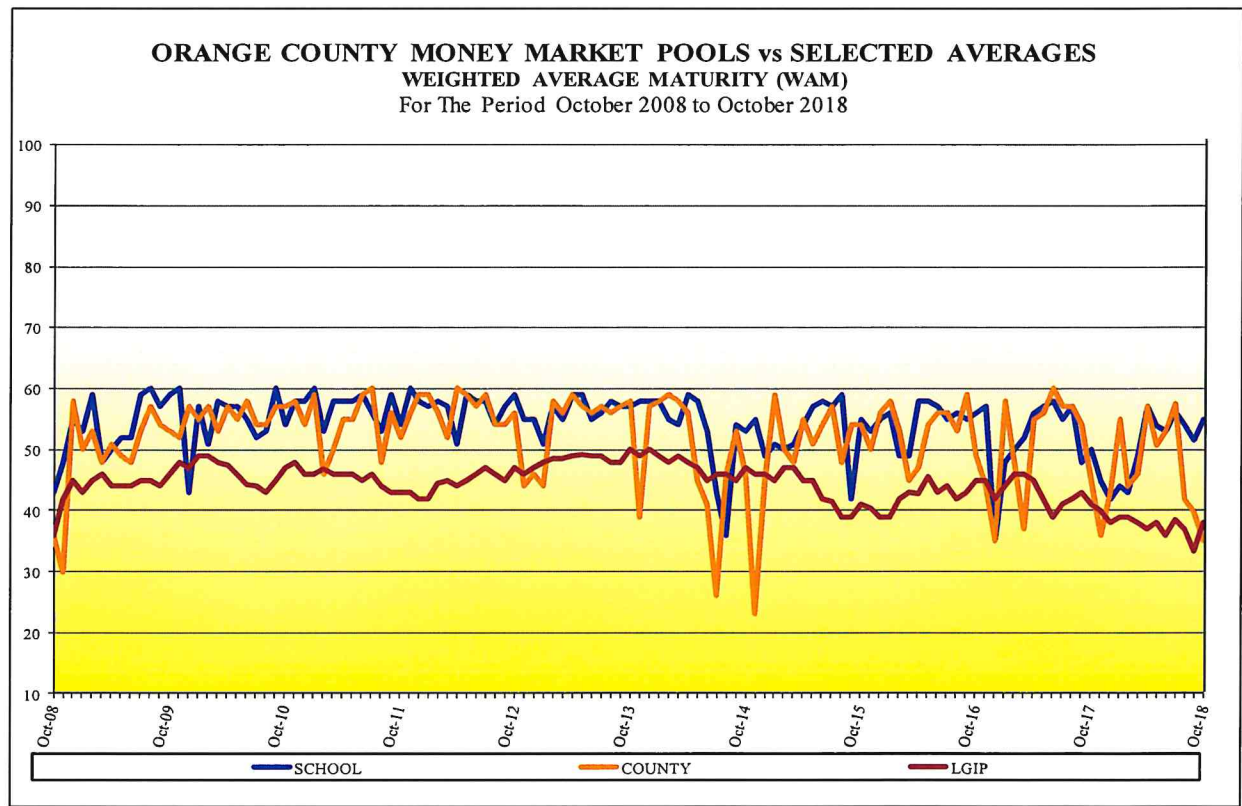
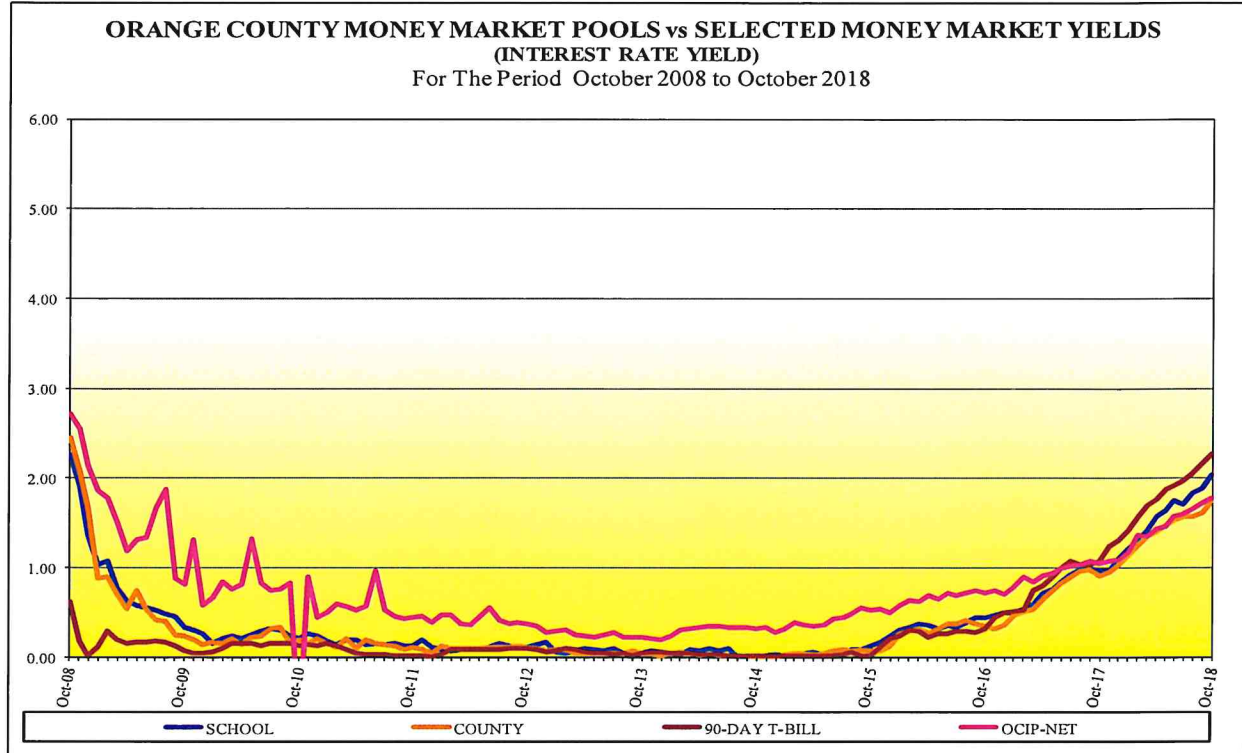
ORANGE COUNTY TREASURER - TAX COLLECTOR MATURITIES DISTRIBUTION

