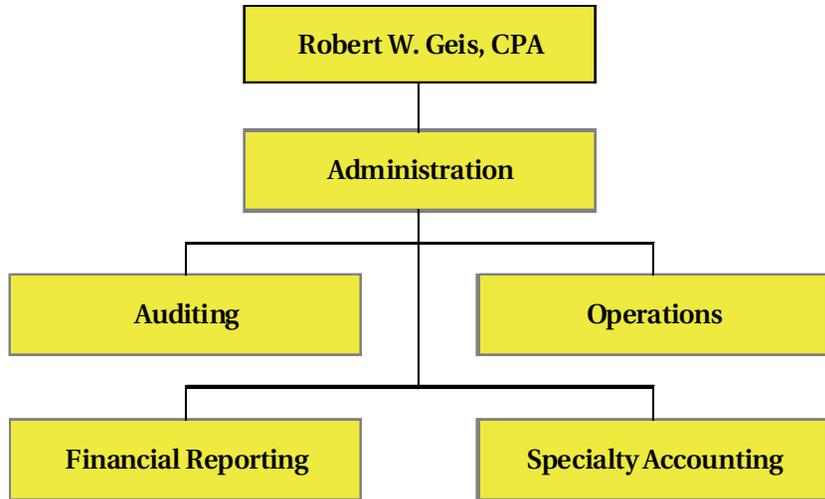
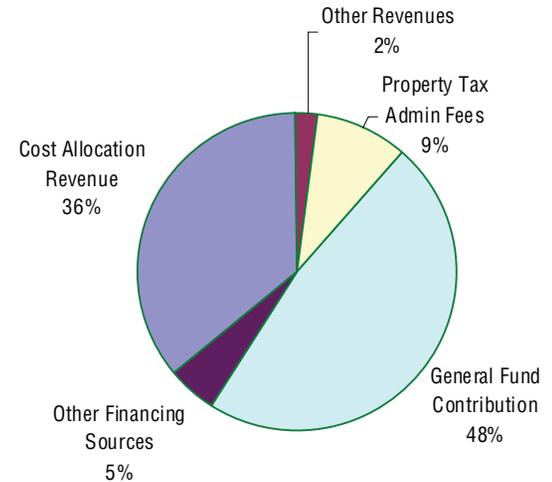


AUDITOR-CONTROLLER

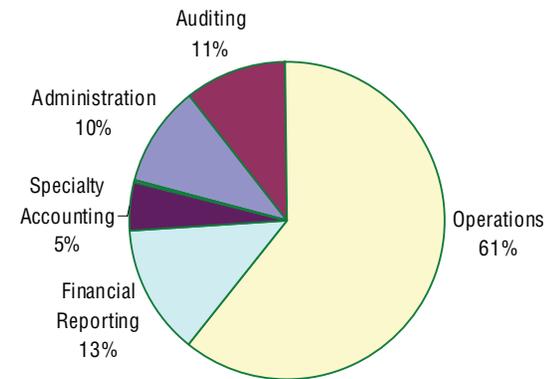
Budget & Positions (FTEs)	
Operating \$	5,201,023
Capital	10,000
Positions	49.3 FTEs



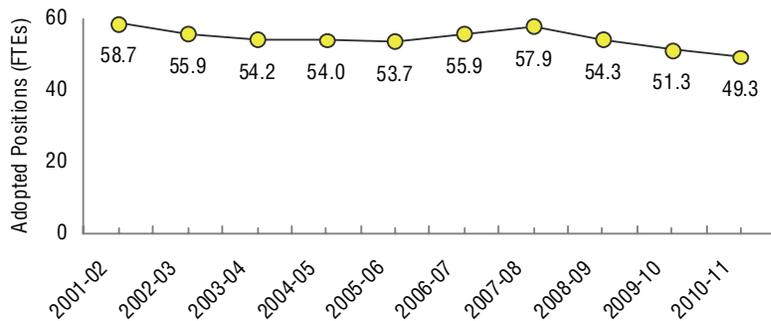
SOURCE OF FUNDS



USE OF FUNDS



STAFFING TREND



AUDITOR-CONTROLLER

Department Summary

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Use of Funds Summary				
<i>Operating Expenditures</i>				
Administration	\$ 723,459	\$ 748,143	\$ 774,997	\$ 808,701
Auditing	510,880	541,827	529,364	836,895
Operations	4,230,343	4,621,850	4,317,504	4,817,972
Financial Reporting	999,616	1,128,565	1,059,319	1,052,165
Specialty Accounting	595,761	673,894	625,107	398,933
Operating Sub-Total	7,060,059	7,714,279	7,306,291	7,914,666
Less: Intra-County Revenues	(2,416,719)	(2,602,009)	(2,609,216)	(2,713,643)
Operating Total	4,643,340	5,112,270	4,697,075	5,201,023
<i>Non-Operating Expenditures</i>				
Capital Assets	--	10,000	10,000	10,000
Expenditure Total	4,643,340	5,122,270	4,707,075	5,211,023
<i>Other Financing Uses</i>				
Operating Transfers	5,326	5,327	5,328	5,328
Department Total	\$ 4,648,666	\$ 5,127,597	\$ 4,712,403	\$ 5,216,351
Character of Expenditures				
<i>Operating Expenditures</i>				
Regular Salaries	\$ 4,376,482	\$ 4,799,185	\$ 4,538,255	\$ 4,781,467
Overtime	6,222	7,000	1,000	2,000
Extra Help	148,101	150,000	160,000	160,000
Benefits	1,632,351	1,848,343	1,744,837	2,088,544
Salaries & Benefits Sub-Total	6,163,156	6,804,528	6,444,092	7,032,011
Services & Supplies	896,903	909,751	862,199	882,655
Operating Sub-Total	7,060,059	7,714,279	7,306,291	7,914,666
Less: Intra-County Revenues	(2,416,719)	(2,602,009)	(2,609,216)	(2,713,643)
Operating Total	4,643,340	5,112,270	4,697,075	5,201,023
<i>Non-Operating Expenditures</i>				
Capital Assets	--	10,000	10,000	10,000
Expenditure Total	\$ 4,643,340	\$ 5,122,270	\$ 4,707,075	\$ 5,211,023

Note: Presentation of the individual program amounts for fiscal years 2008-09 and 2009-10 have been adjusted to provide a consistent level of detail with the fiscal year 2010-11 budget, however, the totals for 2008-09 and 2009-10 have not been changed.

