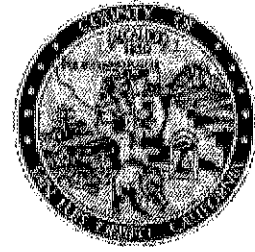


**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 12/6/2016	(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Submittal of the Brown Armstrong CPAs Independent Auditor's Report of the County Treasury's cash balance and accountability of the 2nd quarter of FY 2016-17 conducted October 20, 2016. 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: N/A <input type="checkbox"/> 4/5 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>November 8, 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: 12/6/2016

SUBJECT: Submittal of the Brown Armstrong CPAs Independent Auditor's Report of the County Treasury's cash balance and accountability of the 2nd quarter of FY 2016-17 conducted October 20, 2016. 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 October 20, 2016, 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 \$50,849,820 were accounted for and balanced to the Treasurer's Daily Cash Report. Investments in the County Treasury totaled \$723,344,158 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 October 20, 2016 were \$774,193,978.

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

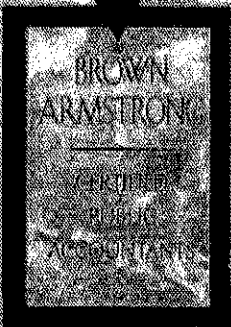
1. Independent Auditor's Report Q2 FY 2016-17

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

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

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Treasurer's Daily Report	2



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 December 31, 2016. 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 October 20, 2016, and cash funds of \$50,849,820 were accounted for and balanced to the Treasurer's Daily Report. Investments in the County Treasury totaled \$723,344,158 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 October 20, 2016, were \$774,193,978.

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

Bakersfield, California
November 8, 2016

REGISTERED WITH THE State Board of Accountancy
Accountancy Regulation, Control and
Supervision
SFB 1800
SFB 1800
SFB 1800

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

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

DATE: 20-Oct-16
3:19:30 PM

DISBURSEMENT SUMMARY:	INVESTMENT PURCHASE SUMMARY:																																																																																				
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