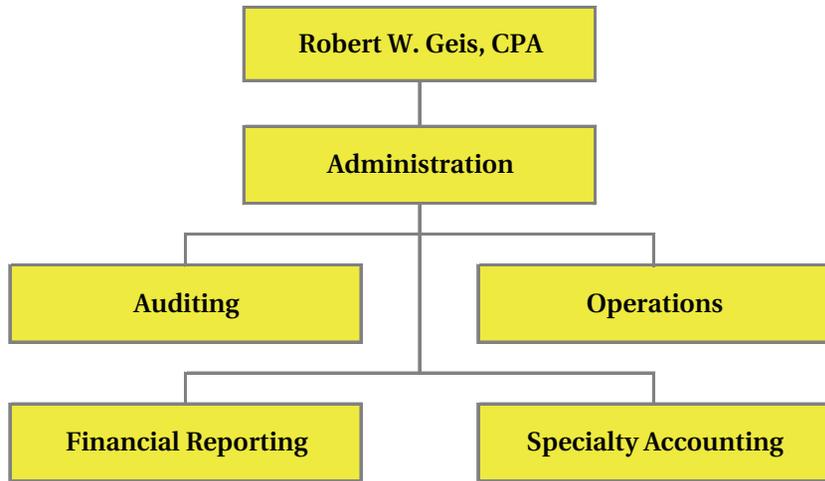
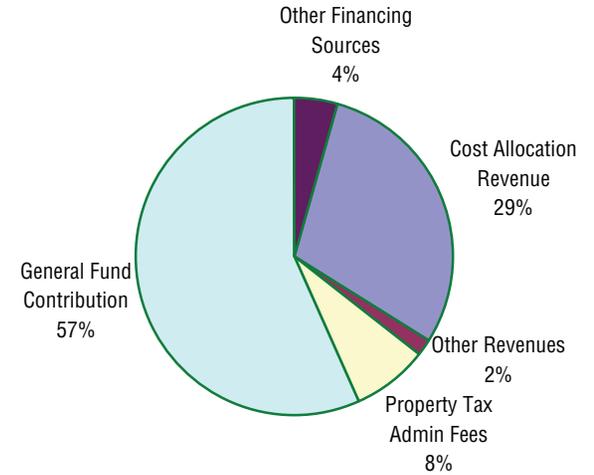


AUDITOR-CONTROLLER

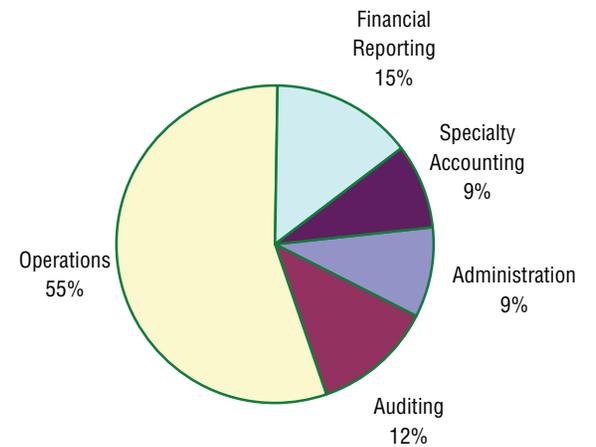
Budget & Positions (FTEs)	
Operating \$	5,422,872
Capital	10,000
Positions	54.3 FTEs



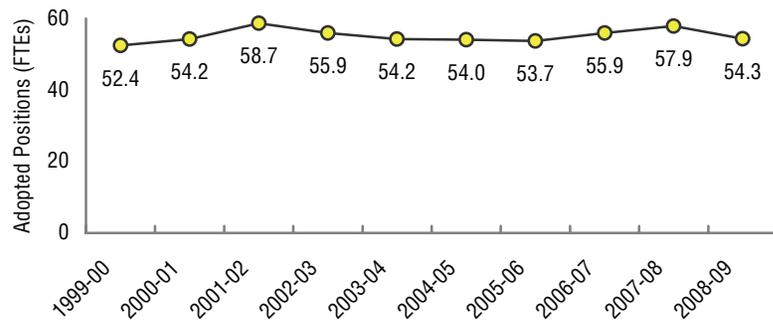
SOURCE OF FUNDS



USE OF FUNDS



STAFFING TREND



AUDITOR-CONTROLLER

Department Summary

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Use of Funds Summary				
<i>Operating Expenditures</i>				
Administration	\$ 846,820	\$ 703,288	\$ 681,545	\$ 691,324
Auditing	737,739	1,069,240	1,069,299	947,860
Operations	3,681,371	4,173,394	4,072,374	4,243,701
Financial Reporting	792,903	854,458	857,610	1,110,362
Specialty Accounting	378,842	388,194	376,999	654,003
Operating Sub-Total	6,437,675	7,188,574	7,057,827	7,647,250
Less: Intra-County Revenues	(1,966,002)	(2,184,419)	(2,353,244)	(2,224,378)
Operating Total	4,471,673	5,004,155	4,704,583	5,422,872
<i>Non-Operating Expenditures</i>				
Capital Assets	120,996	40,000	10,000	10,000
Expenditure Total	4,592,669	5,044,155	4,714,583	5,432,872
<i>Other Financing Uses</i>				
Operating Transfers	5,354	5,326	5,326	5,326
Designated for Future Uses	180,000	--	--	--
Department Total	\$ 4,778,023	\$ 5,049,481	\$ 4,719,909	\$ 5,438,198

Character of Expenditures

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
<i>Operating Expenditures</i>				
Regular Salaries	\$ 4,171,262	\$ 4,738,738	\$ 4,562,398	\$ 4,807,728
Overtime	10,278	--	11,000	--
Extra Help	93,676	--	100,000	100,277
Benefits	1,237,446	1,608,670	1,431,795	1,838,395
Salaries & Benefits Sub-Total	5,512,662	6,347,408	6,105,193	6,746,400
Services & Supplies	925,013	841,166	952,634	900,850
Operating Sub-Total	6,437,675	7,188,574	7,057,827	7,647,250
Less: Intra-County Revenues	(1,966,002)	(2,184,419)	(2,353,244)	(2,224,378)
Operating Total	4,471,673	5,004,155	4,704,583	5,422,872
<i>Non-Operating Expenditures</i>				
Capital Assets	120,996	40,000	10,000	10,000
Expenditure Total	\$ 4,592,669	\$ 5,044,155	\$ 4,714,583	\$ 5,432,872

Note: Presentation of the individual program amounts for fiscal years 2006-07 and 2007-08 have been adjusted to provide a consistent level of detail with the fiscal year 2008-09 budget, however, the totals for 2006-07 and 2007-08 have not been changed.

