



Frank Davies, CPA  
Orange County Auditor-Controller



## Review of the Schedule of Assets Held by the County Treasury as of September 30, 2020

Audit Manager: Michael Steinhaus, CPA, CGMA  
Auditor II: John Lim

Audit Number 2006  
Report Date: February 3, 2021

Internal Audit



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

**FRANK DAVIES, CPA**  
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2006

February 3, 2021

TO: Members, Board of Supervisors  
Chairman Andrew Do, First District  
Vice Chairman Doug Chaffee, Fourth District  
Donald P. Wagner, Third District  
Lisa A. Bartlett, Fifth District

SUBJECT: Review of the Schedule of Assets Held by the County Treasury as of September 30, 2020

We have completed our Review of the Schedule of Assets Held by the County Treasury as of September 30, 2020. Our final report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-2457 or Michael Steinhaus, Audit Manager, at 714-834-6106.

Frank Davies, CPA  
Auditor-Controller

Other recipients of this report:

Members, Audit Oversight Committee  
Shari Freidenrich, Treasurer-Tax Collector  
Frank Kim, County Executive Officer  
Christine Herrera, Director of Treasury, Treasurer-Tax Collector  
Gary Nguyen, Director of Investments, Treasurer-Tax Collector  
Salvador Lopez, Chief Deputy Auditor-Controller  
Foreperson, Grand Jury  
Robin Stieler, Clerk of the Board of Supervisors  
Eide Bailly LLP, County External Auditor

## **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 September 30, 2020, 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 schedules 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.

***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.



Frank Davies, CPA  
Auditor-Controller  
February 3, 2021

Orange County Treasury  
Schedule of Assets Held by the County Treasury  
As of September 30, 2020

	Assets		
	Pooled	Non-Pooled	Total
Cash			
Cash on Hand	\$ 40,243	\$ -	\$ 40,243
Cash on Deposit	16,442,171	23,564,887	40,007,058
Total Cash	16,482,414	23,564,887	40,047,301
Investments, stated at fair value	9,915,881,796	113,884,317	10,029,766,113
Total Assets	\$ 9,932,364,210	\$ 137,449,204	\$ 10,069,813,414