

# **Attachment A**

**Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019**

**Please see the attached printed publication.**

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019  
Santa Barbara County, CA



**BETSY M. SCHAFFER, CPA, CPFO**  
Auditor-Controller

**C. EDWIN PRICE, JR., CPA, CPFO**  
Assistant Auditor-Controller

In fiscal year 2018-19, weather related incidents continued to serve as a necessary focus of County resources. Building upon the knowledge and experience gained in the previous year, several departments continued to protect the County's citizens by coordinating efforts to respond to wind-driven fires and multiple rain storms exceeding anticipated debris flow risk levels.



On February 1, 2019, the Romero Canyon debris basin was cleared in anticipation of an approaching storm system. The same view on February 2, 2019 shows the debris captured in the basin.

A series of late winter storms produced drought busting rain fall totals, a significant rise in local lake and reservoir levels, a dramatic lightning display that made national news, and an extraordinary wildflower super bloom.



Lake Cachuma – 1/30/19

Lake Cachuma – 3/22/19

#### Photo credits

Exterior cover: Mike Eliason, Public Information Officer, Santa Barbara County Fire.

Interior cover: Lael Wageneck, Public Engagement Specialist, County of Santa Barbara Public Works Department

*This CAFR is dedicated to Theodore A. Fallati, CPA, CPFO, who retired on January 7, 2019 after 26 years of faithful and distinguished public service. Per Theo, he is enjoying retirement with his lovely wife Patti by traveling, working on cars and enjoying visits from his firefighter son Dante. Theo also gets a game or two of golf in and appreciates lots of delicious family-made Italian meals with many glasses of red wine.*

COUNTY OF SANTA BARBARA  
STATE OF CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2019



PREPARED UNDER THE SUPERVISION OF

BETSY M. SCHAFFER, CPA, CPFO  
AUDITOR-CONTROLLER

C. EDWIN PRICE, JR., CPA, CPFO  
ASSISTANT AUDITOR-CONTROLLER

# TABLE OF CONTENTS

Page

## Introductory Section

Letter of Transmittal. . . . . 1

## Financial Section

Independent Auditor’s Report . . . . . 11

Management’s Discussion and Analysis (Unaudited) . . . . . 13

### Basic Financial Statements:

#### Governmentwide Financial Statements:

Statement of Net Position. . . . . 34  
 Statement of Activities . . . . . 35

#### Fund Financial Statements:

##### Governmental Funds:

Balance Sheet . . . . . 36  
 Statement of Revenues, Expenditures, and Changes in Fund Balances . . . . . 38

##### Proprietary Funds:

Statement of Net Position . . . . . 40  
 Statement of Revenues, Expenses, and Changes in Fund Net Position . . . . . 41  
 Statement of Cash Flows . . . . . 42

##### Fiduciary Funds:

Statement of Fiduciary Net Position . . . . . 43  
 Statement of Changes in Fiduciary Net Position . . . . . 44

Notes to the Financial Statements . . . . . 45

### Required Supplementary Information (Unaudited):

Santa Barbara County Employees’ Retirement System - Schedule of the County’s Proportionate Share of the Net Pension Liability . . . . . 112

Santa Barbara County Employees’ Retirement System – Schedule of the County’s Contributions . 112

Other Postemployment Benefits (OPEB) Plan – Schedule of Changes in the County’s Net OPEB Liability and Related Ratios. . . . . 113

#### Governmental Funds – General and Major Special Revenue:

##### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

General Fund . . . . . 117  
 Roads Special Revenue Fund . . . . . 118  
 Public Health Special Revenue Fund . . . . . 119  
 Social Services Special Revenue Fund . . . . . 120  
 Behavioral Wellness Special Revenue Fund . . . . . 121  
 Flood Control District Special Revenue Fund . . . . . 122  
 Affordable Housing Special Revenue Fund . . . . . 123  
 Fire Protection District Special Revenue Fund. . . . . 124

Notes to Required Supplementary Information . . . . . 125

### Other Supplementary Information (Unaudited):

#### Other Major Governmental Fund:

##### Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

Capital Projects Fund . . . . . 130

Nonmajor Governmental Funds:

- Narrative Summary . . . . . 132
- Combining Balance Sheet . . . . . 136
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances . . . . . 140
- Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual . . 144

Internal Service Funds:

- Narrative Summary . . . . . 164
- Combining Statement of Net Position . . . . . 166
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Position . . . . . 167
- Combining Statement of Cash Flows . . . . . 168

Agency Funds:

- Narrative Summary . . . . . 170
- Combining Statement of Changes in Assets and Liabilities . . . . . 171

**Statistical Section (Unaudited)**

Narrative Summary . . . . . 173

Financial Trends:

- Net Position by Category . . . . . 174
- Changes in Net Position . . . . . 175
- Fund Balances, Governmental Funds . . . . . 176
- Changes in Fund Balances, Governmental Funds . . . . . 177

Revenue Capacity:

- Assessed Value of Taxable Property and Actual Value of Property . . . . . 178
- Property Tax Rates - Direct and Overlapping Governments . . . . . 179
- Principal Property Taxpayers. . . . . 180
- Property Tax Levies and Collections . . . . . 181

Debt Capacity:

- Ratios of Outstanding Debt by Type. . . . . 182
- Computation of Legal Debt Margin . . . . . 183
- Direct and Overlapping Bonded Debt . . . . . 184

Demographic and Economic Information:

- Demographics and Economic Statistics . . . . . 185
- Principal Employers. . . . . 186

Operating Information:

- County Employees by Function/Program . . . . . 187
- Operating Indicators by Function/Program . . . . . 188
- Capital Assets and Infrastructure Statistics by Function/Program . . . . . 189

**Glossary**

Glossary . . . . . 191



# INTRODUCTORY SECTION

---





# COUNTY OF SANTA BARBARA

**BETSY M. SCHAFFER, CPA**  
Auditor-Controller

**C. EDWIN PRICE, JR., CPA**  
Assistant Auditor-Controller



County Administration Building  
105 E. Anapamu Street, Rm. 303  
Santa Barbara, CA 93101  
(805) 568-2100

Auditor@co.santa-barbara.ca.us

Mailing Address:  
P.O. Box 39  
Santa Barbara, CA 93102-0039  
Fax: (805) 568-2016

## OFFICE OF THE AUDITOR-CONTROLLER

August 28, 2019

To the Citizens of Santa Barbara County:

The Comprehensive Annual Financial Report (CAFR) of the County of Santa Barbara (County) for the fiscal year ended June 30, 2019, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent auditor's report is located at the front of the financial section of this report. Brown Armstrong Accountancy Corporation has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2019. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### Profile of the Government

---

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of the five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets and appointing committees, the County Executive Officer (CEO), and non-elected department directors. Supervisors are elected to four-year staggered terms with two supervisors elected in even-years and three supervisors elected in odd-years. The County has five elected department directors serving four-year terms: Auditor-Controller, Clerk-Recorder-Assessor, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector-Public Administrator. The following organization chart reflects the various functional categories reported in the governmentwide Statement of Activities as well as identifies principal officials.

### Geography and Industry

The County, located approximately 100 miles north of Los Angeles and 300 miles south of San Francisco, was established by an act of the State Legislature on February 18, 1850. It occupies 2,737 square miles, one-third of which is located in the Los Padres National Forest, and has a population of 454,593.

Eight incorporated cities are within the County: Santa Barbara, Santa Maria, Lompoc, Goleta, Carpinteria, Guadalupe, Solvang, and Buellton. The largest employment categories include the government sector, leisure and hospitality, education and health services, goods producing, and professional and business services. The mild climate, picturesque coastline, scenic mountains, and numerous parks and beaches make the County a popular tourist and recreational area.

Policy & Executive



From Left to Right: Das Williams, Joan Hartmann, Steve Lavagnino, Peter Adam, Gregg Hart

**Das Williams**  
First District Supervisor  
Chair

**Gregg Hart**  
Second District  
Supervisor

**Joan Hartmann**  
Third District  
Supervisor

**Peter Adam**  
Fourth District  
Supervisor

**Steve Lavagnino**  
Fifth District Supervisor  
Vice Chair

**Mona Miyasato**  
County Executive Officer (CEO)  
General County Revenues & Programs

**Michael Ghizzoni**  
County Counsel

Public Safety

**Joyce Dudley**  
District Attorney\*

**William F. Brown**  
Sheriff-Coroner\*

**Darrel E. Parker**  
Court Special Services

**Mark Hartwig**  
Fire

**Tanja Heitman**  
Probation

**Tracy Macuga**  
Public Defender

\*Elected Official

Health & Human Services

**Alice Gleghorn, PhD**  
Behavioral Wellness

**Joni Maiden, MPA**  
Child Support Services

**Van Do-Reynoso, MPH, PhD**  
Public Health Services

**Daniel Nielson**  
Social Services

Community Resources & Public Facilities

**Cathleen Fisher**  
Agriculture Commissioner /  
Weights & Measures

**George Chapjian**  
Community Services

**Lisa Plowman**  
Planning & Development

**Scott McGolpin**  
Public Works

General Government & Support Services

**Betsy Schaffer, CPA, CPFO**  
Auditor-Controller\*

**Joseph E. Holland, CPFO**  
Clerk-Recorder-Assessor\*

**Harry E. Hagen, CPA, CPFO**  
Treasurer-Tax Collector &  
Public Administrator\*

**Janette Pell**  
General Services

**Maria Elena De Guevara**  
Human Resources

## Component Units

The County, with an average of 4,037 full-time equivalent employees, provides a full range of services to its residents as the organization chart above depicts. Included in operations are various component units which provide specific services Countywide or to distinct geographic areas within the County. They include Laguna County Sanitation District, Flood Control and Water Conservation Districts, Santa Barbara County Fire Protection District, Public and Educational Access, In-Home Supportive Services Public Authority, County Service Areas, Community Facilities Districts, Lighting Districts, Sandyland Seawall Maintenance District, Water Agency, Santa Barbara County Finance Corporation, and First 5 Children and Families Commission (First 5) (separately presented and not included in the County's operations).

While these entities are legally separate from the County, the County is financially accountable for them as their governing bodies are substantially the same as the County Board (except for First 5). Other entities, such as the Air Pollution Control District and the Santa Barbara County Association of Governments, conduct their own day-to-day operations, answer to their own governing board, and thus are not included in the County's financial statements.

## Budget

The County is required by state law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The legal level of budgetary control is maintained at the fund, department, and object level with more stringent control over capital assets and fund balance categories, which are maintained at the line item level.

The Board must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to approve transfers of appropriations between object levels within the same department to the CEO.

## FACTORS AFFECTING ECONOMIC CONDITION

The following highlights and graphs are indications of the changing economy on a Countywide basis that includes both the unincorporated area and the eight incorporated cities.

During Fiscal Year (FY) 18-19, the County experienced continued increases in employment and a drop in the unemployment rate, modest wage gains, weakening of housing price growth, and increases in taxes from tourism.

### “19 Years in the Making, Montecito’s Rosewood Miramar Beach Resort is in Business”

Noozhawk February 15, 2019

#### Employment

- The County’s average unemployment rate during FY 18-19 decreased from 4.5% to 3.9%.
- The June 2019 average County unemployment rate of 3.9% was below the State unemployment rate of 4.1% and above the national unemployment rate of 3.8%.

#### Income

- The County’s average annual wages increased to \$54,890 in the 2018 calendar year from \$54,320 in 2017.

#### Retail Sales

- Countywide estimated retail sales increased 12.9% to over \$7.9 billion for the FY 18-19. The significant change over the prior year is due to changes in the State’s sales tax reporting system which resulted in prior year corrections included in current year amounts.
- California retail sales increased 3.6% for the FY 17-18.

#### Real Estate

- According to the Zillow Home Value Index for Santa Barbara County, the median home value increased 3.3% to \$598,950.
- The real estate market continued its upward trend, but with moderated growth in price increases.

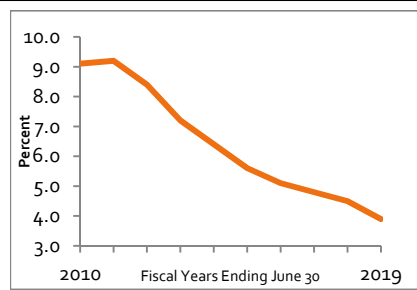
#### Tourism

- Countywide estimated room sales grew by 3.4%, to \$495.4 million.
- Countywide estimated Transient Occupancy Tax (TOT) revenue increased by 3.6%.
- Between January 2016 and January 2019, growth in the leisure and hospitality industry exceeded 5% and represented 13.5% of total employment.

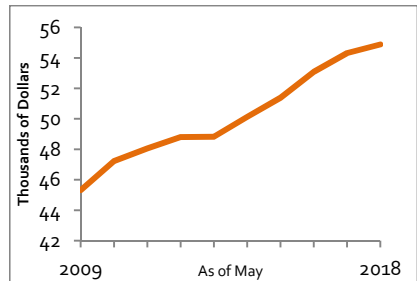
### “Romero Canyon, Toro Canyon Bridges Reopened in Montecito”

Noozhawk January 30, 2019

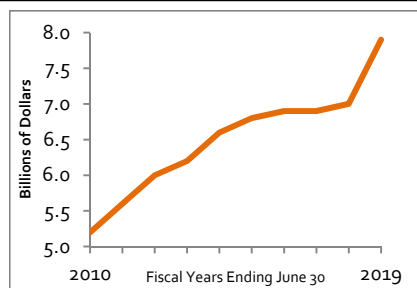
Unemployment Rate



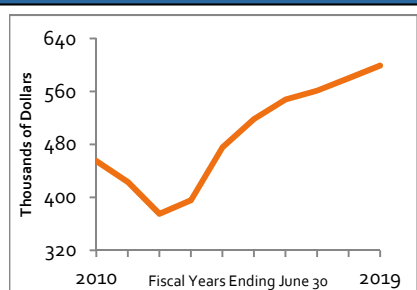
Average Salary



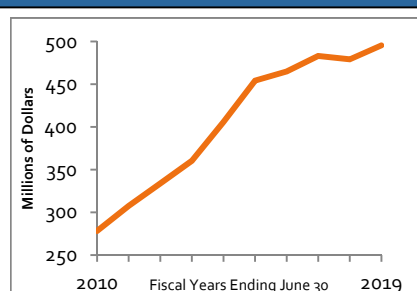
Retail Sales



Median Home Value



Hotel / Motel Room Sales



Most of the information about the local economy is derived from the California Employment Development Department and the Bureau of Labor Statistics.

## ECONOMIC INDICATORS

The economic outlook for the State, according to the California Fiscal Outlook, continues to see steady wage and salary growth in large part due to record low unemployment. This in turn translates into slower anticipated job growth as there are a limited number of Californians looking for jobs. The housing market is expected to continue weakening as price growth slows due to the rising supply of homes for sale and tighter mortgage lending. Uncertainties about the stock market and trade disputes continue to cloud the overall strong economy.

As of July the current economic expansion is now the longest on record. Recent surveys of consumers and experts alike indicate an increased pessimism on the economic outlook. Yet economic recessionary indicators at this point are mixed with prognosticators vacillating on how much longer the expansion will last.

The 2019 Economic Forecast, prepared by the University of California, Santa Barbara, highlights at a local level growing total employment and decreasing unemployment rates, mirroring Statewide trends. Real Gross Domestic Product (GDP) growth rates remain modest and the government sector continues to be the largest contributor to Real GDP in Santa Barbara County. Housing price growth in Santa Barbara County has moderated and remains at about half the national average. Overall industry in the County has seen exponential growth in small regional banks, recovery in agriculture from the drought, and significant growth in the beer industry with 11 establishments compared to 3 in 2013.

## FINANCIAL INDICATORS

In FY 18-19 property taxes increased modestly primarily from increased assessments and new development. Property tax is the County's largest source of discretionary revenue. Certain leading indicators of future property tax growth are property transfer tax and supplemental property tax. Property transfer tax decreased in FY 18-19 by 2.7%, suggesting slowing of property tax growth in future years. Supplemental property tax decreased \$163 or 3.4% in FY 18-19; however, most of the decrease was due to processing of backlogged property tax transactions in the prior year and thus may not be a good indicator this year. The secured property tax growth rate for FY 18-19 was 5.4% and for FY 19-20 is budgeted at 3.4%. With property taxes overall showing positive growth, the County's general discretionary revenues are estimated to grow in the 3% to 5% range.

Countywide estimated total Transient Occupancy Tax (TOT) revenues increased by 3.6% in the incorporated and unincorporated areas of the County primarily due to a shift from the recovery stage of the Thomas Fire and Montecito Debris Flow in the prior fiscal year. In addition, the County received \$6.8 million in cannabis revenue during the first year of collection. Countywide estimated retail sales increased by 12.9% for the fiscal year ended June 30, 2019. Part of this large increase is due to changes in the State's tax reporting system. Statewide sales tax for Proposition 172 public safety, a ½ cent tax, increased 4.3% to \$37.9 million. The County also had improvements in program revenues with increases in charges for services of 7.2%, operating grants and contributions of 7.6%, and general revenues of 6% for governmental activities.

The largest category of Countywide expenses are salaries and benefits, which decreased by \$27.9 million, or 4.6%, to \$572.4 million. This represents 62.1% of total Countywide expenses. The majority of the decrease is due to a collective decrease in the net pension liability due to assumption changes, timing of pension benefit payments, and pension investment gains.

Service and supplies expenses increased by \$16.3 million, or 8.2%, to \$214.8 million. A large portion of this increase is due to mental health, affordable housing programs, and continued maintenance projects related to the recovery from the Thomas Fire and Montecito Debris Flow.

## MAJOR INITIATIVES

During the last fiscal year, under the leadership of the Board, many outstanding key programs, projects and initiatives were successfully undertaken by the County:

- Renew 2022 is the County's multi-year transformational initiative to ensure fiscal sustainability and operational efficiency by 2022 and beyond. The essence of Renew '22 is to fortify the organization to be more resilient and prepared for the next economic downturn or natural emergency. This does not mean future reductions in budget, staff and services will not be necessary; they may anticipate the future. The Renew '22 effort, in its third year in FY 19-20, is designed to ensure the County can withstand these changes and bounce back effectively and quickly. This can be achieved through better systems and technology; improved revenues, augmented reserves and efficient services; responsiveness to clients and customers; and retention and attraction of quality employees. By transforming how we do our work, constantly learning and improving, and exploring ways to work differently, employees are equipped to thrive in the present, adapt to tomorrow and anticipate the future.
- On June 5, 2018, voters passed the cannabis tax ballot measure, effective August 2018. Tax revenue was projected to reach \$5.7 million by fiscal end of 18-19, but exceeded estimates as the actual cannabis tax revenue totaled \$6.8 million. Taxes paid by cannabis operators fund the Cannabis Program's enforcement efforts and are therefore critical to enforcing against illegal cannabis operations and eliminating access to illegal and untested cannabis. On June 11, 2019, the Board approved funding of \$100,000 for a cannabis tax audit to begin in FY 19-20.
- Cannabis enforcement remains a Board priority. Funded by cannabis tax revenue, the FY 19-20 adopted budget increased to \$2.8 million and enforcement staffing increased to 13 FTEs up from 10.5 FTEs. The enforcement team is made up of staff from the Sheriff's Office, District Attorney, Agricultural Commissioner and Public Health departments. Between August 16, 2018 and June 24, 2019, the Cannabis Compliance Team has had a significant impact on illegal cannabis activity as follows:
  - 38 warrants served
  - 42 tons of dry and processed plants seized at 18 sites (85,334.50 pounds)
  - 1,298,689 living plants eradicated at 22 sites
  - 14 of the warrants resulted in confiscation of black market products and/or delivery services (wax, oils, edibles, vapes, extracts), as well as stolen guns
- County Counsel prevailed in litigation against United Launch Alliance that protected \$2.53 billion in property tax valuation and resulted in a one-time share of about \$6.3 million for the County General Fund and County Fire. Another litigation against ERG was resolved, which protected about \$1.2 billion in property tax valuation and an additional one time share of about \$3 million went to the General Fund and County Fire.
- The \$150 million Tajiguas Resource Recovery Project broke ground on May 30, 2019 where it was announced that the facility will be known as The ReSource Center. When completed, the Public Works project will meet state requirements for landfill waste diversion and represent the single largest reduction in greenhouse gases in the county. The new, state-of-the-art recycling facility and large-scale anaerobic digester will convert commercial and residential waste into resources by recovering recyclable materials, transforming organics into landscape nutrients, and create renewable energy in the process. The center will divert an additional 60 percent of waste from the landfill, which will bring the region above an 85 percent diversion rate. The center will be vital to achieving state-mandated GHG emission reductions, will increase recycling and will divert organic waste.
- Following the Thomas Fire and Montecito Debris Flow, teams of experts, scientists and geologists studied the results of the twin disasters and how the watershed may respond in future rain events. Following nine months of scientific research and data, a new debris flow risk map was released in December 2018 that identified about 1,500 properties most at risk for flash floods, debris flows, mud flows and/or landslides.

Following release of the new debris flow risk map, County Search & Rescue led a door-to-door outreach campaign in Montecito, Carpinteria and Santa Barbara, aided by volunteers from the Montecito Emergency Response & Recovery Action Group (MERRAG), the Bucket Brigade, Habitat for Humanity, CERT and others, to inform impacted property owners and residents of the risks prior to the rains in 2019.

- In September, a groundbreaking ceremony was held for the Residences at Depot Street in Santa Maria, an 80-unit affordable housing project developed by the County's Housing Authority to provide housing for formerly homeless families. The project received more than \$3.1 million in County HOME and In-Lieu funds.

## SIGNIFICANT CAPITAL PROJECTS

The County completed \$13.4 million in capital projects in the current year and the County's Five-Year Capital Improvement Plan (CIP) identifies capital needs as well as funding sources and funding shortfalls. For FY 19-20, the CIP includes \$221.7 million of funding for planned projects that are included in the budget:

- \$65.9 million for the Tajiguas Resource Recovery Project (total estimated project cost of \$149 million);
- \$21.9 for upgrades, improvement, and expansion of the Laguna County Sanitation District (total estimated project cost of \$63 million);
- \$8.2 million for the Northern Branch Jail (total estimated project cost of \$111 million); and
- \$7 million for flood channel improvements in South County (total estimated project cost of \$86 million).

Additional capital and capital maintenance projects, equipment, software, and information systems projects for FY 19-20 can be found in Section E "Capital Budget Summary" of the County's Recommended Budget (available at <http://countyofsb.org/ceo/2019.sbc>).

## LONG-TERM FINANCIAL PLANNING

In the FY 19-20 Recommended Budget the County is projecting modest revenue growth in the 1% to 4.5% range for local property, retail sales and transient occupancy taxes.

The County has committed to building and maintaining a strategic reserve equal to 8% of annual General Fund revenues, or approximately 30 days working capital. During FY 18-19, the strategic reserve balance reached \$34.1 million, an increase of \$10.4 million from the prior year. The FY 19-20 budget appropriated additional funds of \$2.3 million to add to the reserve in the next fiscal year. The County is also addressing capital needs by continuing to incorporate a policy which earmarks 18% of available discretionary General Fund revenue growth for deferred maintenance.



## RELEVANT FINANCIAL POLICIES

The County benchmarks its financial policies to a set of Best Financial Management Practices for Governmental Issuers of Municipal Debt published by Fitch Ratings.

### Fund Balance Reserve

The County is committed to building a strategic reserve as discussed previously in Long-Term Financial Planning.

### Multiyear Financial Forecasting

The County prepares a five-year financial forecast annually focusing on discretionary revenues and their uses to aid in current year decisions.

### Quarterly Financial Reporting and Monitoring

The CEO and Budget Director chair quarterly review each department's year-to-date actual and projected revenues and expenditures. These meetings also focus on their operations and performance measures.

### Contingency Planning

The County does not have a formal contingency policy and maintains only a small operating contingency of less than 1% in the General Fund. However, the County has established a strategic reserve policy, and is in the process of building a strategic reserve that will equal 8% of annual General Fund revenues (approximately 30 days working capital). The County also has other significant fund balances in its special revenue funds. The most noteworthy is the Flood Control District fund balance used to hedge against storm related disasters.

### Nonrecurring Revenue

One of the principal budget tenets is that nonrecurring revenue should be used for one-time needs and that ongoing expenditures should have identified ongoing sources. Additionally, the County's General Fund Allocation Policy states that "Requests for additional FTE's ... will identify the ongoing funding source."

### Financial Reporting Awards

The Government Finance Officers Association (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR annually since 1991, and the Certificate of Achievement in Popular Annual Financial Reporting for the Financial Highlights annually since 1995.

### Debt Affordability

The County established a Debt Advisory Committee (DAC) to provide advice to the Board on debt issuance and management. The DAC looks at repayment sources as one of the key criteria for approval of new debt issues. In addition, all long-term equipment or real property leases are reviewed for lease vs. purchase decisions.

### Superior Debt Disclosure Practices

The County maintains a complex set of debt disclosures in the County's Recommended Budget and the CAFR statistical section. We believe that time is of the essence in the publication of these documents. The budget is adopted before June 30 and loaded into the financial system before the close of the first month of the new fiscal year. The CAFR publication date is generally within 45-60 days of the close of the fiscal year. The County's major financial documents are available on the web at [www.countyofsb.org](http://www.countyofsb.org).

### Capital and Maintenance Funding

The County has an informal pay-as-you-go policy for funding capital. However, many of the County's funds only utilize pay-as-you-go financing. Beginning with the FY 15-16, the Board established a budget policy to set aside 18% of general revenue growth to address aging infrastructure and facilities.

### Debt Repayment Plan

The County's current outstanding debt schedule features a debt repayment plan that will reduce debt by 45.1% over the next ten years.

### Five-Year Capital Improvement Program

The County's Five-Year Capital Improvement Program provides for an integration of capital projects and operating impacts in the recommended operating budget for each budget cycle.

### Budgeting Awards

The GFOA has presented the Distinguished Budget Presentation Award to the County annually since 1998.

## AWARDS AND ACKNOWLEDGMENTS

We are very proud of this CAFR and all of the County’s award-winning financial reporting publications. Each publication has been prepared with great care and expertise with a goal of meeting the highest level of financial reporting preparation standards.