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Source of Funds Summary				
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 1,892,004	\$ 2,276,553	\$ 2,276,553	\$ 2,259,535
Property Tax Admin Fees	621,771	570,166	591,900	583,000
Other Charges for Services	192,269	123,391	128,691	126,896
Miscellaneous Revenue	53,971	5,900	49,900	8,000
Revenue Sub-Total	2,760,015	2,976,010	3,047,044	2,977,431
Less: Intra-County Revenues	(1,966,002)	(2,184,419)	(2,353,244)	(2,224,378)
Revenue Total	794,013	791,591	693,800	753,053
<i>General Fund Contribution</i>	3,984,010	4,257,890	4,005,154	4,351,145
<i>Other Financing Sources</i>				
Operating Transfers	--	--	20,955	--
Use of Prior Fund Balances	--	--	--	334,000
Department Total	\$ 4,778,023	\$ 5,049,481	\$ 4,719,909	\$ 5,438,198

	Actual FY 06-07		Adopted FY 07-08		Est. Actual FY 07-08		Recommended FY 08-09	
	Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE
Position Summary								
<i>Permanent</i>								
Administration	4.0	3.6	4.0	3.2	4.0	3.1	3.0	2.9
Auditing	10.0	8.0	11.0	11.2	11.0	6.1	7.0	7.6
Operations	33.1	33.9	35.1	33.9	35.1	34.5	33.3	30.4
Financial Reporting	5.8	5.4	5.8	5.9	5.8	6.7	10.0	7.7
Specialty Accounting	6.0	4.3	3.0	3.6	3.0	4.5	6.0	5.6
Total Positions	58.9	55.2	58.9	57.9	58.9	54.9	59.3	54.3

Note: FTE and position totals may not sum correctly due to rounding.

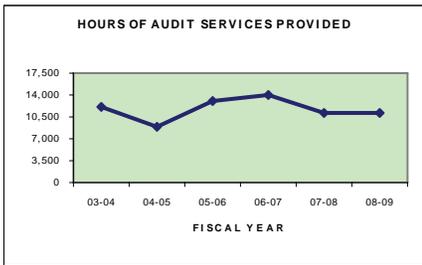
MISSION STATEMENT

The mission of the Auditor-Controller Department is to ensure the County's financial integrity and promote efficient, effective and accountable government.

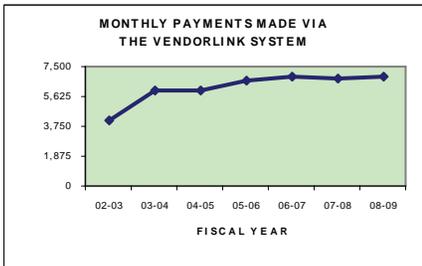
Budget Organization

The divisions of the Auditor-Controller department are Administration, Auditing, Operations, Financial Reporting and Specialty Accounting Services; within the Operations division is a project-oriented technical team that designs and maintains the County's financial systems. The Auditor-Controller has a staff of 54 employees with centralized operations in Santa Barbara and a satellite office in Santa Maria.

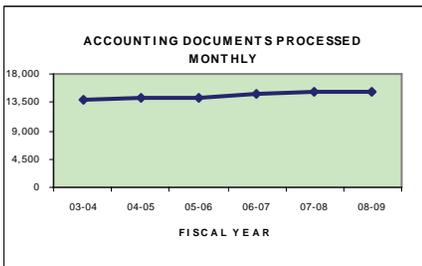
Activity Indicators



The number of audit hours demonstrates Internal Audit services provided over the fiscal year. Audit hours decreased in FY 2004-05 due to unfilled positions. In FY 2004-05 and FY 2005-06, audit hours leveled and are anticipated to decrease through FY 2008-09 due to lower staffing levels.



The number of direct deposit (VendorLink) payments as a percentage of all payment items has increased due to efforts to convert vendors. There has been a drop in the total number of disbursements during FY 2007-08 due to the transition out of the County and to the State accounts payable system. We project an increase back to the FY 2006-07 amount for FY 2008-09.



Over the years there has been a slight increase in the number of accounting documents processed through Operations. Based on year to date figures for FY 2007-08, we expect to continue to process an average number of documents and project a slight increase in FY 2008-09.

AUDITOR-CONTROLLER

Department Summary (cont'd)

Significant Changes (FY 2007-08 Adopted to FY 2007-08 Estimated Actual)

The Fiscal Year 2007-08 Estimated Actual operating expenditures decreased by \$131,000 to \$7,058,000 from the Fiscal Year 2007-08 Adopted Budget of \$7,189,000. This less than 2% decrease is the result of:

- +\$111,000 - increase in various service and supply accounts mainly in professional services for FIN Infrastructure, Property Tax Project and Payroll Systems Project;
- -\$242,000 - decrease in projected staffing cost due to vacant positions.

The Fiscal Year 2007-08 Estimated Actual operating revenues increased by \$71,000 to \$3,047,000 from the Fiscal Year 2007-08 Adopted Budget of \$2,976,000. This 2% increase is a result of:

- +\$44,000 - increase in miscellaneous revenue due to a one-time unclaimed employee flexible spending contribution;
- +\$22,000 - increase in property tax administration fees;
- +\$5,000 - increase in other charges for services.

Significant Changes (FY 2007-08 Estimated Actual to FY 2008-09 Recommended)

The Fiscal Year 2008-09 Recommended Budget operating expenditures will increase by \$589,000 to \$7,647,000 from the Fiscal Year 2007-08 Estimated Actuals of \$7,058,000. This 8% increase is the result of:

- +\$641,000 - increase in salaries and benefits due to retirement contribution, step increases, cost-of-living adjustments and filled vacant positions in late FY 2007-08;
- -\$52,000 - decrease in various services and supplies.

The Fiscal Year 2008-09 Recommended Budget operating revenues will decrease by \$70,000 to \$2,977,000 from the Fiscal Year 2007-08 Estimated Actuals of \$3,047,000. This 2% decrease is mainly the result of:

- -\$42,000 - decrease in miscellaneous revenues due to one time revenue for unclaimed employee flexible spending contribution in FY 2007-08;
- -\$17,000 - decrease in revenues received through cost allocation;
- -\$9,000 - decrease in property tax administration fees;
- -\$2,000 - decrease in other charges for services.

AUDITOR-CONTROLLER

Department Summary (cont'd)

Departmental Priorities and Their Alignment With County Goals

The County Auditor-Controller's strategic actions align primarily with the following adopted General Goals and Principles:

Goal 1: Efficient and Responsive Government: An Efficient, Professionally Managed Government Able to Anticipate and Effectively Respond to the Needs of the Community; and

Goal 5: Citizen Involvement: A County Government that is Accessible, Open, and Citizen Friendly.

