



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector		(2) MEETING DATE 3/21/2017		(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Submittal of a Brown Armstrong, CPAs Independent Auditor's Report on the County Treasury's cash balance and accountability for the third quarter of FY 2016-17 conducted on February 21, 2017. All Districts.					
(5) RECOMMENDED ACTION It is recommended the Board receive, review, and file the Independent Auditor's Report.					
(6) FUNDING SOURCE(S) N/A		(7) CURRENT YEAR FINANCIAL IMPACT \$0.00		(8) ANNUAL FINANCIAL IMPACT \$0.00	
(9) BUDGETED? Yes					
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)					
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>December 6, 2016</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>					
(18) SUPERVISOR DISTRICT(S) All Districts					



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: James P. Erb, CPA, Auditor - Controller - Treasurer - Tax Collector

DATE: 3/21/2017

SUBJECT: Submittal of a Brown Armstrong, CPAs Independent Auditor's Report on the County Treasury's cash balance and accountability for the third quarter of FY 2016-17 conducted on February 21, 2017. All Districts.

RECOMMENDATION

It is recommended the Board receive, review, and file the Independent Auditor's Report.

DISCUSSION

California Government Code Sections 26920 and 26922, require quarterly reviews and reporting of the County Treasurer's statement of assets. The review may occur any time during the quarter. To comply with government code, an unannounced cash count was conducted at the County Treasurer's Office on February 21, 2017, and the reconciliation of records was verified. The procedures were performed by the independent public accounting firm, Brown Armstrong CPAs.

In the attached Independent Auditor's Report Brown Armstrong states cash funds of \$21,547,169 were accounted for and balanced to the Treasurer's Daily Cash Report. Investments in the County Treasury totaled \$826,715,047 and were reconciled from investment reports to the Treasurer's Daily Report. The investments were also reviewed and found to be in compliance with the current County Treasury's Investment Policy. Total funds in the County Treasury on February 21, 2017, were \$848,262,216.

OTHER AGENCY INVOLVEMENT/IMPACT

The cash procedures were conducted at the County Treasury.

FINANCIAL CONSIDERATIONS

The procedures verified that funds reported by the County Treasury equaled cash on hand and funds held by financial institutions.

RESULTS

Quarterly cash and investment reviews of the Treasury fulfill Government Code requirements and inform the Board of Supervisors and the public on the status of the County Treasury.

ATTACHMENTS

1. Independent Auditor's Report Q3 FY 2016-17

COUNTY OF SAN LUIS OBISPO

QUARTERLY CASH COUNT

**THIRD QUARTER
FISCAL YEAR 2016-17**

COUNTY OF SAN LUIS OBISPO
QUARTERLY CASH COUNT
THIRD QUARTER FISCAL YEAR 2016-17

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Supervisors
County of San Luis Obispo
San Luis Obispo, California

We have performed the procedures enumerated below to the proper balance and accountability of cash as directed by California Government Code Sections 26920 and 26922 as of the quarter ended March 31, 2017. These procedures, which were agreed to by the County of San Luis Obispo, were performed in accordance with the aforementioned code sections. The County of San Luis Obispo's management is responsible for the safe keeping and preparation of cash and cash reconciliations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the County of San Luis Obispo. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As directed by California Government Code Sections 26920 and 26922, an unannounced cash count and review was conducted at the County Treasurer's Office on February 21, 2017, and cash funds of \$21,547,169 were accounted for and balanced to the Treasurer's Daily Report. Investments in the County Treasury totaled \$826,715,047 and were reconciled from investment reports to the Treasurer's Daily Report. The investments were also reviewed and found to be in compliance with the current County Treasury Investment Policy. Total funds in the County Treasury on February 21, 2017, were \$848,262,216.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the proper balance and accountability of cash in the County Treasury at quarter end. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County of San Luis Obispo and management of the County of San Luis Obispo and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
March 2, 2017