### GFOA Financial Reporting Certificate of Achievement

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the County’s CAFR for the fiscal year ended June 30, 2018. This award has been achieved annually since 1991. To receive this prestigious award, a government must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

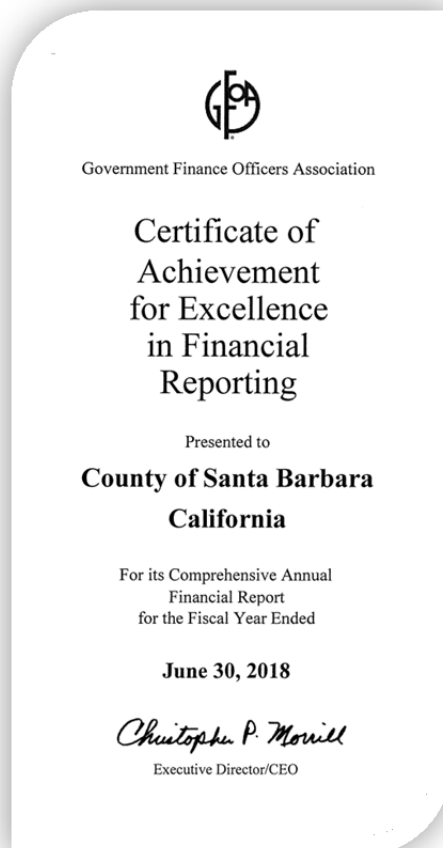
A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### GFOA Budget Presentation Award

The County received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2018. This award has been achieved annually since 1998. To receive this prestigious award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

### GFOA Popular Annual Financial Reporting Award

The County received the GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting for its Financial Highlights publication for the fiscal year ended June 30, 2018. This award has been achieved annually since 1995. To receive this prestigious award, a government must publish a Popular Annual Financial Report that conforms to program standards of creativity, presentation, understandability, and reader appeal.



### Acknowledgments

The preparation of the CAFR and its timely issuance is the result of a concentrated, dedicated, and coordinated effort by the entire Auditor-Controller staff. We would like to acknowledge the special efforts of the Financial Reporting Division for their assistance in the report’s preparation. We would also like to thank all County departments who participated in its preparation.

Respectfully submitted,

Mona Miyasato  
County Executive Officer

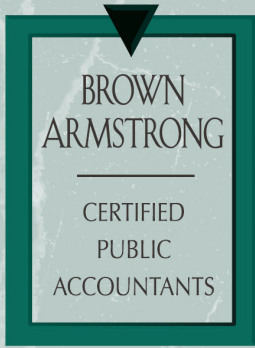
Betsy M. Schaffer, CPA, CPFO  
Auditor-Controller



# FINANCIAL SECTION

---





# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors  
County of Santa Barbara, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Santa Barbara, California, (the County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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 County'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 financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE  
SUITE 300  
BAKERSFIELD, CA 93309  
TEL 661.324.4971  
FAX 661.324.4997  
EMAIL info@bacpas.com

#### FRESNO OFFICE

10 RIVER PARK PLACE EAST  
SUITE 208  
FRESNO, CA 93720  
TEL 559.476.3592

#### STOCKTON OFFICE

1919 GRAND CANAL BLVD  
SUITE C6  
STOCKTON, CA 95207  
TEL 888.565.1040

WWW.BACPAS.COM

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13-32, the Santa Barbara County Employees' Retirement System Schedule of the County's Proportionate Share of the Net Pension Liability on page 112, the Santa Barbara County Employees' Retirement System Schedule of the County's Contributions on page 112, Other Postemployment Benefits (OPEB) Plan Schedule of Changes in the County's Net OPEB Liability and Related Ratios on page 113, and the respective budgetary comparison for the General and Major Special Revenue Funds on pages 117-125 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison for the Capital Projects Fund, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

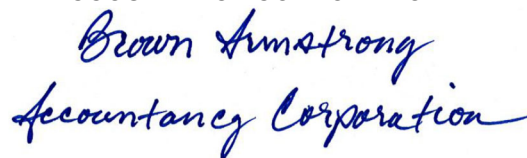
The combining and individual nonmajor fund financial statements and schedules and the budgetary comparison for the Capital Projects Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the budgetary comparison for the Capital Projects Fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
August 28, 2019

**TABLE OF CONTENTS - MANAGEMENT’S DISCUSSION AND ANALYSIS** Page

Financial Highlights . . . . . 14

Governmentwide Financial Analysis . . . . . 14

Description of the Basic Financial Statements . . . . . 15

Governmentwide Financial Statements . . . . . 15

Fund Financial Statements . . . . . 16

Notes to the Financial Statements . . . . . 17

Appropriated Funds . . . . . 18

Governmentwide Financial Analysis . . . . . 19

Analysis of Net Position . . . . . 19

Analysis of Governmental Activities . . . . . 21

Analysis of Business-type Activities . . . . . 23

Analysis of Capital Assets . . . . . 24

Analysis of Bonds, Notes, and Certificates of Participation (COP) . . . . . 26

Financial Analysis of the County’s Fund Balances . . . . . 27

Governmental Funds . . . . . 27

Proprietary Funds . . . . . 30

General Fund Budgetary Highlights . . . . . 30

Economic Factors and Next Year’s Budget and Rates . . . . . 31

Request for Information . . . . . 32



The information in this section is not covered by the Independent Auditor's Report, but is presented as required supplementary information for the benefit of the readers of the CAFR.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's Basic Financial Statements, which immediately follow this section. All dollar amounts are expressed in thousands.

## FINANCIAL HIGHLIGHTS

### Governmentwide Financial Analysis

During the fiscal year ended June 30, 2019, several major projects and initiatives were of special significance to the County's operations and net position. Over time net position can be a useful indicator of the County's financial condition and the major projects that impacted the three categories of net position are detailed below.

**Net investment in capital assets** – represents the County's investment in capital assets, less (1) accumulated depreciation, (2) related outstanding debt used to acquire those assets, and (3) related deferred inflows of resources. The Tajiguas Resource Recovery Project (TRRP) will be reflected in net position as an investment in capital assets.

- Tajiguas Resource Recovery Project (TRRP)  
During the fiscal year, Resource Recovery and Waste Management issued \$149,000 of Solid Waste System Certificates of Participation (2018 COP's). The TRRP is designed to modify the processing of solid waste currently delivered to the landfill for disposal as well as process source separated recyclables and organic waste to reduce landfilling and greenhouse gas emissions. This project is intended to extend the useful life of the landfill and requires significant rate increases to cover the debt financing. More detailed accounting information and analysis of this project can be found in the capital and debt sections on page 24 and 26, respectively.

**Restricted net position** – represents the County's available funds for ongoing obligations related to programs with external restrictions on their use. The reimbursements from the Thomas Fire and Montecito Debris Flow are recognized as restricted net position.

- Recovery from the Thomas Fire and Montecito Debris Flow  
During the fiscal year, State and federal reimbursements from the Thomas Fire and Montecito Debris Flow were reflected in program revenues. In the prior fiscal year departments drew upon reserves to absorb these expenses, but were able to replenish balances and start to focus on continuing operations. As the County transitions from recovery from the disaster to more normal operations, significant work related to roads, bridges, and debris basins are coming to a close, which will allow other projects that were delayed to commence.

**Unrestricted net position** – represents the County's resources available to fund programs to citizens and debt obligations to creditors. Cannabis revenues and pension liabilities are recognized as unrestricted net position.

- Collection of Cannabis Tax  
Cannabis tax revenue has provided a discretionary revenue source for the County, but also entails expansion of enforcement efforts against illegal cannabis operations and eliminating access to illegal and untested cannabis. In addition, this will increase the additional personnel and equipment costs associated with enforcement.
- Reduction in Pension Liabilities  
Pension expense related to the pension liability decreased significantly as a result of assumption changes, timing of benefit payments, and investment gains. This savings in salaries and benefits increased the positive financial position of the County and allows funds to be directed toward enhancing the programs and services offered to the community.

Detailed information and analysis of the changes in net position and fund balances can be found in the subsequent sections and reflect the impact of these major financial highlights.

## DESCRIPTION OF THE BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the County's Basic Financial Statements. The County's Basic Financial Statements include three components:

- Governmentwide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

### Governmentwide Financial Statements

The Governmentwide Financial Statements provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the County's *Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources* with the difference reported as *Net Position*.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

The *Statement of Activities* presents the most recent fiscal year's changes in the County's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (Accrual Basis of Accounting). The statement reports items resulting in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave) as revenues and expenses.

The Governmentwide Financial Statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities grouped by function of the County include Policy and Executive, Public Safety, Health and Public Assistance, Community Resources and Public Facilities, General Government and Support Services, and General County Programs. The business-type activities of the County include Resource Recovery and Waste Management (Resource Recovery) and Laguna County Sanitation District (Laguna Sanitation).

Component units are included in the financial statements and are legally separate entities for which the County is financially accountable. If a component unit's total debt is expected to be repaid entirely by the County, if the component unit provides services entirely to the County, or if the component unit has substantially the same governing board as the County and there is a financial benefit or burden relationship or County management has operational responsibility for a component unit, then the component will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements it will be presented as a discrete component unit. The following is a list of the County's blended component units:

- Laguna County Sanitation District
- Flood Control and Water Conservation Districts
- Santa Barbara County Fire Protection District
- Public and Educational Access
- In-Home Supportive Services Public Authority
- County Service Areas
- Community Facilities Districts
- Lighting Districts
- Sandyland Seawall Maintenance District
- Water Agency
- Santa Barbara County Finance Corporation

The County's only discretely presented component unit is the First 5 Children and Families Commission.

Pages 34-35 of this report display the Governmentwide Financial Statements.

## Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The County's funds are divided into three types:

- Governmental funds
- Proprietary funds
- Fiduciary funds

### **Governmental Funds**

Governmental funds account for essentially the same functions reported as governmental activities in the Governmentwide Financial Statements. However, unlike the Governmentwide Financial Statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year (Modified Accrual Basis of Accounting). Such information may be useful in evaluating the County's near-term financing requirements. To understand the long-term impact of the County's near-term financing decisions, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Governmentwide Financial Statements. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Over time, increases or decreases in *fund balance* are a useful indicator of the County's near-term financial condition and are broken into four categories:

- Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact,
- Restricted – restricted by law or externally imposed requirements,
- Committed – committed by the highest level of authority of the government is binding unless removed in the same manner, and
- Unassigned – balances that are not nonspendable, restricted, or committed.

The County maintains 62 individual governmental funds combined into 27 funds for financial reporting purposes. The County segregates from the General Fund a number of significant functions in 8 major funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General; Roads; Public Health; Social Services; Behavioral Wellness; Flood Control District; Affordable Housing; Fire Protection District; and Capital Projects funds, all considered major funds. Data for the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its operating funds. The budget and actual comparison schedules provided for the General Fund and major special revenue funds demonstrate performance against this budget.

*Pages 36-39 of this report display the Governmental Funds Financial Statements.*

### **Proprietary Funds**

The County maintains two different types of proprietary funds: enterprise funds and internal service funds. The County has two enterprise funds, both qualify as major funds.

Enterprise Funds report the same functions presented as business-type activities in the Governmentwide Financial Statements. The County uses enterprise funds to account for Resource Recovery and Laguna Sanitation.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service funds account for information technology services, vehicle operations and maintenance, risk management and insurance, communications services, and utilities. Since these services predominantly benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Governmentwide Financial Statements.

Proprietary funds provide the same type of information as the Governmentwide Financial Statements, but in more detail. The proprietary funds financial statements provide separate information for the Resource Recovery Fund and the Laguna Sanitation Fund. Data for the five internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

*Pages 40-42 of this report display the Proprietary Funds Financial Statements.*

### **Fiduciary Funds**

Fiduciary funds account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Governmentwide Financial Statements because the resources of those funds are not available to support the County's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. Fiduciary funds report the external portions of the Treasurer's investment pool, a private-purpose trust fund, and agency funds.

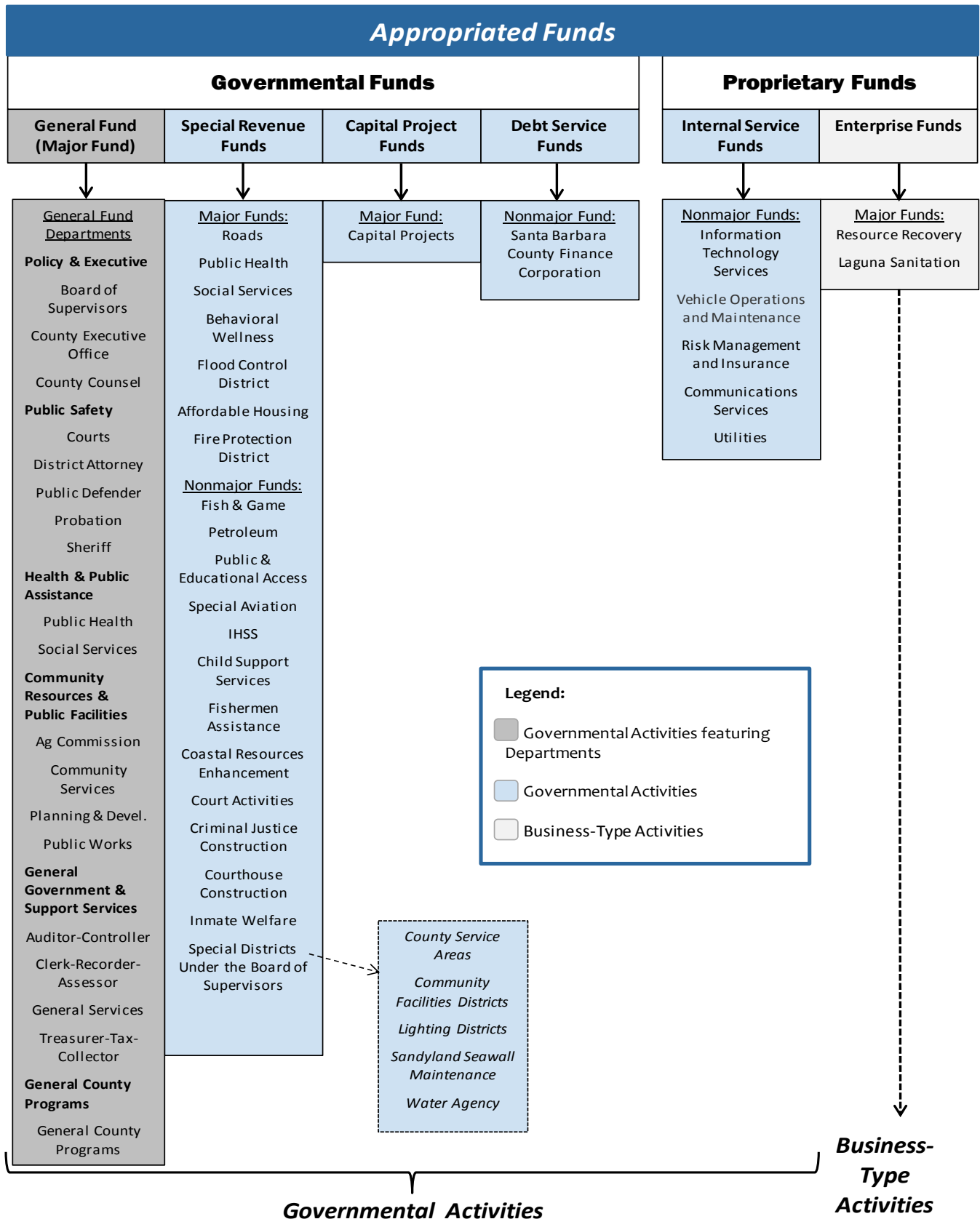
*Pages 43-44 of this report display the Fiduciary Funds Financial Statements.*

### **Notes to the Financial Statements**

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Governmentwide and Fund Financial Statements. Information in the Notes to the Financial Statements is described as follows:

- Note 1 provides a general description of the County's Significant Accounting Policies.
- Note 2 provides a Reconciliation for Governmentwide and Fund Financial Statements.
- Notes 3 to 20 provide detailed notes on cash and investments, restricted cash and investments, receivables, capital assets, service concession arrangements, advances from grantors and third parties, leases, long-term liabilities, certificates of participation, bonds and notes payable, self-insurance, commitments and contingencies, landfill closure and postclosure, fund balances, restricted component of net position, retained deficit, interfund transactions, and tax abatements.
- Notes 21 to 24 provide detailed notes on pension plans, other postemployment benefits, deferred compensation plans, and prior period adjustments.

*Pages 45-110 of this report display the Notes to the Financial Statements.*



## GOVERNMENTWIDE FINANCIAL ANALYSIS

### Summary of Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2018	2019	2018	2019	2018	2019	Dollar Change	Percent Change
<b>Assets:</b>								
Current and other assets	\$ 552,641	\$ 625,092	\$ 81,812	\$ 213,149	\$ 634,453	\$ 838,241	\$ 203,788	32.1%
Capital assets, net of depreciation	767,906	806,573	91,888	141,014	859,794	947,587	87,793	10.2%
<b>Total assets</b>	<b>1,320,547</b>	<b>1,431,665</b>	<b>173,700</b>	<b>354,163</b>	<b>1,494,247</b>	<b>1,785,828</b>	<b>291,581</b>	<b>19.5%</b>
<b>Deferred outflows of resources:</b>	<b>347,376</b>	<b>260,737</b>	<b>6,406</b>	<b>4,963</b>	<b>353,782</b>	<b>265,700</b>	<b>(88,082)</b>	<b>(24.9%)</b>
<b>Liabilities:</b>								
Current and other liabilities	95,066	102,018	2,396	8,134	97,462	110,152	12,690	13.0%
Long-term liabilities	1,075,680	998,146	58,247	221,738	1,133,927	1,219,884	85,957	7.6%
<b>Total liabilities</b>	<b>1,170,746</b>	<b>1,100,164</b>	<b>60,643</b>	<b>229,872</b>	<b>1,231,389</b>	<b>1,330,036</b>	<b>98,647</b>	<b>8.0%</b>
<b>Deferred inflows of resources:</b>	<b>96,533</b>	<b>88,342</b>	<b>1,061</b>	<b>949</b>	<b>97,594</b>	<b>89,291</b>	<b>(8,303)</b>	<b>(8.5%)</b>
<b>Net position:</b>								
Net investment in capital assets	692,549	736,255	83,764	82,723	776,313	818,978	42,665	5.5%
Restricted	271,042	302,341	--	--	271,042	302,341	31,299	11.5%
Unrestricted	(562,947)	(534,700)	34,638	45,582	(528,309)	(489,118)	39,191	7.4%
<b>Total net position</b>	<b>\$ 400,644</b>	<b>\$ 503,896</b>	<b>\$ 118,402</b>	<b>\$ 128,305</b>	<b>\$ 519,046</b>	<b>\$ 632,201</b>	<b>\$ 113,155</b>	<b>21.8%</b>

As noted earlier, over time, net position may serve as a useful indicator of a government’s financial condition. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$632,201 at the close of the current fiscal year.

### Analysis of Net Position

The County’s total net position increased by \$113,155, or 21.8%, during the fiscal year. This increase is significantly larger than the prior five-year average of net position increases of \$58,783, primarily due to 1) additions to the North Branch Jail capital project, 2) large federal and State reimbursements for the prior year costs related to the Thomas Fire and Montecito Debris flow disasters, and 3) a significant decrease in the County’s net pension expense due to positive results in the County’s retirement system. These changes are detailed below in the classification of net position that was affected by each.

#### Net Investment in Capital Assets

The largest portion of the County’s net position is invested in capital assets (e.g., land, buildings, roads, bridges, flood control channels and debris basins, machinery, equipment, and intangible assets), less the related and outstanding debt used to acquire those assets and related deferred inflows of resources. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County’s net investment in capital assets increased \$42,665, or 5.5%, to \$818,978 at year-end, and consisted of the following:

	2018	2019	Dollar Change	Percentage Change
Investment in Capital Assets (net of accumulated depreciation)	\$ 859,794	\$ 947,586	\$ 87,792	10.2%
Less:				
Related Debt	50,163	95,969	45,806	91.3%
Related Deferred Inflows of Resources	33,318	32,639	(679)	(2.0%)
Net Investment in Capital Assets	<u>\$ 776,313</u>	<u>\$ 818,978</u>	<u>\$ 42,665</u>	<u>5.5%</u>

Detailed information on capital can be found under the Capital Assets section on page 24.

**Restricted Net Position**

Restricted net position of \$302,341 represents resources that are subject to external restrictions on their use or by enabling legislation. Due to the unique nature of funding sources and the unrestricted impact of the net pension and OPEB liabilities, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- 1) \$128,650 (42.55%) for property taxes dedicated to specific services such as flood control and fire protection,
- 2) \$62,787 (20.77%) for federally imposed restrictions for health and housing programs,
- 3) \$42,839 (14.17%) for numerous State imposed restrictions,
- 4) \$40,764 (13.48%) for federal and State allocations for roads and health services,
- 5) \$14,125 (4.67%) for grant, land use, and permit agreements, and
- 6) \$13,176 (4.36%) for various other restrictions imposed on the County.

Restricted net position increased \$31,299 or 11.5%. Significant changes to restricted net position, by function, include:

- The Health and Public Assistance function increased \$12,105 primarily as a result of:
  - \$3,391 in unspent Medi-Cal funding and Mental Health Block Grants, supplemental inpatient claims, and contract savings from the State Human Services Agency;
  - \$2,469 of housing assistance program revenue related to a loan for a low income housing project in Santa Maria; and
  - \$2,204 of final reimbursement for prior year costs from the State Department of Health Care Services.
- The Community Resources and Public Facilities function increased \$9,110 primarily as a result of:
  - \$6,076 of federal and State disaster reimbursements for expenditures related to the Montecito Debris Flow in the prior fiscal year and funds that were not expended due to focus on continued recovery from the Montecito Debris Flow in the prior fiscal year; and
  - \$2,734 for delayed planned capital improvements in the Water Agency and Flood funds due to continued focus on disaster recovery, storm mitigation, and clean-up work related to the Thomas Fire and Montecito Debris Flow in the prior fiscal year.
- The Public Safety function increased \$7,432 due primarily to increases of:
  - \$3,560 for unspent proceeds from Realignment, Juvenile Justice Crime Prevention Act, and Youth Offender Block Grant funds;
  - \$1,669 of charges for mutual aid and other incident reimbursements as well as set-asides for future Fire District capital outlay; and
  - \$779 due to revenue from commissary sales and salary and benefit savings for inmate welfare treatment programs.

### Unrestricted Net Position

Due primarily to the reduction of the County's net pension expense (see page 22), unrestricted net position changed favorably by \$39,191, or 7.4% from negative \$528,309 to negative \$489,118. The majority of the balance of negative unrestricted net position is primarily the result of the County's unfunded net pension and OPEB liabilities. However, this amount is offset by positive unrestricted net position of \$18,654 in the County's General Fund.

### Analysis of Governmental Activities

Governmental activities increased the County's net position by \$103,252 to \$503,896, accounting for 91.3% of the County's total increase in net position resulting from governmental activities operating revenues exceeding operating expenditures. A prior period adjustment of \$494 is the result of timing related to the receipt of anticipated revenue and recognition of a deferred inflow of resources in the governmental funds balance sheet.

### Changes in Net Position (in thousands)

	Governmental		Total	
	2018	2019	Dollar Change	Percent Change
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 216,085	\$ 231,554	\$ 15,469	7.2%
Operating grants and contributions	386,829	416,369	29,540	7.6%
Capital grants and contributions	200	58	(142)	(71.0%)
Total program revenues	603,114	647,981	44,867	7.4%
General revenues:				
Property taxes	284,284	290,046	5,762	2.0%
Sales taxes	18,118	18,995	877	4.8%
Transient occupancy tax	8,364	10,320	1,956	23.4%
Cannabis	--	6,761	6,761	100.0%
Payments in lieu of taxes	1,909	1,947	38	2.0%
Franchise fees	3,252	3,264	12	0.4%
Unrestricted investment earnings	753	4,356	3,603	478.5%
Other	815	805	(10)	(1.2%)
Total general revenues	317,495	336,494	18,999	6.0%
<b>Total revenues</b>	920,609	984,475	63,866	6.9%
<b>Expenses</b>				
Policy & executive	18,938	17,878	(1,060)	(5.6%)
Public safety	361,703	341,931	(19,772)	(5.5%)
Health & public assistance	360,185	361,494	1,309	0.4%
Community resources & public facilities	110,529	119,654	9,125	8.3%
General government & support services	39,023	37,982	(1,041)	(2.7%)
General county programs	2,514	963	(1,551)	(61.7%)
Interest on long-term debt	2,024	1,895	(129)	(6.4%)
<b>Total expenses</b>	894,916	881,797	(13,119)	(1.5%)
<b>Excess (deficiency) of revenues over (under) expenses</b>	25,693	102,678	76,985	299.6%
Transfers	36	80	44	100%
<b>Change in net position</b>	25,729	102,758	77,029	299.4%
<b>Net position - beginning</b>	380,071	400,644	20,573	5.4%
<b>Prior period adjustment</b>	(5,156)	494	5,650	(109.6%)
<b>Net position - beginning, as restated</b>	374,915	401,138	26,223	7.0%
<b>Net position - ending</b>	\$ 400,644	\$ 503,896	\$ 103,252	25.8%



## Revenues

Total revenues for the County's Governmental Activities had an overall increase from the prior year of \$63,866, or 6.9%, to \$984,475. Revenues are divided into two categories: Program Revenues, which are the revenues derived directly from the functional programs or from parties outside the County's taxpayers or citizenry; and General Revenues, which are the revenues that do not meet the requirements of program revenue, most of which are taxes.

**Program Revenues** had an overall increase of \$44,867, or 7.4%, to \$647,981, from the prior year. As an arm of the State government, a significant portion of charges for services and operating grants and contributions are tied to mandated programs such as public assistance, health, and behavioral wellness services. Total program revenues represent 65.8% of the County's funding for governmental activities.

