



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: December 5, 2017
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director Theodore Fallati, CPA, CPFO
Auditor-Controller
Contact Info: Ed Price, CPA
Chief Deputy Controller
SUBJECT: Independent Special Districts Compliance Report

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Santa Barbara County Independent Special Districts Compliance Report for the completion of annual audits ending Fiscal Year (FY) 2015-16 and annual budgets for FY 2016-17.
- b) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(5), because they are government fiscal activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

Summary Text:

Government Code §26909 requires the County Auditor to either make or contract with a certified public accountant to make an annual audit of the accounts and records of every special purpose district within the County in accordance with generally accepted auditing standards. The audit report is required to be completed and filed with the County Auditor within 12 months of fiscal year end. Government Code §53901 requires every assessing or taxing district or local agency to adopt and file their annual budget with the County Auditor within 60 days of the beginning of the fiscal year. Health and Safety Code §13895 requires every Fire Protection District to adopt and then file their annual budget with the County Auditor on or before October 1st of each fiscal year.

All Santa Barbara County districts currently operating, with the exception of one district, completed their FY 2015-16 audits before the require 12 month legal deadline.

- All districts currently operating received an unmodified (“clean”) opinion for FY 2015-16. An unmodified opinion means the financial statements are fairly presented.
- The Santa Rita Hills Community Services District did not complete an audit report for FY2015-16. As of December 5th, 2014 and through this reporting period, the Santa Rita Hills CSD had no board of directors, and as a result was not operating.

The County Auditor received the FY 2016-17 adopted budgets from 33 of the 40 currently operating special districts and local agencies within the 60 day required due date.

In FY 2016-17 two additional special districts were formed. The Isla Vista Community Services District was formed on March 1, 2017. The district had no budgetary expenditures and did not adopt a budget for their first fiscal period. The Cuyama Basin Water District was formed on March 13, 2017 and operates on a calendar year. The FY 2015-16 audit report requirement did not apply to these districts since the formation of the districts was after this reporting period.

Background:

During Fiscal Year 99/00, the Santa Barbara County Grand Jury recommended that the Auditor-Controller improve the compliance effort concerning completion and filing of annual budgets and annual financial reports by independent special districts. In its recommendation, the Grand Jury noted that the timely filing of reports is an internal control that can assist districts with the management of their financial affairs on an annual basis.

Performance Measure:

Timely and accurately produce and publish financial reports.

Fiscal and Facilities Impacts:

N/A

Staffing Impacts: N/A

Special Instructions:

N/A

Attachments:

1. Special Districts Compliance Report

Authored by:

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cc: