

County of Santa Barbara

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Auditor-Controller

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Office of the Auditor-Controller

AUDITOR'S REPORT

To the Honorable Board of Supervisors of the County of Santa Barbara, California:

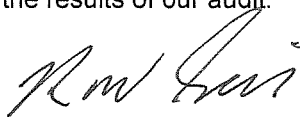
Pursuant to Government Code §26920(b) and §26922, we have audited the accompanying *Statement of Assets* (the statement) of the Santa Barbara County Treasurer as of and for the year then ended June 30, 2011. This statement is the responsibility of the County Treasurer's management. Our responsibility is to express an opinion on the statement based on our audit. The prior year's comparative information has been derived from the Santa Barbara County Treasurer's June 30, 2010 statement and, in our report dated July 30, 2010 we expressed an unqualified opinion on that statement.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance that the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As required by various statutes within the California Government Code, county auditor-controllers are mandated to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, impair *Government Auditing Standards'* independence standards. We believe that the following safeguards and division of responsibility exist to retain the audit organization independence. The Santa Barbara County Auditor-Controller is directly elected by the voters of the jurisdiction being audited. Also, the audit staff, having the responsibility to perform audits, resides in a stand-alone division of the Auditor-Controller's Office and has no other responsibility of the accounts and records being audited.

In our opinion, the statement referred to above presents fairly, in all material respects, the assets controlled by the County Treasurer as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 29, 2011 on our consideration of the Treasurer's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, and contracts. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink, appearing to read "R W Geis". The signature is written in a cursive, flowing style.

Robert W. Geis, CPA

July 29, 2011