- Charges for services increased a net \$15,469, or 7.2%, to \$231,554 primarily due to:
  - \$11,351 increase in State and federal funding for Behavioral Wellness programs, retroactive Medicare certification, and final reimbursement for prior year costs from the State Department of Health Care Services;
  - \$3,110 increase in Affordable Housing HOME program revenues; and
  - \$2,380 increase in State and federal funding for Public Health programs, pharmacy contract reimbursements, and various other charges related to permitting, licenses, and fees.
- Operating grants and contributions (*intergovernmental revenues*) increased a net \$29,540, or 7.6%, to \$416,369 primarily due to:
  - \$22,241 for disaster expenditure reimbursements from State and federal agencies for the Thomas Fire and Montecito Debris Flow in the prior fiscal year,
  - \$5,865 increase for Realignment and social entitlement programs, and
  - \$4,845 increase in transportation revenues from SB 1 gasoline tax and State Highway Users Tax.
- Capital grants and contributions (*intergovernmental revenues*) decreased \$142, or 71%, to \$58 primarily due to the completion of the Isla Vista pedestrian safety improvement project, which received contributions from University of California, Santa Barbara in the prior year.

**General Revenues** had an overall increase of \$18,999, or 6%, to \$336,494. These revenues included general taxes which provided the Board of Supervisors with the most discretionary spending ability. Since the formation of County government in 1850, basic public safety services such as sheriff, fire, probation and district attorney consume most of the general revenues. The increase in general revenues is due primarily to the following changes:

- *Property Tax Revenue* increased \$5,762, or 2.0%, to \$290,046 primarily from assessed valuation growth, offset by settlement of significant appeals.
- *Sales Tax Revenue* increased \$877, or 4.8%, to \$18,995 primarily due to a stable economy and recovery from the Thomas Fire and Montecito Debris Flow in the prior fiscal year.
- *Transient Occupancy Tax* revenue increased \$1,956, or 23.4%, to \$10,320 primarily due to a recovery from the economic impact associated with the Thomas Fire and Montecito Debris Flow in the prior fiscal year.
- *Cannabis Tax* generated \$6,761 in its first year of collections.

**Expenses** had an overall decrease for governmental activities of \$13,119, or 1.5%, to \$881,797 from the prior year. This change was mainly driven by:

- A decrease in Public safety of \$19,772, or 5.5%, primarily due to a decrease in pension expense of \$21,772 due to a collective decrease in the net pension liability due to assumption changes, timing of benefit payments, and investment gains. The public safety function has the highest pension contribution of all of the functions and therefore absorbs the largest impact from changes in the County's pension expense.
- An increase of \$9,125, or 8.3%, in the Community resources and public facilities function primarily due to increased infrastructure maintenance and disaster remediation related to the prior year Thomas Fire and Montecito Debris Flow.

- An increase of \$1,309, or 0.4%, in the Health and public assistance function primarily due to increased regular salaries and benefits in the Social Services, Public Health, and Behavioral Wellness departments.

As a service delivery entity, the County’s major cost component is salaries and benefits, amounting to 60.8% of the total County expenses. The average full-time equivalent (FTE) count for the County (including business-type activities) had a net decrease of 24 FTEs from 4,061 in the prior year to 4,037 at June 30, 2019.

**Analysis of Business-type Activities**

The net position of business-type activities increased by \$9,903, or 8.4%, to \$128,305 which indicates these activities generated revenues sufficient to cover the costs of operations.

**Changes in Net Position (in thousands)**

	Business-type Activities		Bus Total	
	2018	2019	Dollar Change	Percent Change
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 43,904	\$ 45,151	\$ 1,247	2.8%
Operating grants and contributions	1,049	2,437	1,388	132.3%
Total program revenues	44,953	47,588	2,635	
General revenues:				
Unrestricted investment earnings	405	2,370	1,965	485.2%
Other	--	48	48	
Total general revenues	405	2,418	2,013	497.0%
<b>Total revenues</b>	<b>45,358</b>	<b>50,006</b>	<b>4,648</b>	<b>10.2%</b>
<b>Expenses</b>				
Resource recovery	24,507	32,819	8,312	33.9%
Laguna sanitation	6,564	7,204	640	9.8%
<b>Total expenses</b>	<b>31,071</b>	<b>40,023</b>	<b>8,952</b>	<b>28.8%</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>14,287</b>	<b>9,983</b>	<b>(4,304)</b>	<b>(30.1%)</b>
Transfers	(36)	(80)	(44)	100%
<b>Change in net position</b>	<b>14,251</b>	<b>9,903</b>	<b>(4,348)</b>	<b>(30.5%)</b>
<b>Net position - beginning</b>	<b>102,178</b>	<b>118,402</b>	<b>16,224</b>	<b>15.9%</b>
<b>Prior period adjustment</b>	<b>1,973</b>	<b>--</b>	<b>(1,973)</b>	
<b>Net position - beginning, as restated</b>	<b>104,151</b>	<b>118,402</b>	<b>14,251</b>	<b>13.7%</b>
<b>Net position - ending</b>	<b>\$ 118,402</b>	<b>\$ 128,305</b>	<b>\$ 9,903</b>	<b>8.4%</b>

- Charges for services increased by \$1,247, or 2.8%, to \$45,151 primarily due to: 1) \$339 of increases for charges for sanitation services and hazardous waste program and recycling billings, which were offset by a reduction in commingled material processing in Resource Recovery, and 2) \$908 of increases in charges for services for sanitation services and connection fees, which were offset by a reduction in trunk line fees in Laguna Sanitation.
- Operating grants and contributions increased by \$1,388, or 132.3%, to \$2,437 primarily due to building and land rental income and miscellaneous State and federal reimbursements.
- Unrestricted investment earnings increased by \$1,965, or 485.2%, to \$2,370 primarily due to better than expected interest income and unrealized gains on investments in the treasury.

- Expenses increased by \$8,952, or 28.8%, to \$40,023 primarily due to: 1) \$5,189 in one-time funding of the Jurisdictional Rate Stabilization Fund and issuance and interest expenses related to the Tajiguas Resource Recovery Project; and 2) \$719 for increased operating costs in Laguna Sanitation.

**Analysis of Capital Assets**

**Capital Assets (net of depreciation, in thousands)**

	Governmental		Business-type		Total		Total	
	Activities		Activities				Dollar	Percent
	2018	2019	2018	2019	2018	2019	Change	Change
Land	\$ 55,473	\$ 58,933	\$ 15,654	\$ 15,654	\$ 71,127	\$ 74,587	\$ 3,460	4.9%
Land easements	53,133	53,133	--	--	53,133	53,133	--	0.0%
SCA assets	40,856	41,126	--	--	40,856	41,126	270	0.7%
Work in progress	108,696	148,695	7,613	53,295	116,309	201,990	85,681	73.7%
Capital assets, not being depreciated	258,158	301,887	23,267	68,949	281,425	370,836	89,411	31.8%
Land improvements	20,313	19,849	260	250	20,573	20,099	(474)	(2.3%)
Structures and improvements	151,038	148,293	5,985	9,846	157,023	158,139	1,116	0.7%
Equipment and software	61,588	61,962	14,441	13,638	76,029	75,600	(429)	(0.6%)
Infrastructure	276,809	274,582	47,935	48,331	324,744	322,913	(1,831)	(0.6%)
Capital assets, net of accumulated depreciation	509,748	504,686	68,621	72,065	578,369	576,751	(1,618)	(0.3%)
<b>Total</b>	<b>\$ 767,906</b>	<b>\$ 806,573</b>	<b>\$ 91,888</b>	<b>\$ 141,014</b>	<b>\$859,794</b>	<b>\$ 947,587</b>	<b>\$ 87,793</b>	<b>10.2%</b>

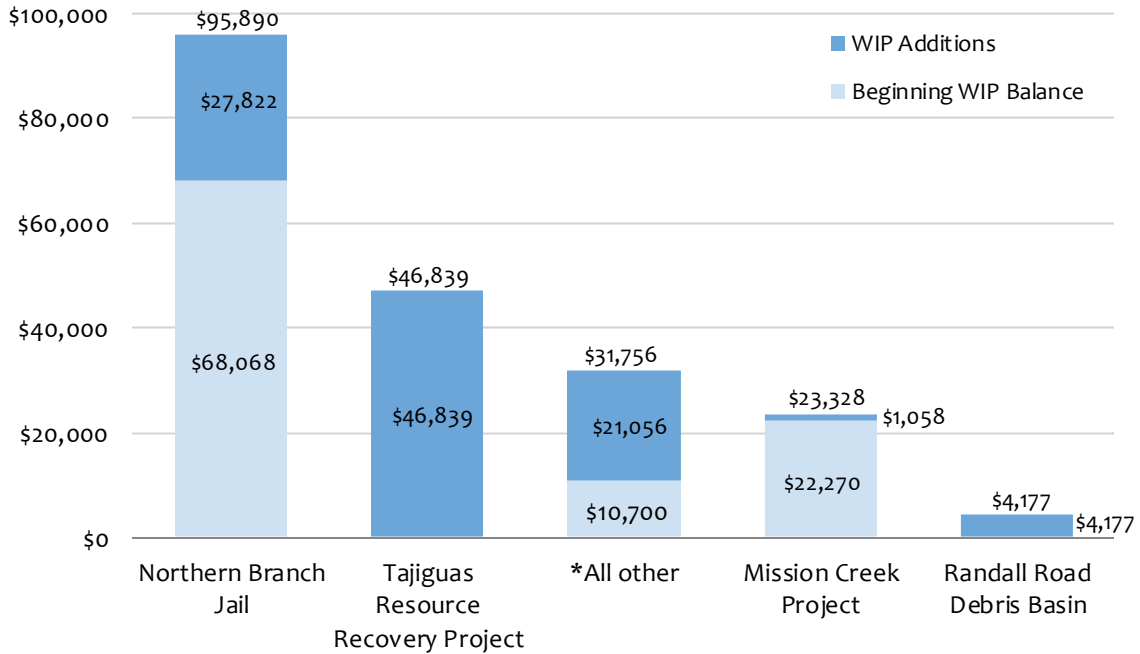
During the fiscal year, the County’s investment in capital assets increased by \$87,793, or 10.2%, to \$947,587 (net of accumulated depreciation/amortization). This investment is in a broad range of capital assets including land, land easements, Service Concession Arrangement (SCA) assets, work in progress (WIP), land improvements, structures and improvements, equipment and software, and infrastructure. Major capital additions include:

- Land: The County capitalized \$3,460 in land. The significant additions included:
  - \$1,700 for the lower Mission Creek project;
  - \$1,412 for the Dangermond Preserve near Jalama Beach; and
  - \$348 associated with the purchase of a Fire District administration building in Solvang.
- Structures and Structure Improvements: The County capitalized \$7,550 of structures and improvements, net of \$6,434 in related depreciation, for a total increase of \$1,116 or 0.7%. Significant increases include:
  - \$4,153 for the Tajiguas landfill liner and closure,
  - \$1,009 for the Isla Vista Community Center, and
  - \$673 for a Fire District administration building in Solvang.
- Equipment and Software: The County capitalized \$13,949 of equipment and software, net of \$14,378 in related depreciation, for a total decrease of \$429 or 0.6%. Significant equipment and software include:
  - \$2,328 for radio equipment in Public safety;
  - \$2,074 for information technology equipment;
  - \$1,381 for a fire truck; and
  - \$8,166 for the acquisition of over 160 additional assets all of which were individually under \$600 in value.
- Infrastructure: The County capitalized \$5,843 in infrastructure, net of \$7,674 in related depreciation, for a total decrease of \$1,831 or 0.6%. Significant projects include:
  - \$1,867 for a storm drain at the South Coast Refuse Transfer Station;
  - \$1,658 for the Santa Ynez Valley Airport safety improvements; and
  - \$658 for a replacement of a water supply well at Waller Park.
- WIP: When a capital project will be completed in a subsequent fiscal year, related project costs are recorded as WIP. In the year of completion, a project’s WIP is allocated to the appropriate capital asset classification(s). In the current fiscal year, WIP had a net increase of \$85,681. Total WIP increases of \$100,952 were offset by project

completions of \$14,308 and projects of \$963 that were expensed as they did not meet the County’s capitalization policy.

Of the \$100,952 increases to WIP, major project costs include:

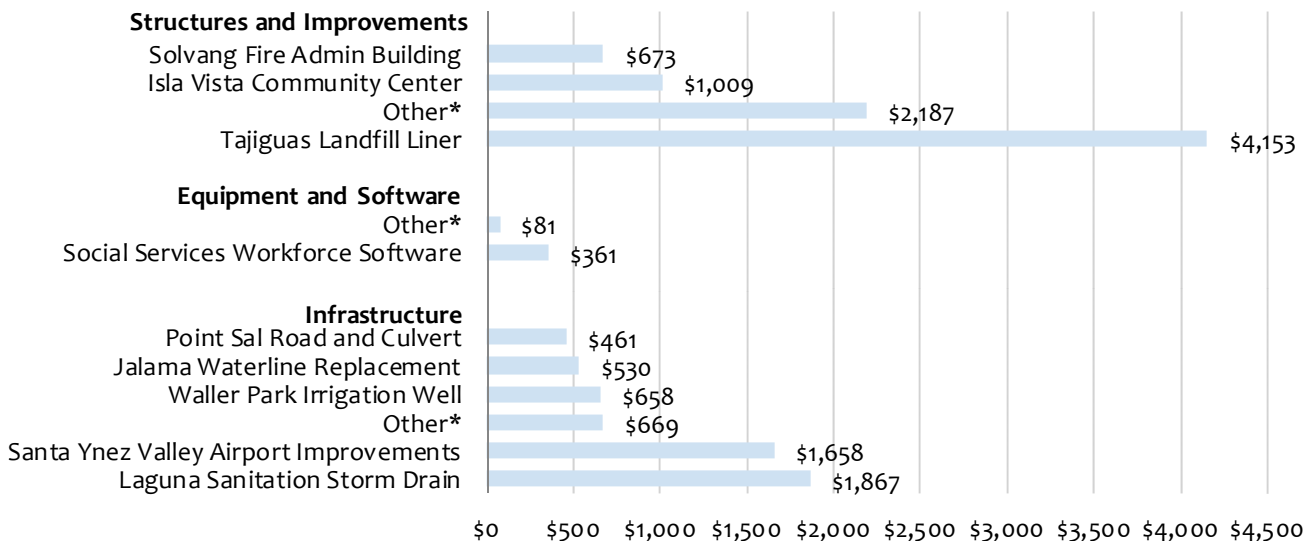
**Work in Progress Additions (in thousands)**



\*All other represents individual projects that have under \$1,000 in additions or total WIP balances under \$4,000.

Of the \$14,308 completions of WIP, major projects include:

**Completed Work In Progress (in thousands)**



\*Other represents 15 individual projects that have total completed WIP balances under \$400.

Additional capital asset information, including depreciation, amortization, and outstanding WIP by project as of June 30, 2019, can be found in Note 6 of the Notes to the Financial Statements.

Analysis of Bonds, Notes, and Certificates of Participation (COP)

**Outstanding Bonds, Notes, and COP (in thousands)**

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2018	2019	2018	2019	2018	2019	Change	Change
Bonds and notes payable	\$ 14,730	\$ 11,655	\$ 5,139	\$ 4,335	\$ 19,869	\$ 15,990	\$ (3,879)	(19.5%)
Certificates of participation	26,872	25,908	3,766	167,038	30,638	192,946	162,308	529.8%
<b>Total</b>	<b>\$ 41,602</b>	<b>\$ 37,563</b>	<b>\$ 8,905</b>	<b>\$171,373</b>	<b>\$ 50,507</b>	<b>\$208,936</b>	<b>\$158,429</b>	<b>313.7%</b>

The County’s total balance of bonds, notes, and COP’s increased by \$158,429, or 313.7%, during the fiscal year. The net increase was due to \$149,000 of Solid Waste System Certificates of Participation (2018 COP’s) issued at a premium of \$17,331 for the Tajiguas Resource Recovery Project that will modify the processing of solid waste, separated recyclables, and organic waste. The intent of the project is to significantly extend the life of the landfill and reduce landfilling and greenhouse gas emissions.

The County maintains a Standard & Poor’s ‘SP-1+’ rating for short-term notes (this scale ranges from SP-1, the highest, to D, the lowest) and a Standard & Poor’s ‘AA+’ for long-term certificates of participation (this scale ranges from AAA, the highest, to D, the lowest). In addition, the County maintains a Moody’s ‘A1’ rating (this scale ranges from Aaa1, the highest, to Caa3, the lowest) and an S&P ‘AA’ rating on its series 2018 Certificates of Participation. The County’s strong credit ratings with Standard & Poor’s and Moody’s results in reduced borrowing costs for new capital asset construction (e.g.: the Tajiguas Resource Recovery Project).

The rationale behind the ratings reflects the rating agencies’ view of:

- The long-term general creditworthiness of the County;
- The County’s covenants to budget and appropriate lease payments;
- A stable, moderately growing economic base with access to the broader Ventura and Los Angeles area economies;
- Consistent maintenance of very strong unreserved general fund balances despite limited financial flexibility due to state mandates;
- An experienced management team that has implemented strong financial policies and prudent expenditure controls;
- Low overall debt levels; and
- The County’s very strong underlying general credit characteristics.

Additional information on the County’s long-term debt can be found in Notes 10 through 12 in the Notes to the Financial Statements.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUND BALANCES

### Fund Balances (in thousands)

	Nonspendable	Restricted	Committed	Unassigned	Total		Total	
					2019	2018	Dollar Change	Percent Change
<b>General Fund</b>	\$ 11,407	\$ 44,054	\$ 102,087	\$ 18,654	\$ 176,202	\$ 129,875	\$ 46,327	35.7%
<b>Major Funds</b>								
Roads	--	24,568	--	--	24,568	18,492	6,076	32.9%
Public Health	--	19,124	7,429	--	26,553	25,778	775	3.0%
Social Services	--	4,663	2,602	--	7,265	5,428	1,837	33.8%
Behavioral Wellness	--	17,139	--	--	17,139	11,276	5,863	52.0%
Flood Control	-	63,217	--	--	63,217	64,655	(1,438)	(2.2%)
Affordable Housing	--	5,884	--	--	5,884	8,023	(2,139)	(26.7%)
Fire Projection	-	27,418	--	--	27,418	25,748	1,670	6.5%
Capital Projects	--	1,849	9,764	--	11,613	21,274	(9,661)	(45.4%)
<b>Other Governmental Funds</b>	-	29,345	1,165	--	30,510	26,078	4,432	17.0%
<b>Total Fund Balances</b>	<u>\$ 11,407</u>	<u>\$ 237,261</u>	<u>\$ 123,047</u>	<u>\$ 18,654</u>	<u>\$ 390,369</u>	<u>\$ 336,627</u>	<u>\$ 53,742</u>	16.0%

### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term (See Note 1 page 52) inflows, outflows, and balances of spendable resources (modified accrual basis of accounting). Such information is useful in assessing the County's financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government's resources available for spending at the end of the fiscal year.

At June 30, 2019, the County's Governmental Funds reported total fund balance of \$390,369, a \$53,742 increase in comparison with the prior year's total ending fund balances. The components of total fund balance are as follows (for more information see Note 16 – Fund Balances):

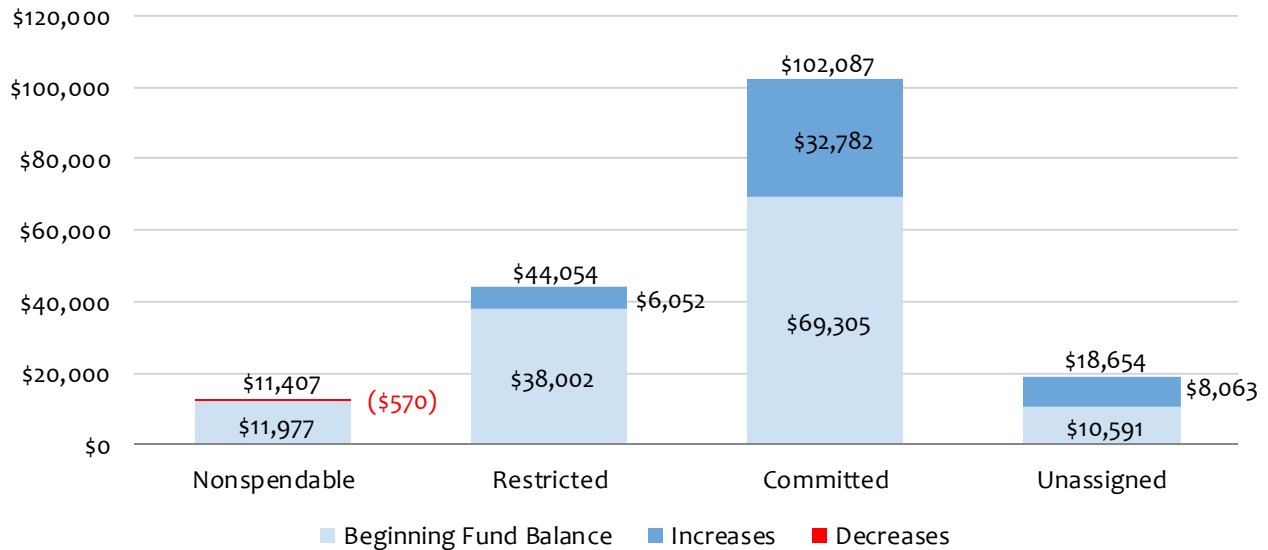
- *Nonspendable Fund Balance*, \$11,407, are amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of (1) legally required Teeter Tax program loss reserves, 2) long-term receivables, and (3) prepaid expenses and deposits.
- *Restricted Fund Balance*, \$237,261, consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (i.e., flood control), (2) grants for capital outlay, and (3) reserved legislated amounts (i.e., healthcare).
- *Committed Fund Balance*, \$123,047, consists of amounts for specific purposes determined by the Board, which are binding unless removed by the Board in the same manner.
- *Unassigned Fund Balance*, \$18,654, represents the residual balance for the County's General Fund.

Approximately 97.1%, or \$378,962, of the total fund balance is in restricted, committed, and unassigned (spendable fund balances) which means it is available to meet the County's current and future needs. With the approval of the Board, County management can earmark a portion of fund balance to a particular function, project or activity, and can also earmark it for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time.

**General Fund**

The General Fund is the main operating fund of the County. As a measure of the General Fund’s liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 47.4% of total General Fund expenditures while spendable fund balance equates to 44.4% of total General Fund expenditures.

**General Fund Balances and Changes (in thousands)**



Included in the balances above are the following:

- Nonspendable fund balance includes:
  - \$9,089 for Teeter Tax Loss Reserves;
  - \$2,268 for Receivables; and
  - \$50 for Prepaid and deposits.
- Some significant restricted fund balance amounts of the General Fund include:
  - \$18,125 for Realignment funds for Public Safety, Health, and Social programs;
  - \$4,145 for Public Safety Prop 172; and
  - \$3,660 for Probation Youth Offender Block Grant.
- Some significant committed fund balance amounts of the General Fund include:
  - \$34,116 Strategic Reserve earmarked for severe economic downturns and emergencies;
  - \$16,284 for North Branch Jail operations; and
  - \$8,946 for Disaster Recovery.
- Unassigned fund balance of \$18,654 is available for future appropriation by the Board.

The remaining \$60,865 of fund balances for the General Fund are comprised of over 60 components of restricted and committed fund balances (see Note 16 – Fund Balances).

The General Fund’s total fund balance increased by 35.7%, or \$46,327, to \$176,202 at June 30, 2019. A substantial portion of the increase to spendable fund balances was in unassigned fund balance due to favorable operating

results, and in the Strategic Reserve and Disaster Recovery committed fund balances, which had been depleted in the prior year due to the Thomas Fire and Montecito Debris Flow.

Nonspendable fund balance decreased \$570 to \$11,407 primarily due to \$1,004 decrease in receivables and \$434 increase to the Reserve for Tax Losses under the Teeter Plan.

The spendable fund balances increased \$46,897 to \$164,795 primarily in the following areas:

- Restricted fund balance
  - \$3,061 for local realignment;
  - \$993 for Probation Youth Offender Block Grant; and
  - \$720 for Public Safety Proposition 172.
- Committed fund balance
  - \$10,400 for Strategic Reserve;
  - \$8,946 for Disaster Recovery; and
  - \$3,230 for Northern Branch Jail Operations.
- Unassigned fund balance
  - General Fund unassigned fund balance increased \$8,063 from the prior year. The increase is primarily attributable to better than estimated property taxes, higher than anticipated sales tax, first year collection of cannabis tax, and recovery in transient occupancy tax.

### **Major Funds**

As compared with the prior year, the total fund balances of the major funds increased 1.6%, or \$2,983, to \$183,657 with the following significant changes:

- The Roads Fund, with expenditures of \$36,324, finished the year with an increase to fund balance of \$6,076, or 32.9%, to \$24,568 primarily due to \$5,564 of FEMA reimbursements for expenditures related to the Thomas Fire and Montecito Debris Flow in the prior fiscal year. Additionally, \$460 of special project funding for maintenance was received, but not expended due to continued focus on the recovery in the Montecito area from the disaster.
- The Behavioral Wellness Fund, with expenditures of \$102,382, finished the year with an increase to fund balance of \$5,863, or 52%, to \$17,139 primarily due to \$3,391 in unspent Medi-Cal funding and Mental Health Block Grants, supplemental inpatient cost claims and inpatient hospital contract savings from the Human Services Agency and \$800 for federal and State disaster reimbursements related to prior year expenditures for the Thomas Fire and Montecito Debris Flow.
- The Capital Projects Fund, with expenditures of \$35,416, finished the year with a decrease to fund balance of \$9,661, or 45.4%, primarily due to a \$8,167 use of fund balance for the construction of the Northern Branch Jail.
- The remaining net increases totaled \$705 across the other five major funds and were principally related to increased State and federal revenues for various programs and results of operations in the funds.