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Source of Funds Summary				
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 2,263,868	\$ 2,653,100	\$ 2,653,100	\$ 2,867,149
Property Tax Admin Fees	679,643	653,000	748,000	734,900
Other Charges for Services	277,772	203,705	223,705	159,800
Miscellaneous Revenue	84,149	12,000	165,587	20,000
Revenue Sub-Total	3,305,432	3,521,805	3,790,392	3,781,849
Less: Intra-County Revenues	(2,416,719)	(2,602,009)	(2,609,216)	(2,713,643)
Revenue Total	888,713	919,796	1,181,176	1,068,206
<i>General Fund Contribution</i>				
	3,759,953	3,874,551	3,531,227	3,754,972
<i>Other Financing Sources</i>				
Use of Prior Fund Balances	--	333,250	--	393,173
Department Total	\$ 4,648,666	\$ 5,127,597	\$ 4,712,403	\$ 5,216,351
	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
	Pos. FTE	Pos. FTE	Pos. FTE	Pos. FTE
Position Summary				
<i>Permanent</i>				
Administration	3.0 2.4	4.0 3.2	4.0 2.4	3.0 2.5
Auditing	7.0 4.6	7.0 4.1	7.0 5.0	8.0 7.0
Operations	33.3 30.8	35.3 30.9	35.3 30.6	35.3 30.6
Financial Reporting	10.0 7.5	7.0 7.7	7.0 6.7	8.0 6.3
Specialty Accounting	6.0 5.3	6.0 5.4	6.0 4.5	5.0 2.9
Total Permanent	59.3 50.7	59.3 51.3	59.3 49.3	59.3 49.3
<i>Non-Permanent</i>				
Extra Help	-- 3.5	-- --	-- 3.3	-- --
Total Positions	59.3 54.2	59.3 51.3	59.3 52.6	59.3 49.3

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

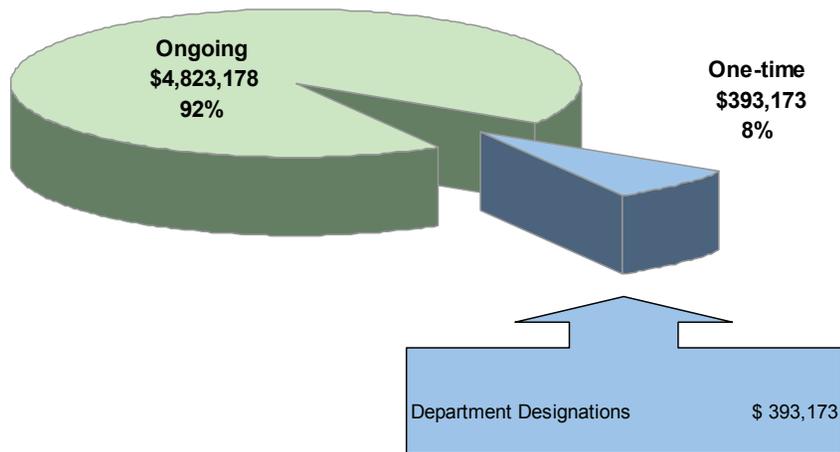
MISSION STATEMENT

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

Budget Organization

The divisions of the Auditor-Controller's 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 49 employees with centralized operations in Santa Barbara and two satellite offices in Santa Maria.

FY 2010-11 Funding Sources: Ongoing vs. One-time "Cliffs"

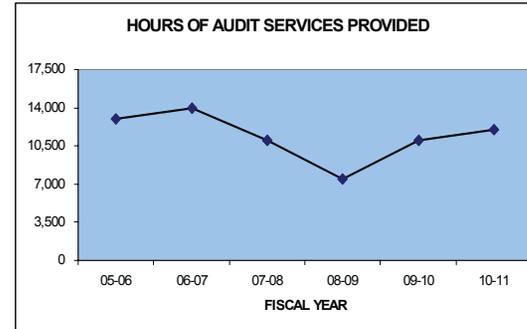


7.5% of the FY 2010-11 Recommended Budget is comprised of one time funding sources. As a result of the use of one-time sources, the department will face a funding shortfall of \$393,173 in FY 2011-12, in addition to deferred salary increases and rising retirement costs. These issues must be addressed in order to maintain these services at current levels.

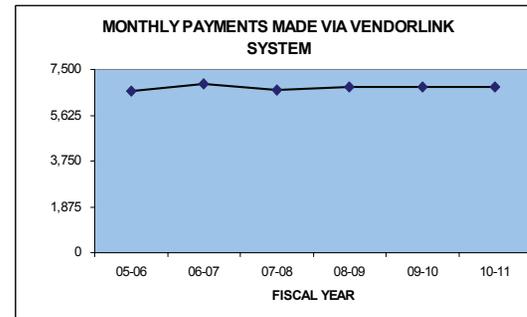
AUDITOR-CONTROLLER

Department Summary (cont'd)

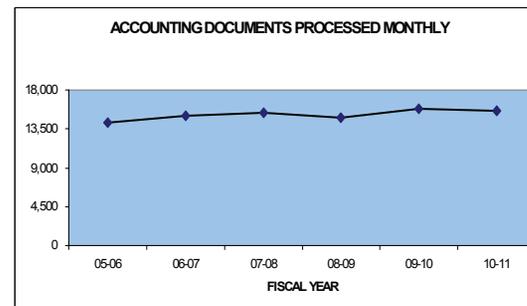
Activity Indicators



The number of audit hours demonstrates Internal Audit services provided over the fiscal year. In FY 2008-09 staffing levels decreased and audit hours dropped. In FY 09-10 audit hours started to increase and are projected to continue to increase in 2010-11 as vacancies are filled.



The number of electronic payments (VendorLink) as a percentage of all payments increased substantially in FY 2006-07 as a result of a vendor outreach initiative in the Auditor's office. A slight dip in FY 2007-08 occurred due to the courts transitioning to a State accounts payable system. Electronic payments increased during FY 2009-10 and are projected to increase for FY 2010-11.



Over the years there has been a slight increase in the number of accounting documents processed through Operations. It is projected that the number of documents processed will decrease in FY 2010-11 due to the rollout of FIN WEB to all County departments.

AUDITOR-CONTROLLER

Department Summary (cont'd)

Significant Changes (FY 2009-10 Adopted to FY 2009-10 Estimated Actual)

The Fiscal Year 2009-10 Estimated Actual operating expenditures decreased by \$408,000 to \$7,306,000 from the Fiscal Year 2009-10 Adopted Budget of \$7,714,000. This 5% decrease is the result of:

- -\$360,000 - decrease in projected staffing cost due to loss of two Accountant-Auditors in the Specialty Accounting and Internal Audit Divisions, one Financial Systems Analyst from Property Tax, and one Division Chief from the Advanced Accounting Division;
- -\$48,000 - decrease in services and supplies cost mostly due to \$25,000 less in hardware purchases, \$15,000 less for professional and special services, \$10,000 less for office expense, and various decreases in services and supplies.

The Fiscal Year 2009-10 Estimated Actual operating revenues increased by \$269,000 to \$3,790,000 from the Fiscal Year 2009-10 Adopted Budget of \$3,522,000. This 8% increase is a result of:

- +\$153,000 - increase due to a refund of a \$122,000 IRS tax deposit penalty and from unclaimed employee flexible spending account balances;
- +\$95,000 - increase in property tax administration fees;
- +\$20,000 - increase in disaster and apportionment fees;

Significant Changes (FY 2009-10 Estimated Actual to FY 2010-11 Recommended)

The Fiscal Year 2010-11 Recommended Budget operating expenditures will increase by \$608,000 to \$7,915,000 from the Fiscal Year 2009-10 Estimated Actual of \$7,306,000. This 8% increase is the result of:

- +\$589,000 - increase in salaries and benefits due to anticipated retirement contribution increases, step increases, and cost-of-living adjustments.
- +\$20,000 - increase in services and supplies.
- Total FTEs in the FY 2010-11 Recommended Budget will decrease by 2.0, to 49.25, from the FY 2009-10 Adopted Budget of 51.25. This is due to the loss of a Financial Systems Analyst I and an Advanced Accounting Division Chief that will not be replaced in FY 2010-11.