October 31, 2018



ORANGE COUNTY INVESTMENT POOL				ORANGE COUNTY EDUCATIONAL INVESTMENT POOL				JOHN WAYNE AIRPORT INVESTMENT FUND			
	In Thousands ⁽¹⁾		%		In Thousands ⁽¹⁾		%		In Thousands ⁽¹⁾		%
1 TO 30 DAYS	\$ 859,824		19.34%	1 TO 30 DAYS	\$ 699,602		16.32%	1 TO 30 DAYS	\$ 18,585		36.08%
31 TO 180 DAYS	1,291,921		29.06%	31 TO 180 DAYS	1,003,471		23.41%	31 TO 180 DAYS	24,680		47.91%
181 TO 365 DAYS	735,031		16.53%	181 TO 365 DAYS	878,667		20.50%	181 TO 365 DAYS	8,245		16.01%
1 YEAR TO 2 YEARS	935,122		21.03%	1 YEAR TO 2 YEARS	1,022,267		23.85%	TOTAL	51,510		100.00%
2 YEARS TO 3 YEARS	506,548		11.39%	2 YEARS TO 3 YEARS	553,754		12.92%				
3 YEARS TO 5 YEARS	117,311		2.65%	3 YEARS TO 5 YEARS	128,244		3.00%				
TOTAL	\$ 4,445,757		100.00%	TOTAL	\$ 4,286,005		100.00%				

(1) Maturity limits are calculated using face value.



