



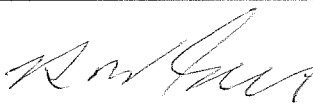
BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: Auditor-Controller  
Department No.: 061  
For Agenda Of: 11/2/2010  
Placement: Administrative  
Estimated Time: N/A  
Continued Item:  
If Yes, date from:  
Vote Required: No Vote Required

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**TO:** Board of Supervisors  
**FROM:** Auditor-Controller Robert W. Geis, CPA   
Contact: Juan Izqueirido, CPA ext 2134  
**SUBJECT:** Independent Special Districts Compliance Report

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**County Counsel Concurrence**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:**

As to form: N/A

**Recommended Actions:** Accept and file Santa Barbara County Independent Special Districts Compliance Report for the completion of annual audits ending FY 2008/09 and annual budgets for FY 2009/10 fiscal year.

**Summary Text:** Government Code section 26909 requires the completion and filing of a special district's audited financial statements with the County Auditor-Controller within 12 months of the fiscal year end. Government Code section 53901 requires the completion and filing of annual budgets within 60 days after the beginning of the fiscal year with the County Auditor-Controller. All of the FY 2008/09 Audits were completed and submitted to the Auditor's Office by the deadline, and all received an unqualified (clean) opinion in their financial statements, except Casmalia Community Services District which, as noted on the report, received no opinion. All of the FY 2009/10 budgets were completed, approved and submitted on time.

**Background:** The Santa Barbara County Grand Jury in Fiscal Year 99/00 recommended that the Auditor-Controller improve the compliance effort concerning completion and filing of annual budgets and annual financial reports by the independent special districts. The timely filing of reports is an internal control that can assist the districts with the management of their financial affairs on an annual basis. The same Grand Jury requested that the Auditor-Controller conduct a financial analysis of the thirty-seven independent districts. We issued a report on 6/27/06 and informally agreed to update this report every three years. In that report, we analyze and report the Districts' current fiscal strengths and vulnerabilities and make recommendations for improvements. The County Internal Audit division conducts audits of eight of the thirty-seven districts' financial statements, and the remainder are audited by other CPA firms.

**Performance Measure:** .

**Special Instructions:**

**Attachments:**

Special Districts Compliance Report

**Authored by:** Robert Geis Jr, Specialty Accounting ext.2111

**cc:**



Office of the Auditor-Controller  
Specialty Accounting Division

## SANTA BARBARA COUNTY INDEPENDENT SPECIAL DISTRICTS

Compliance Report covering:  
2008/09 Annual Financial Reports  
2009/10 Annual Budgets



Santa Barbara County Air Pollution Control District. Source: Donald Kendig

Report Date - 10/6/10

Prepared under the direction of  
Robert W. Geis, CPA  
Auditor-Controller  
(805) 568-2100



# Annual Financial Reports - 2008/09

## **Background:**

Government Code §26909 requires the county auditor to either perform or contract with a certified public accountant or public accountant to perform an annual audit of every special purpose district within the county for which an audit is not otherwise provided. These audits must meet State Controller minimum requirements in addition to generally accepted auditing standards. The audit report must be submitted to both the State Controller and county auditor within 12 months of the end of the State fiscal year or years under examination.

## **Compliance Report:**

For fiscal year 2008-09, 39% of the districts completed their financial reports within 120 days of the fiscal year end. In the 2007/08 fiscal year, 38% completed their financial report within 120 days. While these completion dates are not an optimum measure, we still believe this is a positive indicator of fiscal stewardship and demonstrates good fiduciary management by district boards and their staff. An **unqualified opinion** means the financial statements are fairly presented. **No opinion** means that the independent auditor did not have a sufficient scope of work in order to express an opinion on the financial statements.

