



**COUNTY OF SANTA BARBARA, CALIFORNIA**

Single Audit Reports

Year ended June 30, 2002

(With Independent Auditors' Report Thereon)

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Single Audit Reports

Year ended June 30, 2002

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355 South Grand Avenue  
Suite 2000  
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**Independent Auditors' Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control over  
Compliance in Accordance with OMB Circular A-133**

The Honorable Board of Supervisors  
of the County of Santa Barbara, California:

**Compliance**

We have audited the compliance of the County of Santa Barbara, California (County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Recommendations. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

**Internal Control over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the County as of and for the year ended June 30, 2002 and have issued our report thereon, dated August 23, 2002. Our report refers to the County's adoption of Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and No. 38, *Certain Financial Statement Note Disclosures*, effective July 1, 2001. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County Board of Supervisors and management of the County as well as the County's federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

August 23, 2002



355 South Grand Avenue  
Suite 2000  
Los Angeles, CA 90071-1568

**Independent Auditors' Report on Compliance and on Internal Control  
over Financial Reporting Based on an Audit of Financial Statements  
in Accordance with *Government Auditing Standards***

The Honorable Board of Supervisors  
of the County of Santa Barbara, California:

We have audited the basic financial statements of the County of Santa Barbara, California (County) as of and for the year ended June 30, 2002 and have issued our report thereon, dated August 23, 2002. Our report refers to the County's adoption of Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and No. 38, *Certain Financial Statement Note Disclosures*, effective July 1, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of the County in a separate letter.



This report is intended solely for the information and use of the County Board of Supervisors and management of the County as well as the County's federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

August 23, 2002

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Contract number</u>	<u>Expenditures</u>
Environmental Protection Agency:			
Passed through California Water Resources Control Board:			
State Underground Fuel Tanks Program	66.804	01-015-550-0	\$ 500,826
Environmental Protection Agency Grants Program	66.811	BP-999774-01-0	13,261
Direct program:			
Wetland Program Development	66.461	—	<u>16,140</u>
Total Environmental Protection Agency			<u>530,227</u>
Federal Emergency Management Agency:			
Passed through California Department of Social Services:			
Federal Emergency Management Food and Shelter Program	83.523	—	291,595
Passed through California Office of Emergency Services:			
Disaster Assistance – 1998 Storm	83.544	DR 1203 FIPS 083-00000	103,742
State and Local Emergency Management Assistance	83.552	EMF-2002-GR-0202	63,861
Emergency Management Performance Grant – Terrorism	83.552	EMF-2001-GR-0102	<u>6,667</u>
			<u>70,528</u>
Direct program:			
Project Impact, Building Disaster Resistant Communities Grant	83.551	EMF-1999-PA-9015	<u>835</u>
Total Federal Emergency Management Agency			<u>466,700</u>
National Association of Counties:			
Direct program:			
Five Star Restoration Challenge Grant	66.606	—	<u>5,240</u>
Total National Association of Counties			<u>5,240</u>
U.S. Department of Agriculture:			
Passed through California Department of Education:			
National School Lunch Program	10.555	—	153,928
National School Breakfast Program	10.553	—	93,490
Passed through California Department of Food and Agriculture:			
Pierce's Disease Control Program	10.025	—	184,269
Passed through California Department of Health Services:			
Special Supplemental Food Program for Women, Infants, and Children	10.557	—	1,575,213
Passed through California Department of Social Services:			
State Administrative Matching Grants for Food Stamp Program	10.561	—	2,903,054
Passed through California Department of Forestry and Fire Protection:			
Western Wildlife Urban Interface Grant Program	10.664	4CA12960	11,975
Direct program:			
U.S. Forest Service	10.666	S29480-29484	<u>37,759</u>
Total U.S. Department of Agriculture			<u>4,959,688</u>
National Oceanographic and Atmospheric Administration:			
Passed through California Resources Agency:			
Coastal Impact Assistance Program	11.419	—	<u>59,701</u>
Total National Oceanographic and Atmospheric Administration			<u>59,701</u>
U.S. Department of Education:			
Passed through California Department of Alcohol and Drug Program:			
Drug Free Schools and Communities Program	84.186	NNA42-94	<u>39,116</u>
Total U.S. Department of Education			<u>39,116</u>

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Contract number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services:			
Passed through California Department of Aging:			
Multipurpose Senior Service Program	93.778	—	\$ 743,291
Passed through California Department of Health and Human Services:			
HOPWA – Prevent HIV/AIDS	14.241	97-11791	84,032
Acquired Immunodeficiency Syndrome Activity	93.118	97-10791	175,098
Childhood Immunization Grants	93.268	—	351,268
Preventative Health and Health Services Tuberculosis	93.991	—	128,680
Preventative Health and Health Services LEAN Project	93.991	—	292,424
Medical Program 1931(b) Outreach	93.991	—	35,228
Preventative Health and Health Services LEAN Project	93.991	—	40,000
			<hr/> 496,332
Maternal and Child Health Services Block Grant to the States	93.994	—	438,058
Maternal and Child Health Services Block Grant to the States	93.994	—	63,289
Maternal and Child Health Services Block Grant to the States	93.994	—	458,414
Childhood Lead Poisoning Prevention Program	93.994	—	120,635
			<hr/> 1,080,396
Passed through California Department of Mental Health:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	—	34,455
Block Grant for Prevention and Treatment of Substance Abuse	93.959	SCC42	2,830,909
Block Grant for Prevention and Treatment of Substance Abuse	93.959	—	180,493
			<hr/> 3,011,402
Passed through California Department of Social Services:			
Family Preservation Support Program	93.556	—	358,346
Temporary Assistance for Needy Families (1):			
Administration	93.558	—	17,478,578
Assistance Payments	93.558	—	9,574,003
Probation	93.558	—	3,751,960
			<hr/> 30,804,541
Child Support Enforcement – District Attorney	93.563	146001347	6,266,616
Child Support Enforcement – Superior Court	93.563	—	712,537
			<hr/> 6,979,153
Parental Access Program	93.597	—	80,708
Post Adoptions	93.603	—	24,095
Child Welfare Services – Title IV	93.645	—	1,477,021
Foster Care Program:			
Title IV–E – Administration	93.658	—	5,887,451
Title IV–E – Probation	93.658	—	2,898,578
Title IV–E – Assistance	93.658	—	1,837,254
			<hr/> 10,623,283
Adoption Assistance – Assistance	93.659	—	893,675
Adoption Assistance – Administrative	93.659	—	224,703
			<hr/> 1,118,378
Independent Living	93.674	—	329,044
Passed through California Emergency Medical Services Authority:			
Preventative Health and Health Services	93.991	EMS-9042	50,210