Each division provides certain core services reflected in the performance measures. The Auditor-Controller's management strategy also includes projects that improve service delivery and are linked to the above stated goals. This is achieved by focusing on two areas, (1) using technology to improve work processes and to make information more available to the community; and (2) by enhancing the financial accountability and integrity of County government. The projects generally span multiple years and are discussed below:

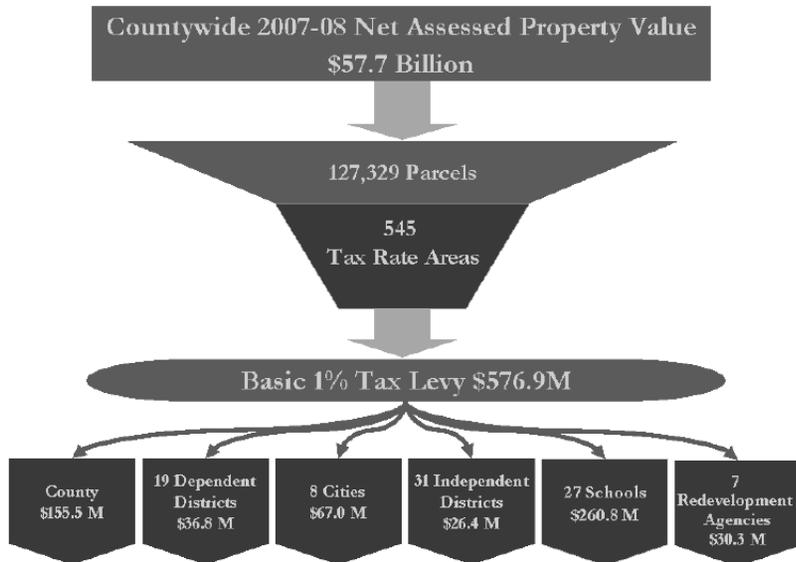
- Financial Information System Expansion Project – Update the Financial Information Network (FIN) posting and editing engine with new technology to enable online processing and implement departmental self-service claim payments. The Phase I programming of the posting and editing engine was completed in January 2005.
 - Current Year (FY 2007-08) Accomplishments – Substantial progress has been made in the development of reporting and transaction processing capabilities. Currently, four pilot departments are BETA testing the reporting capabilities and the online accounts payables processing module, which includes attaching images of original invoices.
 - Proposed Strategic Action – The team plans to deploy the completed user interface, including the capability to attach supporting documentation for transactions, during early FY 2008-09. For the remainder of FY 2008-09, the team plans to build out the reporting capabilities and move towards 100% online transaction processing.
- Property Tax Process Improvement Project – Implement new tax distribution tools and applications and replace the auditor mainframe applications that include complex tax bill calculations. The new system will integrate the new Assessor's Parcel System and the new Treasurer's tax collection system, resulting in considerable cost savings to the County.
 - Current Year (FY 2007-08) Accomplishments – Due to the resource constraints of working on the project in-house, the project team, along with some of the business users, conducted a review of a vendor system. The decision was made not to purchase. Instead the team will continue to build an internal system to better meet the needs of the County. The team has been working on the new database design and a posting engine to handle the business logic.
 - Proposed Strategic Action – The team plans to replace one of the six property tax applications residing on the mainframe, which handles current year secured tax billings and collections.
- Payroll Project – Maintain and enhance the County's internally developed payroll system. This includes the core applications and two subsidiary web-based applications: one to enable employees to access their own payroll information and another for departmental payroll staff to access their departmental information. Both of these applications are heavily used by County employees; over 4,000 employees access them regularly.
 - Current Year (FY 2007-08) Accomplishments – Implemented the County's new compensation and classification structure for leadership. Expanded the information available to users of online applications by adding new reports and screens. Increased the number of users to our websites. Developed scanning and online retrieval of employee documents, thus eliminating manual filing and physical retrievals.
 - Proposed Strategic Action – Continue to build out payroll online applications by adding new features and migrating existing applications to newer platforms.
- Computer Infrastructure Project – Develop computer server infrastructure to provide a high level of computing redundancy in Santa Barbara and Santa Maria by constantly backing up applications, files and databases needed for business continuity.
 - Current Year (FY 2007-08) Accomplishments – Migrated 25% of servers onto the new virtual infrastructure and storage area network (SAN) to consolidate older existing servers. Worked on the setup of a new disaster recovery machine to handle server backups.
 - Proposed Strategic Action – In FY 2008-09, the team plans to continue migrating terminal servers, file servers, and SQL servers onto the new server infrastructure to consolidate older existing servers.
- Internal Audit Division – Increase presence throughout the County government by providing management and operational reviews.
 - Current Year (FY 2007-08) Accomplishments – Developed a formal audit plan and risk assessment to increase Internal Audit's presence throughout the County government that included management and operational reviews. The County's Fiscal Year 2006-07 Single Audit was completed before its March 31st deadline for the first time since Fiscal Year 2001-02. For the fiscal year, departmental assistance included both reviewing a claim from a Community Based Organization on behalf of the Alcohol, Drug and Mental Health Services (ADMHS) Department and commencing a project to provide recommendations to improve ADMHS' contract management process. The Internal Audit Division also completed elements of internal control reviews for the Auditor Controller's Office (FIN-Web), Vehicle Operations (Voyager Cards), Santa Maria Cemetery District, and Public Health (Clinic Cash Handling). A follow-up on Vehicle Operation's 2002 operational review was also completed during the fiscal year.
 - Proposed Strategic Action – Return the County Single Audit to low risk status by completing the process timely. Continue to develop a formal audit plan based upon a countywide risk assessment that includes management and operational reviews. Implement paperless financial audits and an electronic trial balance software to increase audit efficiencies.

- Earned the Government Finance Officers' Association (GFOA) Award for Excellence in Financial Reporting for the County's Comprehensive Annual Financial Report, for the seventeenth consecutive year and the GFOA Award for Outstanding Achievement for the County's Annual Financial Highlights publication, for the eleventh consecutive year.
- To keep the public informed on matters concerning public finances, the department has published and distributed concise, reader-friendly publications on numerous financial topics:

Financial Highlights
 Annual Retail Sales & Use Tax Report
 Annual Transient Occupancy Tax Report
 Property Tax Highlights

These reports are available on our website: www.countyofsb.org/auditor.

Overview of the Property Tax Distribution within Santa Barbara County



**AUDITOR-CONTROLLER
 Department Summary (cont'd)**

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Department-wide Effectiveness Measures				
As an efficient and responsive government, the County will maintain a productive workforce through a countywide Lost Time Rate of 5.9% or less.	4.1% 4,392 105,764	4.2% 4,306 102,520	4.2% 4,306 102,520	4.2% 4,306 102,520
As an efficient and responsive government, the County will maintain a quality workforce through completing 95 -100% of departmental Employee Performance Reviews (EPRs) by the Anniversary Due Date.	100% 55 55	100% 50 50	100% 55 55	100% 55 55

Fiscal Year 2008-2009 Budget Constraints

The Auditor-Controller department implemented several service level reductions to meet the general fund target: The Payroll Division Chief position was unfunded, which will increase the risks in payroll and limit the resources available to the Human Resources Information System (HRIS) and the Payroll Integration Project. A Financial System Analyst was unfunded, which will impact the department's ability to operate countywide systems of financial reporting and budget development. One third of a Financial Systems Analyst was unfunded in the Treasurer's department that was dedicated to the completion of the Property Tax System project. The effect will be a delay in the completion of the project which is vital to the collection of property taxes. A Cost Analyst position was unfunded, which will impact the department's ability to efficiently review fees, prepare department's requested indirect cost rate proposals, and limit the available resources to support departments during the budget process.