•For the Month Ended October 31, 2018, S&P LGIP – 2.07; S&P LGIP WAM -38; 90-Day T-Bill – 2.28; OCIP – Net – 1.76

ORANGE COUNTY TREASURER-TAX COLLECTOR

INVESTMENT POOL YIELDS

November 1, 2017 - October 31, 2018

PERIOD ENDING - MONTH / YEAR	MONTH END MARKET VALUE	EARNINGS FOR MONTH	GROSS AVERAGE YIELD FOR MONTH	MONTH END WAM
<i>Current Month October 2018</i>				
OCMMF	\$ 1,261,626,895	\$ 1,497,056	1.81%	35
OCEMMF	\$ 806,665,529	\$ 1,627,455	2.11%	55
Extended Fund	\$ 6,608,660,258	\$ 10,301,655	1.82%	444
OC Extended Fund B	\$ -	\$ 87	N/A	N/A
<i>September 2018</i>				
OCMMF	\$ 623,483,218	\$ 825,257	1.68%	40
OCEMMF	\$ 964,913,807	\$ 1,694,095	1.95%	51
Extended Fund	\$ 6,595,008,880	\$ 9,646,462	1.77%	420
OC Extended Fund B	\$ -	\$ 174,919	N/A	N/A
<i>August 2018</i>				
OCMMF	\$ 659,580,340	\$ 768,838	1.64%	42
OCEMMF	\$ 1,135,219,335	\$ 2,041,031	1.90%	54
Extended Fund	\$ 6,595,429,549	\$ 9,597,798	1.69%	414
<i>July 2018</i>				
OCMMF	\$ 519,462,662	\$ 949,885	1.64%	58
OCEMMF	\$ 1,430,530,269	\$ 2,265,416	1.77%	56
Extended Fund	\$ 6,644,200,611	\$ 9,464,408	1.65%	432
<i>June 2018</i>				
OCMMF	\$ 763,523,217	\$ 1,395,560	1.60%	53
OCEMMF	\$ 1,586,960,674	\$ 2,142,715	1.81%	53
Extended Fund	\$ 6,600,606,705	\$ 8,820,686	1.60%	419
<i>May 2018</i>				
OCMMF	\$ 1,271,767,146	\$ 1,895,963	1.54%	51
OCEMMF	\$ 1,507,610,060	\$ 2,273,000	1.71%	54
Extended Fund	\$ 6,615,441,734	\$ 8,444,349	1.48%	414
<i>April 2018</i>				
OCMMF	\$ 1,677,026,990	\$ 2,621,771	1.47%	57
OCEMMF	\$ 1,715,592,154	\$ 1,887,341	1.64%	57
Extended Fund	\$ 6,661,112,140	\$ 8,045,347	1.46%	397
<i>March 2018</i>				
OCMMF	\$ 1,466,459,327	\$ 1,551,676	1.41%	46
OCEMMF	\$ 1,149,359,827	\$ 1,585,016	1.48%	49
Extended Fund	\$ 6,652,243,109	\$ 7,957,780	1.40%	415
<i>February 2018</i>				
OCMMF	\$ 1,396,683,700	\$ 1,284,889	1.32%	44
OCEMMF	\$ 1,273,494,829	\$ 1,464,904	1.37%	43
Extended Fund	\$ 6,647,720,511	\$ 7,473,044	1.46%	428
<i>January 2018</i>				
OCMMF	\$ 1,245,291,533	\$ 1,659,517	1.21%	55
OCEMMF	\$ 1,594,050,298	\$ 2,213,711	1.28%	44
Extended Fund	\$ 6,595,804,419	\$ 6,473,087	1.24%	423
<i>December 2017</i>				
OCMMF	\$ 2,128,947,374	\$ 2,182,701	1.10%	43
OCEMMF	\$ 2,136,417,171	\$ 1,446,683	1.17%	42
Extended Fund	\$ 5,906,097,678	\$ 6,050,707	1.18%	375
<i>November 2017</i>				
OCMMF	\$ 1,459,897,098	\$ 1,124,024	1.02%	36
OCEMMF	\$ 1,154,471,530	\$ 889,369	1.03%	45
Extended Fund	\$ 5,996,926,512	\$ 5,910,266	1.19%	399
Fiscal Year July 1, 2018 - June 30, 2019	Average Month End Market Value Balance	YTD Interest Income	YTD Gross Yield	YTD Average
OCIP	\$ 3,921,661,205	\$ 22,693,412	1.73%	354
OCEIP	\$ 4,539,534,133	\$ 27,985,943	1.76%	340
OC Extended Fund B	\$ -	\$ 175,006	N/A	N/A

ORANGE COUNTY TREASURER-TAX COLLECTOR

CASH AVAILABILITY PROJECTION

FOR THE SIX MONTHS ENDING APRIL 30, 2019

Government Code Section 53646 (b) (3), effective on January 1, 1996, requires the Treasurer-Tax Collector to include a statement in the investment report, denoting the ability of the Orange County Investment Pool (OCIP) and the Orange County Educational Investment Pool (OCEIP) to meet their expenditure requirements for the next six months.

