

**COUNTY OF SANTA BARBARA, CALIFORNIA
AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
FUNDED BY THE STATE OF CALIFORNIA
BOARD OF STATE AND COMMUNITY CORRECTIONS**

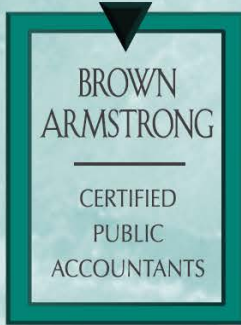
FINANCIAL AND PERFORMANCE AUDIT

**FROM INCEPTION (JANUARY 15, 2013)
THROUGH JUNE 30, 2017**

COUNTY OF SANTA BARBARA, CALIFORNIA
AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
FUNDED BY THE STATE OF CALIFORNIA
BOARD OF STATE AND COMMUNITY CORRECTIONS
FROM INCEPTION (JANUARY 15, 2013)
THROUGH JUNE 30, 2017

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Supervisors
of the County of Santa Barbara, California

Report on the Financial Schedules

We have audited the accompanying Schedule of Grant Revenues and Expenditures, Schedule of Agreement to Actual Costs (Budget to Actual), Schedule of Eligible Project Costs by Funding Sources, and Schedule of Recommended Disallowed Costs (State Funds) for the County of Santa Barbara, California (the County), Board of State and Community Corrections (BSCC) Assembly Bill (AB) 900 Northern Branch Jail Construction Project, from inception (January 15, 2013) through June 30, 2017, and the related notes to the financial schedules as listed in the table of contents.

Management's Responsibility for the Financial Schedules

Management is responsible for the preparation and fair presentation of these financial schedules in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and certain provisions of the BSCC Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinion

In our opinion, the financial schedules referred to above present fairly, in all material respects, the respective Schedule of Grant Revenues and Expenditures, Schedule of Agreement to Actual Costs (Budget to Actual), Schedule of Eligible Project Costs by Funding Sources, Schedule of Recommended Disallowed Costs (State Funds), and the related notes of the County BSCC AB 900 Northern Branch Jail Construction Project, from inception (January 15, 2013) through June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial schedules and the related notes as mentioned above. The BSCC AB 900 Northern Branch Jail Construction Project balance sheet as of June 30, 2017, on page 10 is presented for the purposes of additional analysis and is not a required part of the financial schedules under the BSCC Audit Guide.

The BSCC AB 900 Northern Branch Jail Construction Project balance sheet as of June 30, 2017, has not been subjected to the auditing procedures applied in the audit of the financial schedules as mentioned above, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2017, on our consideration of the County's internal control over financial reporting relating to the BSCC AB 900 Northern Branch Jail Construction Project and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance relating to the BSCC AB 900 Northern Branch Jail Construction Project.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 2, 2017

**COUNTY OF SANTA BARBARA, CALIFORNIA
 AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
 FUNDED BY THE STATE OF CALIFORNIA
 BOARD OF STATE AND COMMUNITY CORRECTIONS
 SCHEDULE OF GRANT REVENUES AND EXPENDITURES
 FROM INCEPTION (JANUARY 15, 2013)
 THROUGH JUNE 30, 2017**

	From Inception Through June 30, 2016	For the Year Ended June 30, 2017	From Inception Through June 30, 2017
REVENUES:			
State Funds	\$ 4,853,759	\$ 16,569,952	\$ 21,423,711
County Funds (Match)	2,828,373	5,858,546	8,686,919
Total Revenues	7,682,132	22,428,498	30,110,630
EXPENDITURES:			
Salaries, Professional Services, and Other	7,682,132	22,428,498	30,110,630
Total Expenditures	7,682,132	22,428,498	30,110,630
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -
SUPPLEMENTARY INFORMATION:			
Additional Contribution from County via Cost Allocation - Ineligible	\$ 806,443	\$ 621,821	\$ 1,428,264

The accompanying notes are an integral part of this schedule.

