



Office of the Auditor-Controller
Specialty Accounting Division

SANTA BARBARA COUNTY INDEPENDENT SPECIAL DISTRICTS

Compliance Report covering:

- 2006/07 Annual Financial Reports
- 2007/08 Annual Budgets
- Research Report On Districts' Current Fiscal Strengths and Vulnerabilities



Buffalo and friend, Santa Ynez Valley. Photo courtesy of Mark Bright.

Report Date - April 2009

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Table of Contents

Summary

Compliance Effort, District Fiscal Strengths, District Vulnerabilities, Recommendations..... 3

Compliance Reports:

Annual Financial Reports..... 5

Annual Budgets..... 6

Comparative Financial Measures – Governmental Fund Type Operations

Cemetery Districts..... 7

Fire Districts..... 8

Recreation and Parks Districts..... 9

Other Districts..... 10

Santa Barbara County Air Pollution Control, Cachuma Resource Conservation,
Embarcadero Municipal Improvement, Mosquito and Vector Management, Santa Maria
Resource Conservation, Santa Ynez River Water Conservation

Comparative Financial Measures – Proprietary Fund Type Operations

Community Services Districts..... 12

Sanitary Districts..... 14

Water Districts..... 16

Other Districts..... 18

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Santa Maria	(805) 925-4595
<u>Fire Districts</u> Carpinteria-Summerland	(805) 684-4591
Montecito	(805) 969-7762
Orcutt	(805) 937-7515
<u>Community Services Districts</u> Casmalia	(805) 937-6151
Cuyama	(661) 766-2780
Los Alamos	(805) 344-4195
Mission Hills	(805) 733-4366
Santa Ynez	(805) 688-3008
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<u>Contact</u>	<u>Phone</u>
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Isla Vista	(805) 968-2017
<u>Resource Conservation District</u> Cachuma	(805) 928-9269
<u>Sanitary Districts</u> Carpinteria	(805) 684-7214
Goleta	(805) 967-4519
Goleta West	(805) 968-2617
Montecito	(805) 969-4200
Summerland	(805) 969-4344
<u>Transit District</u> Santa Barbara Metropolitan	(805) 963-3364
<u>Vector Control District</u> Mosquito and Vector Management	(805) 969-5050
<u>Water Districts</u> Carpinteria Valley	(805) 684-2816
Goleta	(805) 964-6761
Montecito	(805) 969-2271
<u>Water Conservation Districts</u> Santa Maria Valley	(805) 925-5212
Santa Ynez River	(805) 693-1156
Santa Ynez River ID #1	(805) 688-6015

Background

In Fiscal Year (FY) 99-00, the Santa Barbara County Grand Jury recommended that the Auditor-Controller improve the compliance effort concerning the completion and filing of annual budgets and annual financial reports by independent special districts that operate within the County. Upon the Grand Jury's recommendation, the Auditor-Controller agreed to provide the Board of Supervisors with a formal compliance report on an annual basis. The Fiscal Year 00-01 Santa Barbara Grand Jury requested that as part of the compliance effort we analyze the districts' financial conditions to determine if districts were under or over funded. To objectively accomplish this task, they requested that we apply ratio analysis to the districts' financial statements.

Summary

Independent special districts provide many services to the local community that are taken for granted. Water flows through the taps, wastewater is flushed away, buses run, firefighters douse flames, and loved ones are laid to rest in local cemeteries. This report contains information on 36 independent special districts in the County of Santa Barbara. The districts are governed by elected or appointed local boards. Many of these districts were created to extend public services to rural communities but are now servicing urban populations as the county has grown. In many instances larger municipal agencies, like cities, also provide these same services.

As you will see in this report, our local districts are successful. They remain close to the communities they serve; most have a distinct mission which enables them to focus on service delivery.

Compliance Effort:

All of the Districts have filed their annual budgets. 95% were filed within 60 days of the beginning of the fiscal period. All of the districts filed their financial statements within 12 months of the fiscal year end. See the two compliance reports for timeliness and our recommendations for improvement.

Fiscal Strengths:

The financial picture of the entities range from strong or healthy to good or moderate, and in a few instances weak or poor.

The districts' finances are generally accounted for as governmental or enterprise operations. A number of the districts are supported by local property taxes, but many (especially the enterprise districts) charge the local customer for the service. Fire districts are a good example of a "property tax supported" district and wastewater sanitary districts are a good example of a "service charge supported" district.

Cash flow, operating position, and near term budget picture — In the near term, all of the districts had enough working capital to end the FY 07-08 fiscal cycle and 88% of the Districts have moderate or strong working capital positions.

Asset replacement reserves — We also found that the majority of the enterprise districts are funding replacement reserves for their infrastructure assets. The small Casmalia Community Services District is the current exception.

Debt levels — The debt positions of the entities appear to be moderate. While we could not find formal ratings for each entity's debt, the ratings we have found are strong. For entities that did have debt, we noted rate structures that appeared sufficient to pay off the obligations of the district.

Vulnerabilities:

Cemetery Districts — The fiscal positions of three of the smaller districts, Guadalupe, Los Alamos, and Oak Hill are strained. Oak Hill has a negative general fund balance which reflects a strenuous financial condition. In FY 06-07, Oak Hill relied on the accumulated interest earnings from its endowment to finance its operating activities. However, a new Board of Trustees has taken significant actions to improve the financial stability of the Oak Hill District. Low tax revenues and low volumes of burials are perennial problems that cause these districts to experience periodic financial difficulties.

Fire Districts — The majority of Fire District revenue is comprised of property taxes. Flat or declining property tax revenues that occur during recessionary periods could negatively affect the finances of these districts. The Carpinteria-Summerland Fire District is vulnerable to unexpected contingencies and lacks long-term funding for capital replacement.

Santa Maria Valley Water Conservation District — The fiscal operating position of the District is stable. However, the District could face significant long-term maintenance costs related to the dam and silting behind the dam. The dam was financed with bonds and is owned by the United States Government. Since the District does not have ownership, the capital assets have not been depreciated and there is no accumulation of capital replacement reserves. Major structural damage caused by earthquake, flooding, or silting are vulnerabilities that the District could encounter.

Summary

Vulnerabilities (cont.):

Community Services Districts — The small Casmalia District continues with its problems. The district has incurred consistent and increasing maintenance fees on their infrastructure over the past three fiscal years, with current year maintenance expenses exceeding prior year maintenance fees by \$4,366. The district obtained an estimate on the total cost of building a new water system. The total cost to investigate, plan and construct a new system was estimated to be \$1,040,500. The deteriorating condition and high cost to replace the district's infrastructure raises substantial doubt about the district's ability to continue operations. In addressing the need for a long-term water source, the board is working to develop viable solutions to secure grant funding and is considering future rate increases.

In FY 2006-07, Los Alamos operating expenses exceeded fee revenue. The District also experienced a negative working capital balance due to entering into a line of credit with a bank (a short term credit instrument) to fund the completion of a water well project. The long-term financing plan of the District is unclear.

Sanitary Districts — Goleta West receives a significant property tax allocation from the Goleta area that is set aside for capital replacement. The District has accumulated a large capital replacement reserve. Districts like Goleta West could fund capital through customer service charges, since property taxes are viewed as general revenues, they could be subject to property tax shifts to other entities.

Water Districts — Catastrophic disasters like a severe earthquake could damage major infrastructure of the Cachuma or State Water projects. However, the districts all have ground water supplies as part of their water portfolio.

Recommendations:

Annual Reports

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

Annual Budgets

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

Independent Districts

- Districts that rely on property tax revenue should factor for decreasing property values and therefore decreasing property tax revenues.
- Casmalia Community Services District should be diligent in setting a rate structure that includes replacement reserves for infrastructure. Santa Ynez Community Services District completed a major rate study that implemented a ten year plan to fund replacement reserves.
- Guadalupe, Oak Hill and Los Alamos Cemetery Districts' must continue to scrutinize their finances to maintain fiscal balance. Actions include annual rate review, timely budgets, and accurate accounting.
- Isla Vista Recreation and Park and Carpinteria-Summerland Fire Districts should monitor their actual expenditures against budget throughout the year.
- Goleta, Carpinteria Valley and Montecito Water Districts should maintain disaster recovery action plans.

Annual Financial Reports - 2006/07

Background:

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

Compliance Report:

For fiscal year 2006-07, about 39% of the districts completed their financial reports within 120 days of the fiscal year end, while in the 2003/04 fiscal year; about 78% completed their financial report within the same period. The decrease was as a result of changes in management staffs and a high degree of turnover of employees. However, all the Districts complied with §26909 and issued an audit report within one year. While these completion dates are not optimum, we still believe this is a positive indicator of fiscal stewardship and demonstrates good fiduciary management by district boards and their staffs. An **unqualified opinion** means the financial statements are fairly presented while a **qualified opinion** means there are one or more specific exceptions to the auditor's assertion that the financial statements are fairly presented. A going concern comment refers to uncertainty about an entity's ability to continue its operations and meet its obligations. Casmalia Community Service District was noted as a going concern, in part, because it has low working capital cash balances and a deteriorating infrastructure. An adverse opinion states that the financial statements are not fairly presented. In the case of Oak Hill Cemetery District, an **adverse opinion** was issued by their auditors due to accounting irregularities perpetrated by their management.

Special District	Audited By	Date of Report	Opinion	Comments
Santa Ynez River Water Conservation District	James L. Hayes, CPA	08/08/2007	Unqualified	
Carpinteria Sanitary District	Teaman, Ramirez & Smith, Inc.	08/29/2007	Unqualified	
Santa Ynez Community Services District	Moss, Levy & Hartzheim	09/04/2007	Unqualified	
Lompoc Health Care District	TCA Partners	09/07/2007	Unqualified	
Vandenberg Village Community Services	Moss, Levy & Hartzheim	09/13/2007	Unqualified	
Orcutt Fire Protection District	Moss, Levy & Hartzheim	09/19/2007	Unqualified	
Cuyama Community Service District	Moss, Levy & Hartzheim	09/27/2007	Unqualified	
Goleta Sanitary District	Teaman, Ramirez & Smith, Inc.	10/05/2007	Unqualified	
Los Alamos Community Services District	Moss, Levy & Hartzheim	10/17/2007	Unqualified	
Cuyama Valley Recreation & Park District	COSB Internal Audit	10/18/2007	Unqualified	
Montecito Water District	Poindexter & Co.	10/19/2007	Unqualified	
Santa Maria Public Airport District	Charles Z. Fedak & Co.	10/20/2007	Unqualified	
Embarcadero Municipal Improvement District	Bartlett, Pringle & Wolf, LLP	10/24/2007	Unqualified	
Summerland Sanitary District	Charles Z. Fedak & Co.	10/30/2007	Unqualified	
Isla Vista Recreation & Park District	Moss, Levy & Hartzheim	11/06/2007	Unqualified	
Mosquito & Vector Management District	Moss, Levy & Hartzheim	11/08/2007	Unqualified	
Santa Barbara Metropolitan Transit District	McGowan Guntermann	11/14/2007	Unqualified	
Lompoc Cemetery District	COSB Internal Audit	11/19/2007	Unqualified	
Goleta Water District	Charles Z. Fedak & Co.	11/28/2007	Unqualified	
Santa Maria Cemetery District	Moss, Levy & Hartzheim	12/11/2007	Unqualified	
Carpinteria-Summerland Fire Protection District	COSB Internal Audit	12/12/2007	Unqualified	
Santa Maria Valley Water Conservation	Moss, Levy & Hartzheim	12/20/2007	Unqualified	
Goleta Cemetery District	Bartlett, Pringle & Wolf, LLP	01/03/2008	Unqualified	
Goleta West Sanitary District	Bartlett, Pringle & Wolf, LLP	01/02/2008	Unqualified	
Carpinteria Public Cemetery District	COSB Internal Audit	01/08/2008	Unqualified	
Montecito Sanitary District	Bartlett, Pringle & Wolf, LLP	01/09/2008	Unqualified	
Oak Hill Cemetery District	COSB Internal Audit	01/11/2008	Adverse	GAAP Compliance
Montecito Fire Protection District	COSB Internal Audit	01/14/2008	Unqualified	
Santa Ynez River Water Conservation Dist, ID No 1	Bartlett, Pringle & Wolf, LLP	01/17/2008	Unqualified	
Los Alamos Cemetery District	COSB Internal Audit	01/25/2008	Unqualified	
Carpinteria Valley Water District	Bartlett, Pringle & Wolf, LLP	02/04/2008	Unqualified	
Mission Hills Community Services District	James L. Hayes, CPA	02/07/2008	Unqualified	
Guadalupe Cemetery District	COSB Internal Audit	02/15/2008	Unqualified	
Casmalia Community Services District	COSB Internal Audit	03/25/2008	Unqualified	Going Concern
Cachuma Resource Conservation District	COSB Internal Audit	03/31/2008	Unqualified	
Santa Barbara County APCD	Nasif, Hicks, Harris & CO.	04/14/2008	Unqualified	

Recommendations:

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

Annual Budgets - 2007/08

Background:

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

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

Compliance Report:

Santa Barbara County Independent Special Districts complied with the above quoted California code sections to provide their fiscal year 2007/08 budget timely.

Special District	Budget Received Date
Montecito Fire Protection	9/24/2007
Carpinteria Valley Water District	8/30/2007
Casmalia	8/30/2007
Goleta Water District	8/30/2007
Lompoc Health Care District	8/30/2007
Los Alamos Community Services	8/30/2007
Mission Hills Community Service	8/30/2007
Montecito Sanitary	8/30/2007
Santa Barbara Metropolitan Transit District	8/30/2007
Santa Maria Public Airport District	8/30/2007
Santa Ynez Community Service District	8/30/2007
Santa Maria Valley Water	8/29/2007
Santa Maria Valley Water Conservation District	8/29/2007
Carpinteria Cemetery	8/28/2007
Mosquito & Vector Management District	8/28/2007
Cachuma Resource Conservation	8/25/2007
Lompoc Cemetery	8/25/2007
Guadalupe Cemetery	8/16/2007
Santa Maria Cemetery	8/14/2007
Carpinteria-Summerland Fire	8/13/2007
Cuyama Valley Recreation	8/13/2007
Vandenberg Village Community Services	7/25/2007
Cuyama Community Service District	7/23/2007
Goleta West Sanitary	7/20/2007
Isla Vista Parks and Recreation	7/17/2007
Carpinteria Sanitary District	7/10/2007
LAFCO	7/10/2007
Orcutt Fire	7/06/2007
Air Pollution Control District	7/01/2007
Embarcadero Municipal Improvement District	6/30/2007
Oak Hill Cemetery	6/27/2007
Los Alamos Cemetery	6/26/2007
Summerland Sanitary	6/26/2007
Goleta Cemetery	6/22/2007
Montecito Water District	6/22/2007
Santa Ynez River Water Conservation District, ID No 1	6/22/2007
Santa Ynez River Water Conservation	6/18/2007

Recommendations:

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

Cemetery Districts

Description

The seven districts maintain public cemeteries and provide burial services. The districts operate pursuant to Health and Safety Code section 9000 et seq. Three and five member boards of trustees are appointed by the Board of Supervisors. The districts are among the oldest in the County (formed between 1909 and 1920). They are administered by small district staffs and maintain their funds in the County Treasury. The seven districts keep their financial records on the Auditor-Controller's general ledger financial system (FIN).