In an effort to continue existing levels of development for the Property Tax and FIN WEB applications, the department must release one half of the balance of the Systems Replacement designation in FY 2008-09. This designation will not be available beyond FY 2009-10.

As a result of the department's service level reductions, the department anticipates a General Fund revenue loss due to a reduction in the cost allocation revenue.

AUDITOR-CONTROLLER
Administration

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Use of Funds Summary				
<i>Operating Expenditures</i>				
Office of the Auditor Controller	\$ 301,971	\$ 269,066	\$ 250,355	\$ 274,799
Administrative Support	544,849	434,222	431,190	416,525
Operating Total	846,820	703,288	681,545	691,324
<i>Non-Operating Expenditures</i>				
Capital Assets	77,618	40,000	10,000	10,000
Expenditure Total	924,438	743,288	691,545	701,324
<i>Other Financing Uses</i>				
Operating Transfers	5,354	5,326	5,326	5,326
Division Total	\$ 929,792	\$ 748,614	\$ 696,871	\$ 706,650
Character of Expenditures				
<i>Operating Expenditures</i>				
Regular Salaries	412,989	381,012	365,455	348,117
Overtime	2,091	--	2,239	--
Extra Help	97	--	102	104
Benefits	164,368	162,986	150,819	172,660
Salaries & Benefits Sub-Total	579,545	543,998	518,615	520,881
Services & Supplies	267,275	159,290	162,930	170,443
Operating Total	846,820	703,288	681,545	691,324
<i>Non-Operating Expenditures</i>				
Capital Assets	77,618	40,000	10,000	10,000
Expenditure Total	\$ 924,438	\$ 743,288	\$ 691,545	\$ 701,324
Source of Funds Summary				
<i>Departmental Revenues</i>				
Miscellaneous Revenue	\$ 18,400	\$ --	\$ 40,545	\$ --
Revenue Total	18,400	--	40,545	--
<i>General Fund Contribution</i>				
Division Total	911,392	748,614	656,326	706,650
	\$ 929,792	\$ 748,614	\$ 696,871	\$ 706,650

Actual FY 06-07		Adopted FY 07-08		Est. Actual FY 07-08		Recommended FY 08-09	
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE
Position Summary							
<i>Permanent</i>							
Office of the Auditor Controller	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Support	3.0	2.6	3.0	2.2	3.0	2.1	2.0
Total Positions	4.0	3.6	4.0	3.2	4.0	3.1	2.9

Significant Changes (FY 2007-08 Adopted to FY 2007-08 Estimated Actual)

The Fiscal Year 2007-08 Estimated Actual operating expenditures decreased by \$21,000 to \$682,000 from the Fiscal Year 2007-08 Adopted Budget of \$703,000. This 3% decrease is the result of:

- +\$4,000 - increase in various services and supplies mainly due to an increase in utilities costs;
- -\$25,000 - decrease in administrative support provided to Operations.

Significant Changes (FY 2007-08 Estimated Actual to FY 2008-09 Recommended)

The Fiscal Year 2008-09 Recommended Budget operating expenditures will increase by \$9,000 to \$691,000 from the Fiscal Year 2007-08 Estimated Actuals of \$682,000. This 1% increase is the result of:

- +\$7,000 - increase in utilities costs and various office expenses;
- +\$2,000 - increase in projected salary and benefit costs, cost-of-living adjustments and retirement contribution.

SERVICE DESCRIPTION

Advise the Board of Supervisors and County management regarding financial matters. Provide leadership and direction to the department. Provide department employees with support, training, tools and facilities.

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Recurring Performance Measures				
Office of the Auditor Controller				
Maintain computer network resources so they are available for 97% of the 2,080 business hours.	99%	97%	100%	97%
	2,060	2,018	2,080	2,018
	2,080	2,080	2,080	2,080
Expend 2% of the departmental salaries and benefits budget for training purposes.	2%	2%	1%	1%
	\$95,698	\$144,678	\$90,000	\$122,103
	\$4,546,886	\$7,233,900	\$6,105,193	\$6,105,193
Expend 2% of the departmental salaries and benefits budget for technology.	2%	2%	1%	1%
	\$95,698	\$144,678	\$80,000	\$122,103
	\$4,546,886	\$7,233,900	\$6,105,193	\$6,105,193

AUDITOR-CONTROLLER

Administration (cont'd)

	Actual FY 06-07 Pos.	Adopted FY 07-08 Pos.	Est. Actual FY 07-08 Pos.	Recommended FY 08-09 Pos.
Position Detail				
Office of the Auditor Controller				
Auditor-Controller	1.0	1.0	1.0	1.0
Sub-Division Total	1.0	1.0	1.0	1.0
Administrative Support				
Assistant Auditor-Controller	1.0	1.0	1.0	--
Departmental Assistant	1.0	1.0	1.0	1.0
Accounting Tech/Clerk	1.0	1.0	1.0	1.0
Sub-Division Total	3.0	3.0	3.0	2.0
Division Total	4.0	4.0	4.0	3.0

AUDITOR-CONTROLLER

Auditing

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Use of Funds Summary				
<i>Operating Expenditures</i>				
Internal Audits	\$ 580,025	\$ 567,015	\$ 593,611	\$ 652,491
External Audits	157,714	502,225	475,688	295,369
Operating Sub-Total	737,739	1,069,240	1,069,299	947,860
Less: Intra-County Revenues	(151,954)	(177,312)	(183,040)	(162,763)
Operating Total	585,785	891,928	886,259	785,097
<i>Non-Operating Expenditures</i>				
Capital Assets	(269)	--	--	--
Division Total	\$ 585,516	\$ 891,928	\$ 886,259	\$ 785,097
Character of Expenditures				
<i>Operating Expenditures</i>				
Regular Salaries	533,823	722,483	700,275	603,336
Overtime	2,584	--	2,766	--
Extra Help	4,462	--	4,763	4,776
Benefits	161,801	252,675	220,030	226,732
Salaries & Benefits Sub-Total	702,670	975,158	927,834	834,844
Services & Supplies	35,069	94,082	141,465	113,016
Operating Sub-Total	737,739	1,069,240	1,069,299	947,860
Less: Intra-County Revenues	(151,954)	(177,312)	(183,040)	(162,763)
Operating Total	585,785	891,928	886,259	785,097
<i>Non-Operating Expenditures</i>				
Capital Assets	(269)	--	--	--
Expenditure Total	\$ 585,516	\$ 891,928	\$ 886,259	\$ 785,097
Source of Funds Summary				
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 150,212	\$ 181,300	\$ 181,300	\$ 164,534
Other Charges for Services	38,390	36,740	40,740	36,740
Revenue Sub-Total	188,602	218,040	222,040	201,274
Less: Intra-County Revenues	(151,954)	(177,312)	(183,040)	(162,763)
Revenue Total	36,648	40,728	39,000	38,511
<i>General Fund Contribution</i>				
Division Total	\$ 585,516	\$ 891,928	\$ 886,259	\$ 785,097