**COUNTY OF SANTA BARBARA, CALIFORNIA
 AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
 FUNDED BY THE STATE OF CALIFORNIA
 BOARD OF STATE AND COMMUNITY CORRECTIONS
 SCHEDULE OF AGREEMENT TO ACTUAL COSTS (BUDGET TO ACTUAL)
 FROM INCEPTION (JANUARY 15, 2013)
 THROUGH JUNE 30, 2017**

Budget Line Item	Original Budget From Inception Through June 30, 2016	Original Budget For the Year Ended June 30, 2017	Budget Modifications	Final Budget From Inception Through June 30, 2017	Expenditures From Inception Through June 30, 2016	Expenditures For the Year Ended June 30, 2017	Expenditures From Inception Through June 30, 2017	(Over)/Under
Salary and Benefits	\$ 1,376,654	\$ 573,405	\$ -	\$ 1,950,059	\$ 1,376,654	\$ 573,405	\$ 1,950,059	\$ -
Professional Services and Supplies	5,503,478	21,855,093	-	27,358,571	5,503,478	21,855,093	27,358,571	-
Other Financing Uses	<u>802,000</u>	<u>-</u>	<u>-</u>	<u>802,000</u>	<u>802,000</u>	<u>-</u>	<u>802,000</u>	<u>-</u>
Total Costs	<u>\$ 7,682,132</u>	<u>\$ 22,428,498</u>	<u>\$ -</u>	<u>\$ 30,110,630</u>	<u>\$ 7,682,132</u>	<u>\$ 22,428,498</u>	<u>\$ 30,110,630</u>	<u>\$ -</u>
SUPPLEMENTARY INFORMATION:								
(Not Budgeted)								
Additional Contribution from County via Cost Allocation - Ineligible	<u>\$ 806,443</u>	<u>\$ 621,821</u>	<u>\$ -</u>	<u>\$ 1,428,264</u>	<u>\$ 806,443</u>	<u>\$ 621,821</u>	<u>\$ 1,428,264</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

**COUNTY OF SANTA BARBARA, CALIFORNIA
 AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
 FUNDED BY THE STATE OF CALIFORNIA
 BOARD OF STATE AND COMMUNITY CORRECTIONS
 SCHEDULE OF ELIGIBLE PROJECT COSTS BY FUNDING SOURCES
 FROM INCEPTION (JANUARY 15, 2013)
 THROUGH JUNE 30, 2017**

Budget Line Item	COSTS CLAIMED FOR						Total
	State Costs To Be Claimed	Cash Match	In-Kind Match	Eligible Over-Match	Ineligible Over-Match	Other Ineligible	
Salaries, Professional Services and Other: From Inception Through June 30, 2016	\$ 4,853,759	\$ 425,746	\$2,012,511	\$ 255,418	\$ 134,698	\$ -	\$ 7,682,132
Salaries and Professional Services: For the Year Ended June 30, 2017	16,569,952	3,305,124	555,405	1,919,493	78,524	-	22,428,498
Total Salaries, Professional Services, and Other: From Inception Through June 30, 2017	<u>\$ 21,423,711</u>	<u>\$ 3,730,870</u>	<u>\$2,567,916</u>	<u>\$2,174,911</u>	<u>\$ 213,222</u>	<u>\$ -</u>	<u>\$ 30,110,630</u>
SUPPLEMENTARY INFORMATION: Additional Contribution from County via Cost Allocation - Ineligible	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,428,264</u>	<u>\$ 1,428,264</u>

The accompanying notes are an integral part of this schedule.

COUNTY OF SANTA BARBARA, CALIFORNIA
AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
FUNDED BY THE STATE OF CALIFORNIA
BOARD OF STATE AND COMMUNITY CORRECTIONS
SCHEDULE OF RECOMMENDED DISALLOWED COSTS (STATE FUNDS)
FROM INCEPTION (JANUARY 15, 2013)
THROUGH JUNE 30, 2017

<u>Budget Line Item</u>	<u>Total Costs To Be Claimed from the State</u>			<u>Costs Accepted</u>	<u>Recommended Disallowances</u>
	<u>From Inception Through June 30, 2016</u>	<u>For the Year Ended June 30, 2017</u>	<u>From Inception Through June 30, 2017</u>		
Salaries and Professional Services	\$ 4,853,759	\$ 16,569,952	\$ 21,423,711	\$ 21,423,711	\$ -
Total Costs	<u>\$ 4,853,759</u>	<u>\$ 16,569,952</u>	<u>\$ 21,423,711</u>	<u>\$ 21,423,711</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

