

**Attachment 1**

**ATTACHMENT 1**

**County of Santa Barbara's AB900 North  
Branch Jail Construction Project  
Financial and Performance Audit from  
Inception (January 15, 2013) Through  
December 7, 2021.**

**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 COMPLETION (DECEMBER 7, 2021)**

**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 COMPLETION (DECEMBER 7, 2021)**

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## 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) 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 completion (December 7, 2021), 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, relating to the Project, 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, relating to the Project. 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.

## 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 Project, from inception (January 15, 2013) through completion (December 7, 2021), 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 Project balance sheet as of December 7, 2021, 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 Project balance sheet as of December 7, 2021, 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 January 28, 2022, on our consideration of the County's internal control over financial reporting relating to the 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 Project.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
January 28, 2022

**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 COMPLETION (DECEMBER 7, 2021)**

|   | From Inception<br>Through<br>June 30, 2020 | From July 1, 2020<br>through<br>December 7, 2021 | From Inception<br>Through<br>Completion |
|---|--|--|---|
| <b>REVENUES:</b>  |  |  |   |
| State Funds   | \$ 77,545,064                              | \$ 2,454,936                                     | \$ 80,000,000                           |
| County Funds (Match)  | 29,564,647                                 | 4,607,462  | 34,172,109                              |
| <b>Total Revenues</b>   | <u>107,109,711</u>                         | <u>7,062,398</u>                                 | <u>114,172,109</u>                      |
| <b>EXPENDITURES:</b>  |  |  |   |
| Salaries, Professional Services, and Other                              | 107,109,711                                | 7,062,398  | 114,172,109                             |
| <b>Total Expenditures</b>   | <u>107,109,711</u>                         | <u>7,062,398</u>                                 | <u>114,172,109</u>                      |
| <b>Excess of Revenues over Expenditures</b>                             | <u>\$ -</u>                                | <u>\$ -</u>                                      | <u>\$ -</u>                             |
| <b>SUPPLEMENTARY INFORMATION:</b>                                       |  |  |   |
| Additional Contribution from County via<br>Cost Allocation - Ineligible | <u>\$ 1,405,869</u>                        | <u>\$ 156,965</u>                                | <u>\$ 1,562,834</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 AGREEMENT TO ACTUAL COSTS (BUDGET TO ACTUAL)  
 FROM INCEPTION (JANUARY 15, 2013)  
 THROUGH COMPLETION (DECEMBER 7, 2021)**

| Budget Line Item  | Original Budget<br>From Inception<br>Through<br>June 30, 2020 | Original Budget<br>From July 1, 2020<br>through<br>December 7, 2021 | Budget<br>Modifications | Final Budget<br>From Inception<br>Through<br>Completion | Expenditures<br>From Inception<br>Through<br>June 30, 2020 | Expenditures<br>From July 1, 2020<br>through<br>December 7, 2021 | Expenditures<br>From Inception<br>Through<br>Completion | (Over)/Under |
|---|---|---|-------------------------|---|--|--|---|--------------|
| Salaries and Benefits   | \$ 3,157,105  | \$ 758,170  | \$ -                    | \$ 3,915,275  | \$ 3,157,105   | \$ 758,170   | \$ 3,915,275  | \$ -         |
| Professional Services and Supplies                                      | 103,150,606   | 6,304,228   | -                       | 109,454,834   | 103,150,606  | 6,304,228  | 109,454,834   | -            |
| Other Financing Uses  | 802,000   | -   | -                       | 802,000   | 802,000  | -  | 802,000   | -            |
| <b>Total Costs</b>  | <u>\$ 107,109,711</u>   | <u>\$ 7,062,398</u>   | <u>\$ -</u>             | <u>\$ 114,172,109</u>                                   | <u>\$ 107,109,711</u>                                      | <u>\$ 7,062,398</u>  | <u>\$ 114,172,109</u>                                   | <u>\$ -</u>  |
| <b>SUPPLEMENTARY INFORMATION:</b>                                       |   |   |                         |   |  |  |   |              |
| <b>(Not Budgeted)</b>   |   |   |                         |   |  |  |   |              |
| Additional Contribution from County<br>via Cost Allocation - Ineligible | <u>\$ 1,405,869</u>   | <u>\$ 156,965</u>   | <u>\$ -</u>             | <u>\$ 1,562,834</u>                                     | <u>\$ 1,405,869</u>  | <u>\$ 156,965</u>  | <u>\$ 1,562,834</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 COMPLETION (DECEMBER 7, 2021)**