The Fiscal Year 2010-11 Recommended Budget operating revenues will decrease by \$8,000 to \$3,782,000 from the Fiscal Year 2009-10 Estimated Actual of \$3,790,000. This slight decrease is mainly the net result of:

- -\$146,000 decrease mostly due to a one-time IRS tax deposit penalty refunded by the IRS in FY 2009-10 and the anticipation of reduced revenue from flexible spending balances.
- -\$64,000 - decrease in accounting assistance provided to the Redevelopment Agency.
- -\$13,000 - decrease in property tax administration fees;
- +\$214,000 - increase in cost allocation revenue services provided to Alcohol Drug & Mental Health Services (ADMHS) programs.

Departmental Priorities and Their Alignment With County Goals

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

Goal 1: Efficient and Responsive Government: An Efficient, Professionally Managed Government Able to Anticipate and to 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 includes projects that improve service delivery and are linked to the goals stated above. 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. The Report Phase of the project was rolled out in December 2008.
- Current Year (FY 2009-10) Accomplishments – The Auditor's Office rolled out online transaction processing of claims and other financial transaction processes County-wide in November and December 2009. The transaction processing component includes document routing, user assigned approval and posting rights, automated approval validation, supporting document attachment, enhanced edit checks, and a variety of search features. The search features allow users to locate documents whether posted or in progress, purchase order information, board contract information, and vendor information.
- Proposed Strategic Action – The team plans to build out the transaction processing component to include additional transaction types, uploading of Excel and other file types for automated transaction preparation, enhanced vendor maintenance, improved board contract tracking, enhanced travel claim data capture and processing, budget revision request processing, and a variety of other features.
- 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.
- Current Year (FY 2009-10) Accomplishments – The executive team for the three affected departments (Auditor, Treasurer and Assessor) have evaluated several options for system replacement, including in-house development and vendor products. At this time, the

AUDITOR-CONTROLLER

Department Summary (cont'd)

Treasurer has identified a vendor product and is working to obtain financing for the project. The other two departments continue to evaluate their options.

- Proposed Strategic Action – In FY 2010-11, the Auditor-Controller Department will continue to do some in-house development to move portions of its process off the mainframe, depending on the performance of the vendor product selected by the Treasurer-Tax Collector.
- Payroll Division – Operate, maintain and enhance County-wide financial and payroll systems, properly train employees, and pay all employees in a timely manner.
 - Current Year (FY 2009-10) Accomplishments – The division successfully implemented a new payroll deduction schedule for all employee health and dental plans in order to facilitate monitoring of health costs per employee and potential savings for both the employee and the County.
 - Proposed Strategic Action – The division will continue to automate payroll processes by utilizing database management and development of enhancements to existing automated systems, and continue to maintain integrity of payroll system data with consideration of new system interfaces. The division will 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.
- 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 2009-10) Accomplishments – The team migrated additional servers to a new virtual infrastructure environment and decommissioned old servers to reduce maintenance overhead costs.
 - Proposed Strategic Action – In FY 2010-11, the team plans to continue migrating a few remaining servers onto the new server infrastructure. Hardware that becomes available as a result of this project will be redirected as disaster recovery and backup servers.
- Internal Audit Division – Increase presence throughout the County government by providing management and operational reviews. The division would like to reduce audit hours spent on mandated audits.
 - Current Year (FY 2009-10) Accomplishments – In addition to completing all mandated audits on a timely basis, as well as completing the FY 2008-09 Single Audit before the March 31st deadline, Internal Audit continued to assist ADMHS in evaluating estimated liabilities and identifying potential receivables. The Internal Audit Division also completed an internal control review of the Sheriff's Civil Bureau and the Public Works Transfer Stations and provided recommendations for improvements to these departments. The initial phase of identifying and documenting travel processes of County departments,

in expectation of creating a County-wide travel claim reimbursement system, was also completed during this fiscal year.

- Proposed Strategic Action – The division will continue to provide timely audit services, including management and operational reviews, based on a County-wide risk assessment. The division will also facilitate a structure to assess, communicate, and follow-up on County-wide risks, while continuing to reduce hours spent on mandated audits.
- Earned the Government Finance Officers' Association (GFOA) Award for Excellence in Financial Reporting for the County's Comprehensive Annual Financial Report (CAFR), for the nineteenth consecutive year and the GFOA Award for Outstanding Achievement for the County's Annual Financial Highlights publication, for the thirteenth 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 the County website at: www.countvofsb.org/auditor.

Due to constraints of the FY 2010-11 budget, the Auditor-Controller implemented service level reductions for the third consecutive year. The department reduced employees by another 2 FTEs following a loss of 6 FTEs in the prior two years. The department has 60 legal positions and had funding for 58 FTEs in FY 2007-08. This 10% drop in FTE funding over the last three years will not be viable for the long-term efficiency and effectiveness of the office and will impact the department's ability to meet the County priorities. Fewer people mean more risk for errors and potential liabilities. The Auditor-Controller believes the optimal level of staffing needed to maximize operations of the department is 60 FTEs. The department is currently staffed at 46 FTEs, which is the lowest level for the Auditor's Office since the 1960's. This staffing level affects the department in two main areas, the ability to run an effective internal audit unit and the maintenance and development of County-wide financial applications. This increases the risk that the County will make financial errors that will go undetected throughout the County and within Auditor-Controller functions such as payroll and property tax allocations.

In spite of these cuts, the Auditor rolled out a new FIN application to process 120,000 manual claims in an automated work flow environment in FY 2009-10. This paperless system contributes to significant efficiencies throughout the County and independent special districts that the Auditor services. The department plans to finalize the integration of the new Human Resource application to payroll. The department will also assist the Treasurer-Tax Collector with an upgrade to the property tax system exiting the aging mainframe computer environment.

AUDITOR-CONTROLLER

Administration

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Use of Funds Summary				
<i>Operating Expenditures</i>				
Office of the Auditor Controller	\$ 337,847	\$ 312,855	\$ 361,828	\$ 338,084
Administrative Support	385,612	435,288	413,169	470,617
Operating Sub-Total	723,459	748,143	774,997	808,701
Less: Intra-County Revenues	--	--	(21,562)	(9,375)
Operating Total	723,459	748,143	753,435	799,326
<i>Non-Operating Expenditures</i>				
Capital Assets	--	10,000	10,000	10,000
Expenditure Total	723,459	758,143	763,435	809,326
<i>Other Financing Uses</i>				
Operating Transfers	5,326	5,327	5,328	5,328
Division Total	\$ 728,785	\$ 763,470	\$ 768,763	\$ 814,654

Character of Expenditures

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
<i>Operating Expenditures</i>				
Regular Salaries	322,415	363,925	341,964	338,271
Overtime	1,246	2,015	200	401
Extra Help	43,055	9,833	46,514	46,514
Benefits	160,883	173,928	156,602	191,059
Salaries & Benefits Sub-Total	527,599	549,701	545,280	576,245
Services & Supplies	195,860	198,442	229,717	232,456
Operating Sub-Total	723,459	748,143	774,997	808,701
Less: Intra-County Revenues	--	--	(21,562)	(9,375)
Operating Total	723,459	748,143	753,435	799,326
<i>Non-Operating Expenditures</i>				
Capital Assets	--	10,000	10,000	10,000
Expenditure Total	\$ 723,459	\$ 758,143	\$ 763,435	\$ 809,326