**COUNTY OF SANTA BARBARA, CALIFORNIA
AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
FUNDED BY THE STATE OF CALIFORNIA
BOARD OF STATE AND COMMUNITY CORRECTIONS
NOTES TO THE FINANCIAL SCHEDULES
FROM INCEPTION (JANUARY 15, 2013)
THROUGH JUNE 30, 2017**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Summary

The County of Santa Barbara (the County) Board of State and Community Corrections (BSCC) Assembly Bill (AB) 900 Northern Branch Jail Construction Project is located near the City of Santa Maria, California. The project scope is for a 376 bed jail facility, of which 32 beds are for medical and mental health beds in a specialized housing unit. The facility will be built on a portion of the 50 acre property previously acquired by the County, located at Black and Betteravia Roads. The project is funded primarily by a conditional award of \$80 million from the California BSCC. The County has a 10% match requirement. The BSCC Construction Agreement Documents between the County and State for the conditional award were approved by the County Board of Supervisors on January 15, 2013 (inception of the fund), and by the California State Public Works Board (SPWB) on February 11, 2013. The total project budget for the Northern Branch Jail Construction Project is currently estimated at \$110.9 million, including site acquisition, planning, and all soft costs. Project completion is estimated to be February 2019.

Financial Schedule Presentation

The Schedule of Grant Revenues and Expenditures and other schedules presented in this report were prepared from the accounts and financial transactions of the County, and summarize revenues and expenditures recorded by the County from inception (January 15, 2013) through June 30, 2017, for work performed under the contract with the State of California's BSCC Construction Agreement. The financial schedules are prepared in accordance with the method of accounting required by the BSCC. They present the information requested by the BSCC and, therefore, do not purport to reflect financial position or results of operations in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

Revenue is recognized when the grant is awarded by the BSCC and eligible expenditures are incurred. Expenditures are recognized as disbursed or encumbered and are claimed subject to the approved budget limitations by cost category.

NOTE 2 – CLAIMED COSTS

The County has claimed \$21,423,711 for reimbursement from the State of California for costs from inception (January 15, 2013) through June 30, 2017.

**COUNTY OF SANTA BARBARA, CALIFORNIA
 AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
 FUNDED BY THE STATE OF CALIFORNIA
 BOARD OF STATE AND COMMUNITY CORRECTIONS
 NOTES TO THE FINANCIAL SCHEDULES
 FROM INCEPTION (JANUARY 15, 2013)
 THROUGH JUNE 30, 2017**

NOTE 3 – SUMMARY OF BUDGET

Summary Budget - AB 900 Northern Branch Jail Construction Project (Project)

Construction	\$ 84,663,227
Additional Eligible Costs	8,366,159
Architectural	5,804,095
Construction Management	2,623,585
CEQA	333,000
Audit	20,000
Site Acquisition	602,000
Needs Assessment	70,000
County Administration	3,021,925
Transition Planning	900,000
Real Estate Due Diligence	<u>11,938</u>
TOTAL STATE APPROVED PROJECT BUDGET	106,415,929
Additional Contributions from County - Ineligible	<u>4,441,314</u>
TOTAL PROJECT	<u>\$ 110,857,243</u>

Bids for the Project were opened on April 7, 2016, and significantly exceeded the original project estimates resulting in project costs exceeding the overall approved project budget by \$14.75 million. On May 23, 2016, the Board of Supervisors voted in favor of funding the additional costs which increased the overall budget to \$110,857,243. To satisfy the increased funding requirements, \$12,784,377 was transferred from the General Fund and the remaining \$1,977,477 was transferred from the SB 1022 project, which was discontinued by the Board of Supervisors in 2016. This transfer into the AB 900 Fund occurred in July 2016.

NOTE 4 – SUMMARY OF GRANT REVENUES AND EXPENDITURES

	Budgeted Expenditures			Actual Expenditures	County Fund (Match)	Revenues Received from the State	Balance of Funds to be Received
	From Inception through June 30, 2016	For the Year Ended June 30, 2017	From Inception through June 30, 2017	From Inception through June 30, 2017	From Inception through June 30, 2017		
State Funds							
AB 900 Northern Branch Jail Construction Project	\$ 7,682,132	\$ 22,428,498	\$ 30,110,630	\$ 30,110,630	\$ 8,686,919	\$ 12,677,353	\$ 8,746,358

NOTE 5 – CONTINGENCIES

The County will receive State fund reimbursements for specific costs that are subject to review and audit by the grantor agency. Although such audits and reviews could generate expenditure disallowances under terms of the grants, management believes that all claims submitted to the grantor agency will be received.

