



Andrew N. Hamilton, CPA
Orange County Auditor-Controller



Review of the Treasurer's Schedule of Assets as of September 30, 2022

Audit Manager: Michael Steinhaus, CPA, CIA, CISA
Auditor II: John C. Lim, CIA

Audit Number 2207
Report Date: February 27, 2023

Internal Audit



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

ANDREW N. HAMILTON, CPA
AUDITOR-CONTROLLER

DATE: February 27, 2023

TO: Honorable Board of Supervisors

FROM: Michael Steinhaus, Audit Manager

SUBJECT: Review of the Treasurer's Schedule of Assets as of September 30, 2022

We have completed our review of the Treasurer's Schedule of Assets as of September 30, 2022. Our 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 714-834-6106.

Other recipients:

Members, Audit Oversight Committee
Frank Kim, County Executive Officer
Shari Freidenrich, Treasurer-Tax Collector
James Kim, Assistant Treasurer-Tax Collector
Brian Winn, Accounting/Compliance Manager
Andrew Hamilton, Auditor-Controller
Salvador Lopez, Chief Deputy Auditor-Controller
John Lim, Auditor II
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board
Eide Bailly LLP, County External Auditor

Independent Accountant's Review Report

We have reviewed the accompanying Orange County Treasurer's Schedule of Assets—Modified Cash-Basis (financial schedule) as of September 30, 2022, 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 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.



Michael Steinhaus, CPA
Audit Manager
February 27, 2023

Orange County Treasurer's
Schedule of Assets as of September 30, 2022
(Dollar Amounts in Thousands)

	<u>TOTAL</u>
Cash on Hand and in Banks	\$ 313,185
Orange County Treasurer's Pool	11,553,652
Specific Investments	<u>108,136</u>
TOTAL ASSETS	<u>\$ 11,974,973</u>