Actual FY 06-07		Adopted FY 07-08		Est. Actual FY 07-08		Recommended FY 08-09		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
Internal Audits	8.0	6.2	6.0	5.0	6.0	3.8	6.0	4.9
External Audits	2.0	1.9	5.0	6.2	5.0	2.3	1.0	2.8
Total Positions	10.0	8.0	11.0	11.2	11.0	6.1	7.0	7.6

Significant Changes (FY 2007-08 Adopted to FY 2007-08 Estimated Actual)

The Fiscal Year 2007-08 Estimated Actual operating expenditures matched \$1,069,000 from the Fiscal Year 2007-08 Adopted Budget of \$1,069,000 as a result of:

- +\$50,000 - increase in professional services used;
- -\$47,000 - decrease in salaries and benefits as a result of various changes to staffing and in the early part of the year and temporary staff vacancies;
- -\$3,000 - decrease in other various services and supplies.

Significant Changes (FY 2007-08 Estimated Actual to FY 2008-09 Recommended)

The Fiscal Year 2008-09 Recommended Budget operating expenditures will decrease by \$121,000 to \$948,000 from the Fiscal Year 2007-08 Estimated Actuals of \$1,069,000. This 13% decrease is the result of:

- -\$93,000 - salary and benefit costs from moving two accountant-auditors to Financial Reporting and two accountant-auditors to Specialty Accounting offset by cost-of-living adjustments, retirement contribution and promotions in FY 2007-08;
- -\$28,000 - decrease in use of professional services for on-going countywide projects.

SERVICE DESCRIPTION

To assist the management of the County and Special Districts in carrying out their responsibilities by providing professional audit services such as: Attestation services (financial, grant & compliance audits), internal control reviews, performance reviews (effectiveness/efficiency), fraud/loss investigations, consulting, and special projects.

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Recurring Performance Measures				
Internal Audits				
Complete 100% of mandatory audits by legal due date.	100%	100%	100%	100%
Complete 50% of discretionary audits.	50%	50%	50%	25%
Complete 100% of the 10 Special District Audits by the legal due date.	100%	100%	100%	100%
	10	10	10	10
	10	10	10	10
Perform 75% of the audit work as delineated in the 2007-08 Audit Plan.	75%	75%	75%	40%
External Audits				
Provide 100 hours for the Single Audit.	100%	100%	100%	100%
	100	100	100	100
	100	100	100	100
Provide 200 hours for the Comprehensive Annual Financial Report (CAFR) audit.	100%	100%	0%	0%
	200	200	--	--
	200	200	--	--

Note: The reduction of positions in FY 2008-09 will impede progress of the priority to increase Internal Audit's presence throughout County government through the performance of management and operational reviews. The Internal Audit Division will not meet the performance measures for discretionary audits and performance of 75% of work delineated in the audit plan for FY 2008-09, as resources will need to be diverted from other divisions to ensure that the mandatory audits are completed. As a result of this shift in resources, other divisions will no longer be able to maintain the same level of efficiency in performing their essential duties and responsibilities. The Internal Audit Division is no longer providing hours for the Comprehensive Annual Financial Report Audit and these hours will also be redirected to complete mandatory audits.

AUDITOR-CONTROLLER

Auditing (cont'd)

	Actual FY 06-07 Pos.	Adopted FY 07-08 Pos.	Est. Actual FY 07-08 Pos.	Recommended FY 08-09 Pos.
Position Detail				
Internal Audits				
Audit Manager	1.0	1.0	1.0	1.0
Financial Audit Supervisor	1.0	1.0	1.0	1.0
Financial Account Analyst	--	1.0	1.0	1.0
Accountant-Auditor	6.0	3.0	3.0	3.0
Sub-Division Total	8.0	6.0	6.0	6.0
External Audits				
Accountant-Auditor	2.0	5.0	5.0	1.0
Sub-Division Total	2.0	5.0	5.0	1.0
Division Total	10.0	11.0	11.0	7.0

AUDITOR-CONTROLLER

Operations

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Use of Funds Summary				
<i>Operating Expenditures</i>				
Financial Accounting	\$ 2,330,098	\$ 2,898,912	\$ 2,852,566	\$ 2,825,471
Payroll	744,234	678,165	649,150	645,564
Customer Support	64,583	65,420	61,576	76,947
Property Tax	542,456	530,897	509,082	695,719
Operating Sub-Total	3,681,371	4,173,394	4,072,374	4,243,701
Less: Intra-County Revenues	(1,348,159)	(1,415,959)	(1,564,837)	(1,538,708)
Operating Total	2,333,212	2,757,435	2,507,537	2,704,993
<i>Non-Operating Expenditures</i>				
Capital Assets	43,647	--	--	--
Expenditure Total	2,376,859	2,757,435	2,507,537	2,704,993
<i>Other Financing Uses</i>				
Designated for Future Uses	180,000	--	--	--
Division Total	\$ 2,556,859	\$ 2,757,435	\$ 2,507,537	\$ 2,704,993

Character of Expenditures

	Actual	Adopted	Est. Actual	Recommended
<i>Operating Expenditures</i>				
Regular Salaries	2,504,306	2,853,388	2,746,232	2,742,624
Overtime	5,603	--	5,995	--
Extra Help	74,020	--	79,018	79,237
Benefits	706,357	934,009	828,956	1,020,457
Salaries & Benefits Sub-Total	3,290,286	3,787,397	3,660,201	3,842,318
Services & Supplies	391,085	385,997	412,173	401,383
Operating Sub-Total	3,681,371	4,173,394	4,072,374	4,243,701
Less: Intra-County Revenues	(1,348,159)	(1,415,959)	(1,564,837)	(1,538,708)
Operating Total	2,333,212	2,757,435	2,507,537	2,704,993
<i>Non-Operating Expenditures</i>				
Capital Assets	43,647	--	--	--
Expenditure Total	\$ 2,376,859	\$ 2,757,435	\$ 2,507,537	\$ 2,704,993

Source of Funds Summary

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 1,275,904	\$ 1,489,886	\$ 1,489,886	\$ 1,565,603
Property Tax Admin Fees	621,771	570,166	591,900	583,000
Other Charges for Services	150,264	81,651	80,951	85,156
Miscellaneous Revenue	19,179	3,500	9,355	8,000
Revenue Sub-Total	2,067,118	2,145,203	2,172,092	2,241,759
Less: Intra-County Revenues	(1,348,159)	(1,415,959)	(1,564,837)	(1,538,708)
Revenue Total	718,959	729,244	607,255	703,051
<i>General Fund Contribution</i>				
	1,837,900	2,028,191	1,879,327	1,667,942
<i>Other Financing Sources</i>				
Operating Transfers	--	--	20,955	--
Use of Prior Fund Balances	--	--	--	334,000
Division Total	\$ 2,556,859	\$ 2,757,435	\$ 2,507,537	\$ 2,704,993