COUNTY OF SANTA BARBARA, CALIFORNIA
AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
FUNDED BY THE STATE OF CALIFORNIA
BOARD OF STATE AND COMMUNITY CORRECTIONS
NOTES TO THE FINANCIAL SCHEDULES
FROM INCEPTION (JANUARY 15, 2013)
THROUGH JUNE 30, 2017

NOTE 6 – RECONCILIATION OF ACTUAL PROJECT EXPENDITURES THROUGH JUNE 30, 2017

In the fiscal year ended June 30, 2011, the County purchased a 50 acre parcel of land to be used for the project at a cost of \$5,083,400. The Board of Supervisors formally approved the Northern Branch Jail Construction Project on January 15, 2013, and a special Capital Projects Fund was established at that time. \$8,889,500 was transferred from the General Fund to provide funding of the project prior to receiving reimbursements from the State. At the inception of the fund, \$602,000 of the market value of the land and \$200,000 for acquisition costs was allocated to the project as part of the County’s in-kind match requirement and was transferred back to the General Fund. The remainder of the full cost of the land is included in the project budget as a County ineligible expenditure that was incurred prior to the inception of the fund on January 15, 2013.

**Reconciliation of Expenditures from Inception of the Fund
to the Total Actual Project Expenditures**

Expenditures from inception (January 15, 2013) through June 30, 2017	\$ 30,110,630
Less: Allocation for the value of the land	(602,000)
Add: Actual cash purchase cost of the land	<u>5,083,400</u>
Grand Total of Actual Project Expenditures through June 30, 2017	<u><u>\$ 34,592,030</u></u>

NOTE 7 – SUBSEQUENT EVENTS

In compliance with accounting standards generally accepted in the United States of America, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in these basic financial schedules. Management has determined that no events required disclosure in accordance with accounting standards. These subsequent events have been evaluated through October 2, 2017, which is the date the basic financial schedules were available to be issued.

SUPPLEMENTARY INFORMATION

COUNTY OF SANTA BARBARA, CALIFORNIA
AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT (COUNTY FUND 0032)
FUNDED BY THE STATE OF CALIFORNIA
BOARD OF STATE AND COMMUNITY CORRECTIONS
BALANCE SHEET
JUNE 30, 2017

Assets

Cash in Treasury	\$ 14,658,872
Funds Receivable from the State	8,746,358
	8,746,358
Total Assets	\$ 23,405,230

Liabilities and Fund Balance

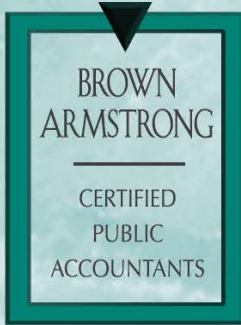
Liabilities

Accounts Payable	\$ 2,861,323
Accrued Expenses	4,549,882
Contract Retainage Payable	123,097
	123,097
Total Liabilities	7,534,302

Fund Balance

Committed	7,124,570
Estimated Revenues from the State	8,746,358
	8,746,358
Total Fund Balance	15,870,928
Total Liabilities and Fund Balance	\$ 23,405,230

OTHER AUDITOR'S REPORTS



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL SCHEDULES PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Supervisors
of the County of Santa Barbara, California

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We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and certain provisions of the Board of State and Community Corrections (BSCC) Audit Guide, the accompanying Schedule of Grant Revenues and Expenditures, Schedule of Agreement to Actual Costs (Budget to Actual), Schedule of Eligible Project Costs by Funding Sources, and Schedule of Recommended Disallowed Costs (State Funds) for the County of Santa Barbara (the County), California, BSCC Assembly Bill (AB) 900 Northern Branch Jail Construction Project, from inception (January 15, 2013) through June 30, 2017, and the related notes to the financial schedules, as listed in the table of contents.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial schedules, we considered the County's internal control over financial reporting (internal control) as it relates to the BSCC AB 900 Northern Branch Jail Construction Project to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial schedules, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial schedules will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial schedules of the BSCC AB 900 Northern Branch Jail Construction Project are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