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Contract number</u>	<u>Expenditures</u>
Direct programs:			
Early Intervention Services with Respect to HIV Disease	93.918	CSHHV9005-01-2	\$ 373,050
Project Grants for Health Services to the Homeless	93.151	2 H66 CS 00455-14	743,391
Passed through University of Southern California:			
Women's Integrity HIV Study	93.865	HD326320-02	57,199
Total U.S. Department of Health and Human Services			<u>58,994,693</u>
Federal Administration for Children and Families:			
Direct programs:			
Federal Community Based Family Resource and Support	93.590		880,233
Total Federal Administration for Children and Families			<u>880,233</u>
U.S. Department of Housing and Urban Development:			
Passed through California Department of Housing and Community Development:			
Community Development Block Grant – Affordable Housing	14.228	99-STBG-1380	307,038
Passed through Santa Barbara Community Housing Corporation:			
Supportive Housing Program – Casa Mural	14.235	—	106,650
Supportive Housing Program – Via Vida	14.235	CA 16B903-001	34,978
			<u>141,628</u>
Passed through City of Santa Maria – Community Development Block Grant	14.218	—	38,211
Direct programs:			
Supportive Housing Program	14.235	CA16B816-002	136,420
Supportive Housing Program	14.235	CA16B003-006	150,000
			<u>286,420</u>
HOME Program – 1999	14.239	M99-DC060554	124,790
HOME Program – 2000	14.239	M00-DC060554	371,785
HOME Program – 2001	14.239	M01-DC060554	202,925
			<u>699,500</u>
Total U.S. Department of Housing and Urban Development			<u>1,472,797</u>
U.S. Department of Justice:			
Passed through Office of Child Abuse Prevention and Office of Criminal Justice Planning – Federal Child Abuse Prevention and Treatment Act – Answers Benefiting Children Grant	16.575	PV 98010420	45,625
Passed through California Office of Criminal Justice Planning:			
Juvenile Accountability and Incentive Block Grant	16.523	IP00010420	144,121
Elder Abuse Advocacy and Outreach Program	16.575	EA00010420	91,051
Drug Enforcement Administration	16.579	—	21,374
Drug Control and System Improvement – Narcotics Program	16.579	DC001120420	253,550
			<u>274,924</u>
Local Law Enforcement Block Grant	16.592	—	6,200
Local Law Enforcement Block Grant	16.592	1999-LB-VX-8792	99,962
			<u>106,162</u>
Passed through California Office of Emergency Services:			
Fiscal Year 1999 State Domestic Preparedness Equipment Program	16.007	2000-TE-CX-0166	76,937

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Contract number</u>	<u>Expenditures</u>
Direct programs:			
Drug Court Discretionary Grant Program	16.585	2000-DC-VX-0073	\$ 155,741
Federal Equitable Sharing Program	16.578	—	291,384
Violence Against Women	16.590	97-WE-VX-005	181,940
State Criminal Alien Arrest Program #7	16.606	—	1,043,939
State Criminal Alien Arrest Program #6	16.606	—	14,379
			<u>1,058,318</u>
Community Oriented Policing Services More '98 (COPS More)	16.710	—	64,931
Community Oriented Policing Services (COPS Ahead/Universal)	16.710	—	22,325
			<u>87,256</u>
Total U.S. Department of Justice			<u>2,513,459</u>
U.S. Department of Labor:			
Passed through California Department of Employment Development:			
Welfare to Work	17.253	—	529,502
Workforce Investment Act	17.255	—	2,470,405
Workforce Investment Act – Adult	17.258	—	133,910
Workforce Investment Act – Youth	17.259	R275871	686,436
Workforce Investment Act – Dislocated Worker	17.260	R275871	188,904
Total Workforce Investment Act Cluster (1)			<u>3,479,655</u>
Total U.S. Department of Labor			<u>4,009,157</u>
U.S. Department of the Interior:			
Passed through U.S. Department of Agriculture Forest Service – Economic Recovery Program	10.670	01-DG-11050754-031	65,000
Direct programs:			
Reclamation Reform Act	15.504	—	82,302
Total U.S. Department of the Interior			<u>147,302</u>
U.S. Department of Transportation:			
Passed through California Department of Transportation:			
Office of Transportation Safety	20.205	—	30,000
Interstate Transportation Equity Act	20.205	—	87,055
			<u>117,055</u>
Community Based Transportation Planning	20.515	SPR# 65BCAG01	57,724
Passed through State of California Office of Traffic Safety – Occupational Safety	20.600	68-0297066	138,635
Total U.S. Department of Transportation			<u>313,414</u>
Total expenditures of federal awards			<u>\$ 74,391,727</u>

(1) Denotes a major federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards and independent auditors' report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

**(1) General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Santa Barbara, California (the County). The County of Santa Barbara, California's reporting entity is defined in note 1 of the notes to the County's basic financial statements. All financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies to the County is included in the accompanying schedule.

**(2) Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds, which is described in note 1 of the notes to the County's basic financial statements.

**(3) Relationship to Comprehensive Annual Financial Report**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respect, to amounts reported within the County's Comprehensive Annual Financial Report.

**(4) Relationship to Federal Financial Reports**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, with the amounts reported in related federal financial reports.