**Other Governmental Funds**

The fund balances of nonmajor governmental funds as a whole increased \$4,432, or 17%, to \$30,510. The following were significant changes:

- The Water Agency fund balance increased by \$2,134 as a result of positive operations from savings in service and supplies; one-time insurance proceeds; and delay of projects as a result of focus on disaster recovery, cleanup, and mitigation work from the Thomas Fire and Montecito Debris Flow.
- The remaining net increases totaled \$2,298 across the other 17 nonmajor funds and were principally related to results of operations.

**Proprietary Funds**

Proprietary funds are County operations that operate like a business as opposed to government services, and are primarily supported by customer fees. They include two types of funds, enterprise funds, whose customers are mainly external to the primary government (citizens); and internal services funds, whose customers are predominantly the primary government itself.

The County has two enterprise funds: the Resource Recovery and Laguna Sanitation District Funds. These funds are reported on the entitywide statements as business-type activities. The only difference between what is reported in the proprietary fund financial statements and the entitywide statements for the business-type activities is that the business-type activities include an allocation of the net position and activities of the Internal Service Funds. For a detailed analysis of the Resource Recovery and Laguna Sanitation District Funds, please refer to page 23.

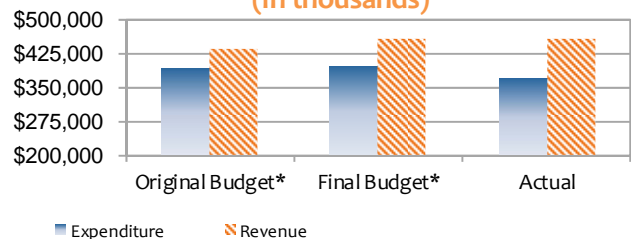
The County has five internal services funds: Vehicle Operations, Risk Management, Information Technology, Communication, and Utilities. The net position and activities of the internal services funds are proportionally allocated between governmental and business-type activities in the entitywide statements based on the fund rates charged to each activity type.

Total internal service funds’ net position increased by \$2,807, or 5%, to \$59,164. The total increase in net position is primarily due to positive results of operations and salary savings in all of the internal services funds other than the Risk Management and Insurance Funds which saw a decrease of \$2,046, or 160.4%, from the prior year, primarily due to increases in self-insurance claims and claim liabilities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The variance between the final budget and actual expenditures resulted in \$25,993 of unspent appropriations. Key variances are as follows: salary and benefit cost savings of approximately \$14,162 resulting from unfilled positions; \$8,270 resulting from unspent appropriations for services, supplies, and other charges across all functions; and \$3,561 resulting from capital assets budgeted but not procured in this fiscal cycle.

**General Fund Budget to Actual Comparison (in thousands)**



\*Fund balances are used to balance budgets.

The primary difference between budgeted revenues and expenditures is mainly attributable to General Fund Contribution transfers to the County’s special revenue funds. These transfers out are shown as other financing sources and uses which are not included as expenditures.

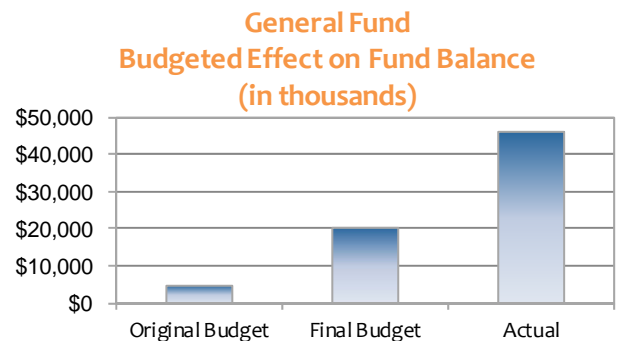
**Expenditures:** The County’s final budget appropriations for the General Fund differed from the original budget by \$5,696, or 1.5%. The major changes were as follows:

- Salaries and benefits increased \$1,018 primarily due to \$800 in the District Attorney’s Office for new grants awarded and for new cannabis enforcement; and \$577 in the Sheriff’s Department primarily due to emerging issues for courts and additional high school resource deputies.
- Services, supplies and other charges increased \$3,001 primarily due to unanticipated expenditures of \$2,527 in the Office of Emergency Management for the Thomas Fire and Montecito Debris Flow recovery; and \$612 in Parks due to Cachuma Lake waterline upgrades and increased tree, ground, and structure maintenance.
- Capital asset appropriations increased \$1,677. This increase is primarily due to \$996 of donations and additional grants awarded to the Sheriff and the Office of Emergency Management for equipment.

**Revenues:** General Fund actual revenues were \$3,349 less than total adjusted budgeted revenue estimates primarily less than anticipated license revenue for cannabis, intergovernmental revenue, and charges for services. These increases were offset by favorable tax revenue collection and unrealized gains in the County’s treasury.

The General Fund Budget to Actual schedule can be found on page 117 of this report.

**Fund Balance:** The General Fund’s equity position increased by \$46,327, versus the adjusted budget plan to increase fund equity by \$20,437. By year-end, the increase to fund balance was more than the budget plan as departmental savings and positive operating results exceeded estimates.



## ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The following factors were considered in preparing the County’s recommended budget for FY 19-20:

The budget is projecting modest revenue growth for local property, retail sales, and transient occupancy taxes and are estimated to grow in the 1% to 4.5% range.

Total Governmental Fund revenues show an increase of 1.4%, or \$14,121, comparing FY 19-20 budget to FY 18-19 actual revenues. The FY 19-20 budget shows a decrease in General Fund total revenues of .6%, or \$2,676, compared to FY 18-19 actual revenues.

The budget appropriations for total Governmental Fund expenditures for FY 19-20 includes a 11.8%, or \$112,380, increase when compared to FY 18-19 actual primarily due to favorable budget variances such as salaries and benefits, service and supplies, and other charges in FY 18-19. The FY 19-20 budget includes funding to cover increased employee pension costs and moderate increases for salary COLAs and employee benefits while reducing service and supply expenditures.

The State once again adopted an on-time budget and its financial condition continues to improve as it preserves core programs and increases reserves. The growth of the California economy is expected to be tempered by slower job growth and weakness in the housing market.

As of June 30, 2020, the recommended available spendable General Fund balance is projected to be \$133,768. Of this amount, \$36,213 is Restricted and \$94,853 is Committed but remains available for appropriation. The County's General Fund is projected to end with \$2,702 of Unassigned fund balance. The County's Recommended performance-based FY 19-20 budget and the County's Five Year Capital Improvement Program can be found at [www.countyofsb.org/ceo](http://www.countyofsb.org/ceo) under the Budget heading.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Santa Barbara County Auditor-Controller, PO Box 39, Santa Barbara, CA 93102-0039. The County's Comprehensive Annual Financial Report and Financial Highlights publications can also be found on the County's website at <http://www.countyofsb.org/auditor/PublicationsLatest.sbc>. A separately issued financial report for the County's discretely presented component unit, the First 5 Children and Families Commission, can be obtained online at <http://first5santabarbaracounty.org> or by writing to: First 5 Children and Families Commission, 5385 Hollister Avenue, Building 10, Suite 110, Santa Barbara, CA 93111.

---

# Basic Financial Statements

---

COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF NET POSITION  
GOVERNMENTWIDE  
June 30, 2019 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Children and Families Commission
<b>Assets</b>				
Cash and investments (Note 3)	\$ 401,690	\$ 170,036	\$ 571,726	\$ 4,563
Accounts receivable, net:				
Taxes	29,065	--	29,065	--
Licenses, permits, and franchises	660	273	933	--
Fines, forfeitures, and penalties	298	--	298	--
Use of money and property	2,325	585	2,910	23
Intergovernmental	54,100	--	54,100	620
Charges for services	31,938	3,233	35,171	--
Other	801	--	801	--
Internal balances	591	(591)	--	--
Inventories	238	205	443	--
Prepaid items	50	--	50	--
Notes receivable (Note 5)	10,960	--	10,960	--
Other receivables	11,600	1,012	12,612	6
Restricted cash and investments (Note 4)	25,912	38,396	64,308	--
Housing loans receivable (Note 5)	45,457	--	45,457	--
Housing loans interest receivable (Note 5)	9,407	--	9,407	--
Capital assets, not being depreciated/amortized (Note 6)	301,887	68,949	370,836	--
Capital assets, net of accumulated depreciation/amortization (Note 6)	504,686	72,065	576,751	--
Total assets	<u>1,431,665</u>	<u>354,163</u>	<u>1,785,828</u>	<u>5,212</u>
<b>Deferred outflows of resources</b>				
Deferred payables (Note 1)	603	--	603	--
Deferred pensions (Note 21)	246,800	4,663	251,463	464
Deferred OPEB (Note 22)	13,334	300	13,634	37
Total deferred outflows of resources	<u>260,737</u>	<u>4,963</u>	<u>265,700</u>	<u>501</u>
<b>Liabilities</b>				
Accounts payable	22,639	6,315	28,954	399
Salaries and benefits payable	21,198	423	21,621	36
Interest payable	176	29	205	--
Other payables	3,016	1,355	4,371	--
Advances from grantors and third parties (Note 8)	39,113	--	39,113	--
Unearned revenue	1,582	--	1,582	--
Customer deposits payable	14,294	12	14,306	--
Long-term liabilities (Note 10):				
Portion due within one year:				
Compensated absences (Note 10)	33,366	753	34,119	53
Capital lease obligations (Note 9)	240	--	240	--
Certificates of participation, net (Note 11)	1,008	837	1,845	--
Bonds and notes payable (Note 12)	3,140	821	3,961	--
Liability for self-insurance claims (Note 13)	6,134	--	6,134	--
Landfill closure/postclosure care costs (Note 15)	--	1,216	1,216	--
Portion due in more than one year:				
Compensated absences (Note 10)	2,788	--	2,788	--
Capital lease obligations (Note 9)	1,075	--	1,075	--
Certificates of participation, net (Note 11)	24,900	166,201	191,101	--
Other long-term obligations (Note 10)	598	--	598	--
Bonds and notes payable (Note 12)	8,515	3,514	12,029	--
Liability for self-insurance claims (Note 13)	15,233	--	15,233	--
Estimated litigation liability (Note 14)	1,547	--	1,547	--
Landfill closure/postclosure care costs (Note 15)	--	30,985	30,985	--
Net pension liability (Note 21)	786,014	14,851	800,865	1,476
Net OPEB liability (Note 22)	113,588	2,560	116,148	315
Total liabilities	<u>1,100,164</u>	<u>229,872</u>	<u>1,330,036</u>	<u>2,279</u>
<b>Deferred inflows of resources</b>				
Deferred service concession arrangements (Note 7)	34,335	--	34,335	--
Deferred housing loan payments (Note 5)	4,284	--	4,284	--
Deferred pensions (Note 21)	47,194	892	48,086	89
Deferred OPEB (Note 22)	2,529	57	2,586	7
Total deferred inflows of resources	<u>88,342</u>	<u>949</u>	<u>89,291</u>	<u>96</u>
<b>Net position</b>				
Net investment in capital assets	736,255	82,723	818,978	--
Restricted for (Note 17):				
Policy & executive	972	--	972	--
Public safety	62,243	--	62,243	--
Health & public assistance	48,951	--	48,951	--
Community resources & public facilities	163,959	--	163,959	--
General government & support services	6,164	--	6,164	--
General county programs	20,052	--	20,052	--
First 5	--	--	--	3,338
Unrestricted	(534,700)	45,582	(489,118)	--
Total net position	<u>\$ 503,896</u>	<u>\$ 128,305</u>	<u>\$ 632,201</u>	<u>\$ 3,338</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF ACTIVITIES  
GOVERNMENTWIDE  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

Functions/Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Position			Component Unit First 5 Children and Families Commission
	Direct Expenses	Indirect Expenses	Total Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
							Governmental Activities	Business-type Activities		
Governmental activities:										
Policy & executive	\$ 22,512	\$ (4,634)	\$ 17,878	\$ 5,334	\$ 1,488	\$ --	\$ (11,056)	\$ --	\$ (11,056)	
Public safety	330,572	11,359	341,931	57,201	104,615	--	(180,115)	--	(180,115)	
Health & public assistance	353,878	7,616	361,494	108,234	243,285	--	(9,975)	--	(9,975)	
Community resources & public facilities	115,256	4,398	119,654	36,465	48,583	58	(34,548)	--	(34,548)	
General government & support services	57,458	(19,476)	37,982	15,485	3,739	--	(18,758)	--	(18,758)	
General county programs	954	9	963	8,835	14,659	--	22,531	--	22,531	
Interest on long-term debt	1,895	--	1,895	--	--	--	(1,895)	--	(1,895)	
Total governmental activities	882,525	(728)	881,797	231,554	416,369	58	(233,816)	--	(233,816)	
Business-type activities:										
Resource Recovery	32,206	613	32,819	31,060	2,233	--	--	474	474	
Laguna Sanitation	7,089	115	7,204	14,091	204	--	--	7,091	7,091	
Total business-type activities	39,295	728	40,023	45,151	2,437	--	--	7,565	7,565	
Total primary government	\$ 921,820	\$ --	\$ 921,820	\$ 276,705	\$ 418,806	\$ 58	\$ (233,816)	\$ 7,565	\$ (226,251)	
Component unit:										
First 5 Children and Families Comm.	\$ 2,928	\$ --	\$ 2,928	\$ --	\$ 3,281	\$ --				\$ 353
General Revenues:										
Taxes:										
Property							208,432	--	208,432	--
Sales							12,582	--	12,582	--
Transient occupancy							10,320	--	10,320	--
Cannabis							6,761	--	6,761	--
Payments in-lieu of taxes							1,947	--	1,947	--
Motor vehicle in-lieu tax							182	--	182	--
Franchise fees							3,264	--	3,264	--
Other general revenues							605	--	605	--
Restricted for community resources and public facilities:										--
Sales tax, allocated to roads							6,413	--	6,413	--
Property tax, levied for flood control districts							11,232	--	11,232	--
Property tax, levied for county service areas							1,449	--	1,449	--
Property tax, levied for water agency							2,942	--	2,942	--
Property tax, levied for lighting districts							528	--	528	--
Property tax, levied for community facilities districts							738	--	738	--
Property tax, residual distribution from the redevelopment property tax trust fund							10,837	--	10,837	--
Restricted for public safety:										--
Property tax, levied for fire district							53,888	--	53,888	--
Unrestricted investment earnings							4,356	2,370	6,726	135
Gain on sale of capital assets							18	48	66	--
Transfers							80	(80)	--	--
Total general revenues and transfers							336,574	2,338	338,912	135
Change in net position							102,758	9,903	112,661	488
Net position - beginning							400,644	118,402	519,046	2,850
Prior period adjustment (Note 24)							494	--	494	--
Net position - beginning, as restated							401,138	118,402	519,540	2,850
Net position - ending							\$ 503,896	\$ 128,305	\$ 632,201	\$ 3,338

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
<b>Assets and deferred outflows of resources</b>					
Assets:					
Cash and investments (Note 3)	\$ 125,847	\$ 28,593	\$ 23,019	\$ 6,645	\$ 9,333
Accounts receivable, net:					
Taxes	29,065	--	--	--	--
Licenses, permits, and franchises	660	--	--	--	--
Fines, forfeitures, and penalties	8	--	--	--	--
Use of money and property	883	149	112	40	125
Intergovernmental	15,867	4,210	5,406	13,391	10,464
Charges for services	3,073	539	1,510	--	11,140
Other	542	--	--	13	3
Due from other funds (Note 19)	5,022	--	--	1,240	--
Prepaid items	50	--	--	--	--
Other receivables	4,370	--	--	--	3,572
Restricted cash and investments (Note 4)	23,321	--	--	--	--
Housing loans receivable	--	--	--	--	2,410
Housing loans interest receivable	--	--	--	--	59
Total assets	<u>208,708</u>	<u>33,491</u>	<u>30,047</u>	<u>21,329</u>	<u>37,106</u>
Deferred outflows of resources:					
Deferred payables (Note 1)	--	--	--	603	--
Total assets and deferred outflows of resources	<u>\$ 208,708</u>	<u>\$ 33,491</u>	<u>\$ 30,047</u>	<u>\$ 21,932</u>	<u>\$ 37,106</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
Liabilities:					
Accounts payable	\$ 3,562	\$ 1,136	\$ 965	\$ 1,525	\$ 6,908
Salaries and benefits payable	10,693	544	2,142	2,994	1,696
Other payables	139	179	387	8	2,588
Advances from grantors and third parties (Note 8)	1,652	7,011	--	10,140	227
Unearned revenue	1,582	--	--	--	--
Due to other funds (Note 19)	649	--	--	--	3,875
Customer deposits payable	14,229	53	--	--	--
Total liabilities	<u>32,506</u>	<u>8,923</u>	<u>3,494</u>	<u>14,667</u>	<u>15,294</u>
Deferred inflows of resources:					
Deferred housing loan payments (Note 5)	--	--	--	--	2,469
Deferred miscellaneous unavailable revenue (Note 1)	--	--	--	--	2,204
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,673</u>
Fund balances (Note 16):					
Nonspendable	11,407	--	--	--	--
Restricted	44,054	24,568	19,124	4,663	17,139
Committed	102,087	--	7,429	2,602	--
Unassigned	18,654	--	--	--	--
Total fund balances	<u>176,202</u>	<u>24,568</u>	<u>26,553</u>	<u>7,265</u>	<u>17,139</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 208,708</u>	<u>\$ 33,491</u>	<u>\$ 30,047</u>	<u>\$ 21,932</u>	<u>\$ 37,106</u>

The notes to the financial statements are an integral part of this statement.

Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds	
\$ 63,126	\$ 16,049	\$ 15,272	\$ 22,540	\$ 28,797	\$ 339,221	<b>Assets and deferred outflows of resources</b>
--	--	--	--	--	29,065	Assets:
--	--	--	--	--	660	Cash and investments (Note 3)
331	83	90	67	290	298	Accounts receivable, net:
120	865	74	1,399	2,304	54,100	Taxes
--	--	15,251	--	344	31,857	Licenses, permits, and franchises
--	153	90	--	--	801	Fines, forfeitures, and penalties
--	--	--	--	649	6,911	Use of money and property
105	--	1,004	--	55	9,106	Intergovernmental
--	1,376	--	--	1,205	25,902	Charges for services
--	43,047	--	--	--	45,457	Other
--	9,348	--	--	--	9,407	Due from other funds (Note 19)
<u>63,682</u>	<u>70,921</u>	<u>31,781</u>	<u>24,006</u>	<u>33,778</u>	<u>554,849</u>	Prepaid items
--	--	--	--	--	603	Other receivables
<u>\$ 63,682</u>	<u>\$ 70,921</u>	<u>\$ 31,781</u>	<u>\$ 24,006</u>	<u>\$ 33,778</u>	<u>\$ 555,452</u>	Restricted cash and investments (Note 4)
--	--	--	--	--	--	Housing loans receivable
--	--	--	--	--	--	Housing loans interest receivable
--	--	--	--	--	--	Total assets
--	--	--	--	--	603	Deferred outflows of resources:
--	--	--	--	--	603	Deferred payables (Note 1)
<u>\$ 63,682</u>	<u>\$ 70,921</u>	<u>\$ 31,781</u>	<u>\$ 24,006</u>	<u>\$ 33,778</u>	<u>\$ 555,452</u>	Total assets and deferred outflows of resources
						<b>Liabilities, deferred inflows of resources, and fund balances</b>
\$ 191	\$ 1,702	\$ 410	\$ 3,582	\$ 797	\$ 20,778	Liabilities:
206	18	2,178	--	363	20,834	Accounts payable
68	20	--	186	38	3,613	Salaries and benefits payable
--	10,576	1,772	7,735	--	39,113	Other payables
--	--	--	--	--	1,582	Advances from grantors and third parties (Note 8)
--	326	--	--	2,061	6,911	Unearned revenue
--	--	3	--	9	14,294	Due to other funds (Note 19)
<u>465</u>	<u>12,642</u>	<u>4,363</u>	<u>11,503</u>	<u>3,268</u>	<u>107,125</u>	Customer deposits payable
--	52,395	--	--	--	54,864	Total liabilities
--	--	--	890	--	3,094	Deferred inflows of resources:
--	52,395	--	890	--	57,958	Deferred housing loan payments (Note 5)
--	--	--	--	--	--	Deferred miscellaneous unavailable revenue (Note 1)
--	--	--	--	--	--	Total deferred inflows of resources
--	--	--	--	--	11,407	Fund balances (Note 16):
63,217	5,884	27,418	1,849	29,345	237,261	Nonspendable
--	--	--	9,764	1,165	123,047	Restricted
--	--	--	--	--	18,654	Committed
<u>63,217</u>	<u>5,884</u>	<u>27,418</u>	<u>11,613</u>	<u>30,510</u>	<u>390,369</u>	Unassigned
<u>\$ 63,682</u>	<u>\$ 70,921</u>	<u>\$ 31,781</u>	<u>\$ 24,006</u>	<u>\$ 33,778</u>	<u>\$ 555,452</u>	Total fund balances
						Total liabilities, deferred inflows of resources, and fund balances

Amounts reported for governmental activities in the Statement of Net Position are different because (Note 3):

Total fund balances - governmental funds	\$ 390,369
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet.	772,962
Note receivable for governmental activities from the RDA Successor Agency private-purpose trust fund.	10,960
Other receivable not due in the current period is not a current financial resource, therefore, it is not reported in the Balance Sheet.	2,187
Deferred outflows of resources reported in the Statement of Net Position.	256,174
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet.	(958,710)
Accrued interest on long-term debt.	(176)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds and recognized as revenue in the Statement of Activities.	57,958
Deferred inflows of resources reported in the Statement of Net Position.	(87,583)
Internal Service Funds are used by management to charge the costs of fleet management, information technology, risk management, communications, and utility services to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Position.	59,164
Adjustment for Internal Service Funds are necessary to "close" those funds by charging additional amounts to participating business-type activities to completely cover the Internal Service Funds' costs for the year.	591
Net position of governmental activities	<u>\$ 503,896</u>



COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	General	Roads	Public Health	Social Services	Behavioral Wellness
<b>Revenues</b>					
Taxes	\$ 244,812	\$ 7,962	\$ --	\$ --	\$ --
Licenses, permits, and franchises	16,515	492	62	82	--
Fines, forfeitures, and penalties	5,508	--	460	13	39
Use of money and property	5,954	619	608	331	318
Intergovernmental	103,059	26,603	21,252	143,628	56,036
Charges for services	73,234	1,304	46,049	61	45,040
Other	4,608	155	4,555	880	2,490
Total revenues	<u>453,690</u>	<u>37,135</u>	<u>72,986</u>	<u>144,995</u>	<u>103,923</u>
<b>Expenditures</b>					
Current:					
Policy & executive	21,707	--	--	--	--
Public safety	233,223	--	--	--	--
Health & public assistance	11,365	--	77,332	151,762	102,382
Community resources & public facilities	49,128	36,324	--	--	--
General government & support services	53,495	--	--	--	--
General county programs	316	--	--	--	--
Debt service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Capital outlay	--	--	--	--	--
Total expenditures	<u>369,234</u>	<u>36,324</u>	<u>77,332</u>	<u>151,762</u>	<u>102,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>84,456</u>	<u>811</u>	<u>(4,346)</u>	<u>(6,767)</u>	<u>1,541</u>
<b>Other financing sources (uses)</b>					
Transfers in (Note 19)	5,920	5,213	7,300	8,690	5,927
Transfers out (Note 19)	(44,076)	(9)	(2,179)	(86)	(1,605)
Proceeds from sale of capital assets	27	61	--	--	--
Total other financing sources (uses)	<u>(38,129)</u>	<u>5,265</u>	<u>5,121</u>	<u>8,604</u>	<u>4,322</u>
Net change in fund balances	46,327	6,076	775	1,837	5,863
Fund balances - beginning	129,875	18,492	25,778	5,428	11,276
Prior period adjustment (Note 24)	--	--	--	--	--
Fund balances - beginning, as restated	<u>129,875</u>	<u>18,492</u>	<u>25,778</u>	<u>5,428</u>	<u>11,276</u>
Fund balances - ending	<u>\$ 176,202</u>	<u>\$ 24,568</u>	<u>\$ 26,553</u>	<u>\$ 7,265</u>	<u>\$ 17,139</u>

The notes to the financial statements are an integral part of this statement.

Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds	
\$ 11,737	\$ --	\$ 55,024	\$ --	\$ 5,802	\$ 325,337	<b>Revenues</b>
74	1	22	--	33	17,281	Taxes
--	--	--	--	2,863	8,883	Licenses, permits, and franchises
1,902	331	374	189	1,421	12,047	Fines, forfeitures, and penalties
4,422	4,874	1,755	20,729	20,054	402,412	Use of money and property
3,820	53	27,010	451	4,045	201,067	Intergovernmental
571	1,506	224	1,442	3,821	20,252	Charges for services
22,526	6,765	84,409	22,811	38,039	987,279	Other
						Total revenues
						<b>Expenditures</b>
						Current:
--	--	--	--	--	21,707	Policy & executive
--	--	80,736	--	16,752	330,711	Public safety
--	--	--	--	18,504	361,345	Health & public assistance
24,076	7,503	--	--	5,659	122,690	Community resources & public facilities
--	--	--	--	145	53,640	General government & support services
--	--	--	--	18	334	General county programs
						Debt service:
--	--	--	--	4,026	4,026	Principal
--	--	--	--	1,775	1,775	Interest
--	--	--	35,416	--	35,416	Capital outlay
24,076	7,503	80,736	35,416	46,879	931,644	Total expenditures
(1,550)	(738)	3,673	(12,605)	(8,840)	55,635	Excess (deficiency) of revenues over (under) expenditures
						<b>Other financing sources (uses)</b>
157	--	285	3,279	15,958	52,729	Transfers in (Note 19)
(45)	(1,401)	(2,857)	(335)	(2,689)	(55,282)	Transfers out (Note 19)
--	--	75	--	3	166	Proceeds from sale of capital assets
112	(1,401)	(2,497)	2,944	13,272	(2,387)	Total other financing sources (uses)
(1,438)	(2,139)	1,176	(9,661)	4,432	53,248	Net change in fund balances
64,655	8,023	25,748	21,274	26,078	336,627	Fund balances - beginning
--	--	494	--	--	494	Prior period adjustment (Note 24)
64,655	8,023	26,242	21,274	26,078	337,121	Fund balances - beginning, as restated
\$ 63,217	\$ 5,884	\$ 27,418	\$ 11,613	\$ 30,510	\$ 390,369	Fund balances - ending

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 53,248
<b>Capital assets:</b>	
The acquisition of capital assets uses current financial resources but has no effect on net position.	56,491
The cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense in the Statement of Activities.	(19,420)
Proceeds from the sale of capital assets provide current financial resources but have no effect on net position.	(166)
Net gain on the disposal of capital assets does not affect current financial resources but increases net position.	166
<b>Long-term debt:</b>	
Principal payments on long-term debt use current financial resources but have no effect on net position.	4,026
<b>Measurement focus:</b>	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	9,666
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in interest payable liability	16
Change in compensated absences liability	(2,706)
Change in estimated litigation liability	(739)
Change in accrued net OPEB liability	3,808
Change in accrued net pension liability	(4,490)
Amortization of bond premiums/discounts and issuance costs	(9)
<b>Internal service funds:</b>	
Internal service funds are used by management to charge the costs of information technology, fleet management, risk management, communication services, and utilities to individual funds.	
The net revenue of internal service funds is reported within governmental activities.	2,867
Change in net position of governmental activities	\$ 102,758

COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2019 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
<b>Assets</b>				
Current assets:				
Cash and investments (Note 3)	\$ 125,278	\$ 44,758	\$ 170,036	\$ 62,469
Accounts receivable, net:				
Licenses, permits, and franchises	273	--	273	--
Use of money and property	361	224	585	311
Charges for services	3,197	36	3,233	81
Inventories	179	26	205	238
Total current assets	<u>129,288</u>	<u>45,044</u>	<u>174,332</u>	<u>63,099</u>
Noncurrent assets:				
Other receivables (Note 5)	996	16	1,012	307
Restricted cash and investments (Note 4)	37,796	600	38,396	10
Capital assets, not being depreciated/amortized (Note 6)	60,634	8,315	68,949	--
Capital assets, net of accumulated depreciation/amortization (Note 6)	47,673	24,392	72,065	33,611
Total noncurrent assets	<u>147,099</u>	<u>33,323</u>	<u>180,422</u>	<u>33,928</u>
Total assets	<u>276,387</u>	<u>78,367</u>	<u>354,754</u>	<u>97,027</u>
<b>Deferred outflows of resources</b>				
Deferred pensions (Note 21)	3,703	960	4,663	3,734
Deferred OPEB (Note 22)	242	58	300	226
Total deferred outflows of resources	<u>3,945</u>	<u>1,018</u>	<u>4,963</u>	<u>3,960</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	5,907	408	6,315	1,861
Salaries and benefits payable	333	90	423	364
Interest payable	11	18	29	--
Other payables	1,355	--	1,355	--
Customer deposits payable	--	12	12	--
Compensated absences (Note 10)	606	147	753	637
Certificates of participation payable (Note 11)	837	--	837	--
Bonds and notes payable (Note 12)	--	821	821	350
Liability for self-insurance claims (Note 13)	--	--	--	6,134
Landfill closure/postclosure care costs (Note 15)	1,216	--	1,216	--
Total current liabilities	<u>10,265</u>	<u>1,496</u>	<u>11,761</u>	<u>9,346</u>
Noncurrent liabilities:				
Compensated absences (Note 10)	--	--	--	125
Certificates of participation payable, net (Note 11)	166,201	--	166,201	--
Bonds and notes payable (Note 12)	--	3,514	3,514	2,540
Liability for self-insurance claims (Note 13)	--	--	--	15,233
Landfill closure/postclosure care costs (Note 15)	30,985	--	30,985	--
Net pension liability (Note 21)	11,794	3,057	14,851	11,896
Net OPEB liability (Note 22)	2,063	497	2,560	1,924
Total noncurrent liabilities	<u>211,043</u>	<u>7,068</u>	<u>218,111</u>	<u>31,718</u>
Total liabilities	<u>221,308</u>	<u>8,564</u>	<u>229,872</u>	<u>41,064</u>
<b>Deferred inflows of resources</b>				
Deferred pensions (Note 21)	708	184	892	715
Deferred OPEB (Note 22)	46	11	57	44
Total deferred inflows of resources	<u>754</u>	<u>195</u>	<u>949</u>	<u>759</u>
<b>Net position</b>				
Net investment in capital assets	54,352	28,371	82,723	30,722
Unrestricted	3,918	42,255	46,173	28,442
Total net position	<u>\$ 58,270</u>	<u>\$ 70,626</u>	<u>128,896</u>	<u>\$ 59,164</u>
Adjustment to reflect the allocation of the internal service funds' cumulative net loss			(591)	
Net position of business-type activities			<u>\$ 128,305</u>	

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
<b>Operating revenues</b>				
Charges for services	\$ 26,889	\$ 14,066	\$ 40,955	\$ 61,359
Sale of scrap and recyclables	37	--	37	--
Self-insurance recovery	--	--	--	3,670
Other operating revenues	4,134	25	4,159	519
Total operating revenues	<u>31,060</u>	<u>14,091</u>	<u>45,151</u>	<u>65,548</u>
<b>Operating expenses</b>				
Salaries and benefits	9,547	2,441	11,988	9,333
Services and supplies	9,384	2,950	12,334	35,919
Self-insurance claims	--	--	--	14,605
Contractual services	5,246	234	5,480	781
Depreciation and amortization	2,592	1,216	3,808	5,733
County overhead allocation	613	115	728	1,163
Closure/postclosure care costs	1,937	--	1,937	--
Total operating expenses	<u>29,319</u>	<u>6,956</u>	<u>36,275</u>	<u>67,534</u>
Operating income (loss)	<u>1,741</u>	<u>7,135</u>	<u>8,876</u>	<u>(1,986)</u>
<b>Non-operating revenues (expenses)</b>				
Use of money and property	2,983	1,172	4,155	1,877
Interest expense	(3,255)	(186)	(3,441)	(125)
Gain (loss) on sale of assets	25	30	55	(31)
Settlements and damages	(250)	--	(250)	--
State and federal aid	99	30	129	--
Other non-operating revenues	387	137	524	439
Total non-operating revenues (expenses), net	<u>(11)</u>	<u>1,183</u>	<u>1,172</u>	<u>2,160</u>
Income before transfers	<u>1,730</u>	<u>8,318</u>	<u>10,048</u>	<u>174</u>
Transfers in (Note 19)	--	--	--	2,838
Transfers out (Note 19)	(80)	--	(80)	(205)
Total transfers, net	<u>(80)</u>	<u>--</u>	<u>(80)</u>	<u>2,633</u>
Change in net position	<u>1,650</u>	<u>8,318</u>	<u>9,968</u>	<u>2,807</u>
Total net position - beginning	<u>56,620</u>	<u>62,308</u>	<u>118,928</u>	<u>56,357</u>
Total net position - ending	<u>\$ 58,270</u>	<u>\$ 70,626</u>	<u>\$ 128,896</u>	<u>\$ 59,164</u>
Change in net position - total enterprise funds			\$ 9,968	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(65)	
Change in net position of business-type activities			<u>\$ 9,903</u>	

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Resource Recovery	Laguna Sanitation	Total	
<b>Cash flows from operating activities</b>				
Receipts from interfund services provided	\$ --	\$ --	\$ --	\$ 61,911
Receipts from self-insurance recovery	--	--	--	3,670
Receipts from customers and users	32,453	14,087	46,540	--
Payments to employees	(9,291)	(2,268)	(11,559)	(9,226)
Payments to suppliers	(10,466)	(2,907)	(13,373)	(35,837)
Payments for self-insurance claims	--	--	--	(12,891)
Payments for landfill closure/postclosure costs	1	--	1	--
County overhead allocation payments to the General Fund	(613)	(115)	(728)	(1,163)
Other receipts	387	62	449	339
Net cash provided by operating activities	<u>12,471</u>	<u>8,859</u>	<u>21,330</u>	<u>6,803</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	--	--	--	2,838
Transfers to other funds	(80)	--	(80)	(205)
Payment on landfill settlement	(250)	--	(250)	--
Contributions to other governments	--	30	30	--
State and federal aid	99	--	99	--
Net cash provided (used) by noncapital financing activities	<u>(231)</u>	<u>30</u>	<u>(201)</u>	<u>2,633</u>
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(50,924)	(664)	(51,588)	(7,338)
Proceeds from sale of capital assets	25	36	61	137
Principal paid on certificates of participation	(2,455)	--	(2,455)	--
Interest and fees paid on certificates of participation	13,466	--	13,466	--
Principal paid on bonds and notes payable	--	(804)	(804)	(345)
Interest and fees paid on bonds and notes payable	--	(189)	(189)	(125)
Proceeds of long-term debt	149,000	--	149,000	--
Federal interest subsidy on bonds payable	--	75	75	--
Net cash provided (used) by capital and related financing activities	<u>109,112</u>	<u>(1,546)</u>	<u>107,566</u>	<u>(7,671)</u>
<b>Cash flows from investing activities</b>				
Use of money and property received	2,245	675	2,920	1,157
Changes in fair market value of investments	641	409	1,050	616
Net cash provided by investing activities	<u>2,886</u>	<u>1,084</u>	<u>3,970</u>	<u>1,773</u>
Net change in cash and cash equivalents	124,238	8,427	132,665	3,538
Cash and cash equivalents - beginning	38,836	36,931	75,767	58,941
Cash and cash equivalents - ending	<u>\$ 163,074</u>	<u>\$ 45,358</u>	<u>\$ 208,432</u>	<u>\$ 62,479</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position</b>				
Cash and investments per Statement of Net Position	\$ 125,278	\$ 44,758	\$ 170,036	\$ 62,469
Restricted cash and investments per Statement of Net Position	37,796	600	38,396	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 163,074</u>	<u>\$ 45,358</u>	<u>\$ 208,432</u>	<u>\$ 62,479</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 1,741	\$ 7,135	\$ 8,876	\$ (1,986)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	2,592	1,216	3,808	5,733
Other non-operating revenue	387	62	449	339
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:				
Accounts and other receivables	1,288	7	1,295	40
Inventories	(30)	--	(30)	52
Accounts payable	4,194	277	4,471	811
Salaries and benefits payable	258	173	431	99
Customer deposits	103	(11)	92	--
Liability for self-insurance claims	--	--	--	1,715
Landfill closure/postclosure care cost liability	1,938	--	1,938	--
Net cash provided by operating activities	<u>\$ 12,471</u>	<u>\$ 8,859</u>	<u>\$ 21,330</u>	<u>\$ 6,803</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 June 30, 2019 (in thousands)

	Investment Trust Fund	Private-Purpose Trust Fund	Agency Funds
<b>Assets</b>			
Cash and investments (Note 3)	\$ 1,088,307	\$ 1,396	\$ 85,660
Interest receivable	5,406	4	735
Restricted cash and investments (Note 4)	--	1,432	--
Total assets	<u>1,093,713</u>	<u>2,832</u>	<u>\$ 86,395</u>
<b>Liabilities</b>			
Accounts payable	--	--	\$ 10,472
Funds held as agent for others	--	--	75,923
Note payable	--	10,960	--
Total liabilities	<u>--</u>	<u>10,960</u>	<u>\$ 86,395</u>
<b>Net position</b>			
Held in trust for:			
External pool participants	1,093,713	--	
Redevelopment agency dissolution	--	(8,128)	
Net position held in trust	<u>\$ 1,093,713</u>	<u>\$ (8,128)</u>	

The notes to the financial statements are an integral part of this statement.

COUNTY OF SANTA BARBARA, CALIFORNIA  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Investment Trust Fund	Private-Purpose Trust Fund
<b>Additions</b>		
Contributions:		
Contributions to pooled investments	\$ 5,209,531	\$ --
Redevelopment Agency Property Tax Trust Fund	--	1,410
Total contributions	<u>5,209,531</u>	<u>1,410</u>
Interest and investment revenue:		
Use of money and property	16,929	34
Total interest and investment revenue	<u>16,929</u>	<u>34</u>
Total additions	<u>5,226,460</u>	<u>1,444</u>
<b>Deductions</b>		
Benefits paid:		
Distributions from pooled investments	5,074,156	--
Total benefits paid	<u>5,074,156</u>	<u>--</u>
Obligation retirements:		
Interest on note payable	--	514
Total obligation retirements	<u>--</u>	<u>514</u>
Administrative expenses:		
County administrative expenses	--	4
Total administrative expenses	<u>--</u>	<u>4</u>
Total deductions	<u>5,074,156</u>	<u>518</u>
Change in net position	152,304	926
Net position held in trust - beginning	941,409	(9,054)
Net position held in trust - ending	<u>\$ 1,093,713</u>	<u>\$ (8,128)</u>

The notes to the financial statements are an integral part of this statement.

# Notes to the Financial Statements



## TABLE OF CONTENTS - NOTES TO THE FINANCIAL STATEMENTS

Page

### Reporting Entity and Accounting Policies

Note 1 – Summary of Significant Accounting Policies .....	48
---	----

### Statement Reconciliation

Note 2 – Reconciliation of Governmentwide and Fund Financial Statements.....	63
--	----

### Detailed Notes on All Funds

Note 3 – Cash and Investments .....	64
Note 4 – Restricted Cash and Investments.....	70
Note 5 – Receivables .....	71
Note 6 – Capital Assets .....	72
Note 7 – Service Concession Arrangements (SCA).....	75
Note 8 – Advances from Grantors and Third Parties.....	79
Note 9 – Leases .....	80
Note 10 – Long-term Liabilities .....	82
Note 11 – Certificates of Participation (COP) .....	84
Note 12 – Bonds and Notes Payable .....	85
Note 13 – Self-insurance .....	88
Note 14 – Commitments and Contingencies.....	89
Note 15 – Landfill Closure and Postclosure Care.....	91
Note 16 – Fund Balances .....	92
Note 17 – Restricted Component of Net Position.....	94
Note 18 – Deficit in Net Position.....	95
Note 19 – Interfund Transactions .....	95
Note 20 – Tax Abatements .....	97

### Other Information

Note 21 – Pensions .....	98
Note 22 – Other Postemployment Benefits (OPEB).....	104
Note 23 – Deferred Compensation Plans .....	109
Note 24 – Prior Period Adjustments.....	110



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### The Reporting Entity

The County of Santa Barbara (County), which was established by an act of the Legislature on February 18, 1850, is a legal subdivision of the State of California charged with governmental powers. The County’s powers are exercised through a five member Board of Supervisors (Board) which, as the governing body of the County, is responsible for the legislative and executive control of the County. As required by generally accepted accounting principles (GAAP) in the United States of America, the accompanying financial statements present the activities of the County (the primary government) and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County.

### Discrete Component Unit

The First 5 Children and Families Commission (Commission) was established by the California Children and Families Act of 1998 (Proposition 10). The Commission invests tobacco tax revenues in programs that improve the lives of children prenatal through age 5 and their families. The Commission is governed by a nine member Board of Commissioners, appointed by the County Board. The Board of Commissioners, as the governing body of the Commission, is responsible for the operation of the Commission. The Commission is discretely presented because its board is not substantively the same as the County's. A separately issued financial report can be obtained online at <http://first5santabarbaracounty.org/> or by writing to: First 5 Children and Families Commission, 5385 Hollister Avenue, Building 10, Suite 110, Goleta, CA 93111.

### Blended Component Units

While each of these component units is legally separate from the County, the County is financially accountable for these entities. Financial accountability is primarily demonstrated by the County’s Board acting as, or appointing, the governing board for each of the component units and its ability to impose its will. Because of their relationship with the County and the nature of their operations, component units are, in substance, part of the County’s operations and, accordingly, the activities of these component units are combined, or blended, with the activities of the County for purposes of reporting in the accompanying basic financial statements.

Additional detailed information of the County’s component units can be obtained from the County Auditor-Controller’s office located at 105 East Anapamu Street, Room 303, Santa Barbara, CA 93101.

Descriptions of the County’s blended component units are as follows:

<b>Component Unit</b>	<b>Included in the Reporting Entity Because:</b>	<b>Separate Financial Statements</b>
County Service Areas: established to provide specific services to distinct geographical areas within the County. These services include street lighting, open space maintenance, library, community sewer sanitation and maintenance, and road maintenance. Revenues consist primarily of property taxes and benefit assessments.	1) Unit’s board is the same as the Board and 2) County Management has operational responsibility	Not available

<p><i>Public and Educational Access:</i> established to receive grant revenue from the local cable television franchisee. The primary objectives and purposes of the fund are the support of educational and public information through programs aimed at expanding public access and educational access to telecommunication services.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Santa Barbara County Fire Protection District:</i> established to provide a full range of fire services to most of the unincorporated territory of Santa Barbara County; the cities of Buellton, Solvang, and Goleta; and private lands within the National Forest. Revenues consist primarily of property taxes.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Flood Control and Water Conservation Districts:</i> established to control flood and storm waters and to conserve such waters for beneficial public use. Revenues consist primarily of property taxes and aid from other governmental units.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Lighting Districts:</i> established to provide operation and maintenance of streetlights in certain areas of the County. Revenues consist primarily of property taxes and benefit assessments.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Laguna County Sanitation District:</i> established to provide water and sewage treatment services to users. The costs of operating this district are charged to the users in the form of water charges and sewer fees.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Community Facilities Districts:</i> established to allow for financing of public improvements and services. The services and improvements that can be financed include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums, and other cultural facilities. Revenues consist primarily of Mello-Roos property taxes.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Sandyland Seawall Maintenance District:</i> established to provide for maintenance of a seawall constructed in the Sandyland Cove area. Revenues consist primarily of benefit assessments levied against those properties adjacent to that beachfront area.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>

<p><i>Water Agency:</i> established to prepare investigations and reports on the County's water requirements, project development, and importation of water from the State Water Project. The Water Agency provides technical assistance to County departments, water districts, and the public relative to ground water availability and water-well locations and design. The Water Agency also administers the Cachuma Project and Twitchell Project contracts with the U.S. Bureau of Reclamation.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>In-Home Supportive Services Public Authority (IHSS):</i> established to act as the employer of record for IHSS individual providers. As an administrative unit, IHSS carries out functions prescribed in Welfare &amp; Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers.</p>	<p>1) Unit's board is the same as the Board and 2) County Management has operational responsibility</p>	<p>Not available</p>
<p><i>Santa Barbara County Finance Corporation:</i> established on July 28, 1983, this corporation is a nonprofit public benefit corporation and, in general, its purpose is to: purchase, lease or otherwise acquire real property; construct, install or acquire public improvements; operate, maintain, repair or improve real or personal property; and borrow money and become indebted for the purpose of acquiring and improving such property. The corporation facilitates financing for the County and other public entities.</p>	<p>1) Unit provides services almost entirely to the County</p>	<p>Not available</p>

The accompanying financial statements include an Investment Trust Fund that holds assets of numerous self-governed school and special districts for which the County Treasurer acts as custodian. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments, and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. The County Auditor-Controller makes disbursements upon the request of the responsible school or special district officers. Activities of the school and special districts are administered by separate boards and are independent of the County Board. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or to appropriate surplus funds available in these entities.

The accompanying financial statements also include a statutorily required Private-Purpose Trust Fund for the Santa Barbara County Redevelopment Successor Agency (Successor Agency). The Successor Agency was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency (RDA). The Successor Agency operates under the auspices of a legislatively formed oversight board who has authority over its financial affairs and supervises its operations and timely dissolution.

Its assets are held in trust for the benefit of the taxing entities within the former RDA boundaries and as such are not available for County use.

New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 83	<i>"Certain Asset Retirement Obligations"</i>	The requirements of this statement are effective for periods beginning after June 15, 2018. (FY 18/19)
Statement No. 88	<i>"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"</i>	The requirements of this statement are effective for periods beginning after June 15, 2018. (FY 18/19)
Statement No. 89	<i>"Accounting for Interest Cost Incurred Before the End of a Construction Period"</i>	The requirements of this statement are effective for periods beginning after December 15, 2019. (FY 20/21)

Financial Statements

In accordance with GASB Statement No. 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments,” updated through GASB Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period,” the financial statements consist of the following:

- Governmentwide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

The governmentwide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all of the nonfiduciary activities of the primary government and its component units. All internal balances in the Statement of Net Position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. The Statement of Activities presents function revenue and expenses of governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the Statement of Activities, internal service funds’ revenue and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities. As a general rule, interfund activities (e.g., interfund transfers and interfund reimbursements) have been eliminated in the governmentwide Statement of Activities. Exceptions to the general rule are interfund services provided and used between functions, such as mental health services provided to certain inmates at the County jail. Elimination of these interfund activities would distort the direct costs and program revenues reported for the various functions concerned.

The governmentwide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include policy and executive, public safety, health and public assistance,

community resources and public facilities, general government and support services, and general County programs. The business-type activities of the County include resource recovery and waste management and sanitation operations.

The Statement of Activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the annual Countywide Cost Allocation Plan which allocates the cost of central service departments to service user departments. Costs allocated in the Cost Allocation Plan include administrative and support costs such as budget preparation and oversight, County counsel, landscaping, payroll, utilities, and facilities maintenance. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the governmentwide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmentwide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds' financial statements, with the exception of agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as a deferred inflow of resources as soon as all eligibility requirements have been met, except for the timing requirement.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County, in general, considers revenues available if they are collected within 180 days after fiscal year-end, except for property taxes, which the County considers available if they are collected within 60 days after fiscal year-end. Grants, Medi-Cal reimbursements and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures that meet accrual criteria are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, and claims and judgments which are recognized when payment is due.

For the governmental funds financial statements, the County considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services and other miscellaneous revenue are all considered to be susceptible to accrual, and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All expenditure-driven grants are recorded at the time of receipt or earlier. If qualifying expenditures have been incurred and all other eligibility requirements have been met, expenditure-driven grants are recognized as revenue. When all eligibility requirements are met, except for the timing requirement, a deferred inflow of resources is reported until time requirements have passed.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements.

In accordance with GAAP, the County reports on each major governmental fund. By definition, the general fund is always considered a major fund. Governmental funds other than the general fund must be reported as major funds if they meet both the ten percent and five percent criterion, defined respectively, 1) An individual governmental fund reports at least ten percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures; 2) an individual governmental fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the ten percent criterion. In addition, a fund may be reported as major if it is believed to be of particular importance to financial statement users.

The County reports the following major governmental funds:

- The **General Fund** is the County's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the County except those required to be accounted for in specialized funds.
- The **Roads Fund** is used to account for the planning, design, construction, maintenance and administration of County roads. It is also used to account for traffic safety and other transportation planning activities. Funding comes primarily from local sales and state highway user taxes, along with state and federal highway improvement grants.
- The **Public Health Fund** accounts for a variety of preventative health programs, outpatient services and inmate health programs. The fund is also used to account for Environmental Health and Emergency Medical Services. Revenue sources are primarily state and federal grants and vehicle license fees.
- The **Social Services Fund** accounts for a variety of public assistance and social service programs that are funded primarily from state and federal grants.
- The **Behavioral Wellness Fund** is used to account for mandated community health services under the California Mental Health Act including a mandated responsibility to "guarantee and protect public safety." Revenue sources are primarily charges for services, sales tax revenue and state grants.
- The **Flood Control District Fund** is used to account for the provision of flood protection activities. Revenues come from a variety of sources including property taxes, charges for services, benefits assessments, and federal grants.
- The **Affordable Housing Fund** is used to account for the various affordable housing programs administered by the County and provides local match to leverage federal funding for the creation of affordable housing.
- The **Fire Protection District Fund** is used to account for the finances of the Santa Barbara County Fire Department. The Fire Department utilizes property tax revenues, which are collected for public safety within the district's boundaries. The Fire Department provides a full range of emergency services for most of the unincorporated territory of Santa Barbara County; the Cities of Buellton, Solvang, and Goleta; and private lands within the National Forest. The National Forest and military installations provide their own fire protection.
- The **Capital Projects Fund** is used to account for financial resources used in constructing major facilities.



Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Resource Recovery and Laguna Sanitation enterprise funds and of the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following proprietary funds:

- The **Resource Recovery and Waste Management Fund (Resource Recovery)** accounts for the activities of refuse collection, disposal, landfill operations, and recycling programs.
- The **Laguna County Sanitation District Fund (Laguna Sanitation)** accounts for the activities of sewer collection and sewage treatment in the Orcutt area.
- **Internal Service Funds** account for vehicle operations, risk management, information technology, communications operations, and utilities operations that provide services to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

Fiduciary funds include all Trust and Agency funds, which account for assets held by the County as a trustee, or as an agent for individuals or other government units.

The County reports the following fiduciary funds:

- The **Investment Trust Fund** accounts for the external portion of the County Treasurer's investment pool, which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants. These entities include school and community college districts, other special districts governed by local boards, and regional boards and authorities. The County separately maintains these entities' money in 396 individual funds; these funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The **Private-Purpose Trust Fund** is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Santa Barbara County Redevelopment Successor Agency (Successor Agency).
- **Agency Funds** are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds (including Clearing and Revolving Funds, Deposits Funds, Other Agency Funds, State and City Revenue Funds, and Tax Collection Funds) account for assets held by the County in an agency capacity for individuals or other government units. The County reports on 181 different agency funds.

### Cash and Investments

The County's cash and cash equivalents for Statement of Cash Flows purposes are considered to be cash on hand, demand deposits, restricted cash, and investments held by the County Treasurer in a cash management investment pool (Pool). The County has stated required investments at fair value in the accompanying financial statements using the fair value measurement within the fair value hierarchy established by GAAP.

The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow.

The Air Pollution Control District and the Santa Barbara County Association of Governments, as well as the public school districts, cemetery districts, fire protection districts, pest control districts, recreation and park districts, and resource conservation districts within the County are required by legal provisions to participate in the County's investment pool. The deposits held for these districts are included in the Investment Trust Fund.

