

Eide Bailly LLP

Santa Barbara County Education Office
Schedule of the County's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2022

Year ended June 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability	0.0356%	0.0341%	0.0417%	0.0413%	0.0475%
Proportionate share of the net OPEB liability	\$ 142,089	\$ 166,379	\$ 155,282	\$ 158,149	\$ 199,685
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(0.80%)	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

¹ As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

Santa Barbara County Education Office
Schedule of the County's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS								
Proportion of the net pension liability	0.0237%	0.0225%	0.0236%	0.0230%	0.0262%	0.0292%	0.0340%	0.0343%
Proportionate share of the net pension liability	\$ 10,784,947	\$ 21,835,083	\$ 21,288,721	\$ 21,156,279	\$ 24,245,483	\$ 23,576,845	\$ 22,899,487	\$ 20,021,380
State's proportionate share of the net pension liability	5,426,567	11,255,988	11,614,419	12,112,959	14,343,423	13,421,877	12,111,304	12,089,774
Total	\$ 16,211,514	\$ 33,091,071	\$ 32,903,140	\$ 33,269,238	\$ 38,588,906	\$ 36,998,722	\$ 35,010,791	\$ 32,111,154
Covered payroll	\$ 12,764,495	\$ 12,253,158	\$ 12,624,889	\$ 12,645,412	\$ 13,963,752	\$ 15,518,108	\$ 15,541,351	15,315,979
Proportionate share of the net pension liability as a percentage of its covered payroll	84.49%	178.20%	168.63%	167.30%	173.63%	151.93%	147.35%	130.72%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS								
Proportion of the net pension liability	0.1029%	0.1022%	0.1084%	0.1112%	0.1149%	0.1292%	0.1546%	0.1760%
Proportionate share of the net pension liability	\$ 20,914,088	\$ 31,349,820	\$ 31,580,756	\$ 29,651,897	\$ 27,435,257	\$ 25,526,156	\$ 22,787,829	\$ 19,980,319
Covered payroll	\$ 14,773,126	\$ 14,730,962	\$ 14,811,975	\$ 14,672,442	\$ 15,146,587	\$ 15,688,225	\$ 16,834,560	18,083,223
Proportionate share of the net pension liability as a percentage of its covered payroll	141.57%	212.82%	213.21%	202.09%	181.13%	162.71%	135.36%	110.49%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Note : In the future, as data becomes available, ten years of information will be presented.

Santa Barbara County Education Office
Schedule of the County's Contributions
Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
CalSTRS								
Contractually required contribution	\$ 2,246,011	\$ 2,061,466	\$ 2,095,290	\$ 2,055,332	\$ 1,824,733	\$ 1,756,640	\$ 1,665,093	\$ 1,380,072
Less contributions in relation to the contractually required contribution	<u>2,246,011</u>	<u>2,061,466</u>	<u>2,095,290</u>	<u>2,055,332</u>	<u>1,824,733</u>	<u>1,756,640</u>	<u>1,665,093</u>	<u>1,380,072</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 13,274,297</u>	<u>\$ 12,764,495</u>	<u>\$ 12,253,158</u>	<u>\$ 12,624,889</u>	<u>\$ 12,645,412</u>	<u>\$ 13,963,752</u>	<u>\$ 15,518,108</u>	<u>\$ 15,541,351</u>
Contributions as a percentage of covered payroll	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS								
Contractually required contribution	\$ 3,719,022	\$ 3,058,037	\$ 2,905,093	\$ 2,675,339	\$ 2,278,777	\$ 2,103,558	\$ 1,858,584	\$ 1,981,596
Less contributions in relation to the contractually required contribution	<u>3,719,022</u>	<u>3,058,037</u>	<u>2,905,093</u>	<u>2,675,339</u>	<u>2,278,777</u>	<u>2,103,558</u>	<u>1,858,584</u>	<u>1,981,596</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 16,233,182</u>	<u>\$ 14,773,126</u>	<u>\$ 14,730,962</u>	<u>\$ 14,811,975</u>	<u>\$ 14,672,442</u>	<u>\$ 15,146,587</u>	<u>\$ 15,688,225</u>	<u>\$ 16,834,560</u>
Contributions as a percentage of covered payroll	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

Note : In the future, as data becomes available, ten years of information will be presented.

