



BROWN ARMSTRONG
PAULDEN McCOWN STARBUCK THORNBURGH & KEETER
 CERTIFIED PUBLIC ACCOUNTANTS

■ Main Office
 4200 Truxtun Ave., Suite 300
 Bakersfield, California 93309
 Tel 661-324-4971 Fax 661-324-4997
 e-mail: info@bacpas.com

■ Shafter Office
 560 Central Avenue
 Shafter, California 93263
 Tel 661-746-2145 Fax 661-746-1218

Andrew J. Paulden, CPA
 Peter C. Brown, CPA
 Burton H. Armstrong, CPA, MST
 Steven R. Starbuck, CPA
 Aileen K. Keeter, CPA
 Chris M. Thornburgh, CPA
 Eric H. Xin, MBA, CPA
 Richard L. Halle, CPA, MST

**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Supervisors
 County of Santa Barbara, California

Harvey J. McCown, MBA, CPA
 Lynn R. Krausse, CPA, MST
 Rosalva Flores, CPA
 Connie M. Perez, CPA
 Diana H. Branthoover, CPA
 Thomas M. Young, CPA
 Alicia Dias, CPA, MBA
 Matthew R. Gilligan, CPA
 Hanna J. Sheppard, CPA
 Ryan L. Nielsen, CPA
 Jian Ou-Yang, CPA
 Jialan Su, CPA
 Ariadne S. Prunes, CPA
 Samuel O. Newland, CPA
 Brooke N. DeCuir, CPA
 Kenneth J. Witham, CPA
 Clint W. Baird, CPA
 Adrian Rich, CPA
 Craig A. Rickett, CPA

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the County of Santa Barbara, California (the County), for the year ended June 30, 2009. These procedures, which were agreed to by the County of Santa Barbara, solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The County of Santa Barbara's management is responsible for the preparation and accuracy of the Appropriations Limit Worksheet. 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 those parties specified in the report. 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.

Our procedures and findings are as follows:

- 1) We obtained the County's completed Appropriations Limit Worksheet and determined that the limit and annual adjustment factors were adopted by resolution of the Board of Supervisors. We also determined that the population and inflation options were selected by a recorded vote of the Board of Supervisors. We noted no exceptions as a result of this procedure.
- 2) We agreed the June 30, 2008 Appropriations Limit presented in the accompanying Appropriations Limit Worksheet to the June 30, 2008 Appropriations Limit as adopted by the Board of Supervisors. We noted no exceptions as a result of this procedure.
- 3) We agreed the fiscal year 2009 information presented in the accompanying Appropriations Limit Worksheet to the supporting worksheets designed and prepared by the County. We noted no exceptions as a result of this procedure.
- 4) For the accompanying Appropriations Limit Worksheet, we added the June 30, 2008 limit to the total fiscal year 2009 annual adjustment and agreed the resulting amount to the June 30, 2009 limit. We noted no exceptions as a result of this procedure.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the accompanying Appropriations Limit Worksheet. Accordingly, we do not express such an opinion.

Based on the application of the procedures referred to above, nothing came to our attention that caused us to believe that the accompanying Appropriations Limit Worksheet was not computed in accordance with Article XIII B of the California Constitution. 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 management and the Board of Supervisors of the County of Santa Barbara, California and is not intended to be and should not be used by anyone other than those specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



By: Eric H. Xin

Bakersfield, California
August 28, 2009

**COUNTY OF SANTA BARBARA
APPROPRIATIONS LIMIT WORKSHEET
JUNE 30, 2009**

Appropriations limit at June 30, 2008		<u>\$ 568,134,492</u>
Adjustment factors:		
Population factor (percent change in population within the County and all counties having borders contiguous to the County)	1.0150	
Inflation factor (percent change in California per capital personal income)	x <u>1.0429</u>	
Total adjustment factor		x <u>1.0585</u>
Annual adjustment		<u>33,235,868</u>
Appropriations limit at June 30, 2009		<u><u>\$ 601,370,360</u></u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Appropriation Limits
Compared to Actual Tax Proceeds
FY 2008-09**

Exhibit I

	<u>Approved 2008-09 Limit</u>	<u>2008-09 Tax Proceeds</u>	<u>Amount (over)/under Limit</u>
County of Santa Barbara	\$ 601,370,360	\$ 157,508,810	\$ 443,861,550
County Service Area #3	4,456,015	938,084	3,517,931
County Service Area #4	56,726	38,075	18,651
County Service Area #5	268,228	101,408	166,820
County Service Area #12 - Mission Canyon Sewer Service	1,561,276	-	1,561,276
County Service Area #32	80,700,332	26,700,053	54,000,279
County Service Area #41	312,256	-	312,256
Fire Protection District	71,786,567	27,861,137	43,925,430
North County Lighting District	786,288	430,489	355,799
Flood Control Districts	26,733,564	9,046,294	17,687,270