The OCIP and OCEIP consist of funds in the treasury deposited by various entities required to do so by statute, as well as those entities voluntarily depositing monies in accordance with Government Code Section 53684.

The Treasurer-Tax Collector is required to disburse monies placed in the treasury as directed by the Auditor-Controller and the Department of Education, except for the making of legal investments, to the extent funds are transferred to one or more clearing funds in accordance with Government Code Section 29808.

The Treasurer-Tax Collector, in her projection of cash availability to disburse funds as directed by the Auditor-Controller and the Department of Education, is primarily relying on historical trends involving deposits and withdrawals and known future cash flows. No representation is made as to an individual depositor's ability to meet their anticipated expenditures with anticipated revenues.

The Cash Availability Projection for the six months ending April 30, 2019, indicates the ability of the pools to meet projected cash flow requirements. However, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

ORANGE COUNTY INVESTMENT POOL				
Month	Investment Maturities	Projected Deposits	Projected Disbursements	Cumulative Available Cash
October 2018 - Ending Cash				\$ 35,010,862
November	\$ 861,867,577	\$ 1,152,426,590	\$ 1,219,808,942	829,496,087
December	513,952,743	2,276,573,175	1,943,355,681	1,676,666,324
January	242,445,588	581,211,495	1,353,818,615	1,146,504,792
February	146,260,961	470,192,052	285,082,937	1,477,874,868
March	87,344,984	736,245,907	637,743,238	1,663,722,521
April	426,833,993	1,896,641,212	1,852,325,228	2,134,872,498

ORANGE COUNTY EDUCATIONAL INVESTMENT POOL				
Month	Investment Maturities	Projected Deposits	Projected Disbursements	Cumulative Available Cash
October 2018 - Ending Cash				\$ 5,928,583
November	\$ 677,207,135	\$ 803,609,025	\$ 705,672,921	781,071,822
November	179,068,852	1,448,480,824	494,544,295	1,914,077,203
January	239,603,228	642,968,187	939,811,598	1,856,837,020
February	129,735,020	276,125,850	669,859,971	1,592,837,919
March	147,159,802	535,053,767	717,707,481	1,557,344,007
April	445,266,127	1,071,637,286	735,278,479	2,338,968,941

ORANGE COUNTY TREASURER-TAX COLLECTOR
STATEMENT OF ACCOUNTABILITY
For the Month Ended October 31, 2018

	<u>Month</u>
Treasurer's Accountability at the Beginning of the Period:	<u>\$ 8,501,306,376</u>
Cash Receipts:	
County	1,137,711,822
School and Community College Districts	520,832,522
Total Cash Receipts	<u>1,658,544,344</u>
Cash Disbursements:	
County	505,192,958
School and Community College Districts	768,715,665
Total Cash Disbursements	<u>1,273,908,623</u>
Net Change in Cost Value of Pooled Assets	<u>384,635,721</u>
Net Increase in Non-Pooled Investments	112,667
Net Decrease in Non-Pooled Cash	<u>(685,064)</u>
Treasurer's Accountability at the End of the Period:	<u>\$ 8,885,369,700</u>
Assets in the Treasury at the End of the Period (at Cost Value):	
Pooled Investments:	
Orange County Investment Pool	\$ 4,439,170,560
Orange County Educational Investment Pool	4,281,370,378
Total Pooled Investments	<u>8,720,540,938</u>
Non-Pooled Investments:	
Non-Pooled Investments - John Wayne Airport	51,397,026
Non-Pooled Investments - Fountain Valley School District Fund 40	34,790,770
Non-Pooled Investments - CCCD Series 2017E Bonds	20,377,317
Total Non-Pooled Investments	<u>106,565,113</u>
Cash and Cash Equivalent:	
Cash in banks - County	34,866,565
Cash in banks - Schools	5,928,583
Cash in banks - OC Sheriff	14,881,712
Cash in banks - John Wayne Airport	2,442,492
Cash - Other	144,297
Total Cash	<u>58,263,649</u>
Total Assets in the Treasury at the End of the Period:	<u>\$ 8,885,369,700</u>