Note 1 - Purpose of Schedules

Budgetary Comparison Schedules

The County employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

These schedules present information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

This schedule presents information on the County's changes in the total OPEB liability, including beginning and ending balances, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Change in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Change of Assumptions* – Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022, and a change in the inflation rate from 2.63% to 2.50% during that same period.

Schedule of the County's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the County's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 2.21% to 2.16% since the previous valuation.

Schedule of the County's Proportionate Share of the Net Pension Liability

This schedule presents information on the County's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the County. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of the County's Contributions

This schedule presents information on the County's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.



Supplementary Information
June 30, 2022

Santa Barbara County Education Office

Santa Barbara County Education Office
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures	Amounts Passed Through to Subrecipients
U.S. Department of Education				
Passed through California Department of Education (CDE)				
Special Education (IDEA) Cluster				
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	\$ 154,988	\$ -
Preschool Grants, Part B, Sec 619	84.173	13430	<u>8,382</u>	<u>-</u>
Total Special Education (IDEA) Cluster			<u>163,370</u>	<u>-</u>
Title I, Part D - Local Delinquent Programs				
School Improvement (CSI) Funding for COEs	84.010	14357	320,638	-
	84.010	15439	<u>77,290</u>	<u>-</u>
Subtotal			<u>397,928</u>	<u>-</u>
Early Intervention Grants, Part C				
Title IX, Homeless Children Education (Stewart McKinney)	84.181	23761	127,331	-
Title II, Part A - Supporting Effective Instruction	84.196	14332	318,228	-
	84.367	14341	3,813	-
COVID-19 Education Stabilization Fund				
COVID-19 Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C	15517	149,924	-
COVID-19 American Rescue Plan - Homeless Children and Youth (ARP - Homeless)	84.425W	15564	<u>114,782</u>	<u>-</u>
Total COVID-19 Education Stabilization Fund			<u>264,706</u>	<u>-</u>
Total U.S. Department of Education			<u>1,275,376</u>	<u>-</u>
U.S. Department of Agriculture				
Passed through CDE				
Child Nutrition Cluster				
National School Lunch	10.555	13396	<u>7,082</u>	<u>-</u>
Total Child Nutrition Cluster			<u>7,082</u>	<u>-</u>
Forest Service Schools and Roads Cluster				
Forest Reserve	10.665	10044	<u>48,206</u>	<u>40,975</u>
Total Forest Service Schools and Roads Cluster			<u>48,206</u>	<u>40,975</u>
Passed Through California Department of Social Services				
Child and Adult Care Food Program				
CCFP Cash in Lieu of Commodities	10.558	13666	549,851	-
CCFP Family Day Care Sponsor Admin	10.558	13389	1,142	-
CACFP COVID-19 Emergency Operational Costs Reimbursement (ECR)	10.558	13665	68,040	-
	10.558	15577	<u>8,627</u>	<u>-</u>
Total Child and Adult Care Food Program			<u>627,660</u>	<u>-</u>
Pandemic Electronic Benefit Transfer Local Administrative Cost Grant				
	10.649	15644	<u>616</u>	<u>-</u>
Subtotal			<u>628,276</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>683,564</u>	<u>40,975</u>