**COUNTY OF SAN LUIS OBISPO
TREASURER'S DAILY REPORT
THIRD QUARTER FISCAL YEAR 2016-17**

JAMES P. ERB, CPA, COUNTY TREASURER
SAN LUIS OBISPO COUNTY
TREASURER'S DAILY REPORT

DATE: 21-Feb-17
1:49:56 PM

<p>DISBURSEMENT SUMMARY:</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Union Bank Control Disb.</td><td style="text-align: right;">890,882.72</td></tr> <tr><td>EBT</td><td style="text-align: right;">28,311.56</td></tr> <tr><td>State Payroll Taxes</td><td style="text-align: right;">281,099.59</td></tr> <tr><td>Federal Payroll Taxes</td><td style="text-align: right;">1,819,857.00</td></tr> <tr><td>Deferred Comp</td><td style="text-align: right;">226,070.94</td></tr> <tr><td>CO of SLO 2007 B Nacimiento</td><td style="text-align: right;">972,609.45</td></tr> <tr><td>CO of SLO 2007 A Nacimiento</td><td style="text-align: right;">737,987.34</td></tr> <tr><td>CO of SLO 2015 A Nacimiento</td><td style="text-align: right;">2,253,697.90</td></tr> <tr><td>TOTAL DISBURSEMENTS:</td><td style="text-align: right;">7,210,486.50</td></tr> </table>	Union Bank Control Disb.	890,882.72	EBT	28,311.56	State Payroll Taxes	281,099.59	Federal Payroll Taxes	1,819,857.00	Deferred Comp	226,070.94	CO of SLO 2007 B Nacimiento	972,609.45	CO of SLO 2007 A Nacimiento	737,987.34	CO of SLO 2015 A Nacimiento	2,253,697.90	TOTAL DISBURSEMENTS:	7,210,486.50	<p>INVESTMENT PURCHASE SUMMARY:</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>CalTrust (daily balance)</td><td style="text-align: right;">100,000,000.00</td></tr> <tr><td>BA and C/P</td><td></td></tr> <tr><td>PIMMA (daily balance)</td><td style="text-align: right;">255,000,000.00</td></tr> <tr><td>AGENCIES</td><td></td></tr> <tr><td>TREASURIES</td><td></td></tr> <tr><td>F.I.C.A. (daily balance)</td><td style="text-align: right;">0.00</td></tr> <tr><td>REPO (daily balance)</td><td style="text-align: right;">0.00</td></tr> <tr><td>LAIF (daily balance)</td><td style="text-align: right;">65,000,000.00</td></tr> <tr><td>TOTAL INV. PURCHASES:</td><td style="text-align: right;">420,000,000.00</td></tr> </table> <p>COMBINED POOL INVESTMENTS:</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>CDARS</td><td style="text-align: right;">38,000,000.00</td></tr> <tr><td>CalTrust</td><td style="text-align: right;">100,000,000.00</td></tr> <tr><td>Agencies</td><td style="text-align: right;">250,671,976.38</td></tr> <tr><td>LAIF</td><td style="text-align: right;">65,000,000.00</td></tr> <tr><td>PIMMA</td><td style="text-align: right;">255,000,000.00</td></tr> <tr><td>Treasuries</td><td style="text-align: right;">118,043,070.86</td></tr> <tr><td>F.I.C.A</td><td style="text-align: right;">0.00</td></tr> <tr><td>Bankers Acceptances/Com.Paper</td><td style="text-align: right;">0.00</td></tr> <tr><td>Repurchase Agreements</td><td style="text-align: right;">0.00</td></tr> <tr><td>TRAN</td><td style="text-align: right;">0.00</td></tr> <tr><td>INACTIVE TOTAL</td><td style="text-align: right;">828,715,047.24</td></tr> </table>	CalTrust (daily balance)	100,000,000.00	BA and C/P		PIMMA (daily balance)	255,000,000.00	AGENCIES		TREASURIES		F.I.C.A. (daily balance)	0.00	REPO (daily balance)	0.00	LAIF (daily balance)	65,000,000.00	TOTAL INV. PURCHASES:	420,000,000.00	CDARS	38,000,000.00	CalTrust	100,000,000.00	Agencies	250,671,976.38	LAIF	65,000,000.00	PIMMA	255,000,000.00	Treasuries	118,043,070.86	F.I.C.A	0.00	Bankers Acceptances/Com.Paper	0.00	Repurchase Agreements	0.00	TRAN	0.00	INACTIVE TOTAL	828,715,047.24																								