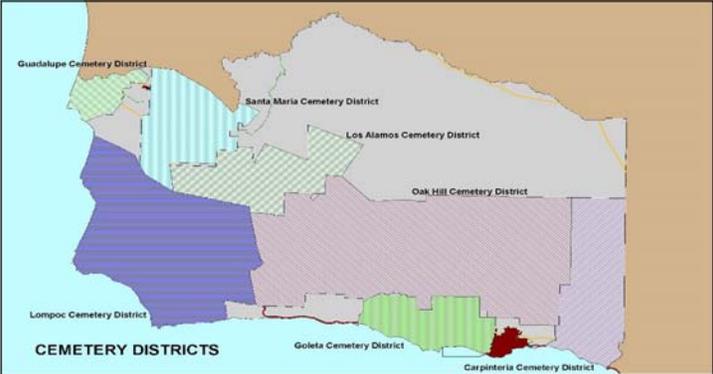
Fiscal Strengths: The fiscal conditions of the Cemetery Districts range from weak to strong. The larger urban districts, Santa Maria, Goleta, Lompoc and Carpinteria, have stable general fund reserves and healthy endowment fund balances. Goleta has a large reserve for land purchases. Lompoc and Guadalupe experienced a significant increase in general fund working capital.

Vulnerabilities: The three smaller districts, Guadalupe, Los Alamos and Oak Hill all have a low fund balance and small endowment funds. Oak Hill had a negative general fund working capital which reflects a strained financial condition. In FY 06-07, Oak Hill relied on the accumulated interest earnings from endowment to finance its operating activities. Potential decreasing property tax revenues and low volumes of burials can be perennial problems and smaller Districts may continue to experience periodic financial difficulties.

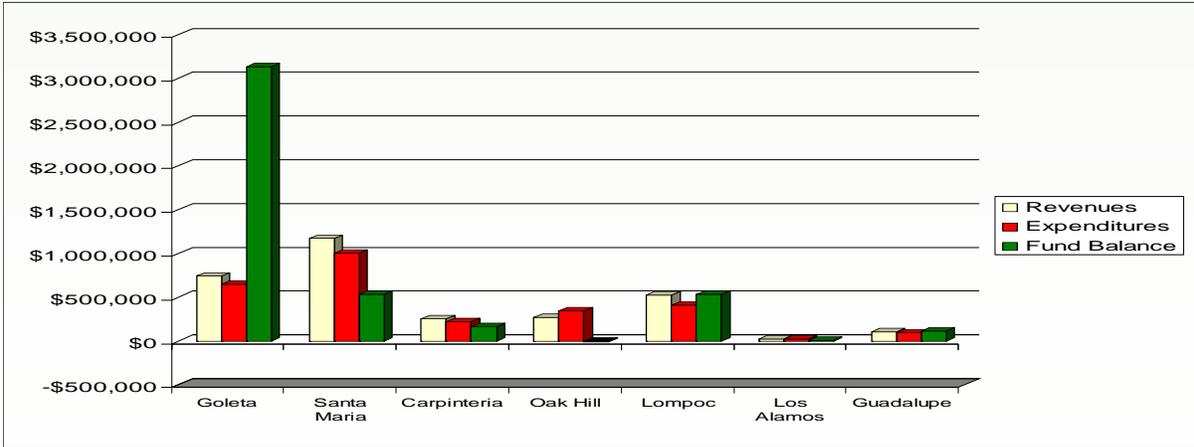
Recommendations:

- Oak Hill had problems with accounting controls and there were financial irregularities perpetrated by the prior management. The new management has adopted measures that enhanced the adequacy in financial control of the District. The Cemetery is running out of burial space and funds for expansion. The District should continue to look for some long-term solutions to its need for burial space.
- Guadalupe and Los Alamos must continue to scrutinize their finances to maintain fiscal balance. Actions include annual rate review, timely budgets, and accurate accounting.

Map



Special District	General Fund Annual Expenditures Fiscal Year 2006-07	Average Daily Expenditures Fiscal Year 2006-07	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹	Endowment Fund Balance June 30, 2007
Carpinteria Public Cemetery District	\$221,793	\$608	\$167,422	276	206	\$392,584
Goleta Cemetery District	\$649,740	\$1,780	\$3,130,669	1,759	2,689	\$851,302
Guadalupe Public Cemetery District	\$94,274	\$258	\$112,937	437	293	\$109,832
Lompoc Cemetery District	\$412,315	\$1,130	\$533,030	472	284	\$513,121
Los Alamos Cemetery District	\$23,209	\$64	\$11,657	183	277	\$24,119
Oak Hill Cemetery District	\$348,069	\$954	(\$10,901)	(11)	138	\$291,051
Santa Maria Cemetery District	\$1,001,941	\$2,745	\$534,540	195	199	\$1,291,114



¹ - A high number of days is favorable. High ratio suggests presence of resources that can be used to overcome a temporary revenue shortfall.

Fire Districts

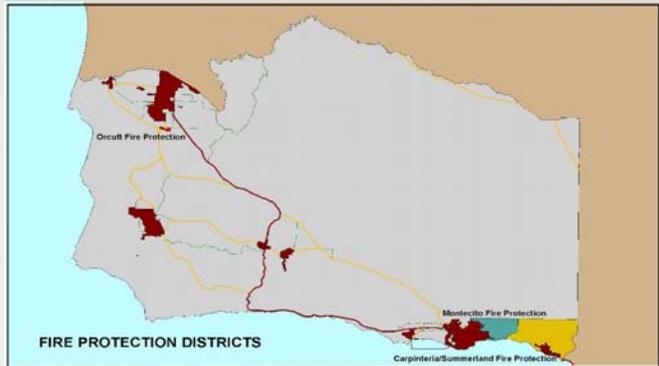
Description

The three districts provide fire prevention, suppression, paramedic and emergency medical services. The districts operate five fire stations and protect 45,000 acres. The districts operate pursuant to Health and Safety Code §13800 et seq. Three and five member boards are elected at-large and the districts are administered by district staff.

Fiscal Strengths:

The fiscal conditions of these districts range from good to strong. Over the previous fiscal years, the districts experienced a significant increase in working capital, primarily due to increasing property tax revenues. The Orcutt Fire District, a small volunteer fire department, merged with the County's Fire Department during fiscal year 2008-09.

Map



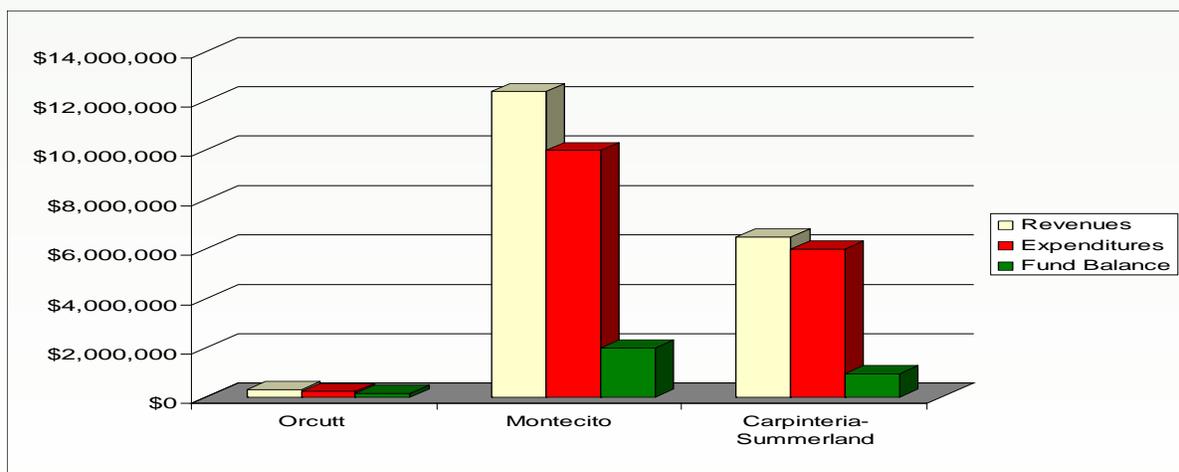
Vulnerabilities:

The Carpinteria-Summerland Fire District is vulnerable due to unexpected contingencies and lacks long-term funding for capital replacement. Potential decreasing property tax revenues could affect the Fire Districts as they rely heavily on property tax revenues.

Recommendations:

- Carpinteria-Summerland should continue to improve its financial position through budgetary control and the enactment and maintenance of sound fiscal policies. The District might consider asking the community for a benefit assessment to fund capital replacement (e.g. fire trucks and stations).