**General Fund Appropriations Limit
Actual Compliance Calculation
FY 2008-09**

Exhibit II

<u>Tax Proceeds Accounts</u>		<u>Actuals FY 08-09</u>
3010	Current Year Secured Property Tax	\$ 111,255,301
3011	Unitary Tax	2,159,761
3012	Educational Rev Augmentation	-
3013	Property Tax In-lieu of VLF	41,615,241
3020	Current Year Unsecured Property Tax	4,602,789
3021	Current Year Unsecured Property Tax - Airport	641,125
3040	Prior Years Secured Property Tax	(49,545)
3050	Prior Years Unsecured Property Tax	18,279
3054	Supplemental Property Tax - Current Year	3,342,356
3056	Supplemental Property Tax - Prior Year	-
3091	Sales Tax	7,303,846
3095	In-lieu Local Sales Tax	2,242,198
3131	Transient Occupancy Tax	6,430,993
3133	Racehorse Tax	6,970
3138	Property Transfer Tax	2,155,238
3541	Motor Vehicle In-lieu Tax	-
4220	Homeowners Property Tax Relief	930,082
4270	Open Space Lands Apportionment	597,831
	Less: Transfer to County Service Area 3	-
	Less: Transfer to County Service Area 32	(26,700,053)
	Less: Transfer to North County Lighting District	-
		<u>156,552,412</u>
	<u>Allocable Tax Proceeds</u>	
3380/81	Interest/Unrealized Gain or Loss	718,157
3402	Rents - Public Phones/Vending Machines	8,858
3405	Rents - Grazing Fees	16,747
3409	Rents - Other Buildings & Land	212,636
		<u>956,398</u>
	Total Tax Proceeds	157,508,810
	Less Exclusions (Note A)	-
		<u>157,508,810</u>
	<u>Compliance Calculation</u>	
	2008-09 Actual Tax Proceeds	\$ 157,508,810
	2008-09 Appropriations Limit	<u>601,370,360</u>
	Total Amount Under Limit	<u><u>\$ 443,861,550</u></u>

Note A: The County is currently electing not to calculate the exclusions due to immateriality. Historically, exclusions have averaged less than 10% of proceeds, or roughly \$7 - 8 million. However, the County may resume calculating the exclusions in the future.

**Proposed Appropriation Limits
Calculation
FY 2009-10**

Exhibit III

	2008-09 Limit	2009-10 Population Factor	2009-10 Price Factor	2009-10 Limit
County of Santa Barbara	\$ 601,370,360	1.0125	1.0062	\$ 612,676,123
County Service Area #3	4,456,015	1.0117	1.0062	4,536,223
County Service Area #4	56,726	1.0117	1.0062	57,747
County Service Area #5	268,228	1.0117	1.0062	273,056
County Service Area #12 - Mission Canyon Sewer Service	1,561,276	1.0117	1.0062	1,589,379
County Service Area #32	80,700,332	1.0117	1.0062	82,152,938
County Service Area #41	312,256	1.0117	1.0062	317,877
Fire Protection District	71,786,567	1.0117	1.0062	73,078,725
North County Lighting District	786,288	1.0117	1.0062	800,441
Flood Control Districts	26,733,564	1.0117	1.0062	27,214,768

General Fund Appropriations Limit
 Estimated Compliance Calculation
 FY 2009-10

Exhibit IV

<u>Tax Proceeds Accounts</u>		Estimated FY 09-10
3010	Current Year Secured Property Tax	\$ 112,000,000
3011	Unitary Tax	2,145,000
3012	Educational Rev Augmentation	-
3013	Property Tax In-lieu of VLF	42,065,000
3020	Current Year Unsecured Property Tax	4,200,000
3021	Current Year Unsecured Property Tax - Airport	626,000
3040	Prior Years Secured Property Tax	(164,000)
3050	Prior Years Unsecured Property Tax	(25,000)
3051	Prior Years Unsecured Property Tax - Airport	-
3054	Supplemental Property Tax - Current Year	2,800,000
3091	Sales Tax	6,817,000
3095	In-lieu Local Sales Tax	1,684,000
3131	Transient Occupancy Tax	5,727,000
3133	Racehorse Tax	9,000
3138	Property Transfer Tax	1,700,000
3541	Motor Vehicle In-Lieu Tax	-
4220	Homeowners Property Tax Relief	925,000
4270	Open Space Lands Apportionment	-
	Less: Transfer to North County Lighting District	-
	Less: Transfer to County Service Area 3	-
	Less: Transfer to County Service Area 32	(26,279,423)
		<u>154,229,577</u>
<u>Allocable Tax Proceeds</u>		
3380/81	Interest	1,147,640
3402	Rents - Public Phones/Vending Machines	9,900
3405	Rents - Grazing Fees	16,747
3409	Rents - Other Buildings and Land	224,309
		<u>1,398,596</u>
	Total Estimated Tax Proceeds	155,628,173
	Less Exclusions (Note A)	-
<u>Compliance Calculation</u>		
	2009-10 Estimated Tax Proceeds	\$ 155,628,173
	2009-10 Appropriations Limit	<u>612,676,123</u>
	Total Amount Under Limit	<u>\$ 457,047,950</u>

Note A: The County is currently electing not to calculate the exclusions due to immateriality. Historically, exclusions have averaged less than 10% of proceeds, or roughly \$7 - 8 million. However, the County may resume calculating the exclusions in the future.