Source of Funds Summary

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
<i>Departmental Revenues</i>				
Other Charges for Services	\$ 13,253	\$ --	\$ 23,152	\$ 10,714
Miscellaneous Revenue	59,490	7,313	122,318	15,289
Revenue Sub-Total	72,743	7,313	145,470	26,003
Less: Intra-County Revenues	--	--	(21,562)	(9,375)
Revenue Total	72,743	7,313	123,908	16,628
<i>General Fund Contribution</i>				
Division Total	\$ 728,785	\$ 763,470	\$ 768,763	\$ 814,654

Actual FY 08-09		Adopted FY 09-10		Est. Actual FY 09-10		Recommended FY 10-11	
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	2.0	1.4	3.0	2.2	3.0	1.4	2.0
Total Permanent	3.0	2.4	4.0	3.2	4.0	2.4	3.0
<i>Non-Permanent</i>							
Extra Help	--	0.8	--	--	--	1.0	--
Total Positions	3.0	3.2	4.0	3.2	4.0	3.4	2.5

Significant Changes (FY 2009-10 Adopted to FY 2009-10 Estimated Actual)

The Fiscal Year 2009-10 Estimated Actual operating expenditures increased by \$27,000 to \$775,000 from the Fiscal Year 2009-10 Adopted Budget of \$748,000. This 4% increase is the result of:

- -\$41,000 - Decrease in salary and benefit costs primarily due the retirement of a Financial Office Professional;
- +\$37,000 - Increase in salaries and benefits due to an increase in extra help staff to accommodate the retirement of a Financial Office Professional;
- +\$31,000 - Increase in services and supplies due primarily to increased maintenance and equipment cost and unanticipated IT costs.

Significant Changes (FY 2009-10 Estimated Actual to FY 2010-11 Recommended)

The Fiscal Year 2010-11 Recommended Budget operating expenditures will increase by \$34,000 to \$809,000 from the Fiscal Year 2009-10 Estimated Actual of \$775,000. This 4% increase is the result of:

- +\$31,000 - Increase in salary and benefit costs due primarily to an increase in retirement costs;
- +\$3,000 - Increase in utilities costs and various office expenses.

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 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Recurring Performance Measures				
Office of the Auditor Controller				
Expend 2% of the departmental salaries budget for training purposes	2%	2%	2%	2%
Complete 80% of Computer Service Requests (CSRs) with in the fiscal year they were requested.	96%	80%	88%	80%
As an efficient and responsive government, the County will maintain a quality workforce through completing 100% of departmental Employee Performance Reviews (EPRs) by the anniversary due date.	100%	100%	100%	100%
	54	51	52	49
	54	51	52	49
Maintain computer network resources so they are available for 97% of the 2,080 business hours.	99%	97%	97%	97%
As an efficient and responsive government, the Department will reduce or maintain the rate of General Liability claims filed from the previous year's actual claims filed.	0	0	0	0
As an efficient and responsive government, the Department will reduce or maintain the rate of Workers' Compensation claims filed from the previous year's actual claims filed.	0	0	0	0
As an efficient and responsive government, the County will maintain a productive workforce through a Departmental lost time rate of 5.2% or less.	4.5%	5.9%	3.5%	5.2%
	4,661	12,366	7,382	10,899
	103,099	209,600	209,622	209,600
Review and update the 5 technical disaster recovery plans for all critical systems once per year.	Yes	Yes	Yes	Yes

AUDITOR-CONTROLLER

Administration (cont'd)

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Recurring Performance Measures				
Administrative Support				
Expend 2% of the departmental salaries budget for technology.	2%	2%	2%	2%
	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
	Pos.	Pos.	Pos.	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				
Financial Office Pro	1.0	2.0	2.0	2.0
Accountant-Auditor	--	1.0	1.0	--
Sub-Division Total	1.0	3.0	3.0	2.0
Division Total	3.0	4.0	4.0	3.0

AUDITOR-CONTROLLER

Auditing

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Use of Funds Summary				
<i>Operating Expenditures</i>				
Internal Audits	\$ 394,045	\$ 422,151	\$ 407,053	\$ 494,343
External Audits	116,835	119,676	122,311	342,552
Operating Sub-Total	510,880	541,827	529,364	836,895
Less: Intra-County Revenues	(168,465)	(247,040)	(139,247)	(71,234)
Division Total	<u>\$ 342,415</u>	<u>\$ 294,787</u>	<u>\$ 390,117</u>	<u>\$ 765,661</u>

Character of Expenditures

<i>Operating Expenditures</i>				
Regular Salaries	362,218	382,552	373,697	574,511
Overtime	1,095	2,411	176	352
Extra Help	141	928	153	153
Benefits	132,264	143,047	143,953	250,196
Salaries & Benefits Sub-Total	495,718	528,938	517,979	825,212
Services & Supplies	15,162	12,889	11,385	11,683
Operating Sub-Total	510,880	541,827	529,364	836,895
Less: Intra-County Revenues	(168,465)	(247,040)	(139,247)	(71,234)
Expenditure Total	<u>\$ 342,415</u>	<u>\$ 294,787</u>	<u>\$ 390,117</u>	<u>\$ 765,661</u>

Source of Funds Summary

<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 164,532	\$ 249,480	\$ 249,480	\$ 213,888
Other Charges for Services	40,230	39,930	41,930	37,740
Revenue Sub-Total	204,762	289,410	291,410	251,628
Less: Intra-County Revenues	(168,465)	(247,040)	(139,247)	(71,234)
Revenue Total	36,297	42,370	152,163	180,394
<i>General Fund Contribution</i>				
Division Total	<u>\$ 342,415</u>	<u>\$ 294,787</u>	<u>\$ 390,117</u>	<u>\$ 765,661</u>

Actual FY 08-09		Adopted FY 09-10		Est. Actual FY 09-10		Recommended FY 10-11		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
Internal Audits	6.0	3.4	7.0	3.0	7.0	3.1	5.0	3.9
External Audits	1.0	1.3	--	1.1	--	2.0	3.0	3.1
Total Positions	<u>7.0</u>	<u>4.6</u>	<u>7.0</u>	<u>4.1</u>	<u>7.0</u>	<u>5.0</u>	<u>8.0</u>	<u>7.0</u>

Significant Changes (FY 2009-10 Adopted to FY 2009-10 Estimated Actual)

The Fiscal Year 2009-10 Estimated Actual operating expenditures decreased by \$13,000 to \$529,000 from the Fiscal Year 2009-10 Adopted Budget of \$542,000. This 2% decrease is as a result of:

- -\$11,000 - Net decrease in salaries and benefits primarily due to vacancies;
- -\$2,000 - Decrease in various services and supplies.