Special District	General Fund Annual Expenditures ¹ Fiscal Year 2006-07	Average Daily Expenditures Fiscal Year 2006-07	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ²	Days of Working Capital 2003-04 ²
Carpinteria-Summerland Fire Protection District	\$6,002,719	\$16,446	\$956,191	58	32
Montecito Fire Protection District	\$9,996,469	\$27,388	\$2,002,648	73	49
Orcutt Fire Protection District	\$241,092	\$661	\$166,414	252	170



¹ Includes other financing uses for capital project expenditures.

² A high number of days is favorable. High ratio suggests presence of resources that can be used to overcome a temporary revenue shortfall.

Recreation and Park Districts

Description

The two districts provide local recreation and park services. The districts operate pursuant to the Public Resource Code §5780 et seq. Five member board of directors are elected at large and the districts are administered by small staffs. The Isla Vista District serves a dense urban college town and the Cuyama District serves a remote community in the northern part of the County.



Fiscal Strengths:

The fiscal positions of both districts appear to be good. The two districts experienced a significant increase in general fund working capital and property tax revenues.

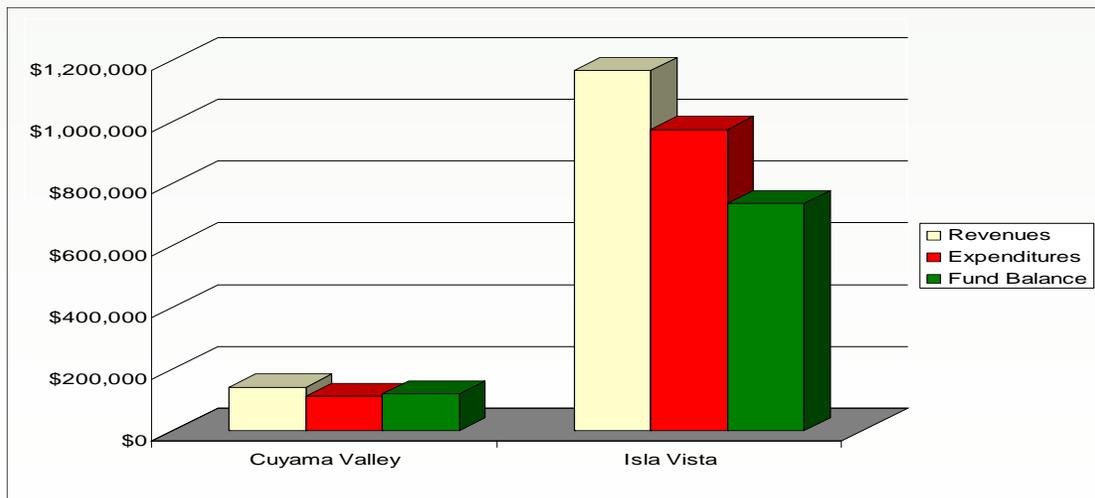
Vulnerabilities:

The Isla Vista District expects a drop in the growth of their discretionary revenue accounts, such as property taxes. Residential real estate sales have slowed considerably and price growth has halted. Although sales have slowed in the Isla Vista project area, there appears to be significant demand for student residential housing. In fiscal year 2006-07, Cuyama was unable to fill all of their board member positions.

Recommendations:

- Isla Vista should continue to monitor its actual expenditures against budget throughout the year.

Special District	General Fund Annual Expenditures Fiscal Year 2006-07	Average Daily Expenditures Fiscal Year 2006-07	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹
Cuyama Valley Recreation District	\$112,801	\$309	\$120,514	390	231
Isla Vista Recreation & Park District	\$978,193	\$2,680	\$736,916	275	157



¹ A high number of days is favorable. High ratio suggests presence of resources that can be used to overcome a temporary revenue shortfall.

Other Governmental Fund Type Districts

Air Pollution Control District

<http://www.sbcapcd.org/>

Description:

Provides air quality regulation, clean air plan, emission reduction plan, and permit/inspection programs. Operates pursuant to Health and Safety Code §40000 et seq. The Board of Directors includes the five Board of Supervisors and one representative from each of eight incorporated cities within the County. The District, which encompasses the entire County, is administered by a small staff.

Fiscal Strengths, Vulnerabilities, and Recommendations:

The district's fiscal condition is strong. In FY 2006-07, APCD reported combined fund balance of \$6,433,244 which represents a 3.5% increase over the prior year. An approximate amount of \$6,418,208 is available, but designated for future spending. The district also experienced a reduction of its debt obligation by 5.6%

Special District	General Fund Annual Expenditures 2006-2007	General Fund Average Daily Expenditures 2006-2007	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹
Santa Barbara County APCD	\$8,666,732	\$23,744	\$6,433,244	271	269

Cachuma Resource Conservation District

Description:

Provides technical assistance to landowners related to improvement of land capabilities, conservation of resources, the improvement of farm irrigation and land drainage, erosion control and flood prevention. Operates pursuant to Public Resource Code §9151 et seq. The district is governed by a nine-member board appointed by the Board of Supervisors and administered by a small staff. The District encompasses the entire County and adjacent land in Kern and San Luis Obispo Counties.

Fiscal Strengths, Vulnerabilities, and Recommendations:

The fiscal condition of the District is good. The District's project expenditures are supported in large part by intergovernmental revenues.

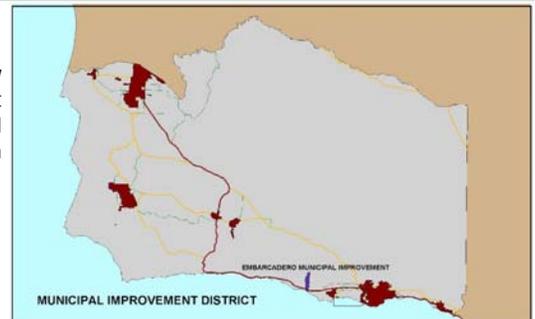
Special District	General Fund Annual Expenditures 2006-2007	General Fund Average Daily Expenditures 2006-2007	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹
Cachuma Resource Conservation District	\$459,377	\$1,259	\$376,088	299	153

Embarcadero Municipal Improvement District

<http://www.emidsb.org/>

Description:

Provides its residents a wide range of services including wastewater collection, recreation (e.g. parks and playground facilities), development standards (e.g. review and approval of construction within district boundaries) and road needs. The District operates pursuant to the Improvement District Act Chapter 81. A five member board is elected at large. The District serves approximately 1,200 acres in the western Goleta Valley.



Fiscal Strengths, Vulnerabilities, and Recommendations:

The fiscal operating position of the District is strong.

Special District	General Fund Annual Expenditures 2006-2007	General Fund Average Daily Expenditures 2006-2007	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹
Embarcadero Municipal Improvement District	\$204,881	\$561	\$670,007	1,194	680

¹ A high number of days is favorable. High ratio suggests presence of resources that can be used to overcome a temporary revenue shortfall.

Other Governmental Fund Type Districts

Mosquito and Vector Management District

<http://www.mvmdistrict.org/>

Description:

Provides abatement of mosquitoes, flies, rats, and other disease vectors. The District operates pursuant to Health and Safety Code §2000 et seq. The District is governed by a seven-member board of trustees (jointly appointed by the Board of Supervisors and Santa Barbara City Council) and is administered by a small district staff. The District serves the area throughout unincorporated southern Santa Barbara County in addition to the cities of Carpinteria, Goleta, and Santa Barbara.



Fiscal Strengths, Vulnerabilities, and Recommendations:

The fiscal operating position of the District is good. The District has recently expanded its coverage area into the City of Santa Barbara and unincorporated Montecito. Fiscal year 2006-07 marked the second year which the district provided its enhanced services. As a result, the FY 2006/07 revenues increased significantly above those of previous years.

Special District	General Fund Annual Expenditures 2006-2007	General Fund Average Daily Expenditures 2006-2007	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹
Mosquito and Vector Management District	\$658,186	\$1,803	\$809,318	449	199

Santa Maria Valley Water Conservation District

Description:

Provides for operation of the federally owned Twitchell Dam and Reservoir, which conserves water and controls recharging of the groundwater basin. The District operates pursuant to Water Code §74000 et seq. The District is governed by a seven-member board of directors that is elected by division and is administered by a small staff. The District serves northern Santa Barbara County and southern San Luis Obispo.