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09	
Pos.	FTE	Pos.	FTE	Pos.	FTE

Position Summary

	Actual	Adopted	Est. Actual	Recommended
<i>Permanent</i>				
Financial Accounting	24.0	21.4	24.5	22.5
Payroll	5.1	6.8	5.6	6.3
Customer Support	--	0.8	--	0.8
Property Tax	4.0	4.9	5.0	4.4
Total Positions	33.1	33.9	35.1	33.9

Significant Changes (FY 2007-08 Adopted to FY 2007-08 Estimated Actual)

The Fiscal Year 2007-08 Estimated Actual operating expenditures decreased by \$101,000 to \$4,072,000 from the Fiscal Year 2007-08 Adopted Budget of \$4,173,000. This 2% decrease is due to:

- +\$40,000 - increase in professional and special services;
- -\$127,000 - decrease in salaries and benefits due to vacancies and salary savings;
- -\$14,000 - decrease in various expenses mainly software maintenance and computers.

Significant Changes (FY 2007-08 Estimated Actual to FY 2008-09 Recommended)

The Fiscal Year 2008-09 Recommended Budget operating expenditures will increase by \$172,000 to \$4,244,000 from the Fiscal Year 2007-08 Estimated Actuals of \$4,072,000. This 4% increase is due to:

- +\$123,000 - a vacant financial systems analyst position that was filled in late FY 2007-08;
- +\$59,000 - salaries and benefits due to cost-of-living adjustments, step increases and retirement contribution;
- +\$11,000 - increase in various services and supplies.

SERVICE DESCRIPTION

Prepare accurate, complete and timely financial records; operate, maintain and enhance Countywide financial and human resource systems and train County employees to use them efficiently; pay all employees on-time; control disbursements and deposits for accuracy, timeliness and cash management; continuously improve customer service to County departments, agencies, and vendors by utilizing new technologies to enhance process efficiency, accuracy and timeliness; allocate and distribute property taxes to all County agencies within established timelines.

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Recurring Performance Measures				
Financial Accounting				
Make at least 60% of the 150,000 annual disbursements to vendors through direct deposit.	0%	60%	60%	60%
	--	90,000	90,000	90,000
	--	150,000	150,000	150,000
Maintain an overall 90% user satisfaction level, based on a customer survey, for significant countywide financial applications.	90%	90%	90%	90%
Payroll				
Increase the number of employees using automated time entry to 90%.	85%	75%	85%	90%
	4,178	3,675	4,178	4,487
	4,900	4,900	4,900	4,985
Increase the number of employees receiving online earnings statements (instead of paper) to 80% or 3,675 of the total 4,900.	75%	100%	71%	80%
	3,675	4,900	3,479	3,988
	4,900	4,900	4,900	4,985
Customer Support				
At least 95% of County departments rate general ledger information as timely, and accurate and assistance from the Auditor Help Desk as satisfactory in an annual survey of departmental users.	95%	95%	95%	95%
	95	95	95	95
	100	100	100	100
Property Tax				
Complete 100% of the three major Property Tax distributions (estimated for 07-08 to be \$538,000,000) within 20 days of the installment due dates to approximately 100 affected taxing entities.	100%	100%	100%	100%
Publish the popular report "Property Tax Highlights" by October 15th.	Yes	Yes	Yes	Yes

AUDITOR-CONTROLLER

Operations (cont'd)

	Actual FY 06-07 Pos.	Adopted FY 07-08 Pos.	Est. Actual FY 07-08 Pos.	Recommended FY 08-09 Pos.
Position Detail				
Financial Accounting				
Assistant Auditor-Controller	--	--	--	1.0
Chief Deputy Controller	1.0	1.0	1.0	0.8
Audit Manager	--	--	--	1.0
Division Chief	3.0	4.0	4.0	2.0
Financial Account Analyst	1.0	1.0	1.0	1.0
Financial Systems Analyst	9.0	9.5	9.5	6.5
Office Automation Coordinator	3.0	3.0	3.0	3.0
Computer Operator	1.0	1.0	1.0	1.0
Accountant-Auditor	1.0	1.0	1.0	2.0
Accounting Tech/Clerk	6.0	5.0	5.0	4.0
Sub-Division Total	25.0	25.5	25.5	22.3
Payroll				
Division Chief	0.6	0.6	0.6	1.0
Financial Account Analyst	1.0	1.0	1.0	1.0
Financial Systems Analyst	1.0	1.0	1.0	2.0
Accountant-Auditor	1.5	1.0	1.0	--
Accounting Tech/Clerk	1.0	2.0	2.0	2.0
Sub-Division Total	5.1	5.6	5.6	6.0
Customer Support				
Accounting Tech/Clerk	--	--	--	1.0
Sub-Division Total	--	--	--	1.0
Property Tax				
Division Chief	1.0	1.0	1.0	1.0
Financial Account Analyst	1.0	1.0	1.0	1.0
Financial Systems Analyst	1.0	1.0	1.0	1.0
Accountant-Auditor	1.0	2.0	2.0	2.0
Sub-Division Total	4.0	5.0	5.0	5.0
Division Total	33.1	35.1	35.1	33.3

AUDITOR-CONTROLLER

Financial Reporting

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Use of Funds Summary				
<i>Operating Expenditures</i>				
Financial Reports	\$ 595,577	\$ 658,432	\$ 669,180	\$ 723,357
Budget Reporting	108,375	77,740	73,395	141,266
Cost Accounting	88,951	118,286	115,035	245,739
Operating Sub-Total	792,903	854,458	857,610	1,110,362
Less: Intra-County Revenues	(465,889)	(591,148)	(605,367)	(522,907)
Division Total	<u>\$ 327,014</u>	<u>\$ 263,310</u>	<u>\$ 252,243</u>	<u>\$ 587,455</u>

Character of Expenditures

<i>Operating Expenditures</i>				
Regular Salaries	441,364	499,089	478,808	655,096
Extra Help	4,445	--	4,745	4,757
Benefits	125,444	163,728	146,828	243,568
Salaries & Benefits Sub-Total	571,253	662,817	630,381	903,421
Services & Supplies	221,650	191,641	227,229	206,941
Operating Sub-Total	792,903	854,458	857,610	1,110,362
Less: Intra-County Revenues	(465,889)	(591,148)	(605,367)	(522,907)
Expenditure Total	<u>\$ 327,014</u>	<u>\$ 263,310</u>	<u>\$ 252,243</u>	<u>\$ 587,455</u>