Santa Barbara County Education Office
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures	Amounts Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed through CDE				
Child Care and Development Fund Block Grant Cluster				
Federal Alternative Payment	93.596	13694, 14153 & 15400	\$ 4,291,769	\$ -
Quality Counts California Workforce Pathways Grant	93.575	15534 & 24130	104,180	-
Quality Counts California Block Grant	93.575	24130 & 24092	155,683	-
Local Planning Councils	93.575	13946	54,490	-
Federal Alternative Payment, Stage 2	93.575	15551, 15558 & 15554	1,375,405	-
Federal Alternative Payment, Stage 2	93.575	14178	703,358	-
Federal Alternative Payment, Stage 3	93.575	14040	5,404	-
Federal Alternative Payment, Stage 3	93.575	13881	1,505,893	-
Federal Alternative Payment, Stage 3	93.575	14984	13,072	-
Federal Alternative Payment, Stage 3	93.575	15452	168,912	-
COVID-19 CARES Act Federal Alternative Payment	93.575	15511	7,549,802	-
COVID-19 CARES Act Federal Alternative Payment, Sta	93.575	15513	988	-
Federal General Child Care and Development	93.575	13609 & 15136	82,081	-
COVID-19 Child Development: Coronavirus Response and Relief Supplemental Appropriations (CRRSA)	93.575	15554	3,135,554	-
COVID-19 ARP California State Preschool Program One-time Stipend	93.575	15640	1,066,590	-
Federal Alternative Payment	93.575	14551	758,257	-
COVID-19 Coronavirus Response and Relief Supplemental Appropriations (CRSSA) Act - One-Time Stipend	93.575	15555	2,205	-
Subtotal			<u>16,681,874</u>	<u>-</u>
Total Child Care and Development Fund Block Grant Cluster			<u>20,973,643</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>20,973,643</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 22,932,583</u>	<u>\$ 40,975</u>

ORGANIZATION

The Santa Barbara County Education Office (the County) was established in the 1800’s and became fiscally independent from the County of Santa Barbara on March 2, 1970. The County is governed by an elected Superintendent of Schools and a seven-member County Board of Education. The County Superintendent develops personnel and program policy and is the employer for all County schools' employees. The County Board makes policy decisions related to County operated programs in appropriate areas of budgeting, curriculum, and planning. Another function of the County Board is to hear appeals related to student interdistrict attendance, student expulsions, and charter schools.

The County provides direct services to students where the County Office is the most appropriate agency to operate specialized student programs and coordinate County-wide student events in specialized programs such as Severely Handicapped Special Education, Regional Occupational Program, incarcerated youth, and expelled and at-risk youth. The County provides essential fiscal and administrative services to 20 school districts and two community college districts throughout the County. There were no boundary changes during the year.

COUNTY BOARD OF EDUCATION

MEMBER	TRUSTEE AREA	OFFICE	TERM EXPIRES
Mrs. Judith Frost	5	President	2022
Mr. Bruce Porter	3	Vice President	2024
Mrs. Marybeth Carty	1	Member	2022
Nadra Ehrman	2	Member	2024
Mrs. Michelle de Ward	4	Member	2024
Mr. Weldon U. Howell, Jr.	6	Member	2024
Mrs. Maggi Daane	7	Member	2022

ADMINISTRATION

Susan Salcido, Ed. D.	County Superintendent of Schools
Kirsten Escobedo	Assistant Superintendent, Special Education
Mari Minjarez Baptista	Assistant Superintendent, Human Resources
Bill Ridgeway	Assistant Superintendent, Administrative Services
Bridget Baublits	Assistant Superintendent, Educational Services
Ellen Barger	Assistant Superintendent, Curriculum and Instruction

Santa Barbara County Education Office
 Schedule of Average Daily Attendance
 Year Ended June 30, 2022

	Second Period Report	Annual Report
Elementary		
Juvenile halls, homes, and camps	0.01	0.50
Probation referred, on probation or parole, expelled	-	0.21
Total Elementary	0.01	0.71
Secondary		
Juvenile halls, homes, and camps	26.49	31.35
Probation referred, on probation or parole, expelled	1.26	1.40
Total Secondary	27.75	32.75
Total K-12	27.76	33.46

Santa Barbara County Education Office
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2022

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2022.

Santa Barbara County Education Office
Schedule of Financial Trends and Analysis
Year Ended June 30, 2022