Fiscal Strengths, Vulnerabilities, and Recommendations:

The fiscal operating position of the District has remained relatively stable. Results of operations for day to day activities shows a positive trend. In fiscal year 2006-07 the district experienced an increase in net assets.

Special District	General Fund Annual Expenditures 2006-2007	General Fund Average Daily Expenditures 2006-2007	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹
Santa Maria Valley Water Conservation District	\$288,183	\$790	\$351,858	446	83

Santa Ynez River Water Conservation District

Description:

The District was formed in 1939 in response to dam-building on the Santa Ynez River. It functions under Water Code § 74000 et. seq. to represent the water rights and to protect the water supplies of its constituents within the watershed from diversion and export. The District, among other functions, monitors the water accumulated in the reservoirs for downstream intents and calls for its release to recharge basins downstream. The District is governed by a five-member board of directors, elected by Division. District staff is responsible for administration and the coordination of the technical, regulatory and legal efforts of the district.



Fiscal Strengths, Vulnerabilities, and Recommendations:

The fiscal operating position of this District is strong. The district experienced a modest increase in general fund balance.

Special District	General Fund Annual Expenditures 2006-2007	General Fund Average Daily Expenditures 2006-2007	Unreserved Fund Balance (Working Capital) June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹
Santa Ynez River Water Conservation District	\$254,976	\$699	\$1,942,099	2,780	1,236

¹ A high number of days is favorable. High ratio suggests presence of resources that can be used to overcome a temporary revenue shortfall.

Community Services Districts

Description

The six districts provide a variety of services. Most are in the water delivery or wastewater disposal business. Four of the districts provide both of these services. Two districts provide transportation services and one provides street lighting. The districts operate pursuant to Government Code §61000 et seq. Five-member boards are elected at-large and district staff provides administration.

Map



Fiscal Strengths:

The fiscal conditions of Cuyama, Mission Hills, Santa Ynez and Vandenberg range from good to strong. These districts have good working capital positions. Mission Hills is funding substantial infrastructure replacement reserves. In addition, these six districts either have no debt or have low debt levels.

Vulnerabilities:

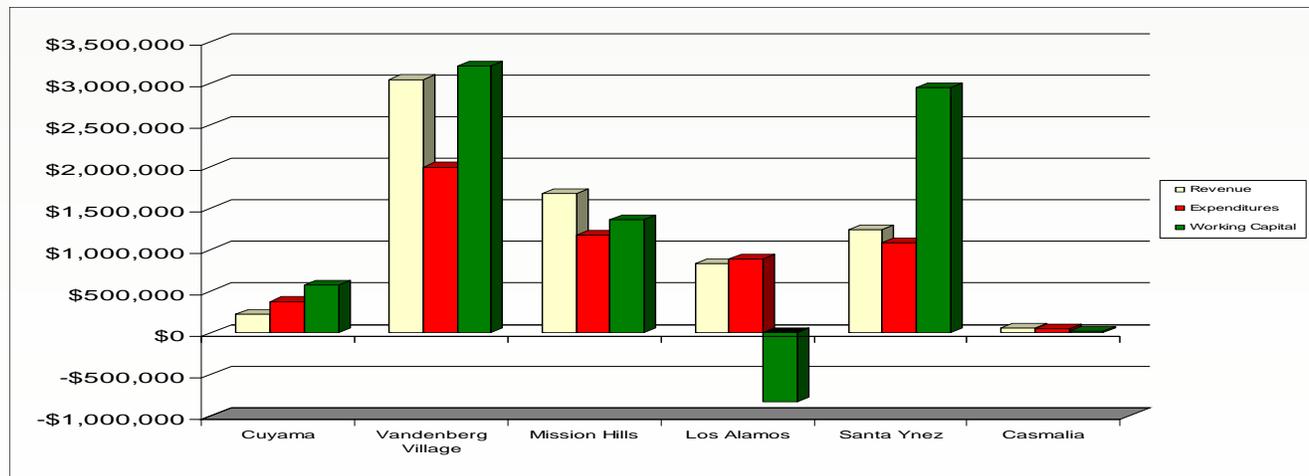
The fiscal conditions of Casmalia and Los Alamos are weak. The small Casmalia District continues with its problems. The district has incurred consistent and increasing maintenance fees on their infrastructure over the past three fiscal years, with current year maintenance expenses exceeding prior year maintenance fees by \$4,366. The district obtained an estimate on the total cost of building a new water system. The total cost to investigate, plan and construct a new system was estimated to be \$1,040,500. The deteriorating condition and high cost to replace the district's infrastructure raises substantial doubt about the district's ability to continue as a going concern. In addressing the need for a long-term water source, the board is working to develop viable solutions to secure grant funding and also is considering future rate increases.

In FY 2006-07, Los Alamos operating expenses exceeded fee revenue. The District also experienced a negative working capital balance due to entering into a line of credit with a bank (a short term credit instrument) to fund the completion of a water well project. The long-term financing plan of the District is unclear.

Recommendations:

- Districts should be diligent in setting rate structures that include replacement reserves for infrastructure.
- Casmalia needs to negotiate a source of water.

Special District	Annual Expenses 2006-2007	Average Daily Expenses 2006-2007	Working Capital June 30, 2007	Days of Working Capital 2006-07 ¹	Days of Working Capital 2003-04 ¹
Casmalia Community Services District	\$51,803	\$142	\$20,092	142	93
Cuyama Community Service District	\$377,165	\$1,033	\$578,152	560	1,303
Los Alamos Community Services District	\$888,280	\$2,434	(\$827,636)	(340)	292
Mission Hills Community Services District	\$1,173,160	\$3,214	1,360,554	423	76
Santa Ynez Community Services District	\$1,081,727	\$2,964	\$2,951,352	996	785
Vandenberg Village Community Services	\$1,993,496	\$5,462	\$3,210,011	588	730



¹ A high number of days is favorable. High ratio suggests presence of resources that can be used to overcome a temporary revenue shortfall.

Community Services Districts

Depreciation Ratio

	Accumulated Depreciation	Capital Assets	Accum. Deprec./ Capital Assets	Accum. Deprec./ Capital Assets	Measure: Asset Life
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Casmalia Community Services District	\$112,472	\$189,149	0.59	0.52	Low ratios are favorable. A high ratio may indicate aging capital assets. This ratio should be used in combination with Asset Replacement Coverage and Debt Service Coverage.
Cuyama Community Service District	\$521,796	\$2,871,695	0.18	0.21	
Los Alamos Community Services District	\$2,722,619	\$8,587,394	0.32	0.37	
Mission Hills Community Services District	\$3,645,664	\$8,744,451	0.42	0.41	
Santa Ynez Community Services District	\$2,633,899	\$6,580,203	0.40	0.37	
Vandenberg Village Community Services	\$2,536,807	\$7,345,054	0.35	0.31	

Asset Replacement Coverage

	Fund Equity Avail. Repl.	Accumulated Depreciation	Fund Equity/ Accum. Deprec.	Fund Equity/ Accum. Deprec.	Measure: Replacement Resources
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Casmalia Community Services District	\$20,092	\$112,472	0.18	0.06	High ratios are favorable. A ratio of 1.0 suggests the presence of resources to provide for replacement of assets at the end of their useful lives.
Cuyama Community Service District	\$569,101	\$521,796	1.09	2.51	
Los Alamos Community Services District	\$309,885	\$2,722,619	0.11	0.22	
Mission Hills Community Services District	\$10,780,675	\$3,645,664	2.96	1.84	
Santa Ynez Community Services District	\$2,951,352	\$2,633,899	1.12	0.87	
Vandenberg Village Community Services	\$4,320,646	\$2,536,807	1.70	1.75	