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) COMPLIANCE SUMMARY
October 31, 2018**

Investment Policy (IPS) Guidelines	Investment Type	Orange County Money Market Fund		Extended Fund		Orange County Educational Money Market Fund		John Wayne Airport Investment Fund	
		Market Value of Investments ⁽¹⁾	Percent of Portfolio	Market Value of Investments ⁽¹⁾	Percent of Portfolio	Market Value of Investments ⁽¹⁾	Percent of Portfolio	Market Value of Investments ⁽¹⁾	Percent of Portfolio
Diversification Limit									
100%	U.S. Treasuries Securities	\$ 174,686,608	13.84%	\$ 1,709,681,675	25.87%	\$ 62,868,952	7.79%	\$ 22,096,661	43.02%
100%	U.S. Government Agency Securities	885,793,525	70.21%	\$ 3,948,475,142	59.75%	658,919,232	81.68%	25,595,999	49.84%
30%	Municipal Debt	-	0.00%	\$ 237,088,887	3.59%	-	0.00%	-	0.00%
30%	Medium-Term Notes	37,309,715	2.96%	\$ 610,082,551	9.23%	76,051,540	9.43%	-	0.00%
40%	Banker Acceptances	-	0.00%	-	0.00%	-	0.00%	-	0.00%
40%	Commercial Paper	-	0.00%	-	0.00%	-	0.00%	-	0.00%
30%	Negotiable Certificates of Deposits	-	0.00%	\$ 39,844,080	0.60%	-	0.00%	-	0.00%
\$65MM	Local Agency Investment Fund (LAIF)	-	0.00%	\$ 63,487,923	0.96%	-	0.00%	-	0.00%
20%	Repurchase Agreements	-	0.00%	-	0.00%	-	0.00%	-	0.00%
20%	Money Market Mutual Funds	163,837,047	12.99%	-	0.00%	8,825,805	1.10%	3,665,485	7.14%
20%	Investment Pools	-	0.00%	-	0.00%	-	0.00%	-	0.00%
30%	Supranationals	-	0.00%	-	0.00%	-	0.00%	-	0.00%
		\$ 1,261,626,895	100.00%	\$ 6,608,660,258	100.00%	\$ 805,665,529	100.00%	\$ 51,358,145	100.00%
Investment Policy (IPS) Guidelines	Compliance Category (Yes/No)	Orange County Money Market Fund		Extended Fund		Orange County Educational Money Market Fund		John Wayne Airport Investment Fund	
5%	Percentage Limits								
20%	Issuer Limit	Yes	Yes ⁽³⁾	Yes	Yes	Yes	Yes ⁽³⁾	Yes	Yes
50%	Money Market Mutual Fund Issuer	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾
See Above	Government Agencies Issuer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Diversification Limit								
60 Days	Maturity/Duration Limits								
90 Days	Weighted Average Maturity - Money Market Fund	Yes/34.50	Yes/34.50	N/A	N/A	Yes/54.67	Yes/54.67	N/A	N/A
>Merrill 1-3 Year Index+25% (2.31)	Weighted Average Maturity - JWA Investment Fund	N/A	N/A	N/A	N/A	N/A	N/A	Yes/88.30	Yes/88.30
13 Months/397 days	Duration ⁽⁵⁾	N/A	N/A	Yes/1.19	Yes/1.19	N/A	N/A	N/A	N/A
15 Months/458 days	Final Maturity - Money Market Fund	Yes/330	Yes/330	N/A	N/A	Yes/336	Yes/336	N/A	N/A
5 Years/1826 days	Final Maturity - John Wayne Airport Investment Fund	N/A	N/A	N/A	N/A	N/A	N/A	Yes/336	Yes/336
	Final Maturity - Extended Fund	N/A	N/A	Yes/1409	Yes/1409	N/A	N/A	N/A	N/A
	Rating Limits								
A-1/≥ A	Money Market Fund Short Term/Long Term	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes
≥ A-1/P-1/F2	Short Term Debt/No Split Ratings	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes
A-1/≥ AA ⁽⁴⁾	Extended Fund Short Term/Long Term	N/A	N/A	Yes	Yes	N/A	N/A	N/A	N/A
Approved Issuer List	Authorized Issuer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Broker/Dealer List	Authorized Financial Dealer/Institution	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
0.995 - 1.005	Net Asset Value - Money Market Fund and JWA	Yes/0.9999	Yes/0.9999	N/A	N/A	Yes/0.9998	Yes/0.9998	Yes/0.9998	Yes/0.9998

(1) All investments are marked to market in compliance with the narrow valuation range prescribed by the IPS and market values are provided by Bloomberg Professional Services and Northern Trust.