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<p>Approved: <i>Rudy Erb</i> Date: <u>2/21/17</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>BALANCE FORWARD</td><td style="text-align: right;">853,602,701.66</td></tr> <tr><td>Receipts for Day</td><td style="text-align: right;">1,891,128.27</td></tr> <tr><td>Returned Cks-JE #1-1709093</td><td style="text-align: right;">(21,127.21)</td></tr> <tr><td>Disbursements for Day</td><td style="text-align: right;">(7,210,486.50)</td></tr> <tr><td>BALANCE</td><td style="text-align: right;">848,262,216.25</td></tr> </table>	BALANCE FORWARD	853,602,701.66	Receipts for Day	1,891,128.27	Returned Cks-JE #1-1709093	(21,127.21)	Disbursements for Day	(7,210,486.50)	BALANCE	848,262,216.25	<table style="width: 100%; border-collapse: collapse;"> <tr><td>Bank Accounts:</td><td></td></tr> <tr><td>Pac West Bank</td><td style="text-align: right;">11,720,100.14</td></tr> <tr><td>Union Bank-Depository Acct.</td><td style="text-align: right;">7,659,667.90</td></tr> <tr><td>Union Bank-Deferred Comp.</td><td style="text-align: right;">0.00</td></tr> <tr><td>Union Bank-DSS Direct Dep.</td><td style="text-align: right;">16,804.23</td></tr> <tr><td>Union Bank-EBT</td><td style="text-align: right;">336,962.21</td></tr> <tr><td>Union Bank-Elect. C.Card Pmt</td><td style="text-align: right;">1,443,268.37</td></tr> <tr><td>Union Bank - US Govt. Loans</td><td style="text-align: right;">163.65</td></tr> <tr><td>East West Bank</td><td style="text-align: right;">0.00</td></tr> <tr><td>Office Funds:</td><td></td></tr> <tr><td>Vault Currency</td><td style="text-align: right;">47,650.00</td></tr> <tr><td>Vault Coins</td><td></td></tr> <tr><td> Dollars</td><td></td></tr> <tr><td> Halves</td><td></td></tr> <tr><td> Quarters</td><td style="text-align: right;">110.00</td></tr> <tr><td> Dimes</td><td style="text-align: right;">95.00</td></tr> <tr><td> Nickels</td><td style="text-align: right;">26.00</td></tr> <tr><td> Pennies</td><td style="text-align: right;">6.00</td></tr> <tr><td>Vault Cash Drawer</td><td></td></tr> <tr><td> Currency: (100/50's)</td><td style="text-align: right;">0.00</td></tr> <tr><td> " (20's)</td><td style="text-align: right;">1,240.00</td></tr> <tr><td> " (10's)</td><td style="text-align: right;">150.00</td></tr> <tr><td> " (5's)</td><td style="text-align: right;">145.00</td></tr> <tr><td> " (2's)</td><td style="text-align: right;">2.00</td></tr> <tr><td> " (1's)</td><td style="text-align: right;">137.00</td></tr> <tr><td> Coin: Dollars</td><td style="text-align: right;">8.00</td></tr> <tr><td> " Halves</td><td style="text-align: right;">0.50</td></tr> <tr><td> " Quarters</td><td style="text-align: right;">35.50</td></tr> <tr><td> " Dimes</td><td style="text-align: right;">33.80</td></tr> <tr><td> " Nickels</td><td style="text-align: right;">6.40</td></tr> <tr><td> " Pennies</td><td style="text-align: right;">1.88</td></tr> <tr><td>TOTAL OFFICE FUNDS</td><td style="text-align: right;">49,647.08</td></tr> <tr><td>Credit Card for Collection</td><td style="text-align: right;">5,039.68</td></tr> <tr><td>Online Payments for Collection</td><td style="text-align: right;">297,356.97</td></tr> <tr><td>Returned Items</td><td style="text-align: right;">16,358.78</td></tr> <tr><td>BALANCE ON HAND</td><td style="text-align: right;">21,547,169.01</td></tr> </table>	Bank Accounts:		Pac West Bank	11,720,100.14	Union Bank-Depository Acct.	7,659,667.90	Union Bank-Deferred Comp.	0.00	Union Bank-DSS Direct Dep.	16,804.23	Union Bank-EBT	336,962.21	Union Bank-Elect. C.Card Pmt	1,443,268.37	Union Bank - US Govt. Loans	163.65	East West Bank	0.00	Office Funds:		Vault Currency	47,650.00	Vault Coins		Dollars		Halves		Quarters	110.00	Dimes	95.00	Nickels	26.00	Pennies	6.00	Vault Cash Drawer		Currency: (100/50's)	0.00	" (20's)	1,240.00	" (10's)	150.00	" (5's)	145.00	" (2's)	2.00	" (1's)	137.00	Coin: Dollars	8.00	" Halves	0.50	" Quarters	35.50	" Dimes	33.80	" Nickels	6.40	" Pennies	1.88	TOTAL OFFICE FUNDS	49,647.08	Credit Card for Collection	5,039.68	Online Payments for Collection	297,356.97	Returned Items	16,358.78	BALANCE ON HAND	21,547,169.01
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