Debt Service Coverage

	Debt Service	Total Revenues	Current Debt/ Total Revenues	Current Debt/ Total Revenues	Measure: Repayment Ability
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Casmalia Community Services District	-	\$55,961	-	-	Low ratios are favorable. A low ratio suggests the entity has the ability to repay its general long-term debt.
Cuyama Community Service District	\$23,208	\$227,246	0.10	0.06	
Los Alamos Community Services District	\$65,836	\$830,689	0.08	0.02	
Mission Hills Community Services District	-	\$1,675,341	-	0.09	
Santa Ynez Community Services District	\$87,933	\$1,238,962	0.07	0.06	
Vandenberg Village Community Services	-	\$3,047,103	-	0.20	

Note: Debt Service = Bond Payments + Interest Payments taken from the Cash Flow Statement

Debt Ratio

	L-T Liabilities	Capital Assets	L-T Liabilities/ Capital Assets	L-T Liabilities/ Capital Assets	Measure: Financial Position
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Casmalia Community Services District	\$3,568	\$189,149	0.02	-	Low ratios are favorable. A low ratio indicates the capital assets used in the entity's operations are not highly leveraged by debt and the entity has a strong equity position in its capital assets.
Cuyama Community Service District	\$444,021	\$2,871,695	0.15	0.14	
Los Alamos Community Services District	\$125,000	\$8,587,394	0.01	0.02	
Mission Hills Community Services District	\$39,351	\$8,744,451	-	0.18	
Santa Ynez Community Services District	\$1,365,738	\$6,580,203	0.21	0.08	
Vandenberg Village Community Services	-	\$7,345,054	-	0.22	

Rating Agencies

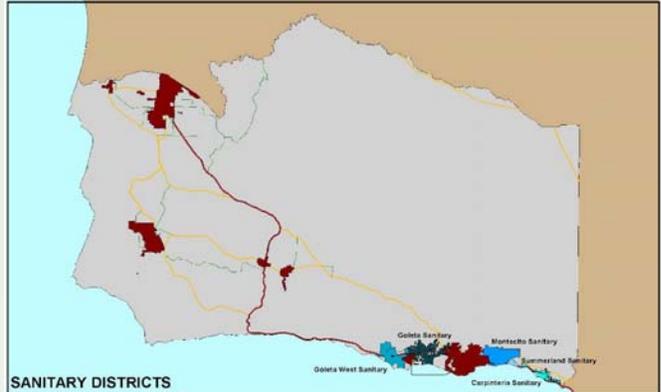
	Type	Rating	Measure: Credit Quality
Casmalia Community Services District	N/A	N/A	
Cuyama Community Service District	N/A	N/A	
Los Alamos Community Services District	N/A	N/A	
Mission Hills Community Services District	N/A	N/A	
Santa Ynez Community Services District	N/A	N/A	
Vandenberg Village Community Services	N/A	N/A	

Sanitary Districts

Description

The five districts provide wastewater collection, treatment and disposal for 22,500 properties that have wastewater connections. The districts operate pursuant to the Health and Safety Code §6400 et seq. Five-member boards of directors are elected at large and district staff provides administration.

Map



Fiscal Strengths:

The fiscal conditions of these districts remain strong. All have healthy working capital positions and are funding replacement reserves. Carpinteria has a high debt load but has sufficient rates set to provide debt service payments.

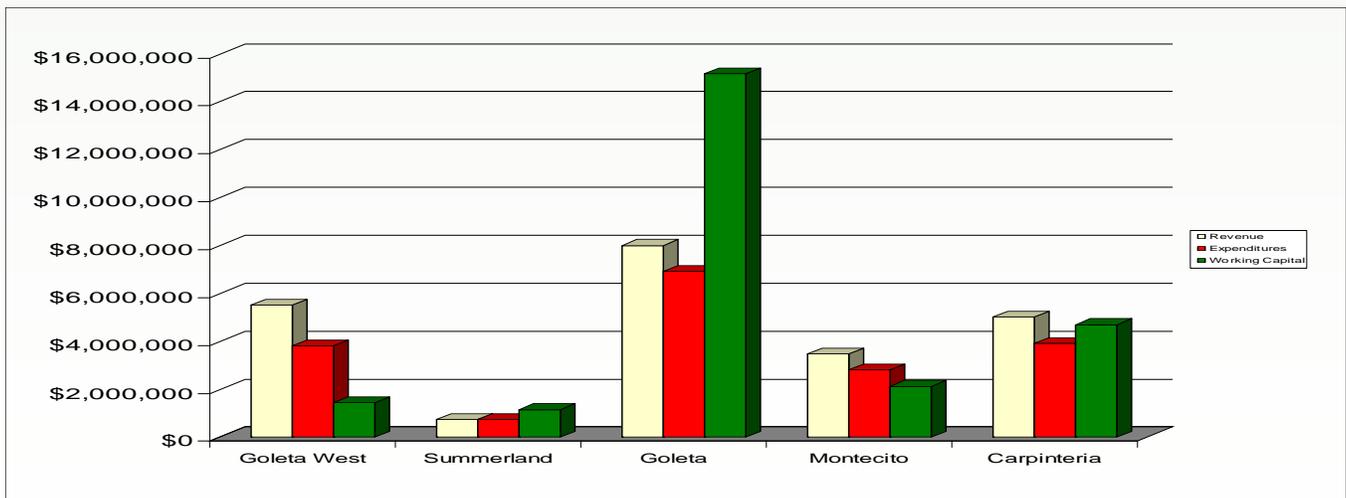
Vulnerabilities:

Goleta West receives a significant property tax allocation from the Goleta area that is earmarked for future capital needs and the District has accumulated a large reserve. Districts like Goleta West also may fund capital through customer service charges. Since property taxes are viewed by the State as general revenues, they could be subject to property tax shifts to other entities.

Recommendations:

- Goleta West should be aware that discussions take place at the State and local level concerning allocation of property tax to proprietary type districts. As a result of receiving property tax allocations the district is well positioned to replace infrastructure without incurring debt.

Special District	Annual Expenses FY 2006-2007	Average Daily Expenses FY 2006-2007	Working Capital FY 2006-2007	Days of Working Capital ¹ FY 2006-2007	Days of Working Capital ¹ FY 2003-2004
Carpinteria Sanitary District	\$3,900,147	\$10,685	\$4,694,351	439	528
Goleta Sanitary District	\$6,924,097	\$18,970	\$15,177,772	800	920
Goleta West Sanitary District	\$3,801,642	\$10,415	\$1,441,225	138	3,277
Montecito Sanitary District	\$2,800,510	\$7,673	\$2,115,276	276	499
Summerland Sanitary District	\$728,985	\$1,997	\$1,152,538	577	857



¹ A high number of days is favorable. High ratio suggests presence of resources that can be used to overcome a temporary revenue shortfall.

Sanitary Districts

Depreciation Ratio

	Accumulated Depreciation	Capital Assets	Accum. Deprec./ Capital Assets	Accum. Deprec./ Capital Assets	Measure: Asset Life
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Carpinteria Sanitary District	\$12,351,481	\$28,660,743	0.43	0.38	Low ratios are favorable. A high ratio may indicate aging capital assets. This ratio should be used in combination with Asset Replacement Coverage and Debt Service Coverage.
Goleta Sanitary District	\$24,742,107	\$62,932,479	0.39	0.36	
Goleta West Sanitary District	\$9,262,518	\$23,127,142	0.40	0.45	
Montecito Sanitary District	\$11,384,708	\$29,501,580	0.39	0.41	
Summerland Sanitary District	\$1,381,859	\$2,768,718	0.50	0.47	

Asset Replacement Coverage

	Fund Equity Avail. Repl.	Accumulated Depreciation	Fund Equity/ Accum. Deprec.	Fund Equity/ Accum. Deprec.	Measure: Replacement Resources
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Carpinteria Sanitary District	\$5,626,745	\$12,351,481	0.46	0.50	High ratios are favorable. A ratio of 1.0 suggests the presence of resources to provide for replacement of assets at the end of their useful lives.
Goleta Sanitary District	\$15,014,548	\$24,742,107	0.61	0.71	
Goleta West Sanitary District	\$4,646,929	\$9,262,518	0.50	3.48	
Montecito Sanitary District	\$2,344,791	\$11,384,708	0.21	0.35	
Summerland Sanitary District	\$1,152,538	\$1,381,859	0.83	1.25	