Significant Changes (FY 2009-10 Estimated Actual to FY 2010-11 Recommended)

The Fiscal Year 2010-11 Recommended Budget operating expenditures will increase by \$308,000 to \$837,000 from the Fiscal Year 2009-10 Estimated Actual of \$529,000. This 58% increase is the result of:

- +\$307,000 - Increase in salaries and benefits primarily as the result of the anticipated hiring of two Accountant-Auditors;
- +\$1,000 - Increase in various services and supplies.

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 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Recurring Performance Measures				
Internal Audits				
Perform 75% of the audit work as delineated in the Audit Plan.	100%	80%	80%	75%
	N/A	N/A	5905	5505
	N/A	N/A	7360	7360
Complete 50% of discretionary audit and project hours.	100%	50%	75%	60%
	N/A	N/A	1050	840
	N/A	N/A	1400	1400
Complete 100% of mandatory audits by legal due date.	100%	100%	100%	100%
	N/A	N/A	11	11
	N/A	N/A	11	11
Complete 100% of Special District Audits by the legal due date.	100%	100%	100%	100%
	N/A	N/A	7	7
	N/A	N/A	7	7
External Audits				
Provide 200 hours for the Single Audit.	100%	100%	100%	100%
	N/A	N/A	1000	1000

AUDITOR-CONTROLLER

Auditing (cont'd)

	Actual FY 08-09 Pos.	Adopted FY 09-10 Pos.	Est. Actual FY 09-10 Pos.	Recommended FY 10-11 Pos.
Position Detail				
Internal Audits				
Audit Manager	1.0	1.0	1.0	1.0
Financial Audit Supervisor	1.0	1.0	1.0	--
Financial Account Analyst	1.0	--	--	--
Accountant-Auditor	3.0	5.0	5.0	4.0
Sub-Division Total	6.0	7.0	7.0	5.0
External Audits				
Financial Audit Supervisor	--	--	--	1.0
Accountant-Auditor	1.0	--	--	2.0
Sub-Division Total	1.0	--	--	3.0
Division Total	7.0	7.0	7.0	8.0

AUDITOR-CONTROLLER

Operations

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Use of Funds Summary				
<i>Operating Expenditures</i>				
Financial Accounting	\$ 2,694,439	\$ 3,085,484	\$ 2,833,067	\$ 3,089,437
Payroll	830,570	744,420	744,749	888,783
Customer Support	66,765	97,129	69,917	79,116
Property Tax	638,569	694,817	669,771	760,636
Operating Sub-Total	4,230,343	4,621,850	4,317,504	4,817,972
Less: Intra-County Revenues	(1,610,731)	(1,783,287)	(1,784,644)	(1,705,147)
Division Total	<u>\$ 2,619,612</u>	<u>\$ 2,838,563</u>	<u>\$ 2,532,860</u>	<u>\$ 3,112,825</u>

Character of Expenditures

	Actual	Adopted	Est. Actual	Recommended
<i>Operating Expenditures</i>				
Regular Salaries	2,621,187	2,890,722	2,714,841	2,975,755
Overtime	2,868	2,112	461	921
Extra Help	103,297	122,830	111,595	111,595
Benefits	947,742	1,087,505	1,021,371	1,263,796
Salaries & Benefits Sub-Total	3,675,094	4,103,169	3,848,268	4,352,067
Services & Supplies	555,249	518,681	469,236	465,905
Operating Sub-Total	4,230,343	4,621,850	4,317,504	4,817,972
Less: Intra-County Revenues	(1,610,731)	(1,783,287)	(1,784,644)	(1,705,147)
Expenditure Total	<u>\$ 2,619,612</u>	<u>\$ 2,838,563</u>	<u>\$ 2,532,860</u>	<u>\$ 3,112,825</u>

Source of Funds Summary

	Actual	Adopted	Est. Actual	Recommended
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 1,570,060	\$ 1,820,267	\$ 1,820,267	\$ 1,710,300
Property Tax Admin Fees	679,643	653,000	748,000	734,900
Other Charges for Services	86,682	56,042	50,035	57,410
Miscellaneous Revenue	9,195	2,594	24,489	2,364
Revenue Sub-Total	2,345,580	2,531,903	2,642,791	2,504,974
Less: Intra-County Revenues	(1,610,731)	(1,783,287)	(1,784,644)	(1,705,147)
Revenue Total	734,849	748,616	858,147	799,827
<i>General Fund Contribution</i>	1,884,763	1,756,697	1,674,713	1,919,825
<i>Other Financing Sources</i>				
Use of Prior Fund Balances	--	333,250	--	393,173
Division Total	<u>\$ 2,619,612</u>	<u>\$ 2,838,563</u>	<u>\$ 2,532,860</u>	<u>\$ 3,112,825</u>

	Actual FY 08-09		Adopted FY 09-10		Est. Actual FY 09-10		Recommended FY 10-11	
	Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE
Position Summary								
<i>Permanent</i>								
Financial Accounting	21.3	19.5	24.3	19.7	24.3	18.7	24.8	18.8
Payroll	6.0	5.3	5.0	5.2	5.0	6.0	5.5	5.9
Customer Support	1.0	0.8	1.0	0.9	1.0	0.8	--	0.8
Property Tax	5.0	5.2	5.0	5.2	5.0	5.2	5.0	5.2
Total Permanent	33.3	30.8	35.3	30.9	35.3	30.6	35.3	30.6
<i>Non-Permanent</i>								
Extra Help	--	2.7	--	--	--	2.1	--	--
Total Positions	33.3	33.5	35.3	30.9	35.3	32.7	35.3	30.6

Significant Changes (FY 2009-10 Adopted to FY 2009-10 Estimated Actual)

The Fiscal Year 2009-10 Estimated Actual operating expenditures decreased by \$304,000 to \$4,318,000 from the Fiscal Year 2009-10 Adopted Budget of \$4,622,000. This 7% decrease is due to:

- -\$255,000 - Decrease in salaries and benefits due primarily to vacancies and the loss of a Financial Systems Analyst and not filling a Financial Accounting Analyst position;
- -\$49,000 - Decrease in various services and supplies.

Significant Changes (FY 2009-10 Estimated Actual to FY 2010-11 Recommended)

The Fiscal Year 2010-11 Recommended Budget operating expenditures will increase by \$500,000 to \$4,818,000 from the Fiscal Year 2009-10 Estimated Actual of \$4,318,000. This 12% increase is due to:

- +\$504,000 - Salaries and benefits due to anticipated cost-of-living adjustment increases, step increases, and retirement contribution increases;
- -\$3,000 - Decrease in various services and supplies.