## COSTS CLAIMED FOR:

| Budget Line Item  | State Costs<br>To Be Claimed | Cash<br>Match       | In-Kind<br>Match    | Eligible<br>Over-Match | Ineligible<br>Over-Match | Other<br>Ineligible | Total                 |
|---|------------------------------|---------------------|---------------------|------------------------|--------------------------|---------------------|-----------------------|
| Salaries, Professional Services, and Other:<br>From Inception Through June 30, 2020                   | \$ 77,545,064                | \$ 4,984,052        | \$ 4,040,999        | \$ 20,074,725          | \$ 464,871               | \$ -                | \$ 107,109,711        |
| Salaries, Professional Services, and Other:<br>From July 1, 2020 through December 7, 2021             | 2,454,936                    | 18,618              | (148,752)           | 4,050,614              | 686,982                  | -                   | 7,062,398             |
| Total Salaries, Professional Services, and Other:<br>From Inception Through Completion                | <u>\$ 80,000,000</u>         | <u>\$ 5,002,670</u> | <u>\$ 3,892,247</u> | <u>\$ 24,125,339</u>   | <u>\$ 1,151,853</u>      | <u>\$ -</u>         | <u>\$ 114,172,109</u> |
| SUPPLEMENTARY INFORMATION:<br>Additional Contribution from County<br>via Cost Allocation - Ineligible | <u>\$ -</u>                  | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>            | <u>\$ -</u>              | <u>\$ 1,562,834</u> | <u>\$ 1,562,834</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 COMPLETION (DECEMBER 7, 2021)**

| <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, 2020</u>     | <u>From July 1, 2020 through December 7, 2021</u> | <u>From Inception Through Completion</u> |                       |                                  |
| Salaries and Professional Services | \$ 77,545,064                                   | \$ 2,454,936                                      | \$ 80,000,000                            | \$ 80,000,000         | \$ -                             |
| Total Costs                        | \$ 77,545,064                                   | \$ 2,454,936                                      | \$ 80,000,000                            | \$ 80,000,000         | \$ -                             |

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 COMPLETION (DECEMBER 7, 2021)**

**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 (the 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 was 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 Project is currently at \$119.5 million, including site acquisition, planning, and all soft costs. Final State reimbursable expenditures and required match expenditures were incurred and approved as of December 7, 2021. The facility was determined to be ready for operations and was occupied in January 2022. Ineligible costs are still being incurred to finalize security electronics and performance testing.

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 completion (December 7, 2021), 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. The schedules 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 \$76,000,000 for reimbursement from the State of California for costs from inception (January 15, 2013) through completion (December 7, 2021). An additional \$4,000,000 in expenditures were incurred, but not claimed, through December 7, 2021.

**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 COMPLETION (DECEMBER 7, 2021)**

**NOTE 3 – SUMMARY OF BUDGET**

**Summary Budget - AB 900 Northern Branch Jail Construction Project**

|   |                              |
|---|------------------------------|
| Construction                                      | \$ 88,463,245                |
| Additional Eligible Costs                         | 10,478,222                   |
| Architectural                                     | 6,939,344                    |
| Construction Management                           | 4,052,169                    |
| CEQA  | 333,000                      |
| Audit   | 89,000                       |
| Site Acquisition                                  | 602,000                      |
| Needs Assessment                                  | 70,000                       |
| County Administration                             | 3,048,309                    |
| Transition Planning                               | 900,000                      |
| Real Estate Due Diligence                         | <u>15,560</u>                |
| <b>TOTAL STATE APPROVED PROJECT BUDGET</b>        | <b>114,990,849</b>           |
| Additional Contributions from County - Ineligible | <u>4,481,400</u>             |
| <b>TOTAL PROJECT</b>                              | <b><u>\$ 119,472,249</u></b> |