Debt Service Coverage

	Debt Service	Total Revenues	Current Debt/ Total Revenues	Current Debt/ Total Revenues	Measure: Repayment Ability
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Carpinteria Sanitary District	\$1,242,616	\$5,002,590	0.25	0.24	Low ratios are favorable. A low ratio suggests the entity has the ability to repay its general long-term debt.
Goleta Sanitary District	\$152,157	\$7,998,841	0.02	0.03	
Goleta West Sanitary District	-	\$5,503,216	-	-	
Montecito Sanitary District	\$2,138,989	\$3,479,071	0.61	-	
Summerland Sanitary District	-	\$746,003	-	0.02	

Note: Debt Service = Bond Payments + Interest Payments taken from the Cash Flow Statement

Debt Ratio

	L-T Liabilities	Capital Assets	L-T Liabilities/ Capital Assets	L-T Liabilities/ Capital Assets	Measure: Financial Position
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Carpinteria Sanitary District	\$14,153,794	\$28,660,743	0.49	0.52	Low ratios are favorable. A low ratio indicates the capital assets used in the entity's operations are not highly leveraged by debt and the entity has a strong equity position in its capital assets.
Goleta Sanitary District	\$1,240,388	\$62,932,479	0.02	0.03	
Goleta West Sanitary District	\$637,000	\$23,127,142	0.03	0.03	
Montecito Sanitary District	\$15,101,513	\$29,501,580	0.51	0.01	
Summerland Sanitary District	-	\$2,768,718	-	0.01	

Rating Agencies

	Type	Rating	Measure: Credit Quality
Carpinteria Sanitary District	Refunding Bond	Aaa, Insured	Aaa — Highest quality, low credit risk to the investor
Goleta Sanitary District	N/A	N/A	
Goleta West Sanitary District	N/A	N/A	
Montecito Sanitary District	Certificate of Participation	AAA, Insured	AAA — Highest quality, low credit risk to the investor
Summerland Sanitary District	N/A	N/A	

Water Districts

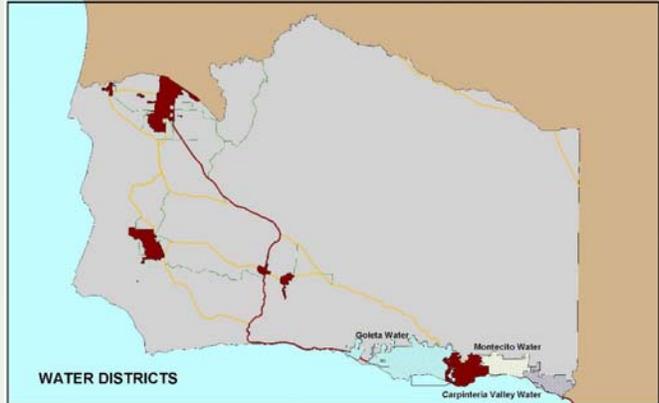
Description

Provide domestic and agricultural water services. The districts operate pursuant to the California Water Code §34000. Five member board of directors are elected at-large and the districts are administered by district staff. The districts receive their water supply from the Cachuma Project, State Water Project, and use local ground water resources.

Additional information regarding the districts can be found at:

- <http://www.goletawater.com/>
- <http://www.montecitowater.com/>
- <http://www.cvwd.net/>

Map



Fiscal Strengths:

The districts operating, asset replacement and long-term financial positions remain strong. While each district has debt, each maintains an Aaa rating by Moody's rating agency. This indicates a strong position of long-term payment expectations and low risk to the investor.

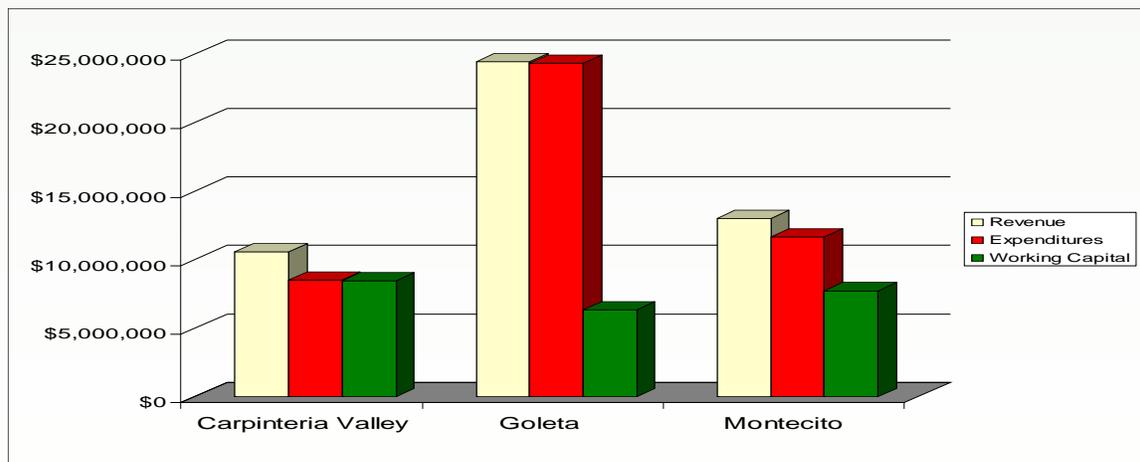
Vulnerabilities:

Catastrophic disasters like a severe earthquake could damage major infrastructure of the Cachuma or State Water projects. However, the districts all have ground water supplies as part of their water portfolio.

Recommendations:

- Districts should maintain disaster recovery action plans.
- Districts should maintain at a minimum six months of an operational reserve

Special District	Annual Expenses	Average Daily Expenses	Working Capital	Days of Working Capital ¹	Days of Working Capital ¹
	2006-2007	2006-2007		2006-2007	2003-2004
Carpinteria Valley Water District	\$8,535,658	\$23,385	\$8,465,358	362	348
Goleta Water District	\$24,334,104	\$66,669	\$6,337,916	95	77
Montecito Water District	\$11,653,259	\$31,927	\$7,730,545	242	235



¹ A high number of days is favorable. High ratio suggests presence of resources that can be used to overcome a temporary revenue shortfall.

Water Districts

Depreciation Ratio

	Accumulated Depreciation	Capital Assets	Accum. Deprec./ Capital Assets	Accum. Deprec./ Capital Assets	Measure: Asset Life
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Carpinteria Valley Water District	\$10,241,030	\$43,838,417	0.23	0.31	Low ratios are favorable. A high ratio may indicate aging capital assets. This ratio should be used in combination with Asset Replacement Coverage and Debt Service Coverage.
Goleta Water District	\$45,640,158	\$132,884,612	0.34	0.37	
Montecito Water District	\$14,412,543	\$49,022,053	0.29	0.30	

Asset Replacement Coverage

	Fund Equity Avail. Repl.	Accumulated Depreciation	Fund Equity/ Accum. Deprec.	Fund Equity/ Accum. Deprec.	Measure: Replacement Resources
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Carpinteria Valley Water District	\$9,686,609	\$10,241,030	0.95	0.81	High ratios are favorable. A ratio of 1.0 suggests the presence of resources to provide for replacement of assets at the end of their useful lives.
Goleta Water District	\$7,831,640	\$45,640,158	0.17	0.14	
Montecito Water District	\$15,420,352	\$14,412,543	1.07	0.52	

Debt Service Coverage

	Debt Service	Total Revenues	Current Debt/ Total Revenues	Current Debt/ Total Revenues	Measure: Repayment Ability
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Carpinteria Valley Water District	\$916,613	\$10,563,646	0.09	0.08	Low ratios are favorable. A low ratio suggests the entity has the ability to repay its general long-term debt.
Goleta Water District	\$4,404,529	\$24,453,586	0.18	0.18	
Montecito Water District	\$1,395,303	\$13,014,537	0.11	0.13	

Note: Debt Service = Bond Payments + Interest Payments taken from the Cash Flow Statement

Debt Ratio

	L-T Liabilities	Capital Assets	L-T Liabilities/ Capital Assets	L-T Liabilities/ Capital Assets	Measure: Financial Position
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Carpinteria Valley Water District	\$29,777,621	\$43,838,417	0.68	0.64	Low ratios are favorable. A low ratio indicates the capital assets used in the entity's operations are not highly leveraged by debt and the entity has a strong equity position in its capital assets.
Goleta Water District	\$57,140,871	\$132,884,612	0.43	0.52	
Montecito Water District	\$27,131,775	\$49,022,053	0.55	0.46	

Rating Agencies

	Type	Moody's Rating	Measure: Credit Quality
Carpinteria Valley Water District	Certificates of Participation	Aaa, Insured	Aaa — Highest quality, low credit risk to the investor
Goleta Water District	Certificates of Participation	Aaa, Insured	
Montecito Water District	Certificates of Participation	Aaa, Insured	

Other Proprietary Fund Type Districts

Lompoc Health Care District

<http://www.lompochospital.org/>

Description:

The District operates in the Lompoc Valley and provides short and extended-term health care services to the surrounding community. The District operates pursuant to Health and Safety Code §32000 et seq. A five member board of directors is elected at large and District staff provides administration.