Special District	Audited By	Report	Opinion	Comments
Goleta Water District	Charles Z Fedak & Company	08/19/2009	Unqualified	
Santa Ynez River Water Conservation District	James L. Hayes, CPA	08/19/2009	Unqualified	
Santa Ynez Community Service District	Moss, Levy & Hartzeim LLP	08/27/2009	Unqualified	
Montecito Fire Protection	County of Santa Barbara	09/01/2009	Unqualified	
Los Alamos Cemetery	County of Santa Barbara	09/11/2009	Unqualified	
Lompoc Valley Medical Center	TCA Partners, LLP	09/16/2009	Unqualified	
Santa Maria Public Airport District	Charles Z Fedak & Company	09/21/2009	Unqualified	
Cuyama Valley Recreation	County of Santa Barbara	09/22/2009	Unqualified	
Los Alamos Community Services	Moss, Levy & Hartzeim LLP	09/22/2009	Unqualified	
Oak Hill Cemetery	Moss, Levy & Hartzeim LLP	09/24/2009	Unqualified	
Carpinteria Sanitary District	Teaman, Ramirez & Smith, Inc	09/29/2009	Unqualified	
Goleta Sanitary District	Teaman, Ramirez & Smith, Inc	10/06/2009	Unqualified	
Vandenberg Village Community Services	Moss, Levy & Hartzeim LLP	10/13/2009	Unqualified	
Montecito Water District	Poindexter & Co.	10/16/2009	Unqualified	
Goleta West Sanitary	Bartlett, Pringle & Wolf, LLP	10/20/2009	Unqualified	
Cuyama Community Service District	Moss, Levy & Hartzeim LLP	11/06/2009	Unqualified	
Guadalupe Cemetery	County of Santa Barbara	11/09/2009	Unqualified	
Goleta Cemetery	Bartlett, Pringle & Wolf, LLP	11/10/2009	Unqualified	
SBCAG	Moss, Levy & Hartzeim LLP	11/18/2009	Unqualified	
Air Pollution Control District	Nasif Hicks, Harris & Co., LLP	12/04/2009	Unqualified	
Mosquito & Vector Management District	Moss, Levy & Hartzeim LLP	12/10/2009	Unqualified	
Santa Barbara Metropolitan Transit District	McGowen Guntermann	12/10/2009	Unqualified	
Summerland Sanitary	Bartlett, Pringle & Wolf, LLP	12/10/2009	Unqualified	
Embarcadero Municipal Improvement District	Bartlett, Pringle & Wolf, LLP	12/11/2009	Unqualified	
Montecito Sanitary	Bartlett, Pringle & Wolf, LLP	12/14/2009	Unqualified	
Carpinteria Cemetery	County of Santa Barbara	12/15/2009	Unqualified	
Santa Maria Cemetery	Moss, Levy & Hartzeim LLP	12/24/2009	Unqualified	
Carpinteria Valley Water District	Bartlett, Pringle & Wolf, LLP	01/04/2010	Unqualified	
Santa Ynez River Water Conservation No.1	Bartlett, Pringle & Wolf, LLP	01/11/2010	Unqualified	
Lompoc Cemetery	Moss, Levy & Hartzeim LLP	01/22/2010	Unqualified	
Isla Vista Parks and Recreation	Bartlett, Pringle & Wolf, LLP	01/28/2010	Unqualified	
Carpinteria-Summerland Fire	County of Santa Barbara	02/17/2010	Unqualified	
Santa Maria Valley Water Conservation District	Moss, Levy & Hartzeim LLP	03/18/2010	Unqualified	
LAFCO	Bartlett, Pringle & Wolf, LLP	03/23/2010	Unqualified	
Mission Hills Community Service	Glenn, Burdette, Phillips & Bryson	03/24/2010	Unqualified	
Cachuma Resource Conservation	Moss, Levy & Hartzeim LLP	04/01/2010	Unqualified	
SBCERS	Nasif Hicks, Harris & Co., LLP	04/30/2010	Unqualified	
Casmalia	County of Santa Barbara	06/28/2010	No Opinion	No opinion due to lack of documentation to support construction in progress.

## **Recommendations:**

- We recommend that all the districts strive to compile their financials within 120 days of fiscal year end.
- Districts with comments should work toward achieving an unqualified "clean" and timely opinion on their financial audits.

# Annual Budgets - 2009/10

## **Background:**

The filing of local agency, with the exception of fire districts, budgets and related exemptions is governed by Government Code §53901 which states "Unless exempted by the county auditor 60 days after the beginning of its fiscal year [July 1<sup>st</sup>], every local agency, including every special purpose assessing or taxing district with the county shall file with the county auditor... a copy of its annual budget."

The adoption of final budget for fire protection districts is governed by Health and Safety Code §13895 which states "On or before October 1 of each year... the board shall adopt a final budget. A copy of the final budget shall be forwarded to the auditor of each county in which the district is located."

## **Compliance Report:**

All of the Santa Barbara County Independent Special Districts complied with the above quoted California code sections to provide their fiscal year 2009/10 budget timely.

<b>Special District</b>	<b>Budget Received Date</b>
Goleta Sanitary District	05/26/2009
Mission Hills Community Service	05/29/2009
Goleta West Sanitary	06/08/2009
Santa Ynez River Water Conservation District	06/11/2009
Los Alamos Cemetery	06/15/2009
Los Alamos Community Services	06/15/2009
Goleta Cemetery	06/18/2009
Santa Ynez Community Service District	06/22/2009
Montecito Water District	06/30/2009
Oak Hill Cemetery	07/07/2009
Goleta Water District	07/11/2009
Isla Vista Parks and Recreation	07/11/2009
Montecito Sanitary	07/11/2009
Summerland Sanitary	07/11/2009
Cachuma Resource Conservation	07/12/2009
Santa Barbara Metropolitan Transit District	07/12/2009
Carpinteria Sanitary District	07/13/2009
Santa Ynez River Water Conservation No.1	07/22/2009
Mosquito & Vector Management District	07/30/2009
SBCAG	07/30/2009
Air Pollution Control District	07/31/2009
Santa Maria Valley Water Conservation District	08/04/2009
Santa Maria Cemetery	08/12/2009
LAFCO	08/13/2009
Vandenberg Village Community Services	08/14/2009
Carpinteria Valley Water District	08/17/2009
Cuyama Valley Recreation	08/17/2009
Law Library	08/19/2009
Casmalia	08/19/2009
Cuyama Community Service District	08/19/2009
Santa Maria Public Airport District	08/19/2009
Lompoc Cemetery	08/20/2009
Guadalupe Cemetery	08/24/2009
Carpinteria Cemetery	08/25/2009
Embarcadero Municipal Improvement District	08/26/2009
Lompoc Valley Medical Center	08/29/2009
SBCERS	08/31/2009
Carpinteria-Summerland Fire	09/17/2009
Montecito Fire Protection	09/25/2009

## **Recommendations:**

- For the quality of districts' budgets to continue to meet State legal requirements, the State Controller's standards must be followed in preparing and adopting the districts' budgets.