Source of Funds Summary

<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 465,888	\$ 605,367	\$ 605,367	\$ 529,398
Miscellaneous Revenue	16,260	--	--	--
Revenue Sub-Total	482,148	605,367	605,367	529,398
Less: Intra-County Revenues	(465,889)	(591,148)	(605,367)	(522,907)
Revenue Total	16,259	14,219	--	6,491
<i>General Fund Contribution</i>				
Division Total	<u>\$ 327,014</u>	<u>\$ 263,310</u>	<u>\$ 252,243</u>	<u>\$ 587,455</u>

Actual FY 06-07		Adopted FY 07-08		Est. Actual FY 07-08		Recommended FY 08-09		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
Financial Reports	4.8	3.7	4.8	4.3	4.8	4.0	6.0	4.4
Budget Reporting	--	0.8	--	0.6	--	0.8	1.0	1.0
Cost Accounting	1.0	0.8	1.0	1.0	1.0	2.0	3.0	2.2
Total Positions	<u>5.8</u>	<u>5.3</u>	<u>5.8</u>	<u>5.9</u>	<u>5.8</u>	<u>6.7</u>	<u>10.0</u>	<u>7.7</u>

Significant Changes (FY 2007-08 Adopted to FY 2007-08 Estimated Actual)

The Fiscal Year 2007-08 Estimated Actual operating expenditures increased by \$3,000 to \$858,000 from the Fiscal Year 2007-08 Adopted Budget of \$854,000. This 0.5% increase is the result of:

- +\$35,000 - increase in professional and special services;
- -\$32,000 - salary savings from temporary staffing vacancies.

Significant Changes (FY 2007-08 Estimated Actual to FY 2008-09 Recommended)

The Fiscal Year 2008-09 Recommended Budget operating expenditures will increase by \$252,000 to \$1,110,000 from the Fiscal Year 2007-08 Estimated Actuals of \$858,000. This 29% increase is the result of:

- +\$273,000 - increase in salaries and benefits due to the addition of three auditor-accountant positions into the Financial Reporting division from the Internal Audit division;
- -\$21,000 - decrease in professional and special services.

SERVICE DESCRIPTION

Provide meaningful and timely financial reports and cost analyses to management, the Board of Supervisors, and the public. Comply with State and Federal reporting requirements and generally accepted accounting principles. Operate, maintain, enhance, and support the County's budget performance system.

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Recurring Performance Measures				
Financial Reports				
Publish the County's Comprehensive Annual Financial Report within 60 days of fiscal year-end.	Yes	Yes	Yes	Yes
Receive an unqualified opinion and the Government Finance Officers Association (GFOA) Award for Excellence on the County's Comprehensive Annual Financial Report.	Yes	Yes	Yes	Yes
Issue a reader-friendly Financial Highlights Report within 60 days of fiscal year-end.	Yes	Yes	Yes	Yes
Budget Reporting				
Enter the adopted budget into the County's financial accounting system within 31 days of fiscal year-end.	Yes	Yes	Yes	Yes

AUDITOR-CONTROLLER

Financial Reporting (cont'd)

	Actual FY 06-07 Pos.	Adopted FY 07-08 Pos.	Est. Actual FY 07-08 Pos.	Recommended FY 08-09 Pos.
Position Detail				
Financial Reports				
Division Chief	1.0	1.0	1.0	1.0
Financial Systems Analyst	1.0	2.0	2.0	3.0
Cost Analyst	2.8	1.8	1.8	1.0
Accountant-Auditor	--	--	--	1.0
Sub-Division Total	4.8	4.8	4.8	6.0
Budget Reporting				
Accountant-Auditor	--	--	--	1.0
Sub-Division Total	--	--	--	1.0
Cost Accounting				
Financial Systems Analyst	1.0	--	--	--
Cost Analyst	--	1.0	1.0	2.0
Accountant-Auditor	--	--	--	1.0
Sub-Division Total	1.0	1.0	1.0	3.0
Division Total	5.8	5.8	5.8	10.0

AUDITOR-CONTROLLER
Specialty Accounting

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Use of Funds Summary				
<i>Operating Expenditures</i>				
County Fiscal Services	\$ 378,842	\$ 388,194	\$ 376,999	\$ 654,003
Division Total	<u>\$ 378,842</u>	<u>\$ 388,194</u>	<u>\$ 376,999</u>	<u>\$ 654,003</u>

Character of Expenditures

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
<i>Operating Expenditures</i>				
Regular Salaries	278,780	282,766	271,628	458,555
Extra Help	10,652	--	11,372	11,403
Benefits	79,476	95,272	85,162	174,978
Salaries & Benefits Sub-Total	368,908	378,038	368,162	644,936
Services & Supplies	9,934	10,156	8,837	9,067
Expenditure Total	<u>\$ 378,842</u>	<u>\$ 388,194</u>	<u>\$ 376,999</u>	<u>\$ 654,003</u>

Source of Funds Summary

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
<i>Departmental Revenues</i>				
Other Charges for Services	\$ 3,615	\$ 5,000	\$ 7,000	\$ 5,000
Miscellaneous Revenue	132	2,400	--	--
Revenue Total	3,747	7,400	7,000	5,000
<i>General Fund Contribution</i>	375,095	380,794	369,999	649,003
Division Total	<u>\$ 378,842</u>	<u>\$ 388,194</u>	<u>\$ 376,999</u>	<u>\$ 654,003</u>

Actual FY 06-07		Adopted FY 07-08		Est. Actual FY 07-08		Recommended FY 08-09	
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE
Position Summary							
<i>Permanent</i>							
County Fiscal Services							
6.0	4.3	3.0	3.6	3.0	4.5	6.0	5.6
Total Positions							
6.0	4.3	3.0	3.6	3.0	4.5	6.0	5.6

Significant Changes (FY 2007-08 Adopted to FY 2007-08 Estimated Actual)

The Fiscal Year 2007-08 Estimated Actual operating expenditures decreased by \$11,000 to \$377,000 from the Fiscal Year 2007-08 Adopted Budget of \$388,000. This 3% decrease is due to:

- +\$11,000 - increase in extra help expenditures;
- -\$21,000 - decrease in regular salaries and benefits due to staff vacancies early in the year.

Significant Changes (FY 2007-08 Estimated Actual to FY 2008-09 Recommended)

The Fiscal Year 2008-09 Recommended Budget operating expenditures will increase by \$277,000 to \$654,000 from the FY 2007-08 Estimated Actuals of \$377,000. This 73% increase is due to:

- +\$277,000 - increase in salaries and benefits due to filled vacancies in FY 2007-08 and reassigning of two accountant-auditors from the Internal Audit division and a Division Chief from Operations.

SERVICE DESCRIPTION

To provide accounting and revenue distribution services to County departments, special districts and other agencies by offering and delivering professional assistance in accounting, budgeting, systems, and fiscal advisory services.