SERVICE DESCRIPTION

Prepare accurate, complete and timely financial records; operate, maintain and enhance Countywide financial and payroll systems and properly train County employees; pay all employees in a timely manner; 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 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Recurring Performance Measures				
Financial Accounting				
Maintain an overall 90% user satisfaction level, based on a customer survey, for significant Countywide financial applications.	93%	90%	90%	90%
	15	20	20	20
	14	18	18	18
Make at least 60% of the annual disbursements to vendors through direct deposit.	60%	60%	60%	60%
	82,208	90,000	80,400	80,000
	138,000	150,000	134,000	133,000
Payroll				
Increase the number of employees receiving online earnings statements (instead of paper).	89%	89%	89%	90%
	4,361	4,361	4,361	4,410
	4,900	4,900	4,900	4,900
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.	93%	100%	100%	100%
	15	16	16	16
	14	16	16	16
Property Tax				
Complete 100% of the three major Property Tax distributions within 20 days of the installment due dates to approximately 100 affected taxing entities.	100%	100%	100%	100%
	3	3	3	3
	3	3	3	3
Publish the popular report "Property Tax Highlights" by October 15th.	Yes	Yes	Yes	Yes

AUDITOR-CONTROLLER

Operations (cont'd)

	Actual FY 08-09 Pos.	Adopted FY 09-10 Pos.	Est. Actual FY 09-10 Pos.	Recommended FY 10-11 Pos.
Position Detail				
Financial Accounting				
Assistant Auditor-Controller	1.0	1.0	1.0	1.0
Chief Deputy Controller	0.8	0.8	0.8	0.8
Division Chief	3.0	4.0	4.0	3.0
Financial Systems Analyst	6.5	8.5	8.5	8.0
Office Automation Coordinator	3.0	3.0	3.0	3.0
Financial Account Analyst	1.0	2.0	2.0	2.0
Financial Office Pro	4.0	4.0	4.0	5.0
Accountant-Auditor	2.0	1.0	1.0	2.0
Sub-Division Total	21.3	24.3	24.3	24.8
Payroll				
Division Chief	1.0	--	--	1.0
Financial Systems Analyst	2.0	2.0	2.0	1.5
Financial Account Analyst	1.0	1.0	1.0	1.0
Financial Office Pro	2.0	2.0	2.0	2.0
Sub-Division Total	6.0	5.0	5.0	5.5
Customer Support				
Financial Office Pro	1.0	1.0	1.0	--
Sub-Division Total	1.0	1.0	1.0	--
Property Tax				
Division Chief	1.0	1.0	1.0	1.0
Financial Systems Analyst	1.0	1.0	1.0	1.0
Financial Account Analyst	1.0	1.0	1.0	1.0
Accountant-Auditor	2.0	2.0	2.0	2.0
Sub-Division Total	5.0	5.0	5.0	5.0
Division Total	33.3	35.3	35.3	35.3

AUDITOR-CONTROLLER

Financial Reporting

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Use of Funds Summary				
<i>Operating Expenditures</i>				
Financial Reports	\$ 586,072	\$ 758,699	\$ 624,323	\$ 737,512
Budget Reporting	222,530	134,836	234,032	116,808
Cost Accounting	191,014	235,030	200,964	197,845
Operating Sub-Total	999,616	1,128,565	1,059,319	1,052,165
Less: Intra-County Revenues	(567,760)	(571,682)	(599,253)	(899,838)
Division Total	\$ 431,856	\$ 556,883	\$ 460,066	\$ 152,327

Character of Expenditures

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
<i>Operating Expenditures</i>				
Regular Salaries	645,891	693,515	667,843	626,423
Overtime	336	360	54	108
Extra Help	--	7,996	--	--
Benefits	233,519	261,986	252,782	266,531
Salaries & Benefits Sub-Total	879,746	963,857	920,679	893,062
Services & Supplies	119,870	164,708	138,640	159,103
Operating Sub-Total	999,616	1,128,565	1,059,319	1,052,165
Less: Intra-County Revenues	(567,760)	(571,682)	(599,253)	(899,838)
Expenditure Total	\$ 431,856	\$ 556,883	\$ 460,066	\$ 152,327

Source of Funds Summary

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
<i>Departmental Revenues</i>				
Cost Allocation Revenue	\$ 529,276	\$ 583,353	\$ 583,353	\$ 942,961
Other Charges for Services	21,888	--	30,197	14,197
Revenue Sub-Total	551,164	583,353	613,550	957,158
Less: Intra-County Revenues	(567,760)	(571,682)	(599,253)	(899,838)
Revenue Total	(16,596)	11,671	14,297	57,320
<i>General Fund Contribution</i>				
Division Total	\$ 431,856	\$ 556,883	\$ 460,066	\$ 152,327

Actual FY 08-09		Adopted FY 09-10		Est. Actual FY 09-10		Recommended FY 10-11		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
Financial Reports	6.0	4.0	5.0	4.7	5.0	4.1	6.0	4.0
Budget Reporting	1.0	1.8	--	1.0	--	0.9	1.0	0.9
Cost Accounting	3.0	1.7	2.0	2.0	2.0	1.7	1.0	1.4
Total Positions	10.0	7.5	7.0	7.7	7.0	6.7	8.0	6.3

Significant Changes (FY 2009-10 Adopted to FY 2009-10 Estimated Actual)

The Fiscal Year 2009-10 Estimated Actual operating expenditures decreased by \$70,000 to \$1,059,000 from the Fiscal Year 2009-10 Adopted Budget of \$1,129,000. This 6% decrease is the result of:

- -\$43,000 - Decrease in salaries and benefits primarily due to a partial year Accountant-Auditor vacancy;
- -\$27,000 - Decrease in various services and supplies expenditures.

Significant Changes (FY 2009-10 Estimated Actual to FY 2010-11 Recommended)

The Fiscal Year 2010-11 Recommended Budget operating expenditures will decrease by \$7,000 to \$1,052,000 from the Fiscal Year 2009-10 Estimated Actual of \$1,059,000. This 1% decrease is the result of:

- -\$28,000 - Decrease in salaries and benefits due to a combination of an Accountant-Auditor vacancy offset by increased cost of living adjustments and retirement contributions;
- +\$21,000 - Increase in various services and supplies expenditures.

SERVICE DESCRIPTION

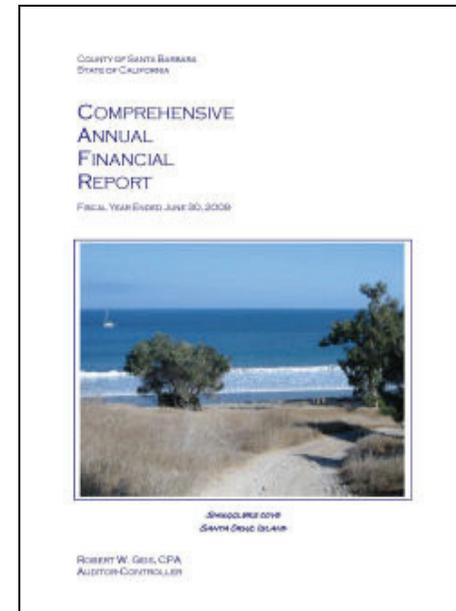
Provide meaningful and timely financial reports and cost analyses to management, the Board of Supervisors, and the public. Comply with State and Federal reporting requirements and generally accepted accounting principles. Operate, maintain, enhance, and support the County's budget development system.

