

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

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 11/8/2016	(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 1st quarter of FY 2016-17 conducted on September 26, 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 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>9/13/2016</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: 11/8/2016

SUBJECT: Submittal of the Brown Armstrong CPAs Independent Auditor's Report of the County Treasury's cash balance and accountability of the 1st quarter of FY 2016-17 conducted on September 26, 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 September 26, 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 \$16,041,751 were accounted for and balanced to the Treasurer's Daily Cash Report. Investments in the County Treasury totaled \$747,814,029 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 September 26, 2016 were \$763,855,781.

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 Q1 FY 2016-17

COUNTY OF SAN LUIS OBISPO
QUARTERLY CASH COUNT
SEPTEMBER 30, 2016

COUNTY OF SAN LUIS OBISPO
QUARTERLY CASH COUNT
SEPTEMBER 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	1
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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

7673 N. INGRAM AVENUE
SUITE 101
FRESNO, CA 93711
TEL 559.476.3592
FAX 559.476.3593

PASADENA OFFICE

260 S. LOS ROBLES AVENUE
SUITE 310
PASADENA, CA 91101
TEL 626.204.6542
FAX 626.204.6547

STOCKTON OFFICE

5250 CLAREMONT AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

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 September 30, 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 September 26, 2016, and cash funds of \$16,041,751 were accounted for and balanced to the Treasurer's Daily Report. Investments in the County Treasury totaled \$747,814,029 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 September 26, 2016, were \$763,855,781.