### Accounts Receivable and Payable

The County only accrues revenues at fiscal year-end and accrues only those revenues it deems collectible; as such, the County has no allowance for uncollectible accounts. The County expects to collect all accounts receivable within one year. County policy requires that all revenues and expenditures greater than \$5 be accrued at fiscal year-end, while revenues and expenditures under \$5 may be accrued at fiscal year-end at the discretion of individual departments.

The County levies, collects, and apportions property taxes for all taxing jurisdictions within the County including school and special districts. Article XIII B of the State of California Constitution limits the property tax levy to support general government services of the various taxing jurisdictions to one dollar per 100 dollars of full cash value. Taxes levied to service voter-approved debt are excluded from this limitation.

Secured property taxes are levied in September of each year based upon the assessed valuation as of the previous January 1 (lien date). They are payable in two equal installments due on November 1 and February 1 and are considered delinquent with penalties after December 10 and April 10, respectively. Unsecured property taxes are due on the January 1 lien date and become delinquent with penalties after August 31.

Since Fiscal Year (FY) 93-94, the County has used an alternative property tax distribution method referred to as the "Teeter Plan." This method allows for a 100% distribution of the current tax levy to California entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes was distributed. This results in the General Fund receiving distributions of approximately 50-55% in December, 40-45% in April and the remaining 5% in June of each year. This method also provides that all of the delinquent penalties and redemption penalties of the participating entity flow to the County's General Fund. All County entities receiving property taxes were required by statute to participate once the alternative method was elected. All delinquent taxes are recorded as accounts receivable in the General Fund. At June 30, 2019, property taxes receivable of \$28,021 are recorded in the General Fund. In addition, the Teeter Plan requires that a property tax loss reserve be maintained in an amount equal to 1% of the current year's secured tax levy, which is shown as a nonspendable portion of fund balance in the General Fund (see Note 16).

### Deferred Outflows and Inflows of Resources

The County recognizes deferred outflows of resources and/or deferred inflows of resources in the governmentwide Statement of Net Position, governmental funds balance sheets, and proprietary funds statement of net position. Deferred outflows of resources represent a consumption of net position by the County that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense/expenditures) until that time. Deferred inflows of resources represent an acquisition of net position by the County that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue or a credit to expense) until that time.

The County, including its discretely presented component unit, recognized deferred outflows of resources in the government-wide Statement of Net Position related to: 1) Social Services benefit payments that did not meet the grant eligibility timing requirement to be recorded as an expenditure, 2) changes in the net pension liability, and 3) changes in the net OPEB liability. The County recognized deferred inflows of resources in the governmentwide Statement of Net Position related to: 1) assets and future installment payments of the Service Concession Arrangements, 2) principal balance of loans with a forgiveness clause included in the housing loan receivable amount, and 3) inflows from changes related to the net pension and net OPEB liabilities.

The table below details the deferred outflows and inflows of resources related to the governmentwide Statement of Net Position as of June 30, 2019.

	Governmentwide		
	Governmental Activities	Business-type Activities	Component Unit Activities
<b>Deferred Outflows of Resources</b>			
Deferred payables - Social Services	\$ 603	\$ -	\$ -
Pension (Note 21)	246,800	4,663	464
OPEB (Note 22)	13,334	300	37
<b>Total Deferred Outflows of Resources</b>	<b>\$ 260,737</b>	<b>\$ 4,963</b>	<b>\$ 501</b>
<b>Deferred Inflows of Resources</b>			
Service Concession Arrangements (Note 7)	\$ 34,335	\$ -	\$ -
Housing Loan Payments (Note 5)	4,284	-	-
Pension (Note 21)	47,194	892	89
OPEB (Note 22)	2,529	57	7
<b>Total Deferred Inflows of Resources</b>	<b>\$ 88,342</b>	<b>\$ 949</b>	<b>\$ 96</b>

Under the modified accrual basis of accounting, it is not enough that expenditures are incurred; they must also meet all eligibility requirements other than timing. The County recognized deferred outflows of resources on the Governmental Funds Balance Sheet from Social Service benefit payments. In addition, revenue that is earned must also be available to finance expenditures in the current period under the modified accrual basis of accounting. The County recognized deferred inflows of resources on the Governmental Funds Balance Sheet related to: 1) total housing loan principal and interest receivable amount and 2) deferred miscellaneous earned but unavailable revenue due to prior year Medi-Cal Settlement payments.

The table below details the deferred outflows and inflows of resources related to the Governmental Funds Balance Sheet as of June 30, 2019.

	Governmental Funds
<b>Deferred Outflows of Resources</b>	
Deferred payables - Social Services	\$ 603
<b>Total Deferred Outflows of Resources</b>	<b>\$ 603</b>
<b>Deferred Inflows of Resources</b>	
<b>Loan Payments</b>	
Affordable Housing (Note 5)	\$ 52,395
Behavioral Wellness (Note 5)	2,469
<b>Deferred miscellaneous unavailable revenue</b>	
Behavioral Wellness (Note 5)	2,204
Capital Projects (Note 5)	890
<b>Total Deferred Inflows of Resources</b>	<b>\$ 57,958</b>

### Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmentwide financial statements as “internal balances.” In the governmental funds financial statements, advances between funds are offset by a corresponding nonspendable portion of fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

### Inventories and Prepaid Items

Inventories for both governmental and proprietary funds, consisting principally of materials and supplies held for consumption, are valued at cost, approximating market value, using the first-in, first-out (FIFO) method. The costs of governmental funds inventories are recorded as expenditures when consumed, rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmentwide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as nonspendable.

### Capital Assets

Capital assets include land, land improvements, structures and improvements (e.g., office buildings and building improvements), equipment (e.g., vehicles, machinery and computers), infrastructure (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (e.g., land easements and computer software). Pursuant to GASB Statement No. 60, “*Accounting and Financial Reporting for Service Concession Arrangements*,” the County also includes capital assets held by Service Concession Arrangements (SCA). Capital assets are reported in the applicable governmental or business-type activities columns in the governmentwide financial statements. If purchased or constructed, the capital assets are reported at historical or estimated historical cost. Capital assets received by the County in an SCA and donated capital assets, including works of art and historical treasures, are recorded at the estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The capitalization thresholds are \$0 for land, \$5 for equipment, and \$100 for land improvements, buildings and improvements, infrastructure, and computer software.

Capital assets, with the exception of non-depreciable land, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Land improvements:	Parking lots, sidewalks, outdoor lighting, landscaping, drainage and irrigation systems	5 to 50 years
Buildings & improvements:	Office buildings Building improvements	20 to 100 years 5 to 50 years
Equipment:	Automobiles and light trucks Construction and maintenance vehicles General machinery and office equipment	5 to 10 years 5 to 20 years 2 to 25 years
Infrastructure:	Pavement and traffic signals Bridges All other	15 to 30 years 40 to 75 years 20 to 99 years
Intangible assets:	Computer software	2 to 10 years

Outlays for capital assets and improvements are capitalized, as projects are constructed, in accordance with the County’s capitalization policy. Interest and indirect costs incurred during the construction phase of capital assets of proprietary funds are reflected in the capitalized value of the asset constructed. Depreciation/amortization expense is allocated to functions/programs and included as a direct expense in the Statement of Activities. Capital assets that are under construction or development and have not been completed are put into Work in Progress and are presented as a capital asset not being depreciated on the Statement of Net Position.

Lease Obligations

The County leases various assets under both operating and capital lease agreements. In the governmentwide and proprietary funds’ financial statements, capital leases and the related lease obligations are reported as liabilities in the applicable governmental activities or proprietary funds Statement of Net Position.

Long-term Debt

In the governmentwide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary funds Statement of Net Position. Bond premiums and discounts are amortized over the life of the bond and issuance costs are expensed in the year incurred.

In the governmental funds financial statements, bond premiums, discounts, and issuance costs are recognized in the period issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Interest is reported as an expenditure in the period in which the related payment is made. The matured portion of long-term debt (i.e., portion that has come due for payment) is reported as a liability in the fund financial statement of the related fund.

Compensated Absences

County policy permits employees to accumulate earned but unused vacation, holiday, and sick pay benefits. County policy states that unused sick leave shall not be cashed out at time of separation from service with the

County; therefore, no liability for unpaid accumulated sick leave exists. Employees eligible for full retirement benefits, however, may convert their unused sick leave to up to one year's service credit in determining their retirement benefits.

All vacation and holiday pay is accrued when incurred in the governmentwide and proprietary funds' financial statements. In the governmental funds financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations or retirements prior to year-end, and payment of the liability is made subsequent to year-end. This is in accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

### Pensions

In governmentwide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 22 and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Santa Barbara County Employees' Retirement System (SBCERS). The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources relating to pensions, and pension expense, information about the fiduciary net position of the County's pension plan with SBCERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by SBCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits' terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

### Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by Santa Barbara County Employees' Retirement System (SBCERS). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

## Fund Equity

In the fund financial statements, in accordance with GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*,” governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form; or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the County’s highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* – amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County’s special revenue funds. As a result of limitations imposed by the California County Budget Act, this classification is currently not used by the County.
- *Unassigned fund balance* – the residual classification for the County’s General Fund that includes amounts not contained in the other classifications. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Board establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution (ordinances and resolutions are considered of equal authority with respect to fund balance). This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use Restricted fund balance resources first, followed by the unrestricted resources in the Committed and Unassigned fund balances, as they are needed.

## Fund Balance Policy

The County believes that sound financial management principles require that sufficient funds be retained by the County to provide a stable financial base at all times. To retain this stable financial base, the County needs to maintain unrestricted fund balance in its County funds sufficient to fund cash flows of the County and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed and unassigned fund balances are considered unrestricted.

The purpose of the County’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The County has adopted a policy to achieve and maintain unrestricted fund balance in the General Fund of 15% of operating revenue (approximately 60 days working capital) at the close of each fiscal year, consistent with the recommended level promulgated by the Government Finance Officers Association (GFOA).

Additional detailed information, along with the complete *Fund Balance Policy*, can be obtained from the County Auditor-Controller's office located at 105 East Anapamu Street, Room 303, Santa Barbara, CA 93102.

### Strategic Reserve Policy

The County has established a separate committed fund balance account known as the Strategic Reserve. The target funding level for the Strategic Reserve is an amount equivalent to 8% of operating revenue (approximately 30 days working capital) for the General Fund. Funding for the Strategic Reserve is appropriated annually by the Board as part of the budget approval process.

The purpose of the County's Strategic Reserve is to:

1. Mitigate economic downturns that reduce County general revenue;
2. Mitigate state or federal budget actions that may reduce County revenue;
3. Maintain core service levels essential to public health, safety, and welfare;
4. Front-fund or completely fund, if necessary, disaster costs or costs associated with emergencies. Only those events that have been legally declared to be a disaster at the local, state, or federal level are eligible for funding from the Strategic Reserve; and
5. Absorb liability settlements in excess of available resources in the County's committed litigation fund balance.

The monies in the Strategic Reserve are separate monies used only for the purposes stated above. The funds are used only to support the operating budget when general revenue increases less than 3% from the prior fiscal year. Any transfer of funds is approved by the Board and does not exceed the amount sufficient to balance the General Fund. Transfers require approval by 3/5 vote during budget hearings and 4/5 vote at all other times during the fiscal year in accordance with the County Budget Act.

As of June 30, 2019, the County's Strategic Reserve fund balance was \$34,116.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### Reclassifications

Certain prior year balances may have been reclassified in order to conform to current year presentation. These reclassifications had no effect upon reported net position.



### Future Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements will be implemented in future financial statements:

Statement No. 84 <i>"Fiduciary Activities"</i>	The requirements of this statement are effective for periods beginning after December 15, 2018. (FY 19/20)
Statement No. 87 <i>"Leases"</i>	The requirements of this statement are effective for periods beginning after December 15, 2019. (FY 20/21)
Statement No. 90 <i>"Majority Equity Interests"</i>	The requirements of this statement are effective for periods beginning after December 15, 2018. (FY 19/20)
Statement No. 91 <i>"Conduit Debt Obligations"</i>	The requirements of this statement are effective for periods beginning after December 15, 2020. (FY 21/22)

## 2. RECONCILIATION OF GOVERNMENTWIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the Statement of Net Position are different from those reported on the Balance Sheet for governmental funds. The following two schedules provide a reconciliation of those differences:

	Total Governmental Funds (Page 37)	Long-term Assets and Liabilities (1)	Internal Service Funds (2) (Page 40)	Adjustments (3)	Total Governmental Activities (Page 34)
<b>Assets &amp; deferred outflows of resources:</b>					
<b>Assets</b>					
Cash and investments	\$ 339,221	\$ --	\$ 62,469	\$ --	\$ 401,690
Accounts receivable, net:					
Taxes	29,065	--	--	--	29,065
Licenses, permits, and franchises	660	--	--	--	660
Fines, forfeitures, and penalties	298	--	--	--	298
Use of money and property	2,014	--	311	--	2,325
Intergovernmental	54,100	--	--	--	54,100
Charges for services	31,857	--	81	--	31,938
Other	801	--	--	--	801
Due from other funds	6,911	--	--	(6,911)	--
Internal balances	--	--	--	591	591
Inventories	--	--	238	--	238
Prepaid items	50	--	--	--	50
Note receivable	--	10,960	--	--	10,960
Other receivables	9,106	2,187	307	--	11,600
Restricted cash and investments	25,902	--	10	--	25,912
Housing loans receivable	45,457	--	--	--	45,457
Housing loans interest receivable	9,407	--	--	--	9,407
Capital assets	--	772,962	33,611	--	806,573
Total assets	<u>554,849</u>	<u>786,109</u>	<u>97,027</u>	<u>(6,320)</u>	<u>1,431,665</u>
<b>Deferred outflows of resources</b>					
Deferred social services	603	--	--	--	603
Deferred pensions	--	243,066	3,734	--	246,800
Deferred OPEB	--	13,108	226	--	13,334
Total deferred outflows of resources	<u>603</u>	<u>256,174</u>	<u>3,960</u>	<u>--</u>	<u>260,737</u>
<b>Total assets &amp; deferred outflows of resources</b>	<u>\$ 555,452</u>	<u>\$ 1,042,283</u>	<u>\$ 100,987</u>	<u>\$ (6,320)</u>	<u>\$ 1,692,402</u>
<b>Liabilities, deferred inflows of resources, &amp; fund balances/net position:</b>					
<b>Liabilities</b>					
Accounts payable	\$ 20,778	\$ --	\$ 1,861	\$ --	\$ 22,639
Salaries and benefits payable	20,834	--	364	--	21,198
Interest payable	--	176	--	--	176
Other payables and long-term obligations	3,613	1	--	--	3,614
Advances from grantors and third parties	39,113	--	--	--	39,113
Unearned revenue	1,582	--	--	--	1,582
Due to other funds	6,911	--	--	(6,911)	--
Customer deposits payable	14,294	--	--	--	14,294
Compensated absences	--	35,392	762	--	36,154
Capital lease obligations	--	1,315	--	--	1,315
Certificates of participation (COP)	--	25,908	--	--	25,908
Bonds and notes payable	--	8,765	2,890	--	11,655
Liability for self-insurance claims	--	--	21,367	--	21,367
Estimated litigation liability	--	1,547	--	--	1,547
Net pension liability	--	774,118	11,896	--	786,014
Net OPEB liability	--	111,664	1,924	--	113,588
Total liabilities	<u>107,125</u>	<u>958,886</u>	<u>41,064</u>	<u>(6,911)</u>	<u>1,100,164</u>
<b>Deferred inflows of resources</b>					
Deferred service concession arrangements	--	34,335	--	--	34,335
Deferred housing loan payments	54,864	(50,580)	--	--	4,284
Deferred pensions	--	46,479	715	--	47,194
Deferred OPEB	3,094	(3,094)	--	--	--
Deferred miscellaneous unavailable revenue	--	2,485	44	--	2,529
Total deferred inflows of resources	<u>57,958</u>	<u>29,625</u>	<u>759</u>	<u>--</u>	<u>88,342</u>
<b>Fund balances/net position:</b>					
Total fund balances/net position	<u>390,369</u>	<u>53,772</u>	<u>59,164</u>	<u>591</u>	<u>503,896</u>
<b>Total liabilities, deferred inflows of resources, &amp; fund balances/net position</b>	<u>\$ 555,452</u>	<u>\$ 1,042,283</u>	<u>\$ 100,987</u>	<u>\$ (6,320)</u>	<u>\$ 1,692,402</u>

(1) Note receivable for governmental activities from the RDA Successor Agency Private-Purpose Trust Fund.	\$ 10,960
Other receivables	2,187
Capital assets used in governmental activities (excluding Internal Service Funds) are not current financial resources and, therefore, are not reported in the Balance Sheet (Note 6).	772,962
Deferred outflows of resources reported in the Statement of Net Position (Note 1).	256,174
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet (Note 10):	
Other payables and long-term obligations	\$ (1)
Compensated absences (excluding Internal Service Funds)	(35,392)
Capital lease obligations (excluding Internal Service Funds)	(1,315)
Certificates of participation	(25,908)
Bonds and notes payable (excluding Internal Service Funds)	(8,765)
Estimated liability for litigation	(1,547)
Net pension liability (excluding Internal Service Funds)	(774,118)
Net OPEB liability (excluding Internal Service Funds)	<u>(111,664)</u>
Total long-term liabilities	(958,710)
Accrued interest on long-term debt	(176)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds and recognized as revenue in the Statement of Activities (Note 1).	57,958
Deferred inflows of resources (excluding Internal Service Funds) reported in the Statement of Net Position (Note 1).	<u>(87,583)</u>
	<u>\$ 53,772</u>
(2) Internal Service Funds are used by management to charge the costs of information technology, reprographics and digital imaging services, vehicle operations and maintenance, risk management and insurance, communications and utility services to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Position.	<u>\$ 59,164</u>
(3) Adjustment for Internal Service Funds are necessary to "close" those funds by charging additional amounts to participating business-type activities to completely cover the Internal Service Funds' costs for the year. Also included are immaterial rounding adjustments.	<u>\$ 591</u>

### 3. CASH AND INVESTMENTS

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer. The Santa Barbara County Treasury Pool (Pool) is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool.

#### Custodial Credit Risk Related to Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pool will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. This risk is mitigated in that, of the County’s total bank balance, \$250 is insured by the Federal Deposit Insurance Corporation (FDIC). The remaining \$58,189 on deposit is collateralized with securities held by the pledging financial institution’s agent. Per Government Code Section 53652, the depository is required to maintain a market value of at least 110% of the pledged collateral.

At June 30, 2019, the carrying amount of the Pool’s deposits was \$74,333 and the corresponding bank balance was \$58,439. The difference of \$15,894 was principally due to deposits in transit.

## Investments

Pursuant to Section 53646 of the Government Code, the County Treasurer prepares an Investment Policy Statement annually, presents it to the TOC for review and to the Board of Supervisors for approval. After approval, the policy is forwarded to the California Debt and Investment Advisory Commission.

The Investment Policy Statement provides the basis for the management of a prudent, conservative investment program. Public funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the Treasurer's Investment Policy is more restrictive than state law. Types of securities in which the Treasurer may invest include U.S. Treasury and U.S. Government agency securities; state and/or local agency bonds, notes, warrants or certificates of indebtedness; bankers' acceptances; commercial paper; corporate notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; the State of California Local Agency Investment Fund (LAIF); and the investment pools managed by a Joint Powers Authority. As of June 30, 2019, all investments are in compliance with State law and with the Treasurer's Investment Policy.

Investments are stated at fair value. Fair value is established quarterly based on quoted market prices received from the securities custodian. Fair value of investments held fluctuates with interest rates. The fair value of participants' position in the Pool is the same as the value of the Pool shares. The value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal.

The Pool participates in LAIF and the California Asset Management Program (CAMP). Investments in LAIF and CAMP are governed by state statutes and overseen by a five member Local Investment Advisory Board and a seven member Board of Trustees, respectively. The Pool participates in the Federally Insured Cash Account program (FICA) which is governed by state and federal statutes and overseen by a seven member Board of Directors.

The California State Treasurer's Office operates the LAIF. LAIF is available for investment of funds administered by California local governments and special districts and is not registered with the SEC as an investment company. The enabling legislation for LAIF is Section 16429.1 et seq. of the California Government Code. The Local Investment Advisory Board (LIAB) provides oversight for LAIF.

CAMP is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

FICA is managed by StoneCastle Cash Management, LLC (StoneCastle) and is registered with the SEC as a Registered Investment Advisor. This program places the County's cash in deposit accounts at banks and savings institutions (Insured Depositories) in a manner that maintains full insurance of the funds by the FDIC. FICA is open to participants that are (a) both "accredited investors" under the Securities Act of 1933 and "qualified purchasers" under the Investment Company Act of 1940 as amended and/or (b) U.S. governmental units.

LAIF, CAMP, and FICA operate and report to participants on an amortized cost basis. For both LAIF and CAMP, the income, gains, and losses, net of administration fees, are allocated based upon the participant's average daily balance. CAMP and LAIF participants share proportionally in any realized gains or losses on investments. For FICA, interest is accrued daily on each Insured Depository and paid monthly. Deposits in LAIF and CAMP are not insured or otherwise guaranteed by the State of California, while the FICA deposit accounts are insured by the FDIC and are fully guaranteed by the U.S. Government. The fair value of the LAIF and CAMP investment pools are approximately equal to the value of the pool shares. The fair value of FICA is approximately equal to the value of all cash on deposit with the Insured Depositories.

### Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Treasurer mitigates these risks by holding a diversified portfolio of high quality investments.

The Treasurer’s Investment Policy sets specific parameters by type of investment to be met at the time of purchase. Commercial paper obligations and negotiable certificates of deposit shall be rated by at least two of the three major rating services at a minimum of F1 by Fitch, P-1 by Moody’s and A-1 by Standard & Poor’s (S&P). Corporate notes, with a maturity greater than three years, shall be rated at a minimum of AA by at least two of the three major rating services. Corporate notes, with a maturity of three years or less, shall be rated at a minimum of AA- by at least two of the three major ratings services. Corporate Temporary Liquidity Guarantee Program (TLGP) notes shall be rated AAA by one of three major ratings services.

The following is a summary of the credit quality distribution by investment type as a percentage of fair value at June 30, 2019:

	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>	<u>% of Portfolio</u>
Treasurer's Pooled Investments:				
CAMP	NR*	AAAm	NR*	6.19%
LAIF	NR*	NR*	NR*	4.03%
FICA	NR*	NR*	NR*	5.57%
Government Agency Bonds and Notes	Aaa	AA+	NR*	37.38%
Government Agency Bonds and Notes	Aaa	AA+	AAA	26.51%
US Treasury Bills and Notes	Aaa	AA+	AAA	20.32%
Total Treasurer's Pooled Investments				<u>100.00%</u>

Instruments in any one issuer that represent 5% or more of the County’s investments as of June 30, 2019 are as follows (excluding external investment pools and debt explicitly guaranteed by the U.S. government):

<u>Issuer</u>	<u>Issuer Type</u>	<u>Fair Value Holdings</u>	<u>Percentage Holdings</u>
Treasurer's Pooled Investments:			
Federal Home Loan Bank	Government Sponsored	\$ 428,018	25.34%
Federal Home Loan Mortgage Corporation	Government Sponsored	320,355	18.97%
Federal Farm Credit Bank	Government Sponsored	176,620	10.46%
Federal National Mortgage Association	Government Sponsored	106,583	6.31%

### Custodial Credit Risk

Custodial credit risk for investments is the risk that the Pool will not be able to recover the value of investment securities that are in the possession of an outside party. All securities owned by the Pool are deposited in trust for safekeeping with a custodial bank different from the County’s primary bank. Securities are not held in broker accounts.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Pool mitigates this risk by making longer-term investments only with funds that are not needed for current cash flow purposes and holding these securities to maturity. The maturity of investments purchased is governed by a demand for funds analysis of prior periods’ revenues and expenditures, and is also determined by current cash flow demands assessed on an ongoing basis. The Treasurer’s Investment Policy also dictates that the final maturity date of any individual security shall not exceed five years and that long-term investments (greater than one year), in the aggregate, shall not exceed 75% of the portfolio. At June 30, 2019, the weighted average days to maturity for the Pool was 289 days.

The fair value of investments generally changes with the fluctuations of interest rates. In a rising interest rate market, the fair value of investments could decline below original cost. Conversely, when interest rates decline, the fair value of investments increases. The Treasurer believes liquidity in the portfolio is sufficient to meet cash flow needs for the next six months and will preclude the Treasurer from having to sell investments below amortized cost.

At June 30, 2019, \$40,012 or 2.94% of the Treasurer’s Pooled Investments was held in U.S. agency step-up notes. These securities grant the issuer the option to call the note on a certain specified date(s). On a certain date, or dates, the coupon rate of the note increases (steps up) by an amount specified at the inception of the note.

The net realized earnings on investments are apportioned to Pool participants quarterly based upon each participant’s average daily cash balance. Unrealized gains and losses are also apportioned quarterly to participants based upon the participant’s ending cash balance.

Investment income consisted of the following for the year ended June 30, 2019:

Investment earnings	\$ 26,717
Net increase in fair value of investments	16,200
Administrative expenses	<u>(2,163)</u>
Net investment income	<u>\$ 40,754</u>

The Treasurer may purchase securities at a discount from face value to earn higher than nominal rates of return. Under GASB Statement No. 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools,” such discount, when realized, is considered a gain rather than interest.

