

AUDITOR-CONTROLLER/RECORDER TREASURER/TAX COLLECTOR COUNTY CLERK



COUNTY OF SAN BERNARDINO

LARRY WALKER
Auditor-Controller/Recorder
Treasurer/Tax Collector
County Clerk

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August 19, 2010

Gary Ovitt, Chairman
Board of Supervisors
County Government Center
385 North Arrowhead Avenue, Fifth Floor
San Bernardino, CA 92415-0110

SUBJECT: REVIEW OF TREASURER'S INVESTMENTS – DECEMBER 31, 2009

Introductory Remarks

In accordance with California Government Code Sections 26920 and 26922, we have completed a quarterly review of the Treasurer's statement of assets in the County treasury as prepared by Public Financial Management as of December 31, 2009. In addition, we evaluated investments for compliance with California Government Code Section 53601 and the Treasurer's Statement of Investment Policy.

On February 25, 2010 the Board of Supervisors consolidated the elected offices of the Treasurer-Tax Collector and the Auditor-Controller/Recorder. As a result, the auditor, auditee, and subject matter of this report are within the same department.

Scope of Review

We reviewed selected financial transactions, procedures, and controls in effect over cash and investments. Our review was made in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the Treasurer's statement of assets taken as a whole. Accordingly, we do not express such an opinion.

Review Results

We have reviewed the Treasurer's statement of assets in the County treasury for the County of San Bernardino, as of December 31, 2009. All information included in the Treasurer's statement of assets is the representation of the County of San Bernardino Treasurer's Office.

Based on our review, we are not aware of any material modifications that should be made to the Treasurer's statement of assets, except for certain adjustments required by GASB 31.

GASB 31 requires the fair value of investments and the changes in the fair value be reported in the financial statements. The Treasurer's Office statement of assets reports the amortized cost and fair value of its investments at December 31, 2009. Fair value adjustments are reported in the County of San Bernardino's Comprehensive Annual Financial Statements.

Cash and investments per the Treasurer's statement of assets at December 31, 2009 were \$4,912,590,982.93 reported at amortized cost. Additionally, the Treasurer's Office is in compliance with the Statement of Investment Policy and the California Government Code governing investments of local agencies.

Respectfully submitted,

LARRY WALKER

Auditor-Controller/Recorder/Treasurer/Tax Collector

By:

MARK COUSINEAU
Chief Deputy Auditor

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