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 Senate Bill (SB) 1022 project, which was discontinued by the Board of Supervisors in 2016. This transfer into the AB 900 Fund occurred in July 2016. On March 17, 2020, the Board of Supervisors approved the budget revision to increase appropriations within the General Fund and authorize funding in the amount of \$5,000,000 from the Northern Branch Jail Operating Fund to address the anticipated funding requirements for Fiscal Year 2019-20 for the Project. Another \$615,000 was approved for fiscal year 2021/22 costs. The revised current budget for the Project is \$119,472,249.

**NOTE 4 – SUMMARY OF GRANT REVENUES AND EXPENDITURES**

| State Funds                                      | Budgeted Expenditures                |  |                                   | Actual Expenditures               | County Fund (Match)               | Revenues Received from the State | Balance of Funds to be Received |
|--|--------------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|---------------------------------|
|  | From Inception through June 30, 2020 | From July 1, 2020 through December 7, 2021 | From Inception through Completion | From Inception through Completion | From Inception through Completion |                                  |                                 |
| AB 900 Northern Branch Jail Construction Project | \$ 107,109,711                       | \$ 7,062,398                               | \$ 114,172,109                    | \$ 114,172,109                    | \$ 34,172,109                     | \$ 76,000,000                    | \$ 4,000,000                    |

**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 COMPLETION (DECEMBER 7, 2021)**

**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.

Litigation

Upon completion of the Project, the County's jail system will consist of both the new Northern Branch Jail (in the Santa Maria area) and the Main Jail (in the Santa Barbara area). Concerning the Project: 1) on July 12, 2019 the County filed civil litigation against its former Project Architect, which had informed the County in June 2019 that it was going out of business and would no longer work on the Project; and 2) in July 2019 the County replaced that former Project Architect by shifting architectural and engineering services to the current Project's Construction Management Contractor.

**NOTE 6 – RECONCILIATION OF ACTUAL PROJECT EXPENDITURES THROUGH DECEMBER 7, 2021**

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 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 were 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 completion (December 7, 2021) | \$ 114,172,109               |
| 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 completion (December 7, 2021)     | <u><u>\$ 118,653,509</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 January 28, 2022, 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**  
**DECEMBER 7, 2021**

|   |                            |
|---|----------------------------|
| <b>Assets</b>                           |                            |
| Cash in Treasury                        | \$ 1,620,991               |
| Funds Receivable from the State         | <u>4,000,000</u>           |
| Total Assets                            | <u><u>\$ 5,620,991</u></u> |
| <br><b>Liabilities and Fund Balance</b> |                            |
| <b>Liabilities</b>                      |                            |
| Contract Retainage Payable              | \$ 227,195                 |
| Deferred Unavailable Revenue            | <u>4,000,000</u>           |
| Total Liabilities                       | <u>4,227,195</u>           |
| <br><b>Fund Balance</b>                 |                            |
| Committed                               | <u>1,393,796</u>           |
| Total Fund Balance                      | <u>1,393,796</u>           |
| Total Liabilities and Fund Balance      | <u><u>\$ 5,620,991</u></u> |

**OTHER AUDITOR'S REPORTS**



**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

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, California (the County), BSCC Assembly Bill (AB) 900 Northern Branch Jail Construction Project (the Project), from inception (January 15, 2013) through completion (December 7, 2021), 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 as a basis for designing 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 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 financial schedules. 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 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 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 Project. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
January 28, 2022



www.ba.cpa  
661-324-4971

**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 completion (December 7, 2021).

**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:

- 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 completion (December 7, 2021).

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
January 28, 2022

**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 COMPLETION (DECEMBER 7, 2021)**

Current Period Findings and Recommendations

None noted.