The following is a summary of investments held by the County as of June 30, 2019:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range	Weighted Average Maturity
Treasurer's pooled investments:					
CAMP	\$ 100,000	\$ 100,000	2.50%	7/19 - 7/20	54
LAIF	65,000	65,000	2.40%	7/19 - 7/23	173
FICA	90,000	90,000	2.35%	1 Day	1 Day
US Treasury Bills*	162,393	163,994	Discount	7/19 - 2/20	108
US Treasury Notes	162,775	164,191	.75%-2.00%	7/19-10/21	327
Government Agency Bonds	186,616	187,198	1.00%-2.70%	8/19-4/22	357
Government Agency Discount Notes*	318,844	321,145	2.35%-2.68%	7/19-3/20	61
Government Agency Bonds - Callable	523,030	523,233	1.02%-2.70%	7/19-3/24	630
Total pooled and directed investments	<u>\$ 1,608,658</u>	1,614,761			
Investments held with fiscal agents:		117,282			
Cash in banks:					
Non-interest bearing deposits		85,290			
Cash on hand:		59			
Total cash and investments		<u>\$ 1,817,392</u>			
Total unrestricted cash and investments		\$ 1,751,652			
Total restricted cash and investments (Note 4)		65,740			
Total cash and investments		<u>\$ 1,817,392</u>			
Total cash and investments summary:					
Total governmental activities		\$ 427,602			
Total business-type activities		208,432			
Total discrete component unit activities		4,563			
Total fiduciary funds		1,176,795			
Total cash and investments		<u>\$ 1,817,392</u>			

\* US Treasury Bills and Government Agency Discount Notes are purchased at a discount. The difference between maturity value and principal is apportioned to the investment pool as earnings.

The following is a reconciliation between cash and investments and the Net Position of the Treasurer's Investment Pool as of June 30, 2019:

Total cash and investments	\$ 1,817,392
Less: investments held with fiscal agents	(117,282)
Less: cash on hand	(59)
Less: purchase interest	(81)
Less: Proposition 64 cash on hand	(5,878)
Add: cash and investment interest receivable	5,086
	<u>\$ 1,699,178</u>

The following represents a condensed Statement of Net Position and Changes in Net Position for the Treasurer's Investment Pool as of June 30, 2019:

Statement of Net Position	
Net position held in trust	<u>\$ 1,699,178</u>
Equity of internal pool	\$ 610,871
Equity of external pool participants (voluntary and involuntary)	<u>1,088,307</u>
Total equity	<u>\$ 1,699,178</u>
Statement of Changes in Net Position	
Net position held for pool participants, July 1, 2018	\$ 1,477,757
Net change in investments by pool	<u>221,421</u>
Net position held for pool participants, June 30, 2019	<u>\$ 1,699,178</u>

Additional detailed information and/or separately issued financial statements of the County Treasurer's Investment Pool can be obtained by writing to the County Treasurer-Tax Collector's Office located at 105 East Anapamu Street, Room 109, Santa Barbara, CA 93101 or on their website at: <http://countyofsb.org/ttcpapg/treas/index> under Annual Reports.

### Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2019:

Investments by fair value level		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt securities</b>				
US Treasuries	\$ 328,185	\$ 328,185	\$ --	\$ --
Government agency bonds	187,198	--	187,198	--
Government agency discount notes	321,145	--	321,145	--
Government agency bonds - callable	523,233	--	523,233	--
Total investments measured at fair value	<u>1,359,761</u>	<u>\$ 328,185</u>	<u>\$ 1,031,576</u>	<u>\$ --</u>
<b>Investments measured at amortized cost</b>				
	CAMP	100,000		
	LAIF	65,000		
	FICA	90,000		
Total pooled and directed investments		<u>\$ 1,614,761</u>		



## 4. RESTRICTED CASH AND INVESTMENTS

Cash and investments at June 30, 2019 that are restricted by legal or contractual requirements are comprised of the following:

### Governmental Activities

General Fund		
Deposits by various developers	\$ 13,823	
Property tax loss reserve	9,089	
Court ordered restitution funds	270	
Funds for disaster recovery	139	
Total General Fund	<u>23,321</u>	\$ 23,321
Major Governmental Funds		
Energy efficiency loan loss reserve	1,376	
Total major governmental funds	<u>1,376</u>	1,376
Nonmajor Governmental Funds		
Debt service reserves	1,196	
Clean water plan check trust	9	
Total nonmajor governmental funds	<u>1,205</u>	1,205
Internal Service Funds		
Funds for underground tank clean-up	10	
Total internal service funds	<u>10</u>	10
Total governmental activities		<u>25,912</u>

### Business-type Activities

Resource Recovery Fund		
Funds for landfill site closure and maintenance costs	19,785	
Debt service reserves (see Note 15)	15,884	
Financial assurance for landfill corrective action (see Note 15)	2,070	
Financial assurance for UCSB Hazardous Household Waste Center corrective action	57	
Total Resource Recovery Fund	<u>37,796</u>	37,796
Laguna Sanitation Fund		
Financial assurance for landfill corrective action	600	
Total Laguna Sanitation Fund	<u>600</u>	600
Total business-type activities		<u>38,396</u>
Total restricted cash and investments*		<u>\$ 64,308</u>

\*Governmental and Business-type Activities do not include \$1,432 of Fiduciary Private-Purpose Trust Fund restricted cash and investments.

## 5. RECEIVABLES

GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*,” requires disclosure of significant receivable balances not expected to be collected within one year of the date of the financial statements. The detail of receivable balances not expected to be collected within the next fiscal year is as follows:

### *Note Receivable*

The County has recorded a note receivable for governmental activities from the RDA Successor Agency Private-Purpose Trust Fund. The total balance of the note receivable at June 30, 2019 is \$10,960 and the amount not expected to be collected within the next fiscal year is \$10,065.

### *Housing Loans Receivable and Loans Interest Receivable*

A total of \$45,457 was recorded as housing loans receivable and a total of \$9,407 was recorded as housing loans interest receivable at June 30, 2019.

Housing and Community Development recorded \$43,047 as loans receivable and \$9,348 was recorded as interest receivable. These represent low or no interest mortgage notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects, as well as homebuyer assistance for low income families, as part of the County’s affordable housing program. Loan terms range from 5 to 55 years with interest rates from 0% to 7.2%. Loans, with a total principal balance of \$3,868, contain a forgiveness clause and more than likely will not be repaid back to the County. The County’s primary sources of funding for these loans come from grants from the federal HOME Investment Partnership (HOME) and Community Development Block Grant (CDBG) programs. The HOME and CDBG grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements. Due to the terms of the loans, offsetting deferred inflows of resources of \$52,395 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest payments. Additionally, offsetting deferred inflows of resources of \$4,284 have been established in the Statement of Net Position for the principal and interest balance of loans with a forgiveness clause.

Behavioral Wellness recorded \$2,410 as housing loans receivable and \$59 as housing loan interest receivable. These represent Mental Health Services Act (MHSA) Housing Program funds to provide assistance in accordance with Welfare and Institutions Code. A 55-year loan of MHSA Housing Program funds for development of The Residences at Depot Street in Santa Maria provides for an 80 unit affordable rental housing project with 35 units dedicated for a term of 35 years for qualified MHSA tenants. The loan bears simple interest at 3% with principal and interest due and payable on the earlier of: 1) 55 years, 2) the date the property is sold or transferred, 3) borrower fails to commence construction, or 4) there is an uncured event of default by the borrower. Due to the terms of the loan, offsetting deferred inflows of resources of \$2,469 have been established in the Governmental Funds Balance Sheet for the housing loan principal and interest.

### *Other Receivables*

The County has recorded a total of \$11,600 in other receivables for governmental activities; the following amounts are not expected to be received within the next fiscal year:

- \$3,431 for impounded disputed property taxes; and
- \$200 deposit with the County’s workers’ compensation claims administrator.

The County has recorded a total of \$1,102 in other receivables for business-type activities for other operating revenues earned in the current period that are not expected to be received within the next fiscal year.

The County’s discrete component unit recorded a total of \$6 in other receivables that are not expected to be received within the next fiscal year.

## 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 includes the following adjusted amounts:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Governmental activities:</b>				
Capital assets, non-depreciable:				
Land	\$ 55,473	\$ 3,460	\$ --	\$ 58,933
Land easements	53,133	--	--	53,133
Service concession arrangements	40,856	270	--	41,126
Work in progress	108,696	51,796	(11,797)	148,695
Total capital assets, non-depreciable	<u>258,158</u>	<u>55,526</u>	<u>(11,797)</u>	<u>301,887</u>
Capital assets, depreciable/amortizable:				
Land improvements	29,524	288	--	29,812
Structures and improvements	273,220	3,231	--	276,451
Equipment and software	155,613	12,978	(6,003)	162,588
Infrastructure	400,440	3,874	--	404,314
Total capital assets, depreciable/amortizable	<u>858,797</u>	<u>20,371</u>	<u>(6,003)</u>	<u>873,165</u>
Less accumulated depreciation/amortization for:				
Land improvements	(9,211)	(752)	--	(9,963)
Structures and improvements	(122,182)	(5,976)	--	(128,158)
Equipment and software	(94,025)	(12,324)	5,723	(100,626)
Infrastructure	(123,631)	(6,101)	--	(129,732)
Total accumulated depreciation/amortization	<u>(349,049)</u>	<u>(25,153)</u>	<u>5,723</u>	<u>(368,479)</u>
Total capital assets, depreciable/amortizable, net	<u>509,748</u>	<u>(4,782)</u>	<u>(280)</u>	<u>504,686</u>
Sub-total governmental activities	<u>767,906</u>	<u>50,744</u>	<u>(12,077)</u>	<u>806,573</u>
<b>Business-type activities:</b>				
Capital assets, non-depreciable:				
Land	15,654	--	--	15,654
Work in progress	7,613	49,156	(3,474)	53,295
Total capital assets, non-depreciable	<u>23,267</u>	<u>49,156</u>	<u>(3,474)</u>	<u>68,949</u>
Capital assets, depreciable/amortizable:				
Land improvements	483	--	--	483
Structures and improvements	11,145	4,319	--	15,464
Equipment and software	30,839	971	(148)	31,662
Infrastructure	74,114	1,969	--	76,083
Total capital assets, depreciable/amortizable	<u>116,581</u>	<u>7,259</u>	<u>(148)</u>	<u>123,692</u>
Less accumulated depreciation/amortization for:				
Land improvements	(223)	(10)	--	(233)
Structures and improvements	(5,160)	(458)	--	(5,618)
Equipment and software	(16,398)	(1,767)	141	(18,024)
Infrastructure	(26,179)	(1,573)	--	(27,752)
Total accumulated depreciation/amortization	<u>(47,960)</u>	<u>(3,808)</u>	<u>141</u>	<u>(51,627)</u>
Total capital assets, depreciable/amortizable, net	<u>68,621</u>	<u>3,451</u>	<u>(7)</u>	<u>72,065</u>
Sub-total business-type activities	<u>91,888</u>	<u>52,607</u>	<u>(3,481)</u>	<u>141,014</u>
Total capital assets, net	<u>\$ 859,794</u>	<u>\$ 103,351</u>	<u>\$ (15,558)</u>	<u>\$ 947,587</u>
<b>First 5 Santa Barbara County</b>				
<b>Discrete component unit activities:</b>				
Capital assets, depreciable/amortizable:				
Equipment and software	\$ 25	\$ --	\$ --	\$ 25
Less accumulated depreciation/amortization	(25)	--	--	(25)
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ --</u>	<u>\$ -</u>

Capital assets activity for each major enterprise fund for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Resource Recovery:</b>				
Capital assets, non-depreciable:				
Land	\$ 11,965	\$ --	\$ --	\$ 11,965
Work in progress	3,474	48,669	(3,474)	48,669
Total capital assets, non-depreciable	<u>15,439</u>	<u>48,669</u>	<u>(3,474)</u>	<u>60,634</u>
Capital assets, depreciable/amortizable:				
Structures and improvements	3,478	4,319	--	7,797
Equipment and software	22,821	897	--	23,718
Infrastructure	46,997	1,866	--	48,863
Total capital assets, depreciable/amortizable	<u>73,296</u>	<u>7,082</u>	<u>--</u>	<u>80,378</u>
Less accumulated depreciation/amortization for:				
Structures and improvements	(1,978)	(237)	--	(2,215)
Equipment and software	(12,617)	(1,374)	--	(13,991)
Infrastructure	(15,518)	(981)	--	(16,499)
Total accumulated depreciation/amortization	<u>(30,113)</u>	<u>(2,592)</u>	<u>--</u>	<u>(32,705)</u>
Total capital assets, depreciable/amortizable, net	<u>43,183</u>	<u>4,490</u>	<u>--</u>	<u>47,673</u>
Sub-total Resource Recovery	<u>58,622</u>	<u>53,159</u>	<u>(3,474)</u>	<u>108,307</u>
<b>Laguna Sanitation:</b>				
Capital assets, non-depreciable:				
Land	3,689	--	--	3,689
Work in progress	4,139	487	--	4,626
Total capital assets, non-depreciable	<u>7,828</u>	<u>487</u>	<u>--</u>	<u>8,315</u>
Capital assets, depreciable/amortizable:				
Land improvements	483	--	--	483
Structures and improvements	7,667	--	--	7,667
Equipment and software	8,018	74	(148)	7,944
Infrastructure	27,117	103	--	27,220
Total capital assets, depreciable/amortizable	<u>43,285</u>	<u>177</u>	<u>(148)</u>	<u>43,314</u>
Less accumulated depreciation/amortization for:				
Land improvements	(223)	(10)	--	(233)
Structures and improvements	(3,182)	(221)	--	(3,403)
Equipment and software	(3,781)	(393)	141	(4,033)
Infrastructure	(10,661)	(592)	--	(11,253)
Total accumulated depreciation/amortization	<u>(17,847)</u>	<u>(1,216)</u>	<u>141</u>	<u>(18,922)</u>
Total capital assets, depreciable/amortizable, net	<u>25,438</u>	<u>(1,039)</u>	<u>(7)</u>	<u>24,392</u>
Sub-total Laguna Sanitation	<u>33,266</u>	<u>(552)</u>	<u>(7)</u>	<u>32,707</u>
Total capital assets, net - business-type activities	<u>\$ 91,888</u>	<u>\$ 52,607</u>	<u>\$ (3,481)</u>	<u>\$ 141,014</u>

Internal Service Funds (ISF) predominantly serve the governmental funds. Accordingly, their capital assets are included within governmental activities. Capital assets activity for Internal Service Funds for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Internal Service Funds:</b>				
Capital assets, depreciable/amortizable:				
Structures and improvements	\$ 2,606	\$ --	\$ --	\$ 2,606
Equipment and software	69,103	7,341	(4,204)	72,240
Total capital assets, depreciable/amortizable	<u>71,709</u>	<u>7,341</u>	<u>(4,204)</u>	<u>74,846</u>
Less accumulated depreciation/amortization for:				
Structures and improvements	(1,147)	(66)	--	(1,213)
Equipment and software	(38,393)	(5,667)	4,038	(40,022)
Total accumulated depreciation/amortization	<u>(39,540)</u>	<u>(5,733)</u>	<u>4,038</u>	<u>(41,235)</u>
Total capital assets, net - internal service funds	<u>\$ 32,169</u>	<u>\$ 1,608</u>	<u>\$ (166)</u>	<u>\$ 33,611</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

	Depreciation/ Amortization (excluding ISF)	ISF Depreciation/ Amortization Allocation (1)	Total
<b>Governmental activities:</b>			
Policy & executive	\$ 520	\$ 108	\$ 628
Public safety	5,082	2,860	7,942
Health & public assistance	2,178	1,346	3,524
Community resources & public facilities	8,180	979	9,159
General government & support services	3,387	440	3,827
General county programs	73	--	73
Sub-total governmental activities	<u>19,420</u>	<u>5,733</u>	<u>25,153</u>
<b>Business-type activities:</b>			
Resource Recovery	2,592	--	2,592
Laguna Sanitation	1,216	--	1,216
Sub-total business-type activities	<u>3,808</u>	<u>--</u>	<u>3,808</u>
Total depreciation expense	<u>\$ 23,228</u>	<u>\$ 5,733</u>	<u>\$ 28,961</u>

(1) Depreciation/amortization of capital assets held by the County’s ISF is charged to the various functions based on their usage of the assets.

Work in progress at June 30, 2019 consists of the following projects for the primary government:

<b>Governmental activities:</b>		
Capital Outlay projects:		
North County jail	\$ 96,845	
SB 82 Grant - Agnes St SM	1,033	
Cachuma Waterline	782	
SM Juv Hall 2nd Tier Barrier	578	
Other projects (individually less than \$500)	<u>3,069</u>	
		102,307
Flood Control projects:		
Mission Creek Corps project	23,328	
Randall Road Debris Basin	4,177	
Unit II Channel Improvements	3,676	
Other projects (individually less than \$500)	<u>1,744</u>	
		32,925
Roads projects:		
Floridale Avenue bridge	2,278	
Foothill Road Low Water Crossing replacement	1,823	
Bonita School Road Bridge	1,149	
Fernald Point bridge	1,003	
Hollister and State Improvement	747	
E. Mountain Low Water Crossing replacement	746	
Clark Avenue at 101 Interchange	743	
Patterson Widening	594	
Union Valley Parkway Barrier Walls	515	
Other projects (individually less than \$500)	<u>833</u>	
		10,431
General Fund projects		466
Other Governmental Funds:		
Fire Hawk Helicopter Retrofitting	1741	
Santa Ynez Airport Authority improvement projects	<u>825</u>	
		2,566
		<u>148,695</u>
<b>Business-type activities:</b>		
Resource Recovery projects		48,669
Laguna Sanitation projects		<u>4,626</u>
Sub-total business-type activities		<u>53,295</u>
Total work in progress		<u>\$ 201,990</u>

## 7. SERVICE CONCESSION ARRANGEMENTS (SCA)

GASB Statement No. 60 (GASB 60), “Accounting and Financial Reporting for Service Concession Arrangements (SCA)” defines an SCA as a type of public-private or public-public partnership. As used in GASB 60, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

- a. The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of a capital asset (referred to in the statement as a “facility”) in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility.
- b. The operator collects and is compensated by fees from third parties.

- c. The transferor determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services.

The County has determined that the following arrangements meet the criteria set forth above (where the County is the transferor) and therefore included these SCAs in the County's financial statements. GASB 60 also provides guidance on accounting treatment if the County were acting as an operator of another government's facility. The County has determined that there are no incidences where the County would qualify as such an operator.

#### ***Boathouse Restaurant***

On February 1, 2008, the County entered into a 10-year agreement (having options for a 10-year extension and a subsequent 5-year extension) with Santa Barbara Shellfish Company Incorporated (SB Shellfish), under which SB Shellfish will operate the Boathouse Restaurant, a walk-up snack bar, and rent beach-related equipment and supplies. On January 1, 2018, the 10-year extension option was exercised and approved. Services are to be provided at reasonable rates. A summary of the important details, capital assets and the present value of installment payments pertaining to this SCA follows.

#### ***Jalama Beach Store***

On January 1, 2008, the County entered into a 10-year agreement (having an option for two 5-year extensions) with Jalama Beach Store Incorporated (Jalama), under which Jalama has the right to the sell food and beverages (including beer and wine), kitchen supplies, camping supplies, housekeeping and other related supplies and conveniences; rent swimming and beach equipment & supplies; operate a restaurant and delicatessen; and rent vacation trailers. On January 1, 2018, the first 5-year extension option was exercised and approved. Services are to be provided at reasonable rates. A summary of the important details, capital assets and the present value of installment payments pertaining to this SCA follows.

#### ***Beachside Restaurant***

On March 25, 1985, the County entered into a 37-year agreement with Richhardy Corporation (Richhardy), under which Richhardy will have exclusive rights to operate and maintain a food and beverage business, fishing tackle and bait shop, and boat rental business. The County has the ability to review the rates Richhardy charges. A summary of the important details, capital assets, and the present value of installment payments pertaining to this SCA follows.

#### ***Cachuma Café - Smoke on Water***

On May 7, 2019, the County entered into a 10-year agreement (having an option for an 8-year extension) with Smoke on Water, LLC, under which the SCA has exclusive rights to operate and maintain a food and beverage business. Services are to be provided at reasonable rates. The agreement contains a provision that a marketing credit up to \$500 per month, from the date of commencement through March 31, 2022, may be paid by the County to the SCA for certain pre-approved marketing expenses. Additionally, should the SCA obtain an Alcoholic Beverage Control (ABC) license, the County shall receive 15% of gross sales derived from hard alcohol sales. A summary of the important details and present value of installment payments pertaining to this SCA follows.

#### ***Cachuma Store and Marina***

On March 6, 2012, the County entered into a 10-year agreement with Pyramid Enterprises, Incorporated (Pyramid), under which Pyramid will operate the Cachuma store and marina and sell gas. Services are to be provided at reasonable rates. The structures and related equipment pertaining to the SCA have been fully depreciated. A summary of the important details of this SCA follows.

**Santa Barbara County Bowl**

On June 1, 2011, the County entered into a 45-year agreement (having an option for a 25-year extension) with the Santa Barbara County Bowl Foundation (Foundation), under which the Foundation will operate the outdoor amphitheater, maximizing access for community programs, stage events, musical performances, and other performing art events. Prices for merchandise, food, and beverages are to be comparable to prices charged at similar establishments; however, the Foundation sets ticket pricing. A portion of each ticket goes to the Santa Barbara Arts Commission with the remaining revenue used to run operations and maintain and improve facilities. A summary of the important details and the capital assets pertaining to this SCA follows.

A summary of the important details for each SCA over the term of their agreements are as follows:

	Date SCA Entered Into	Term of SCA	Expiration of SCA	Minimum Installment Payment (per month)	Revenue Sharing
Boathouse Restaurant	2/1/2008	10 yrs plus 10 yr extension	12/31/2027	\$ 16	10% gross sales; 1.47% on income over \$3.8 million
Jalama Beach Store	1/1/2008	10 yrs plus 5 yr extension	12/31/2022	3	8.5% of gross sales
Beachside Restaurant	3/25/1985	37 years	3/31/2022	2	6% of gross sales
Cachuma Café	5/7/2019	10 yrs plus 8 yr extension	3/31/2029	1	8% of gross sales until 3/31/2022; 8.5% of gross sales thereafter
Cachuma Store and Marina	3/6/2012	10 years	3/5/2022	-	10% of marina gross sales; 7% of store gross sales
Santa Barbara County Bowl	6/1/2011	45 years	5/31/2056	-	\$0.50 per ticket sold up to \$50,000 per concert season
				<u>\$ 22</u>	

Capital assets balances for each SCA for the year ended June 30, 2019 and over the term of the agreement are as follows:

	Balance July 1, 2018	Additions/ Restatements	Balance June 30, 2019
<b>Structures &amp; Structure Improvements</b>			
Santa Barbara County Bowl	\$ 37,347	\$ 270	\$ 37,617
Boathouse Restaurant	1,698	--	1,698
Beachside Restaurant	568	--	568
Jalama Beach Store	55	--	55
Sub-total Structures & Structure Improvements	<u>39,668</u>	<u>270</u>	<u>39,938</u>
<b>Land</b>			
Santa Barbara County Bowl	1,188	--	1,188
Sub-total Land Improvements	<u>1,188</u>	<u>--</u>	<u>1,188</u>
Total SCA Capital Asset Balance	<u>\$ 40,856</u>	<u>\$ 270</u>	<u>\$ 41,126</u>



The deferred inflow of resources activity for each SCA for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions/ Restatements	Amortization Allocation (1)	Balance June 30, 2019
<b>SCA Capital Assets (1)</b>				
Santa Barbara County Bowl	\$ 32,984	\$ 271	\$ (879)	\$ 32,376
Beachside Restaurant	214	--	(59)	155
Boathouse Restaurant	117	--	(13)	104
Jalama Beach Store	3	--	(1)	2
Sub-total SCA capital assets	<u>33,318</u>	<u>271</u>	<u>(952)</u>	<u>32,637</u>
<b>Present Value of Installment Payments (2):</b>				
Boathouse Restaurant	1,644	--	(173)	1,471
Jalama Beach Store	155	--	(34)	121
Cachuma Café	-	58	(1)	57
Beachside Restaurant	66	--	(17)	49
Sub-total SCA installment payments	<u>1,865</u>	<u>58</u>	<u>(225)</u>	<u>1,698</u>
Total deferred inflows	<u>\$ 35,183</u>	<u>\$ 329</u>	<u>\$ (1,177)</u>	<u>\$ 34,335</u>

- (1) Amortization is calculated using straight-line method for the term of agreement for each SCA.  
 (2) Installment payments present value is calculated using a discount rate of 2.1% for the term of agreement for each SCA.

## 8. ADVANCES FROM GRANTORS AND THIRD PARTIES

Under both the accrual and modified accrual bases of accounting, revenue may be recognized only when earned. The governmentwide Statement of Net Position as well as governmental and enterprise funds therefore defer revenue recognition in connection with resources that have been received as of year-end, but have not yet been earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for advances from grantors and third parties.

At June 30, 2019, the various components of advances from grantors and third parties reported are as follows:

	<u>Advances</u>
General Fund:	
Camping and day use fees	\$ 1,652
Roads Fund:	
Farmworker fare revenue	5,949
Transportation for road projects	<u>1,062</u>
Total Roads Fund	<u>7,011</u>
Social Services Fund:	
Grant drawdowns prior to meeting eligibility requirements	<u>10,140</u>
Behavioral Wellness Fund:	
Early, periodic, screening, diagnosis, and treatment	134
Mental Health Services Act capital/information technology	<u>93</u>
Total Behavioral Wellness Fund	<u>227</u>
Affordable Housing Fund:	
Advances on state & federal grants for Affordable Housing	<u>10,576</u>
Fire Protection District Fund:	
Developer mitigation fees	1,086
Fire district mitigation fees	<u>686</u>
Total Fire Protection District Fund	<u>1,772</u>
Capital Projects Fund:	
Developer mitigation fees	<u>7,735</u>
Total advances from grantors and third parties	<u>\$ 39,113</u>

## 9. LEASES

### Operating Leases as Lessee

The following is a schedule of future minimum rental payments required under operating leases entered into by the Primary Government, and its discretely presented component unit, that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2019:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 373
2021	264
2022	72
Total minimum rental payments	<u>\$ 709</u>

The values in the table above reflect rent in the current year. There are 5 leases included in these amounts with scheduled annual rent increases. Two leases have future rental increases of 3% on January 1<sup>st</sup>, two leases have 3% rental increases on April 1<sup>st</sup> and September 1<sup>st</sup>, respectively, and one lease has a future rental increase of 2% on July 1<sup>st</sup>, for the term of the lease.

Total rental expenditure/expense for the year ended June 30, 2019 was \$3,243 of which \$271 was recorded in the General Fund.