Fiscal Strengths, Vulnerabilities, and Recommendations:

The District's fiscal condition is good. The working capital position and debt level are moderate. In fiscal year 2006-2007, the district obtained a \$42 million general obligation bond collateralized by District property tax revenues.

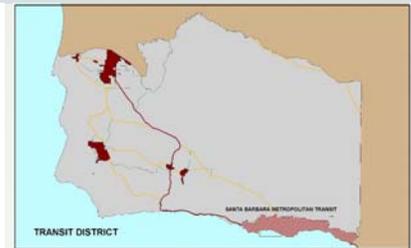
Special District	General Fund	Average Daily	Working Capital	Days of	Days of
	Annual Expenditures	Expenditures		Working Capital	Working Capital
	2006-2007	2006-2007	2006-2007	2006-2007	2003-2004
Lompoc Health Care District	\$40,978,626	\$112,270	\$6,505,000	58	57

Santa Barbara Metropolitan Transit District

<http://www.sbmtd.gov/>

Description:

The District provides public transit services to the southern urban area of the County. The District operates pursuant to the Public Utilities Code §95000 et seq. A five member board of directors is appointed – two by the Board of Supervisors, two by Santa Barbara City Council and the fifth appointed by the four other members. District staff provides administration.



Fiscal Strengths, Vulnerabilities, and Recommendations:

The District's fiscal condition is good. The District has a moderate level of working capital, is funding replacement reserves, and has zero debt burden.

Special District	General Fund	Average Daily	Working Capital	Days of	Days of
	Annual Expenditures	Expenditures		Working Capital	Working Capital
	2006-2007	2006-2007	2006-2007	2006-2007	2003-2004
Santa Barbara Metropolitan Transit District	\$20,891,714	\$57,238	\$6,390,702	112	72

Santa Maria Airport District

<http://www.santamariaairport.com/>

Description:

The District owns and operates the Santa Maria airport, which is a commercial and general aviation airport located within the City of Santa Maria. The District operates pursuant to Public Utilities Code §22001 et seq. A five member board of directors is elected at large and District staff provides administration.



Fiscal Strengths, Vulnerabilities, and Recommendations:

The fiscal condition of this District is good. It has good working capital, is funding replacement reserves and has zero debt burden.

Special District	General Fund	Average Daily	Working Capital	Days of	Days of
	Annual Expenditures	Expenditures		Working Capital	Working Capital
	2006-2007	2006-2007	2006-2007	2006-2007	2003-2004
Santa Maria Airport District	\$4,989,466	\$13,670	\$7,454,979	545	874

Santa Ynez River Water Conservation District ID #1

Description:

The District oversees the construction, operation, and maintenance of a domestic and agricultural water system in the Santa Ynez Valley. The District operates pursuant to Water Code §74000 et seq. The District is governed by a five member board of trustees and District staff provides administration.



Fiscal Strengths, Vulnerabilities, and Recommendations:

The District's fiscal condition is good. Working capital position is good, the District is funding replacement reserves, and its debt level is moderate.

Special District	General Fund	Average Daily	Working Capital	Days of	Days of
	Annual Expenditures	Expenditures		Working Capital	Working Capital
	2006-2007	2006-2007	2006-2007	2006-2007	2003-2004
Santa Ynez River Water Conservation District ID #1	\$7,678,066	\$21,036	\$9,564,296	455	456

Other Proprietary Fund Type Districts

Depreciation Ratio

	Accumulated Depreciation	Capital Assets	Accum. Deprec./ Capital Assets	Accum. Deprec./ Capital Assets	Measure: Asset Life
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Lompoc Health Care District	\$30,148,337	\$55,142,660	0.55	0.74	Low ratios are favorable. A high ratio may indicate aging capital assets. This ratio should be used in combination with Asset Replacement Coverage and Debt Service Coverage.
SB Metropolitan Transit District	\$20,717,130	\$53,159,685	0.39	0.38	
Santa Maria Public Airport District	\$29,841,725	\$55,141,782	0.54	0.57	
Santa Ynez Water Conservation Dist. ID #1	\$8,748,673	\$21,953,950	0.40	0.41	

Asset Replacement Coverage

	Fund Equity Avail. Repl.	Accumulated Depreciation	Fund Equity/ Accum. Deprec.	Fund Equity/ Accum. Deprec.	Measure: Replacement Resources
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Lompoc Health Care District	\$9,586,874	\$30,148,337	0.32	0.21	High ratios are favorable. A ratio of 1.0 suggests the presence of resources to provide for replacement of assets at the end of their useful lives.
SB Metropolitan Transit District	\$6,390,702	\$20,717,130	0.31	0.18	
Santa Maria Public Airport District	\$3,645,468	\$29,841,725	0.12	0.36	
Santa Ynez Water Conservation Dist. ID #1	\$9,876,236	\$8,748,673	1.13	1.15	

Debt Service Coverage

	Debt Service	Total Revenues	Current Debt/ Total Revenues	Current Debt/ Total Revenues	Measure: Repayment Ability
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Lompoc Health Care District	\$4,184,771	\$42,655,824	0.10	0.02	Low ratios are favorable. A low ratio suggests the entity has the ability to repay its general long-term debt.
SB Metropolitan Transit District	-	\$18,021,165	-	0.01	
Santa Maria Public Airport District	-	\$4,367,041	-	-	
Santa Ynez Water Conservation Dist. ID #1	\$312,267	\$9,227,726	0.03	0.06	

Note: Debt Service = Bond Payments + Interest Payments taken from the Cash Flow Statement

Debt Ratio

	L-T Liabilities	Capital Assets	L-T Liabilities/ Capital Assets	L-T Liabilities/ Capital Assets	Measure: Financial Position
	FY 2006-2007	FY 2006-2007	FY 2006-2007	FY 2003-2004	
Lompoc Health Care District	\$48,074,023	\$55,142,660	0.87	0.21	Low ratios are favorable. A low ratio indicates the capital assets used in the entity's operations are not highly leveraged by debt and the entity has a strong equity position in its capital assets.
SB Metropolitan Transit District	\$6,390,702	\$53,159,685	0.12	0.12	
Santa Maria Public Airport District	\$177,800	\$55,141,782	-	-	
Santa Ynez Water Conservation Dist. ID #1	\$3,405,323	\$21,953,950	0.16	0.23	

Rating Agencies

	Type	Rating	Measure: Credit Quality
Lompoc Health Care District	General Obligation	Aaa	Aaa — Highest quality, low credit risk to the investor
SB Metropolitan Transit District	N/A	N/A	
Santa Maria Public Airport District	N/A	N/A	
Santa Ynez Water Conservation Dist. ID #1	General Obligation	Baa1	Baa1 — Medium grade

Santa Barbara County Special Districts



Montecito Fire Protection District — Rescue 2



Goleta Sanitary District — Biofiltration Unit



Embarcadero Municipal Improvement District Office –
Community Center Building



Isla Vista Recreation & Park District — El Nino Vernal Pool



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For more information please contact the
Specialty Accounting Division in the County
Auditor's Office.