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
October 21, 2016

**COUNTY OF SAN LUIS OBISPO
TREASURER'S DAILY REPORT
SEPTEMBER 30, 2016**

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

DATE: 26-Sep-16
12:39:45 PM

<p>DISBURSEMENT SUMMARY:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Union Bank Control Disb.</td> <td style="text-align: right;">1,630,416.36</td> </tr> <tr> <td>EBT</td> <td style="text-align: right;">16,000.78</td> </tr> <tr> <td>TOTAL DISBURSEMENTS:</td> <td style="text-align: right;">1,646,417.14</td> </tr> </table>	Union Bank Control Disb.	1,630,416.36	EBT	16,000.78	TOTAL DISBURSEMENTS:	1,646,417.14	<p>INVESTMENT PURCHASE SUMMARY:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">CellTrust (daily balance)</td> <td style="text-align: right;">15,000,000.00</td> </tr> <tr> <td>BA and C/P</td> <td></td> </tr> <tr> <td>PIMMA (daily balance)</td> <td style="text-align: right;">170,000,000.00</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;">59,000,000.00</td> </tr> <tr> <td>TOTAL INV. PURCHASES:</td> <td style="text-align: right;">244,000,000.00</td> </tr> </table> <p>COMBINED POOL INVESTMENTS:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">CDARS</td> <td style="text-align: right;">38,000,000.00</td> </tr> <tr> <td>CellTrust</td> <td style="text-align: right;">15,000,000.00</td> </tr> <tr> <td>Agencies</td> <td style="text-align: right;">305,647,136.85</td> </tr> <tr> <td>LAIF</td> <td style="text-align: right;">59,000,000.00</td> </tr> <tr> <td>PIMMA</td> <td style="text-align: right;">170,000,000.00</td> </tr> <tr> <td>Treasuries</td> <td style="text-align: right;">159,959,636.88</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;">307,255.63</td> </tr> <tr> <td>INACTIVE TOTAL</td> <td style="text-align: right;">747,814,029.16</td> </tr> </table>	CellTrust (daily balance)	15,000,000.00	BA and C/P		PIMMA (daily balance)	170,000,000.00	AGENCIES		TREASURIES		F.I.C.A. (daily balance)	0.00	REPO (daily balance)	0.00	LAIF (daily balance)	59,000,000.00	TOTAL INV. PURCHASES:	244,000,000.00	CDARS	38,000,000.00	CellTrust	15,000,000.00	Agencies	305,647,136.85	LAIF	59,000,000.00	PIMMA	170,000,000.00	Treasuries	159,959,636.88	F.I.C.A.	0.00	Bankers Acceptances/Com.Paper	0.00	Repurchase Agreements	0.00	TRAN	307,255.63	INACTIVE TOTAL	747,814,029.16																												
Union Bank Control Disb.	1,630,416.36																																																																										
EBT	16,000.78																																																																										
TOTAL DISBURSEMENTS:	1,646,417.14																																																																										
CellTrust (daily balance)	15,000,000.00																																																																										
BA and C/P																																																																											
PIMMA (daily balance)	170,000,000.00																																																																										
AGENCIES																																																																											
TREASURIES																																																																											
F.I.C.A. (daily balance)	0.00																																																																										
REPO (daily balance)	0.00																																																																										
LAIF (daily balance)	59,000,000.00																																																																										
TOTAL INV. PURCHASES:	244,000,000.00																																																																										
CDARS	38,000,000.00																																																																										
CellTrust	15,000,000.00																																																																										
Agencies	305,647,136.85																																																																										
LAIF	59,000,000.00																																																																										
PIMMA	170,000,000.00																																																																										
Treasuries	159,959,636.88																																																																										
F.I.C.A.	0.00																																																																										
Bankers Acceptances/Com.Paper	0.00																																																																										
Repurchase Agreements	0.00																																																																										
TRAN	307,255.63																																																																										
INACTIVE TOTAL	747,814,029.16																																																																										
<p>Approved: <u>M. S. Barber</u> Date: <u>9/30/16</u></p>																																																																											
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">BALANCE FORWARD</td> <td style="text-align: right;">758,250,211.34</td> </tr> <tr> <td>Receipts for Day</td> <td style="text-align: right;">7,211,986.37</td> </tr> <tr> <td>Returned Cks-JE</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Disbursements for Day</td> <td style="text-align: right;">(1,646,417.14)</td> </tr> <tr> <td>BALANCE</td> <td style="text-align: right;">763,855,780.57</td> </tr> </table>	BALANCE FORWARD	758,250,211.34	Receipts for Day	7,211,986.37	Returned Cks-JE	-	Disbursements for Day	(1,646,417.14)	BALANCE	763,855,780.57	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Bank Accounts:</td> <td></td> </tr> <tr> <td>Rabobank</td> <td style="text-align: right;">8,532,646.88</td> </tr> <tr> <td>Union Bank-Depository Acct.</td> <td style="text-align: right;">6,346,463.15</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;">20,886.63</td> </tr> <tr> <td>Union Bank-EBT</td> <td style="text-align: right;">304,580.44</td> </tr> <tr> <td>Union Bank-Elect. C.Card Pmt</td> <td style="text-align: right;">644,403.68</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;">47,000.00</td> </tr> <tr> <td>Vault Coins</td> <td></td> </tr> <tr> <td> Dollars</td> <td></td> </tr> <tr> <td> Halves</td> <td style="text-align: right;">180.00</td> </tr> <tr> <td> Quarters</td> <td style="text-align: right;">115.00</td> </tr> <tr> <td> Dimes</td> <td style="text-align: right;">14.00</td> </tr> <tr> <td> Nickels</td> <td style="text-align: right;">7.00</td> </tr> <tr> <td> Pennies</td> <td></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;">2,020.00</td> </tr> <tr> <td> " (10's)</td> <td style="text-align: right;">1,200.00</td> </tr> <tr> <td> " (5's)</td> <td style="text-align: right;">535.00</td> </tr> <tr> <td> " (2's)</td> <td style="text-align: right;">4.00</td> </tr> <tr> <td> " (1's)</td> <td style="text-align: right;">128.00</td> </tr> <tr> <td> Coin: Dollars</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td> " Halves</td> <td style="text-align: right;">19.50</td> </tr> <tr> <td> " Quarters</td> <td style="text-align: right;">55.75</td> </tr> <tr> <td> " Dimes</td> <td style="text-align: right;">13.20</td> </tr> <tr> <td> " Nickels</td> <td style="text-align: right;">0.75</td> </tr> <tr> <td> " Pennies</td> <td style="text-align: right;">1.66</td> </tr> <tr> <td>TOTAL OFFICE FUNDS</td> <td style="text-align: right;">51,292.86</td> </tr> </table>	Bank Accounts:		Rabobank	8,532,646.88	Union Bank-Depository Acct.	6,346,463.15	Union Bank-Deferred Comp.	0.00	Union Bank-DSS Direct Dep.	20,886.63	Union Bank-EBT	304,580.44	Union Bank-Elect. C.Card Pmt	644,403.68	Union Bank - US Govt. Loans	163.65	East West Bank	0.00	Office Funds:		Vault Currency	47,000.00	Vault Coins		Dollars		Halves	180.00	Quarters	115.00	Dimes	14.00	Nickels	7.00	Pennies		Vault Cash Drawer		Currency: (100/50's)	0.00	" (20's)	2,020.00	" (10's)	1,200.00	" (5's)	535.00	" (2's)	4.00	" (1's)	128.00	Coin: Dollars	1.00	" Halves	19.50	" Quarters	55.75	" Dimes	13.20	" Nickels	0.75	" Pennies	1.66	TOTAL OFFICE FUNDS	51,292.86
BALANCE FORWARD	758,250,211.34																																																																										
