

**SANTA BARBARA
COMMUNITY COLLEGE DISTRICT**

PARKING FEES PROGRAM

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2017

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
PARKING FEES PROGRAM**

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Santa Barbara Community College District
Santa Barbara, California

Report on the Financial Statements

We have audited the accompanying financial statement of the Parking Fees Program, a program of the Santa Barbara Community College District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statement, which includes the Statement of Revenues and Expenditures, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement of Revenues and Expenditures based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statement of Revenues and Expenditures referred to above presents fairly, in all material respects, the activity of the Parking Fees Program of the Santa Barbara Community College District for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

As discussed in Note 1, the Statement of Revenues and Expenditures presents only the activity of the Parking Fees Program, and is not intended to present fairly the financial position and changes in financial position of the Santa Barbara Community College District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Vaurine, Time, Day & Co., LLP.

Rancho Cucamonga, California
December 7, 2017

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
PARKING FEES PROGRAM**

**STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Other Parking Lots</u>	<u>La Playa Parking Lots</u>	<u>Total All Parking Lots</u>
REVENUES			
Parking fees	\$ 379,923	\$ 100,040	\$ 479,963
Parking fines	323,238	85,113	408,351
Total Revenues	<u>703,161</u>	<u>185,153</u>	<u>888,314</u>
EXPENDITURES			
Operations and maintenance			
Salaries	342,418	119,567	461,985
Benefits	82,176	28,691	110,867
Supplies	14,189	4,955	19,144
Consultants	1,778	622	2,400
Repairs and maintenance	2,895	1,007	3,902
Audits	1,852	648	2,500
Other contracts	47,050	16,427	63,477
Court fees	68,256	23,834	92,090
Overhead			
Utilities	19,660	6,867	26,527
Insurance	21,720	7,587	29,307
Total Expenditures	<u>601,994</u>	<u>210,205</u>	<u>812,199</u>
OTHER EXPENDITURES			
Capital outlay	11,461	4,004	15,465
Loan repayment	44,952	15,698	60,650
Total Other Expenditures	<u>56,413</u>	<u>19,702</u>	<u>76,115</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 44,754</u>	<u>\$ (44,754)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

SANTA BARBARA COMMUNITY COLLEGE DISTRICT PARKING FEES PROGRAM

NOTES TO FINANCIAL STATEMENT JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Santa Barbara Community College District's (the District) Parking Fees Program conforms to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The District Parking Fees Program accounts for the financial transactions in accordance with the policies and procedures of the California Community Colleges *Budget and Accounting Manual*.

Financial Reporting Entity

The audited statement includes only the activity of the Parking Fees Program of the District. This program was established to account for the receipt of parking fees and fines associated with parking facilities as defined in the joint use agreement with the City of Santa Barbara. This statement is not intended to present fairly the financial position and the changes in financial position of the District in compliance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The accompanying statement has been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The accompanying statement includes only the Parking Fees Program revenues and expenditures. The Parking Fees Program is not a separate fund of the District and is integrated within the District's General Fund. Therefore, no balance sheet is presented in this report, as the Parking Fees Program does not have a self-balancing set of assets, liabilities, and net assets.

Basis of Accounting

The Parking Fees Program is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded at the time liabilities are incurred.

NOTE 2 - PARKING FEES PROGRAM AGREEMENT

The District has a joint use agreement (the Agreement) with the City of Santa Barbara for the use and maintenance of City-owned La Playa and Ledbetter Beach Parking Lots. The District maintains, operates, and controls the parking lots at least to the level currently maintained by the City. The District is entitled to 100 percent of revenue generated from parking permit sales. An accounting for La Playa Parking Lots' revenues and expenditures are made by the District to the City annually.

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
PARKING FEES PROGRAM**

**NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017**

***NOTE 3 - PROPORTION OF REVENUES AND EXPENDITURES ATTRIBUTED TO LA PLAYA
PARKING LOTS***

The revenues and expenditures were proportioned to La Playa Parking Lots using the calculations shown in the Agreement as follows:

<u>Total Parking Revenues</u>	<u>Total Spaces Including Leadbetter Beach Parking</u>	<u>Per Space</u>
\$ 888,314	2,466	\$ 360.22
<u>Total Operations and Maintenance Expense</u>	<u>Total Spaces Excluding Leadbetter Beach Parking</u>	<u>\$ 408.96</u>
\$ 812,199	1,986	
<u>Other Expenditures</u>	<u>Total Spaces Excluding Leadbetter Beach Parking</u>	<u>\$ 38.33</u>
\$ 76,115	1,986	
<u>La Playa Spaces</u>	<u>Revenues Per Space</u>	\$ 185,153
514	\$ 360.22	
<u>La Playa Spaces</u>	<u>Operations and Maintenance Expenditure Per Space</u>	(210,205)
514	(408.96)	
<u>La Playa Spaces</u>	<u>Other Expenditures</u>	<u>(19,702)</u>
514	(38.33)	
Excess of Expenditures Over Revenues		<u>\$ (44,754)</u>

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
PARKING FEES PROGRAM**

**NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017**

NOTE 4 - LOANS TO PARKING FEES PROGRAM

During the period of the Agreement, loans from the District's Construction Fund for maintenance and improvements were as follows:

1985-1986 and 1986-1987	\$ 307,840
1987-1988	231
1988-1989	42,185
1989-1990	27,127
1990-1991	338,195
1991-1992	22,060
1993-1994	6,142,806
2014-2015	1,770
Subtotal all loans for maintenance and improvements	<u>6,882,214</u>
Less repayments	<u>(2,900,395)</u>
Balance due at June 30, 2017	<u><u>\$ 3,981,819</u></u>

The District is responsible for the ongoing maintenance and improvements of the parking facilities. Such expenses are incurred by the District's Construction Fund with repayments made from an excess of revenues over expenditures within the Parking Fees Program. There is no set repayment schedule or due date currently in place.