(2) Excludes US Government Debt per the 2018 IPS policy approved by the Board of Supervisors on November 14, 2017 effective on January 1, 2018.

(3) Rating Agency requirements limit investment in each Money Market Mutual Fund to 10%.

(4) GSE issuers rated 'AA-' or higher with final maturities of 30 days or less are excluded from the calculation of the 50% limit per IPS for the Extended Fund and the JWA Investment Fund and from the Rating Agency limit of 33% for the two Money Market Funds.

(5) IPS states all pools, except short-term pools, shall have an effective duration not to exceed a leading 1-3 year index +25%. Duration provided above (1.19) is a modified duration, which does not take into consideration all embedded options such as callable bonds. This presentation is not considered materially different from the effective duration requirement specified in IPS.

Note: Compliance exceptions, if any, are noted by red shading for the specific IPS guideline and investment pool.

ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
October 31, 2018

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	Calendar year 2016 and six months ended 6/30/17 in progress.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2018 completed. June 30, 2018 and September 30, 2018 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2017 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2018 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 16/17 and FY 17/18 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2017 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	All 2018 IPS certifications received for active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions/Form 700	FY 18/19 identified two compliance incidents as of October 31, 2018.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made one change at the October 18, 2017 meeting. The BOS approved on November 14, 2017.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 18, 2017 meeting and did not make any additional changes. The BOS approved on November 14, 2017.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2017 Annual Report was presented to BOS meeting on February 27, 2018.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 18, 2017.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2018.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2016 (one submitted in January 2017).
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All TOC members and designated employees are in compliance for calendar year 2017.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**Orange County Treasurer-Tax Collector
Noncompliance Detail
For the Month Ended October 31, 2018**

During October, the Orange County Investment Pool (OCIP), the Orange County Educational Investment Pool (OCEIP), and the John Wayne Airport Investment Fund were all free of noncompliance incidents.



Orange County Auditor-Controller Internal Audit



Report on Review of the Schedule of Assets Held by the County Treasury as of March 31, 2018

Audit Number 1719
Report Date: October 12, 2018



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

Lily Chin, CPA, CGMA

Audit Manager II

Michael Steinhaus, CPA, CGMA

Audit Manager I

Nancy Ramos

Auditor I

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

Auditor-Controller Website
www.acgov.com



ERIC H. WOOLERY, CPA
AUDITOR-CONTROLLER



Transmittal Letter

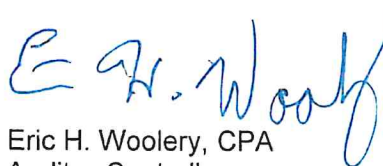
Audit No. 1719

October 12, 2018

TO: Members, Board of Supervisors
Chairman Andrew Do, 1st District Supervisor
Vice Chairman Shawn Nelson, 4th District Supervisor
Supervisor Michelle Steel, 2nd District
Supervisor Todd Spitzer, 3rd District
Supervisor Lisa A. Bartlett, 5th District

SUBJECT: Report on Review of the Schedule of Assets Held by the County Treasury
as of March 31, 2018

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



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
JC Squires, Financial Manager, Treasurer-Tax Collector – Treasury
Jennifer Han, Accounting/Compliance Manager, Treasurer-Tax Collector – Treasury
Mark Malbon, Interim 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

*Report on Review of the Schedule of Assets
Held by the County Treasury
Audit No. 1719*

As of March 31, 2018

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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 March 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 Departure from 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 Departure from 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 statements 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 statement, they might influence the users' conclusions about the County Treasury's assets.



Independent Accountant's Review Report

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, reading "Eric H. Woolery", is written over the printed name.