	(Budget) 2023 ¹	2022	2021 ¹	2020 ¹
County School Service Fund ³				
Revenues	\$ 66,643,876	\$ 63,600,612	\$ 61,166,545	\$ 59,716,872
Other sources	6,020	1,463,610	1,036,054	7,154
Total revenues and other sources	<u>66,649,896</u>	<u>65,064,222</u>	<u>62,202,599</u>	<u>59,724,026</u>
Expenditures	67,225,089	60,827,381	53,266,448	51,784,241
Other uses	2,845,893	3,394,609	5,158,985	6,510,554
Total expenditures and other uses	<u>70,070,982</u>	<u>64,221,990</u>	<u>58,425,433</u>	<u>58,294,795</u>
Increase/(Decrease) in Fund Balance	<u>(3,421,086)</u>	<u>842,232</u>	<u>3,777,166</u>	<u>1,429,231</u>
Ending Fund Balance	<u>\$ 18,792,988</u>	<u>\$ 22,214,074</u>	<u>\$ 21,371,842</u>	<u>\$ 17,594,676</u>
Available Reserves ²	<u>\$ 1,459,226</u>	<u>\$ 20,991,002</u>	<u>\$ 19,332,205</u>	<u>\$ 14,878,794</u>
Available Reserves as a Percentage of Total Outgo	<u>2.08%</u>	<u>32.69%</u>	<u>33.09%</u>	<u>25.52%</u>
Long-Term Liabilities including OPEB and Pensions	<u>N/A</u>	<u>\$ 34,101,998</u>	<u>\$ 54,433,208</u>	<u>\$ 54,058,554</u>
K-12 Average Daily Attendance at P-2	<u>28</u>	<u>28</u>	<u>101</u>	<u>101</u>

The County School Service Fund balance has increased by \$4,619,398 over the past two years. The fiscal year 2022-2023 budget projects a decrease of \$3,421,086 (15.4%). For a County this size, the State recommends available reserves of at least two percent of total County School Service Fund expenditures and other uses (total outgo).

The County has incurred operating surpluses in all the past three years, but anticipates incurring an operating deficit during the 2022-2023 fiscal year. Total long-term liabilities have decreased by \$19,956,556 over the past two years.

Average daily attendance has decreased by 73 over the past two years. No change is anticipated during fiscal year 2022-2023.

¹ Financial information for 2023, 2021, and 2020 are included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the County School Service Fund.

³ County School Service Fund amounts do not include activity related to the consolidation of the Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects as required by GASB Statement No. 54.

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Santa Barbara County Education Office (the County) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the net position of the County.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting except for subrecipients, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The County has not elected to use the ten percent de minimis cost rate.

Food Donation

The County has not received nonmonetary assistance in the form of commodities.

Reconciliation

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist of COVID-19 ARP California State Preschool Program One-time Stipend revenues that have been recognized in the current year but were not expended by year-end. These unspent balances are reported as legally restricted fund balance.

Description	<u>Federal Financial Assistance Listing/Federal CFDA Number</u>	<u>Amount</u>
Total Federal Revenues reported on the financial statements		\$ 23,041,783
COVID-19 ARP California State Preschool Program One-time Stipend	93.575	<u>(109,200)</u>
Total Federal Financial Assistance		<u>\$ 22,932,583</u>

Local Education Agency Organization Structure

This schedule provides information about the County's boundaries, schools operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the County. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

This schedule discloses the County's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the County's ability to continue as a going concern for a reasonable period of time.



Independent Auditor's Reports
June 30, 2022

Santa Barbara County Education Office



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education and
Superintendent of Schools
Santa Barbara County Education Office
Santa Barbara, California

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Barbara County Education Office (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated December 15, 2022.

Adoption of New Accounting Standard

As discussed in Notes 1 and 16 to the financial statements, the County has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities net position fund balance of the General Fund as of July 1, 2021, to restate beginning net position and fund balance. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Rancho Cucamonga, California
December 15, 2022



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education and
Superintendent of Schools
Santa Barbara County Education Office
Santa Barbara, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Santa Barbara County Education Office’s (the County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2022. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over*

compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 15, 2022



Independent Auditor's Report on State Compliance

To the Board of Education and
Superintendent of Schools
Santa Barbara County Education Office
Santa Barbara, California

Report on Compliance

Qualified and Unmodified Opinions on State Compliance

We have audited Santa Barbara County Education Office's (the County) compliance with the requirements specified in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the County's state program requirements identified below for the year ended June 30, 2022.

Qualified Opinion on Transportation Maintenance of Effort

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Programs

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022, except as described in the accompanying Schedule of Findings and Questioned Costs.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 15, 2022