**(5) Disclosures for State Grants**

Grant revenues and expenditures by category for the fiscal year ended June 30, 2002 are as follows:

**(a) Office of Criminal Justice Planning Grant – Victim Witness Assistance Program (Grant No. VW00190420)**

Revenues	\$	<u>249,576</u>
Expenditures:		
Personal services	\$	238,532
Operating expenditures		11,044
Equipment		—
Total expenditures	\$	<u>249,576</u>

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

**(b) Office of Criminal Justice Planning Grant – Statutory Rape Vertical Prosecution Program (Grant No. SR01040420)**

Revenues	\$	<u>192,179</u>
Expenditures:		
Personal services	\$	185,255
Operating expenditures		6,924
Equipment		<u>—</u>
Total expenditures	\$	<u>192,179</u>

**(c) Office of Criminal Justice Planning Grant – Elder Abuse Advocacy and Outreach Program (CFDA No. 16.575; Grant No. EA00010420)**

Revenues:		
Federal match	\$	72,841
County match		<u>18,210</u>
Total revenues	\$	<u>91,051</u>
Expenditures:		
Personal services	\$	81,019
Operating expenditures		10,032
Equipment		<u>—</u>
Total expenditures	\$	<u>91,051</u>

**(d) Department of Justice Grant – Spousal Abuser Prosecution Program (Grant No. 00SA07C029)**

Revenues:		
State match	\$	84,000
County match		<u>16,800</u>
Total revenues	\$	<u>100,800</u>
Expenditures:		
Personal services	\$	100,800
Operating expenditures		<u>—</u>
Equipment		<u>—</u>
Total expenditures	\$	<u>100,800</u>

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

**(e) Office of Criminal Justice Planning Grant – Child Abuse Treatment Services Program (CFDA No. 16.575; Grant No. PV98010420)**

Revenues:	
Federal match	\$ 36,500
County match	<u>9,125</u>
Total revenues	<u>\$ 45,625</u>
Expenditures:	
Personal services	\$ 44,565
Operating expenditures	<u>1,060</u>
Total expenditures	<u>\$ 45,625</u>

**(f) Office of Criminal Justice Planning Grant – Probation/District Attorney/Narcotics Suppression Program (CFDA No. 16.579; Grant No. DC01120420)**

Revenues	<u>\$ 253,550</u>
Expenditures:	
Personal services	\$ 199,996
Operating expenditures	<u>53,554</u>
Total expenditures	<u>\$ 253,550</u>

**(g) Office of Criminal Justice Planning Grant – Juvenile Accountability Program (CFDA No. 16.523; Grant No. IP00010420)**

Revenues:	
Federal match	\$ 129,708
County match	<u>14,413</u>
Total revenues	<u>\$ 144,121</u>
Expenditures:	
Personal services	\$ 119,894
Operating expenditures	<u>24,227</u>
Total expenditures	<u>\$ 144,121</u>

**COUNTY OF SANTA BARBARA, CALIFORNIA**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

**(1) Summary of Auditors' Results**

- (a) The type of report issued on the financial statements: **Unqualified Opinion.**
- (b) Reportable conditions in internal control that were disclosed by the audit of the financial statements: **None Reported**; Material weaknesses: **None.**
- (c) Noncompliance which is material to the financial statements: **None.**
- (d) Reportable conditions in internal control over major programs: **None Reported.**
- (e) The type of report issued on compliance for major programs: **Unqualified Opinion.**
- (f) Any audit findings which are required to be reported under Section .510(a) of OMB Circular A-133: **None.**
- (g) Major programs:
  - U.S. Department of Labor
    - Workforce Investment Act Cluster (CFDA Nos. 17.255, 17.258, 17.259, and 17.260)
  - U.S. Department of Health and Human Services
    - Temporary Assistance for Needy Families (CFDA No. 93.558)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$2,231,400.
- (i) Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133: **Yes.**

**(2) Findings Relating to the Financial Statement Reported in Accordance with *Government Auditing Standards***

None.

**(3) Findings and Recommendations Relating to Federal Awards**

None.