Eric H. Woolery, CPA
Auditor-Controller
October 12, 2018

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

ASSETS				
	OCIP	OCEIP	Non-Pooled	Total
CASH				
Cash On Hand	\$ 115,319	\$ -	\$ -	\$ 115,319
Bank Demand Accounts	69,462,241	31,441,133	22,897,828	123,801,202
Total Cash	69,577,560	31,441,133	22,897,828	123,916,521
INVESTMENTS, stated at fair value				
<i>Orange County Investment Pool (OCIP):</i>				
Money Market Fund	1,466,459,327	-	-	1,466,459,327
Extended Fund	3,243,931,985	-	-	3,243,931,985
<i>Orange County Educational Investment Pool (OCEIP):</i>				
Money Market Fund	-	1,149,359,827	-	1,149,359,827
Extended Fund	-	3,408,311,124	-	3,408,311,124
<i>Non-Pooled</i>			100,989,670	100,989,670
Total Investments	4,710,391,312	4,557,670,951	100,989,670	9,369,051,933
TOTAL ASSETS	\$ 4,779,968,872	\$ 4,589,112,084	\$ 123,887,498	\$ 9,492,968,454

MONTHLY TREASURER'S INVESTMENT REPORT

Distribution List

County of Orange Elected Officials

Honorable Sandra Hutchens, Sheriff-Coroner
Honorable Hugh Nguyen, Clerk-Recorder
Honorable Claude Parrish, Assessor
Honorable Anthony J. Rackauckas, Jr., District Attorney/Public Administrator
Honorable Eric Woolery, Auditor-Controller

Treasury Oversight Committee

Gary Capata
Alisa Cutchen
Frank Kim
Al Mijares
Laura Parisi
Richard Rohm
Eric Woolery

County of Orange Departments

Assessor
Auditor-Controller
Child Support Services
Clerk of the Board
Clerk-Recorder
County Counsel
County Executive Office
District Attorney/Public Administrator
Health Care Agency
Human Resources Services
Independent Review
In-Home Supportive Services
John Wayne Airport
OC Community Resources
OC Dana Point Harbor
OC Public Works
OC Waste & Recycling
Performance Audit
Probation
Public Defender
Registrar of Voters
Sheriff-Coroner
Social Services Agency

County Agencies

Children & Families Commission
Civic Center Commission
Law Library
Orange County Employees Retirement System
Orange County Cemetery District
Orange County Fire Authority
Orange County Transportation Authority
Transportation Corridor Agencies

State of California

CDIAC
Superior Court

Orange County School Districts

Orange County Department of Education
Anaheim City School District
Anaheim Union High School District
Brea-Olinda Unified School District
Buena Park School District
Capistrano Unified School District

Centralia School District
Cypress School District
Fountain Valley School District
Fullerton School District
Fullerton Joint Union High School District
Garden Grove Unified School District
Huntington Beach City School District
Huntington Beach Union High School District
Irvine Unified School District
Laguna Beach Unified School District
La Habra City School District
Los Alamitos Unified School District
Lowell Joint School District
Magnolia School District
Newport-Mesa Unified School District
Ocean View School District
Orange Unified School District
Placentia-Yorba Linda Unified School District
Saddleback Valley Unified School District
Santa Ana Unified School District
Savanna School District
Tustin Unified School District
Westminster School District

Orange County Community College Districts (CCD)

Coast Community CCD
North Orange County CCD
Rancho-Santiago CCD
South Orange County CCD

Orange County Regional Occupational Programs (ROP)

Capistrano-Laguna Beach ROP
Coastline ROP
North Orange County ROP

Voluntary Pool Participants (date approved)

Serrano Water District (6-22-99)
City of Villa Park (10-2-01)
City of Tustin (5-21-02)
Mesa Water District (8-9-02)
Orange County Water District (3-30-04)
Municipal Water District of OC (7-27-04)
Orange County Mosquito and Vector Control District (11-14-06)
Buena Park Library District (2-9-10)
Local Agency Formation Commission (10-5-10)
Villa Park Community Services Foundation (4-5-11)
City of Laguna Niguel (3-13-14)
City of Lake Forest (12-16-15)
Foothill/Eastern TCA (10-14-16)
San Joaquin Hills TCA (10-14-16)
Foothill/Eastern TCA/RCC (11-17-16)
City of Laguna Woods (5-10-17)
City of Mission Viejo (10-2-17)
Placentia Library District (10-16-17)