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
Recurring Performance Measures				
County Fiscal Services				
On a quarterly basis, review sales tax information from the State Board of Equalization and file a timely report to recover misallocated sales tax due to the County.	Yes	Yes	Yes	Yes
Issue a reader-friendly Transient Occupancy Tax Highlights Report within 60 days of fiscal year-end.	Yes	Yes	Yes	Yes
Issue a reader-friendly Sales and Use Tax Report within 150 days of fiscal year-end.	Yes	Yes	Yes	Yes

	Actual FY 06-07	Adopted FY 07-08	Est. Actual FY 07-08	Recommended FY 08-09
	Pos.	Pos.	Pos.	Pos.

Position Detail

County Fiscal Services

Division Chief	2.0	1.0	1.0	2.0
Financial Account Analyst	1.0	--	--	--
Financial Systems Analyst	1.0	1.0	1.0	1.0
Accountant-Auditor	2.0	1.0	1.0	3.0
Sub-Division Total	6.0	3.0	3.0	6.0
Division Total	6.0	3.0	3.0	6.0

AUDITOR-CONTROLLER

Specialty Accounting (cont'd)

“Annual Sales & Use Tax Report”

One of the reader-friendly reports available on the Auditor’s website

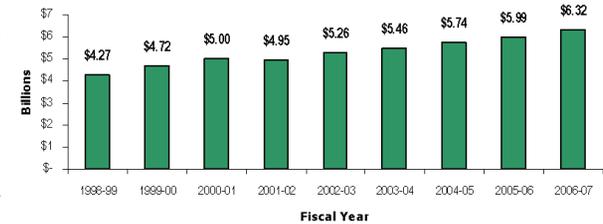
County of Santa Barbara Auditor-Controller



Annual Sales & Use Tax Report Fiscal Year Ended June 30, 2007

Countywide Taxable Sales Revenue

For fiscal year ended June 30, 2007, countywide taxable sales reached \$6.32 billion. Retailers in Santa Barbara County gained 5.68% in taxable sales revenue compared to the prior fiscal year of \$5.99 billion. This is the fifth year of steady growth in retail sales revenue.



Countywide Sales Tax Revenue Distribution

The \$6.32 billion in taxable sales in the County of Santa Barbara for FY 2006-07 generated \$490 million of sales tax revenue for state and local governments. However, the actual distribution back to local governments is over \$9 million less than tax revenue generated in FY 06-07 due to legislative formulas. The following chart illustrates sales tax revenue received (\$ in millions) by each program and entity:

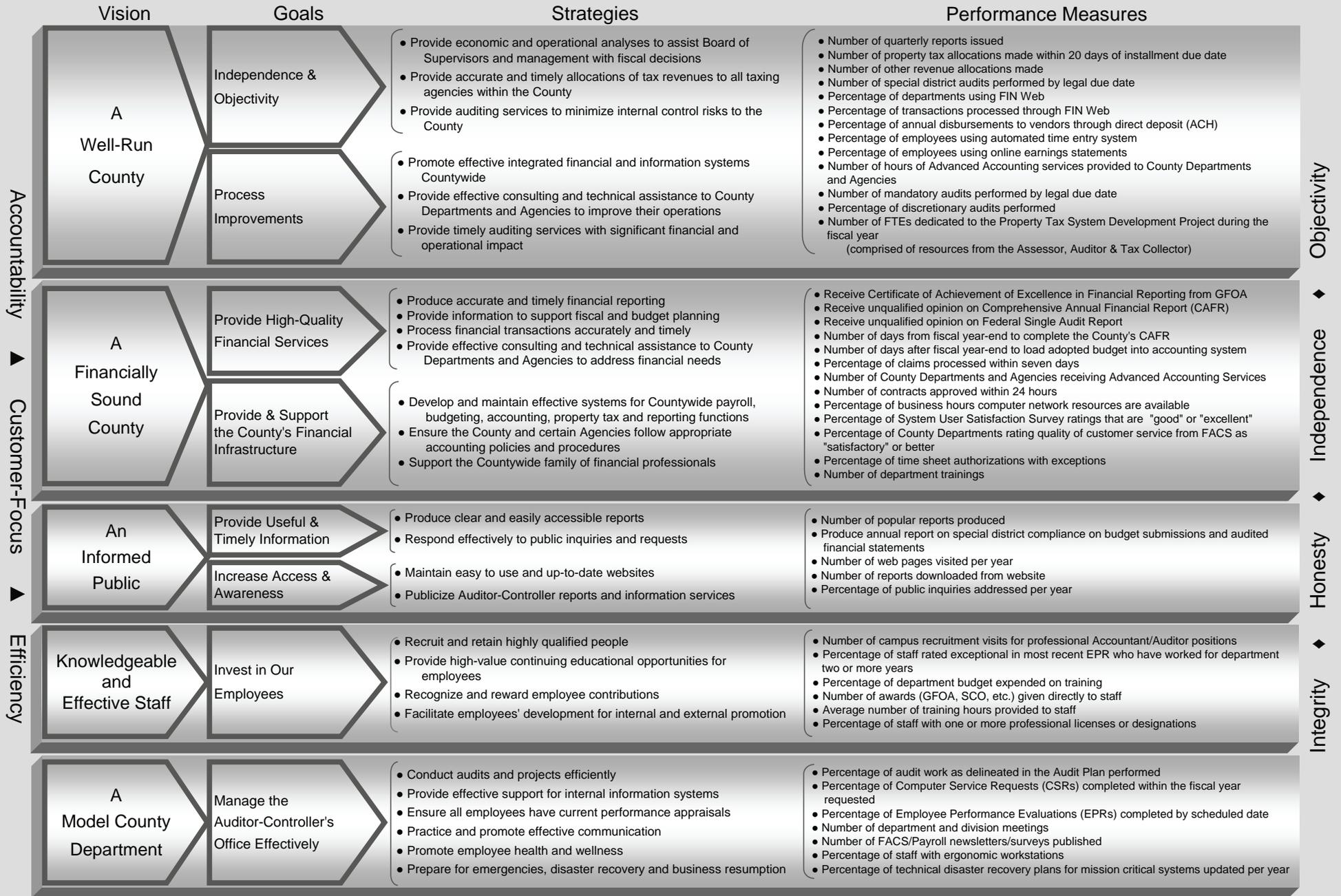
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Sales & Use Tax	Rate (%)	County (\$)	Cities & Other Entities (\$)	Total Amount (\$)
State of California - General fund plus	5.00	-	-	316.4
Economic Recovery Fund: "Triple Flip"	0.25	-	-	15.8
Public Safety - Prop 172	0.50	30.8	0.8	31.6
County Health & Welfare - Realignment	0.50	21.2	-	21.2
City & County Road - Measure D	0.50	16.7	16.0	32.7
Countywide Transportation - LTF	0.25	1.4	14.1	15.5
County & Cities General Operations - Local Bradley Burns Sales Tax	0.75	9.2	38.3	47.5
Total Tax Revenue Received:	7.75	79.3	69.2	480.7

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<http://www.countyofsb.org/auditor/home.asp>

Our Mission: *We ensure the County's financial integrity and promote efficient, effective and accountable government*



Teamwork • Trust • Respect • Equal Opportunity • Communication • Excellence • Service