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Recurring Performance Measures				
Financial Reports				
Receive 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 with in 60 days of fiscal year-end.	Yes	Yes	Yes	Yes
Publish the County's Comprehensive Annual Financial Report with in 60 days of fiscal year-end.	Yes	Yes	Yes	Yes
Budget Reporting				
Enter the adopted budget into the County's financial accounting system prior to closing the first month of the Fiscal Year.	Yes	Yes	Yes	Yes

AUDITOR-CONTROLLER

Financial Reporting (cont'd)

	Actual FY 08-09 Pos.	Adopted FY 09-10 Pos.	Est. Actual FY 09-10 Pos.	Recommended FY 10-11 Pos.
Position Detail				
Financial Reports				
Division Chief	1.0	1.0	1.0	1.0
Financial Systems Analyst	3.0	1.0	1.0	2.0
Cost Analyst	1.0	2.0	2.0	2.0
Accountant-Auditor	1.0	1.0	1.0	1.0
Sub-Division Total	6.0	5.0	5.0	6.0
Budget Reporting				
Accountant-Auditor	1.0	--	--	1.0
Sub-Division Total	1.0	--	--	1.0
Cost Accounting				
Cost Analyst	2.0	1.0	1.0	1.0
Accountant-Auditor	1.0	1.0	1.0	--
Sub-Division Total	3.0	2.0	2.0	1.0
Division Total	10.0	7.0	7.0	8.0



AUDITOR-CONTROLLER
Specialty Accounting

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
Use of Funds Summary				
<i>Operating Expenditures</i>				
County Fiscal Services	\$ 595,761	\$ 434,480	\$ 369,425	\$ 266,277
Advanced Accounting	--	239,414	255,682	132,656
Operating Sub-Total	595,761	673,894	625,107	398,933
Less: Intra-County Revenues	(69,763)	--	(64,510)	(28,049)
Division Total	<u>\$ 525,998</u>	<u>\$ 673,894</u>	<u>\$ 560,597</u>	<u>\$ 370,884</u>

Character of Expenditures

<i>Operating Expenditures</i>				
Regular Salaries	424,771	468,471	439,910	266,507
Overtime	677	102	109	218
Extra Help	1,608	8,413	1,738	1,738
Benefits	157,943	181,877	170,129	116,962
Salaries & Benefits Sub-Total	584,999	658,863	611,886	385,425
Services & Supplies	10,762	15,031	13,221	13,508
Operating Sub-Total	595,761	673,894	625,107	398,933
Less: Intra-County Revenues	(69,763)	--	(64,510)	(28,049)
Expenditure Total	<u>\$ 525,998</u>	<u>\$ 673,894</u>	<u>\$ 560,597</u>	<u>\$ 370,884</u>

Source of Funds Summary

<i>Departmental Revenues</i>				
Other Charges for Services	\$ 115,719	\$ 107,733	\$ 78,391	\$ 39,739
Miscellaneous Revenue	15,464	2,093	18,780	2,347
Revenue Sub-Total	131,183	109,826	97,171	42,086
Less: Intra-County Revenues	(69,763)	--	(64,510)	(28,049)
Revenue Total	61,420	109,826	32,661	14,037
<i>General Fund Contribution</i>				
Division Total	<u>\$ 525,998</u>	<u>\$ 673,894</u>	<u>\$ 560,597</u>	<u>\$ 370,884</u>

Actual FY 08-09		Adopted FY 09-10		Est. Actual FY 09-10		Recommended FY 10-11		
Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	
Position Summary								
<i>Permanent</i>								
County Fiscal Services	6.0	5.3	6.0	3.8	6.0	2.9	3.0	2.0
Advanced Accounting	--	--	--	1.6	--	1.6	2.0	0.8
Total Permanent	6.0	5.3	6.0	5.4	6.0	4.5	5.0	2.9
<i>Non-Permanent</i>								
Extra Help	--	0.1	--	--	--	0.2	--	--
Total Positions	<u>6.0</u>	<u>5.4</u>	<u>6.0</u>	<u>5.4</u>	<u>6.0</u>	<u>4.8</u>	<u>5.0</u>	<u>2.9</u>

Position Summary

Permanent

County Fiscal Services	6.0	5.3	6.0	3.8	6.0	2.9	3.0	2.0
Advanced Accounting	--	--	--	1.6	--	1.6	2.0	0.8
Total Permanent	6.0	5.3	6.0	5.4	6.0	4.5	5.0	2.9

Non-Permanent

Extra Help	--	0.1	--	--	--	0.2	--	--
Total Positions	<u>6.0</u>	<u>5.4</u>	<u>6.0</u>	<u>5.4</u>	<u>6.0</u>	<u>4.8</u>	<u>5.0</u>	<u>2.9</u>

Significant Changes (FY 2009-10 Adopted to FY 2009-10 Estimated Actual)

The Fiscal Year 2010-11 Estimated Actual operating expenditures decreased by \$49,000 to \$625,000 from the Fiscal Year 2009-10 Adopted Budget of \$674,000. This 7% decrease is due to:

- -\$47,000 - Decrease in salaries and benefits due to the loss of an Accountant-Auditor mid-year;
- -\$2,000 - Decrease in various services and supplies expenditures.

Significant Changes (FY 2009-10 Estimated Actual to FY 2010-11 Recommended)

The Fiscal Year 2010-11 Recommended Budget operating expenditures will decrease by \$226,000 to \$399,000 from the FY 2009-10 Estimated Actual of \$625,000. This 36% decrease is due to:

- -\$226,000 - Decrease in salaries and benefits due primarily to the loss of a Division Chief in the Advanced Accounting Division and a loss of an Accountant-Auditor.

SERVICE DESCRIPTION

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

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.

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
--	--------------------	---------------------	-------------------------	-------------------------

Yes Yes Yes Yes

Issue a reader-friendly Sales and Use Tax Report within 150 days of fiscal year-end.

Yes Yes Yes Yes

Issue a reader-friendly Transient Occupancy Tax Highlights Report within 150 days of fiscal year-end.

Yes Yes Yes Yes

Advanced Accounting

Review all contracts within 24 hours of receipt.

-- Yes Yes Yes

	Actual FY 08-09	Adopted FY 09-10	Est. Actual FY 09-10	Recommended FY 10-11
	Pos.	Pos.	Pos.	Pos.

Position Detail

County Fiscal Services

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

Advanced Accounting

Division Chief	--	--	--	1.0
Financial Systems Analyst	--	--	--	1.0
Sub-Division Total	--	--	--	2.0
Division Total	6.0	6.0	6.0	5.0

AUDITOR-CONTROLLER

Specialty Accounting (cont'd)

County of Santa Barbara
Annual Transient Occupancy Tax Report
Fiscal Year Ended June 30, 2009

Countywide Transient Occupancy Taxes

In 1963, local governments were granted the power to tax the privilege of occupying a room or other living space in a hotel, motel, inn, tourist home, or other lodging (such as campgrounds) for 30 days or less. The transient occupancy tax (TOT) is collected by the operator and then remitted to city finance departments or the County Treasurer for the unincorporated area. The transient occupancy tax is currently 10% (12% for the City of Santa Barbara) of the daily rent.

The transient occupancy tax reached \$31.6 million in fiscal year 2008-09, an 8.3% decline from 2007-08. The unincorporated area generated \$6.4 million, while the incorporated cities received the largest share of TOT at \$25.2 million.