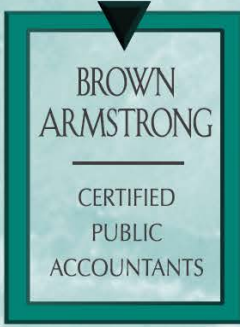
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the BSCC AB 900 Northern Branch Jail Construction Project and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance relating to the BSCC AB 900 Northern Branch Jail Construction Project. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance relating to the BSCC AB 900 Northern Branch Jail Construction Project. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
October 2, 2017



BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH PERFORMANCE REQUIREMENTS

The Board of Supervisors
of the County of Santa Barbara, California

We have conducted a performance audit of the County of Santa Barbara, California
(the County), Board of State and Community Corrections (BSCC) Assembly Bill (AB)
900 Northern Branch Jail Construction Project (the Project) from inception (January
15, 2013) through June 30, 2017.

Management's Responsibility

Management is responsible for the County's compliance with the performance
requirements relating to the Project under the BSCC Audit Guide.

Auditor's Responsibility

Our responsibility is limited to the objectives listed below, which includes determining
the County's compliance with the performance requirements relating to the Project
under the BSCC Audit Guide.

We conducted our performance audit in accordance with auditing standards generally
accepted in the United States of America; the standards applicable to financial audits
contained in Government Auditing Standards, issued by the Comptroller General of
the United States; and certain provisions of the BSCC Audit Guide. Those standards
require that we plan and perform the audit to obtain reasonable assurance for our
conclusion based on our audit objectives.

The audit also consisted of a review of all State financing, as well as all County
contributions, to determine the following:

- A. That the State financing and the County's contribution (cash/hard and/or in-
kind/soft match funds, if applicable) were expended in accordance with
applicable laws, regulations, and BSCC Agreement and Project Delivery and
Construction Agreement requirements;
B. That the State financed projects are within approved scope and budgeted
costs;
C. That the State financed projects are in compliance with applicable laws,
regulations, and established criteria; and
D. That the State financed projects achieved their intended outcome(s).

Audit procedures included, but were not limited to:

- A. Gaining an understanding of the County's system of internal controls as it
relates to the BSCC's construction financing program;
B. Performing a risk assessment to determine what testing will be performed.
The test shall be representative of all cost categories in the BSCC
Agreement and is to determine whether the charges:

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- Conform to any limitations or exclusions in the award of State financing;
 - Include only eligible costs and did not include ineligible costs or other costs properly chargeable to other programs or accounts;
 - Were properly recorded (i.e., correct amount, date) and supported by source documentation;
 - Reported expenditures were incurred within the appropriate period; and
 - Were approved in advance, if they involved a modification subject to prior approval in accordance with the BSCC Agreement;
- C. Providing the results of the work performed in appropriate written reports; and
- D. Identifying any program-related claims by or against the County pending at the time the audit is conducted.

In planning and performing our audit, we considered the County's internal control over compliance with the performance requirements under the BSCC Audit Guide to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion over the County's compliance with the performance requirements under the BSCC Audit Guide but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance with the performance requirements under the BSCC Audit Guide. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance with the performance requirements under the BSCC Audit Guide.

We believe that our audit provides a reasonable basis for our opinion over the County's compliance with the performance requirements under the BSCC Audit Guide. However, our audit does not provide a legal determination of the County's compliance with the performance requirements under the BSCC Audit Guide.

Opinion

In our opinion, the County complied, in all material respects, with the performance requirements under the BSCC Audit Guide referred to above from inception (January 15, 2013) through June 30, 2017.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
October 2, 2017

**COUNTY OF SANTA BARBARA, CALIFORNIA
AB 900 NORTHERN BRANCH JAIL CONSTRUCTION PROJECT
FUNDED BY THE STATE OF CALIFORNIA
BOARD OF STATE AND COMMUNITY CORRECTIONS
FINDINGS AND RECOMMENDATIONS
FROM INCEPTION (JANUARY 15, 2013)
THROUGH JUNE 30, 2017**

Current Period Findings and Recommendations

None noted.