Receipts for Day	7,211,986.37																																																																										
Returned Cks-JE	-																																																																										
Disbursements for Day	(1,646,417.14)																																																																										
BALANCE	763,855,780.57																																																																										
Bank Accounts:																																																																											
Rabobank	8,532,646.88																																																																										
Union Bank-Depository Acct.	6,346,463.15																																																																										
Union Bank-Deferred Comp.	0.00																																																																										
Union Bank-DSS Direct Dep.	20,886.63																																																																										
Union Bank-EBT	304,580.44																																																																										
Union Bank-Elect. C.Card Pmt	644,403.68																																																																										
Union Bank - US Govt. Loans	163.65																																																																										
East West Bank	0.00																																																																										
Office Funds:																																																																											
Vault Currency	47,000.00																																																																										
Vault Coins																																																																											
Dollars																																																																											
Halves	180.00																																																																										
Quarters	115.00																																																																										
Dimes	14.00																																																																										
Nickels	7.00																																																																										
Pennies																																																																											
Vault Cash Drawer																																																																											
Currency: (100/50's)	0.00																																																																										
" (20's)	2,020.00																																																																										
" (10's)	1,200.00																																																																										
" (5's)	535.00																																																																										
" (2's)	4.00																																																																										
" (1's)	128.00																																																																										
Coin: Dollars	1.00																																																																										
" Halves	19.50																																																																										
" Quarters	55.75																																																																										
" Dimes	13.20																																																																										
" Nickels	0.75																																																																										
" Pennies	1.66																																																																										
TOTAL OFFICE FUNDS	51,292.86																																																																										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">CURRENT MONTH RECEIPTS</td> </tr> <tr> <td style="width: 70%;">BALANCE FORWARD</td> <td style="text-align: right;">39,524,286.82</td> </tr> <tr> <td>Receipts for Day</td> <td style="text-align: right;">7,211,986.37</td> </tr> <tr> <td>Returned Cks-JE</td> <td style="text-align: right;">-</td> </tr> <tr> <td>MONTH TO DATE</td> <td style="text-align: right;">46,736,283.19</td> </tr> </table>	CURRENT MONTH RECEIPTS		BALANCE FORWARD	39,524,286.82	Receipts for Day	7,211,986.37	Returned Cks-JE	-	MONTH TO DATE	46,736,283.19	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">CREDIT CARD FOR COLLECTION</td> <td style="text-align: right;">7,011.77</td> </tr> <tr> <td>Online Payments for Collection</td> <td style="text-align: right;">119,327.74</td> </tr> <tr> <td>Returned Items</td> <td style="text-align: right;">14,744.63</td> </tr> <tr> <td>BALANCE ON HAND</td> <td style="text-align: right;">16,041,751.41</td> </tr> </table>	CREDIT CARD FOR COLLECTION	7,011.77	Online Payments for Collection	119,327.74	Returned Items	14,744.63	BALANCE ON HAND	16,041,751.41																																																								
CURRENT MONTH RECEIPTS																																																																											
BALANCE FORWARD	39,524,286.82																																																																										
Receipts for Day	7,211,986.37																																																																										
Returned Cks-JE	-																																																																										
MONTH TO DATE	46,736,283.19																																																																										
CREDIT CARD FOR COLLECTION	7,011.77																																																																										
Online Payments for Collection	119,327.74																																																																										
Returned Items	14,744.63																																																																										
BALANCE ON HAND	16,041,751.41																																																																										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">CURRENT MONTH DISBURSEMENTS</td> </tr> <tr> <td style="width: 70%;">BALANCE FORWARD</td> <td style="text-align: right;">(61,710,974.59)</td> </tr> <tr> <td>Disbursements for Day</td> <td style="text-align: right;">(1,646,417.14)</td> </tr> <tr> <td>MONTH TO DATE</td> <td style="text-align: right;">(63,357,391.73)</td> </tr> </table>	CURRENT MONTH DISBURSEMENTS		BALANCE FORWARD	(61,710,974.59)	Disbursements for Day	(1,646,417.14)	MONTH TO DATE	(63,357,391.73)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">BALANCE 1ST OF MONTH</td> <td style="text-align: right;">780,476,889.11</td> </tr> <tr> <td>Receipts for Month</td> <td style="text-align: right;">46,736,283.19</td> </tr> <tr> <td>Disbursements for Month</td> <td style="text-align: right;">(63,357,391.73)</td> </tr> <tr> <td>BALANCE</td> <td style="text-align: right;">763,855,780.57</td> </tr> </table>	BALANCE 1ST OF MONTH	780,476,889.11	Receipts for Month	46,736,283.19	Disbursements for Month	(63,357,391.73)	BALANCE	763,855,780.57																																																										
CURRENT MONTH DISBURSEMENTS																																																																											
BALANCE FORWARD	(61,710,974.59)																																																																										
Disbursements for Day	(1,646,417.14)																																																																										
MONTH TO DATE	(63,357,391.73)																																																																										
BALANCE 1ST OF MONTH	780,476,889.11																																																																										
Receipts for Month	46,736,283.19																																																																										
Disbursements for Month	(63,357,391.73)																																																																										
BALANCE	763,855,780.57																																																																										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">BALANCE</td> <td style="text-align: right;">763,855,780.57</td> </tr> </table>	BALANCE	763,855,780.57	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">BALANCE</td> <td style="text-align: right;">763,855,780.57</td> </tr> </table>	BALANCE	763,855,780.57																																																																						
BALANCE	763,855,780.57																																																																										
BALANCE	763,855,780.57																																																																										

DATE: 26-Sep-16