INSIDE THIS ISSUE: **Hotel / Motel Room Transient Occupancy Taxes by Jurisdiction**

TOT by Jurisdiction	2007-2008		2008-2009	
	Amount	Change from Prior Year	Amount	Change from Prior Year
Cities:				
Santa Barbara	\$15,522,708	1.9%	\$14,469,128	-6.8%
Goleta—City Share ¹	2,783,144	9.6%	2,457,059	-11.7%
Solvang	2,418,395	0.5%	2,235,432	-7.6%
Santa Maria	2,396,491	1.0%	2,201,546	-8.1%
Lompoc	1,491,662	8.8%	1,482,857	-0.6%
Carpinteria	1,415,000	-2.6%	1,225,707	-13.4%
Buellton	1,290,390	1.3%	1,179,362	-8.6%
Guadalupe	—	—	—	—
Total	\$27,317,790	2.5%	\$25,251,091	-7.6%
Unincorporated Areas:				
Montecito	3,860,051	18.7%	3,284,943	-14.9%
Goleta—County Share ²	1,599,120	-5.5%	1,331,183	-16.8%
Goleta Valley	1,148,712	3.0%	1,199,569	4.4%
Santa Ynez	462,963	0.3%	455,052	-1.7%
North County	84,106	0.1%	86,159	2.4%
Total	\$7,154,952	8.3%	\$6,356,996	-11.1%
Countywide Total	\$34,472,742	3.7%	\$31,607,997	-8.3%

Summary of the County / City Revenue Neutrality Agreement for Goleta.

- Agreement in effect from February 1, 2002 until June 30, 2012.
- 60% of TOT generated in the City of Goleta goes to the City.
- 40% of TOT generated in the City of Goleta goes to the County.
- For hotels/motels opened after February 1, 2002, 100% of TOT generated in the City of Goleta goes to the City.

Data Source: TOT for the cities was provided by the respective city's finance department, and TOT for the unincorporated area was obtained through the Treasurer-Tax Collector's Office.

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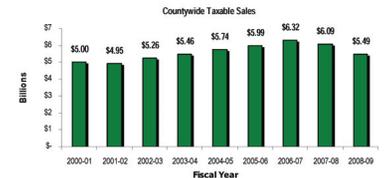
"Annual Transient Occupancy Tax Report"

County of Santa Barbara Auditor-Controller

Annual Sales & Use Tax Report
Fiscal Year Ended June 30, 2009



Countywide Taxable Sales Revenue



For fiscal year (FY) ended June 30, 2009, countywide taxable sales were \$5.49 billion, a 9.9% decline compared to the prior fiscal year amount of \$6.09 billion. We expect the decreasing trend to continue into the middle of FY 2009-10. As we end FY 2009-10, we anticipate the beginning of a modest recovery.

"Annual Sales & Use Tax Report"

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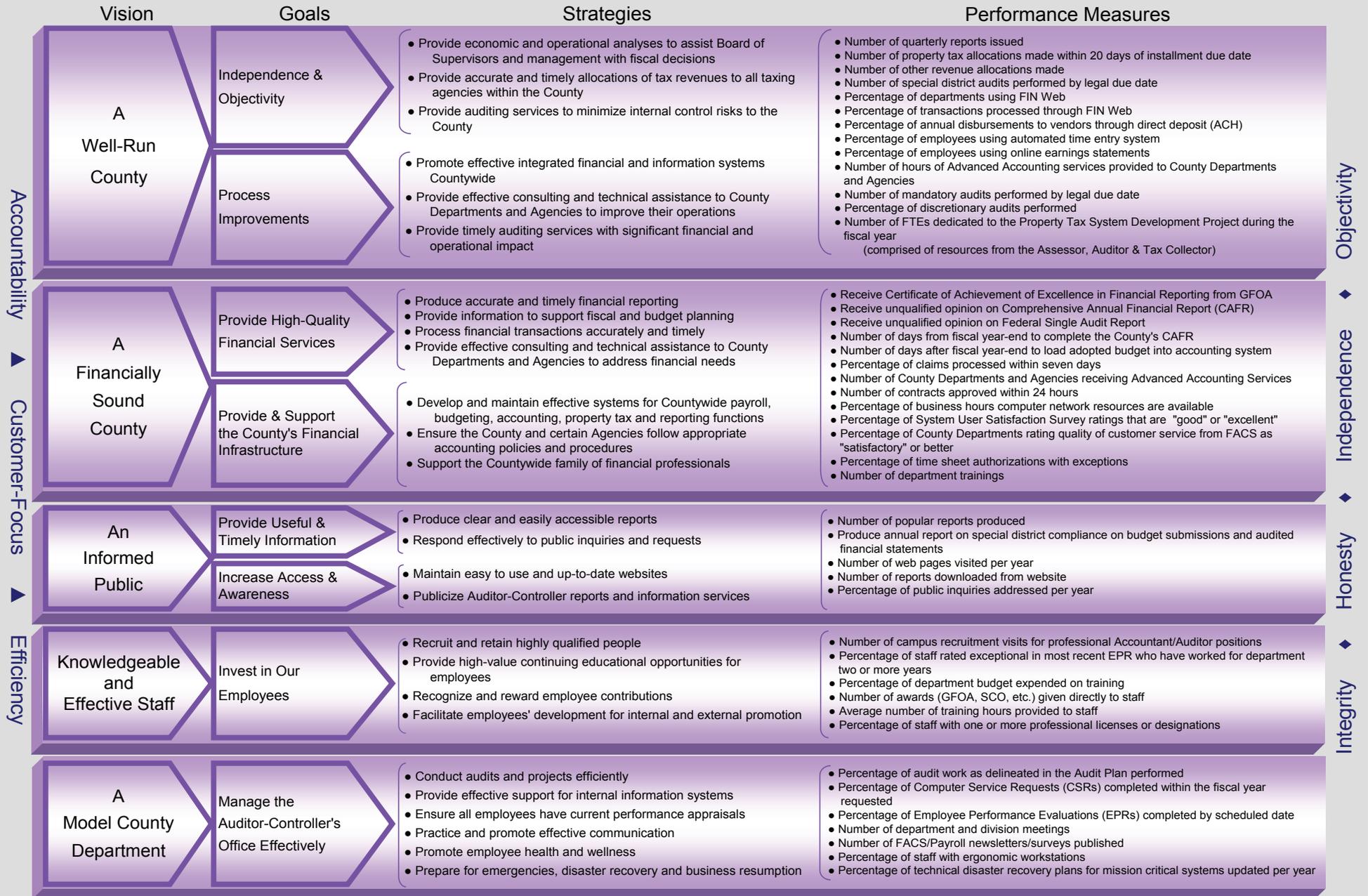
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Sales & Use Tax	Rate (%)	County (\$)	Cities & Other Entities (\$)	State (\$)	Total Amount (\$)
State of California - General Fund	5.00	-	-	274.4	274
Temporary 1% Sales Tax Rate Increase*	1.00	-	-	13.2	13
Economic Recovery Fund - "Triple Flip"	0.25	-	-	13.7	13
Public Safety - Prop 172	0.50	25.8	0.7	-	26
County Health & Welfare - Realignment	0.50	18.3	9.1	-	27
City & County Road - Measure D	0.50	7.0	22.8	-	29
Countywide Transportation - LTF	0.25	-	12.9	-	13
County & Cities General Operations - LTF	0.75	7.5	33.7	-	41
Local Bradley Burns Sales Tax	8.75	59.5	79.2	301.3	440
Total Tax Revenue Received:					

* The Sales and Use Tax Rate increased on April 1, 2009, resulting in the State's rate increasing from 5% to 6%.

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



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