### Operating Leases as Lessor

The County as lessor leases sections of the Casa Nueva building to both the Santa Barbara County Association of Governments and the Santa Barbara Air Pollution Control District under operating leases with terms from July 2003 through April 2034. The original cost of the Casa Nueva building was \$6,168. As of June 30, 2019, the building had a carrying amount of \$4,317, net of accumulated depreciation of \$1,850.

The County as lessor also leases sections of the Public Health building to the Veterans Affairs (VA) Clinic under an operating lease with a term of October 2007 through September 2019. The original cost of the VA Clinic was \$891. As of June 30, 2019, the building had a carrying amount of \$268, net of accumulated depreciation of \$623.

The following is a schedule of future minimum rentals to be received under operating leases entered into by the County as lessor that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2019:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 709
2021	393
2022	312
2023	312
2024	312
2025-2029	1,561
2030-2033	1,196
Total minimum rentals to be received	<u>\$ 4,795</u>

As of the year ended June 30, 2019, total rental income was \$776 all of which was recorded in the General Fund.

**Capital Leases**

The County has entered into certain capital lease arrangements under which the related structures and equipment will become the property of the County when all terms of the lease agreements are met. The following is a schedule of future minimum capital lease payments, payable from the General Fund and certain special revenue funds, as of June 30, 2019:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2020	\$ 240	\$ 66
2021	143	56
2022	150	49
2023	158	40
2024	167	32
2025-2029	457	38
Total present value of minimum lease payments	<u>\$ 1,315</u>	<u>\$ 281</u>

The following is a schedule of capital assets acquired through capital leases as of June 30, 2019:

	Governmental Activities
Land	\$ 1,283
Structures and improvements	3,611
Equipment	10
Total capital assets, gross	<u>4,904</u>
Less: accumulated amortization	<u>(1,269)</u>
Total capital assets, net, acquired through capital leases	<u>\$ 3,635</u>

The current year’s amortization related to capital assets under capital leases for governmental activities was \$10 and is included in the Governmental Activities depreciation/amortization of \$25,153.

## 10. LONG-TERM LIABILITIES

### Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 33,430	\$ 36,939	\$ (34,215)	\$ 36,154	\$ 33,366
Certificates of participation (COP)	26,980	--	(973)	26,007	1,008
Unamortized premium on COP	2	--	(2)	--	--
Unamortized discount on COP	(110)	--	11	(99)	--
Other long-term obligations	1,238	164	(804)	598	--
Bonds from direct borrowings	14,730	--	(3,075)	11,655	3,140
Liability for self-insurance claims	19,653	14,605	(12,891)	21,367	6,134
Sub-total governmental activities	<u>95,923</u>	<u>51,708</u>	<u>(51,949)</u>	<u>95,682</u>	<u>43,648</u>
<b>Business-type activities:</b>					
Compensated absences	679	848	(774)	753	753
Certificates of participation	3,753	149,000	(2,455)	150,298	837
Unamortized premium on COP	13	17,331	(604)	16,740	--
Bonds and notes from direct borrowings and direct placements	5,139	--	(804)	4,335	821
Sub-total business-type activities	<u>9,584</u>	<u>167,179</u>	<u>(4,637)</u>	<u>172,126</u>	<u>2,411</u>
Total long-term liabilities	<u>\$ 105,507</u>	<u>\$ 218,887</u>	<u>\$ (56,586)</u>	<u>\$ 267,808</u>	<u>\$ 46,059</u>
<b>First 5 Santa Barbara County Component unit activities:</b>					
Compensated absences	\$ 86	\$ 67	\$ (100)	\$ 53	\$ 53
Total long-term liabilities	<u>\$ 86</u>	<u>\$ 67</u>	<u>\$ (100)</u>	<u>\$ 53</u>	<u>\$ 53</u>

Changes in long-term liabilities for each major enterprise fund for the year ended June 30, 2019 are as follows:

	Balance			Balance	
	July 1, 2018	Additions	Deletions	June 30, 2019	Due Within One Year
<b>Resource Recovery:</b>					
Compensated absences	\$ 558	\$ 665	\$ (617)	\$ 606	\$ 606
Certificates of participation	3,753	149,000	(2,455)	150,298	837
Unamortized premium on COP	13	17,331	(604)	16,740	--
Sub-total Resource Recovery	<u>4,324</u>	<u>166,996</u>	<u>(3,676)</u>	<u>167,644</u>	<u>1,443</u>
<b>Laguna Sanitation:</b>					
Compensated absences	121	183	(157)	147	147
Bonds and notes from direct borrowings and direct placements	5,139	--	(804)	4,335	821
Sub-total Laguna Sanitation	<u>5,260</u>	<u>183</u>	<u>(961)</u>	<u>4,482</u>	<u>968</u>
Total long-term liabilities - business-type activities	<u>\$ 9,584</u>	<u>\$ 167,179</u>	<u>\$ (4,637)</u>	<u>\$ 172,126</u>	<u>\$ 2,411</u>

In governmental activities, the liability for the majority of employee compensated absences is liquidated by the General Fund. Other long-term liabilities consists of a multi-year payment on a Medicare settlement, is liquidated by the Behavior Wellness Fund. The self-insurance claims liability is reported in the risk management and insurance internal service fund and will be liquated by that fund.

Internal Service Funds predominantly serve the governmental funds. Accordingly, their long-term debt is included as part of the totals for governmental activities.

Changes in long-term liabilities for the Internal Service Funds for the year ended June 30, 2019 are as follows:

	Balance			Balance	
	July 1, 2018	Additions	Deletions	June 30, 2019	Due Within One Year
<b>Internal Service Funds:</b>					
Compensated absences	\$ 742	\$ 671	\$ (651)	\$ 762	\$ 637
Bonds from direct borrowings	3,235	--	(345)	2,890	350
Liability for self-insurance claims	19,653	14,605	(12,891)	21,367	6,134
Total long-term liabilities - Internal Service Funds	<u>\$ 23,630</u>	<u>\$ 15,276</u>	<u>\$ (13,887)</u>	<u>\$ 25,019</u>	<u>\$ 7,121</u>

### Rebateable Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings, and found that the County had no rebateable arbitrage liability at June 30, 2019.

## Governmental Activities - Conduit Debt

### **Fixed Rate Obligation – Montecito Retirement Association**

In March 2004, the County issued conduit debt in the form of certificates of participation (COP) under the authority of Chapter 7 of Part 5 of Division 3 of the Health and Safety Code of the State of California. This was done on behalf of the Montecito Retirement Association (Association). These funds were used to finance the construction of facilities in the County, to finance certain equipment used by the Association in its operations, and to refund other debt held by the Association.

In March 2012, the County issued new conduit debt in the form of a fixed rate obligation held by Santa Barbara Bank & Trust. These funds were used to refund the Association's 2004 COP obligations. This debt does not represent a liability of the County, as the County is not obligated in any manner for the debt. Accordingly, it is not reported as a liability in the accompanying financial statements. As of June 30, 2019, the conduit debt principal amount outstanding was \$8,283.

## **11. CERTIFICATES OF PARTICIPATION (COP)**

The Santa Barbara County Finance Corporation (Corporation), a public benefit corporation, was created to issue certificates of participation that are securities issued and marketed to investors. The certificates are sold to provide funds to the County to finance the costs of acquisition, installation and construction of capital projects. These certificates are secured by annual lease payments paid by the County to the Corporation and these lease payments are used by the Corporation to pay the interest and principal of the debt.

The certificates contain certain debt covenants, which are deemed by the County to be duties imposed by law. The County must include the applicable lease payments due each year in its annual budget and make the necessary appropriations. The County is also required to maintain certain levels of liability, property damage, casualty, business interruption, earthquake and title insurance in connection with each lease agreement. The County is in compliance with all significant financial restrictions and requirements as set forth in its various debt covenants.

In FY 09-10, the County issued \$14,935 of taxable COP debt classified as Recovery Zone Economic Development Bonds (RZEDB) for purposes of the American Recovery and Reinvestment Act (ARRA). Pursuant to the ARRA, the County expects to receive a cash subsidy payment from the United States Treasury equal to 45% of the interest payable. The County received a subsidy of \$393 during the year ended June 30, 2019.

In FY 18-19 the Resource Recovery and Waste Management Fund (Resource Recovery) issued \$149,000 of COP debt classified as the Solid Waste Revenue Certificates of Participation: \$8,130 of tax-exempt certificates, \$129,870 tax-exempt AMT certificates, and \$11,000 of taxable certificates. The COP debt was issued for the purpose of funding certain improvements to the County's solid waste system (Solid Waste System), including the costs of a Materials Recovery Facility, an Anaerobic Digestion Facility and landfill gas engines which collectively constitute the Tajiguas Resource Recovery Project (TRRP). The COP agreement contains a provision, that in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. The Solid Waste System COP payments are secured by net revenues of user charges, fees and rates collected by the Solid Waste System.

A summary of COP principal outstanding as of June 30, 2019 is as follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of 6/30/2019
<b>Governmental activities:</b>					
2008 Capital Improvements	4.00-4.75	6/25/2008	12/1/2028	\$ 17,000	\$ 10,960
2010 Capital Improvements	3.00-5.00	6/10/2010	12/1/2019	884	112
2010 Capital Improvements - RZEDB	6.22-6.25	6/10/2010	12/1/2040	14,935	14,935
Sub-total governmental activities				<u>32,819</u>	<u>26,007</u>
<b>Business-type activities:</b>					
2008 Capital Improvements	3.00-4.50	6/25/2008	12/1/2023	6,600	2,586
2010 Capital Improvements	3.00-5.00	6/10/2010	12/1/2019	2,821	362
2018 Capital Improvements	3.30-5.25	11/28/2018	12/1/2038	149,000	147,350
Sub-total business-type activities				<u>158,421</u>	<u>150,298</u>
Total COP principal outstanding				<u>\$ 191,240</u>	<u>\$ 176,305</u>

The following is a schedule of total COP debt service requirements to maturity as of June 30, 2019:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,008	\$ 1,414	\$ 837	\$ 7,751
2021	1,430	1,358	2,950	7,334
2022	1,485	1,286	3,400	7,232
2023	1,545	1,209	3,870	7,109
2024	1,610	1,129	2,890	6,966
2025-2029	9,134	4,293	22,646	32,054
2030-2034	3,605	2,513	43,705	23,610
2035-2039	4,270	1,286	70,000	9,362
2040-2041	1,920	121	--	--
Sub-total	<u>26,007</u>	<u>14,609</u>	<u>150,298</u>	<u>101,418</u>
Unamortized premium	--	--	16,740	--
Unamortized discount	(99)	--	--	--
Total COP debt, net	<u>\$ 25,908</u>	<u>\$ 14,609</u>	<u>\$ 167,038</u>	<u>\$ 101,418</u>

## 12. BONDS AND NOTES PAYABLE

### Governmental Activities (Excluding Internal Service Funds)

#### **Bonds from Direct Borrowings**

On September 27, 2011, the County issued \$16,945 in direct borrowing tax-exempt bonds payable at an interest rate of 2.10%, and used the proceeds to refund the County's 2001 COP debt. The bonds payable outstanding at June 30, 2019 is \$3,665.



On December 17, 2014, the County issued \$9,925 in direct borrowing bonds at an interest rate of 2.33% and used the proceeds to refund the County’s 2005 COP debt. The bonds payable outstanding at June 30, 2019 is \$5,100.

Total bonds payable outstanding at June 30, 2019 is \$8,765. The following is the repayment schedule as of June 30, 2019:

Year Ending June 30,	Bonds from Direct Borrowings		Total
	Principal	Interest	
2020	\$ 2,790	\$ 177	\$ 2,967
2021	2,845	115	2,960
2022	1,020	73	1,093
2023	1,040	49	1,089
2024	1,070	25	1,095
Total bonds payable	<u>\$ 8,765</u>	<u>\$ 439</u>	<u>\$ 9,204</u>

### Internal Service Funds

#### Photovoltaic Solar Energy Facility Qualified Energy Conservation Bonds from Direct Borrowings

On September 27, 2011, the County issued \$5,250 in direct borrowing Qualified Energy Conservation Bonds (QECB) at an interest rate of 4.08% per annum. The proceeds were used to acquire a photovoltaic solar energy facility for the County’s Calle Real campus.

The QECBs are taxable bonds that entitle the issuer to receive a direct subsidy payment from the United States Treasury (Treasury) equal to the lesser of (i) the taxable rate of the bonds or (ii) 70% of the Qualified Tax Credit Bond (QTCB) Rate on every semi-annual interest payment date. At the time of issuance, the QTCB Rate was 4.55%; therefore, the County will receive a Treasury subsidy of 70% of 4.55%, or approximately \$1,395 over the life of the bonds, resulting in a true interest cost of 0.94%. These bonds will be repaid from the Utilities Fund.

The Calle Real solar facility bonds payable outstanding at June 30, 2019 is \$2,890. The following is the repayment schedule as of June 30, 2019:

Year Ending June 30,	Bonds from Direct Borrowings		Total
	Principal	Interest	
2020	\$ 350	\$ 111	\$ 461
2021	355	96	451
2022	355	82	437
2023	360	67	427
2024	365	53	418
2025-2029	1,105	68	1,173
Total bonds payable	<u>\$ 2,890</u>	<u>\$ 477</u>	<u>\$ 3,367</u>

### Business-type Activities

#### Laguna Sanitation Wastewater Treatment Plant Note from Direct Placement

On August 16, 2001, the Laguna County Sanitation District (Laguna Sanitation) entered into a direct placement financing contract with the State of California (State) for the construction of a Total Dissolved Solids and Recycled Water Treatment Plant. Under the contract, the State made fifteen disbursements totaling \$9,150 to Laguna Sanitation during the period of February 2002 through June 2003. Repayment of the note commenced in July 2004 and will continue through July 2023. Note payments are due on July 1<sup>st</sup> of each year; as such, these

payments are regularly made in June of the prior fiscal year. The interest rate on the note is 2.40% per annum. The note contains a provision that, in the event of termination resulting from non-compliance by the County, the outstanding principle balance, accrued interest, and penalty assessments are due and payable immediately. Note payments are secured by revenues on fees and charges collected by Laguna Sanitation from the wastewater treatment plant.

The note payable outstanding at June 30, 2019 is \$2,244. The following is the repayment schedule as of June 30, 2019:

Year Ending June 30,	Note from Direct Placement		Total
	Principal	Interest	
2020	\$ 541	\$ 54	\$ 595
2021	554	41	595
2022	568	28	596
2023	581	14	595
Total note payable	\$ 2,244	\$ 137	\$ 2,381

**Laguna Sanitation Qualified Energy Conservation Bonds from Direct Borrowings**

On May 25, 2011, the Laguna County Sanitation District (Laguna Sanitation) issued \$4,170 in direct borrowing Qualified Energy Conservation Bonds (QECB) at an interest rate of 5.25% per annum. The proceeds were used to acquire a photovoltaic solar energy facility, which is projected to save Laguna Sanitation \$12,000 in financing, operating and maintenance costs over a 30 year period.

The QECBs are taxable bonds that entitle the issuer to receive a direct subsidy payment from the United States Treasury (Treasury) equal to the lesser of (i) the taxable rate of the bonds or (ii) 70% of the Qualified Tax Credit Bond (QTCB) Rate on every semi-annual interest payment date. At the time of issuance, the QTCB Rate was 4.95%; therefore, Laguna Sanitation will receive a Treasury subsidy of 70% of 4.95%, or \$1,162 over the life of the bonds, resulting in a true interest cost of 1.97%. The bond documents contain a provision that, in the event of default, the outstanding principle balance and accrued interest shall become due and payable immediately. Bond payments are secured by net revenues on user rates and charges collected by Laguna Sanitation for sanitation services.

The Laguna Sanitation QECB bonds payable outstanding at June 30, 2019 is \$2,091. The following is the repayment schedule as of June 30, 2019:

Year Ending June 30,	Bonds from Direct Borrowings		Total
	Principal	Interest	
2020	\$ 280	\$ 106	\$ 386
2021	285	91	376
2022	295	76	371
2023	300	61	361
2024	305	45	350
2025-2029	626	41	667
Total bonds	\$ 2,091	\$ 420	\$ 2,511

### 13. SELF-INSURANCE

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical malpractice. For these risks, the County has chosen to establish risk management internal service funds where assets are set aside for claim settlements associated with such risks of loss up to certain limits. In addition, the County has established separate self-insurance financing funds for unemployment claims and dental insurance benefits for employees and their dependents.

For general liability, medical malpractice, and workers’ compensation claims, excess coverage is provided by the California State Association of Counties Excess Insurance Authority (Authority), a joint powers authority whose purpose is to develop and fund programs of excess insurance for its members, which include 95% of the counties in California and nearly 60% of the cities, as well as numerous school districts, special districts, housing authorities, fire districts, and other Joint Powers Authorities. A Board of Directors consisting of representatives from its members governs the Authority. The County’s aggregate annual premium, including property insurance, paid to the Authority for the year ended June 30, 2019, was \$18,758. The Authority issues its own audited Comprehensive Annual Financial Report which can be obtained from the Authority located at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

The Authority retains financial responsibility for risk management claims in excess of the County’s self-insurance retention. Self-insurance and Authority limits are as follows:

<u>Type of Coverage</u>	<u>Self-Insurance Limit</u>	<u>Authority Limit</u>
General Liability	\$ 500	\$ 35,000
Medical Malpractice**	\$ --	\$ 25,000
Workers’ Compensation*	\$ --	Statutory

\*Effective July 1, 2010, the County obtained first dollar Workers’ Compensation coverage through the Authority’s Primary Workers’ Compensation program. Claims for injuries prior to that date are covered under the Authority’s Excess Insurance program.

\*\*Effective October 1, 2014, the County obtained first dollar Medical Malpractice coverage through the Authority’s Primary Medical Malpractice program. Claims for injuries prior to that date are covered under the Authority’s Excess Insurance program.

The County purchases property insurance through the Authority from commercial insurance companies via a pool comprised of a majority of California counties and other California Public Agencies. The County is insured up to \$600,000 for all Risk and Flood coverage, and up to \$540,000 for Earthquake coverages. All property damage risks are covered on a per occurrence basis and insured at full replacement values up to the policy limits. Deductibles per occurrence are \$10 for fire or other property damage, and \$25 for flood. The earthquake deductible is 5% of total values per separate building per occurrence, subject to a \$100 minimum.

Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The unpaid claims liabilities included in the risk management self-insurance internal service funds are based on the results of actuarial studies and include amounts for claims incurred but not reported and adjustment expenses. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. General liability and workers’ compensation liabilities are carried at present value using a discount rate of 1%. It is the County’s practice to annually obtain full actuarial studies for general liability and workers’ compensation coverages.

Premiums are charged to departments using various allocation methods that include actual costs, trends in claims experience, and payroll costs. Premiums charged annually are established such that, when added with cash reserves on hand, adequate resources are provided to meet liabilities as they come due.

Changes in the claims liability for all self-insurance claims during the past two fiscal years are as follows:

	Fiscal Year Ended	
	June 30, 2018	June 30, 2019
Unpaid claims, beginning of year	\$ 19,582	\$ 19,653
Incurred claims	11,632	14,605
Claim payments	(11,561)	(12,891)
Unpaid claims, end of year	<u>\$ 19,653</u>	<u>\$ 21,367</u>

## 14. COMMITMENTS AND CONTINGENCIES

### Litigation

The County is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of County operations. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, a liability for litigation of \$1,527, representing County Counsel’s best estimate of the ultimate loss, has been accrued in the governmentwide Statement of Net Position. The timing of the payment of these losses cannot presently be determined.

A number of lawsuits and claims are pending against the County for which the financial loss to the County has been determined to be reasonably possible by County Counsel. These lawsuits include claims filed for inverse condemnation, tort liability, workers’ compensation, civil rights violation, breach of contract, land use disputes, and storm damage. These lawsuits are seeking damages in excess of \$1,812. The County intends to vigorously defend itself against these lawsuits. The aggregate amount of the uninsured liabilities of the County and the timing of any anticipated payments which may result from such claims will not, in the opinion of County Counsel, significantly affect the financial condition of the County.

Plaintiffs, owners of commercial space, allege the signature by a County official on an Estoppel Certificate extended the County’s lease for the space. The County contends the Certificate—which Plaintiffs prepared—incorrectly stated the expiration date of the lease, and was signed by the County without knowledge of the error. The County’s excess insurance generally covers liability for errors and omissions by public officials, but generally does not cover liability for breach of contract. County Counsel does not believe the potential loss can be estimated.

### Grants

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. Although the County’s federal grant programs are audited in accordance with the requirements of the U.S. Office of Management and Budget Uniform Guidance 2 CFR Part 200, these programs may be subject to financial and compliance audits by the reimbursing agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial, with the exception of the Behavioral Wellness Fund.

### Behavioral Wellness Fund

Counties provide mental health services to Medi-Cal beneficiaries through a publicly or privately operated mental health managed care plan contracted with the State Department of Health Care Services (DHCS) and share in the

financial risk. Each California County operates its own mental health plan for Medi-Cal beneficiaries. The County, through the mental health plan, provides mental health services to adults and children directly and through Community Based Organizations (CBO).

Mental Health Medi-Cal claiming is a reimbursement system in which counties are provided an interim cash flow of State and Federal funding pending a three step process of reimbursement that includes filing a cost report, settlement of valid units of service and a cost report audit. Funding is made available through the Federal Medicaid entitlement program and California provides matching State and County funds. Claims are reimbursed based upon the appropriate Federal Medical Assistance Percentage (FMAP). This percentage represents the percentage of a claim for which the Federal government will pay Federal Financial Participation (FFP). Any amounts not provided by FFP must be matched by State or County funds. The year-end reporting process is the culmination of the mental health financial and statistical data accumulation for the services provided within the relevant Fiscal Year. The County is required to submit a cost report to DHCS by December 31 for all services provided by County and CBO staff for a fiscal year ending June 30. The cost report serves as a basis for computing the year-end settlement of approved service units and a settlement payment between DHCS and the County and is also the basic standardized record subject to audit. All year-end settlements are considered interim settlements and are subject to audit by DHCS. The audit is required to be completed three years after the year-end cost report is submitted and reconciled. Generally the cycle, from cost report submittal to final settlement, is not complete until five years after the initial cost report is filed by the County.

In past years this cost report settlement and audit process resulted in significant settlements with the State Department of Mental Health and now its successor agency DHCS. The County currently estimates a potential liability exposure of up to \$598 thousand for outstanding issues with the State of California. The settlement and payment of these liabilities could span a five to ten year period. These liabilities have been recorded as other long-term liabilities payable in the Behavioral Wellness Fund.

### Santa Barbara County Redevelopment Successor Agency

In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule. The range of potential loss of revenue to pay these obligations is between \$0 and \$20,000 over the remaining life of the Successor Agency (10 years).

### Contracts

The County has entered into contracts to purchase goods and services from various vendors. Approximately \$241,066 will be payable upon future performance under these contracts, including \$84,684 in contracts for the Tajiguas Resource Recovery Project and \$3,886 for the Northern Branch Jail.

### Federal and State Disaster Assistance

On January 2, 2018, a presidential major disaster was declared for the areas affected by the Thomas Fire. On January 11, 2018, the declaration was expanded to include areas affected by the Montecito Debris Flows. The declaration made federal disaster assistance available to the State of California to supplement the County's local recovery efforts. During fiscal years 2017-18 and 2018-19, the County received \$198 and \$18,200, respectively, of State and Federal disaster aid payments. The County also recognized \$3,457 as a receivable for amounts obligated but not received as of June 30, 2019. While an estimated \$19,496 of additional costs may be eligible for State and Federal assistance, no additional awards were obligated to the County through the date these financial statements were issued. Due to uncertainty in the amount of State and Federal awards that may be obligated in the future, no additional amounts have been recognized as of June 30, 2019.

## 15. LANDFILL CLOSURE AND POSTCLOSURE CARE

The County owns and operates three landfill sites: Tajiguas, Foxen Canyon, and New Cuyama. Two of the three sites are closed - New Cuyama closed in FY 95-96; Foxen Canyon was converted to a transfer station in FY 03-04 and subsequently closed in FY 08-09.

State and federal laws and regulations require the County to place a final cover on these landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at each site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the respective landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each Balance Sheet date.

The \$32,201 reported as landfill closure and postclosure care liability at June 30, 2019, represents the cumulative amount reported to date based on the estimated percentages of used capacity of the landfills as follows:

<u>Landfill</u>	<u>Capacity Used</u>	<u>Remaining Years</u>	<u>Remaining Postclosure Years</u>
Tajiguas	89%	7	Open
Foxen Canyon	95%	closed	20
New Cuyama	100%	closed	10

The County will recognize the remaining estimated cost of closure and postclosure care of \$3,740 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all remaining closure and postclosure care in 2019. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. In FY 18-19, the Resource Recovery and Waste Management Fund initiated the Tajiguas Resource Recovery Project (TRRP). The intent of the project is to significantly extend the life of the landfill and reduce landfilling and greenhouse gas emissions.

The County is required by state and federal laws and regulations to make annual contributions and/or provide an alternative funding mechanism to finance closure and postclosure care. The County is in compliance with these requirements, and, at June 30, 2019, restricted cash and investments of \$21,855 are held for these purposes. These are reported as restricted assets on the Balance Sheet (see Note 4).

Restricted cash for closure, postclosure care, and corrective action financial assurances costs at June 30, 2019 is comprised of the following:

<u>Landfill</u>	<u>Closure Cost</u>	<u>Postclosure Care Cost</u>	<u>Corrective Action Cost</u>	<u>Total Restricted Cash</u>
Tajiguas	\$ 15,670	\$ 3,260	\$ 1,031	\$ 19,961
Foxen Canyon	--	733	304	1,037
New Cuyama	--	122	735	857
<b>Total</b>	<b>\$ 15,670</b>	<b>\$ 4,115</b>	<b>\$ 2,070</b>	<b>\$ 21,855</b>

Additionally, the County has pledged revenues from future tipping fees generated at the Santa Barbara South Coast Transfer Station to fund a portion of the postclosure maintenance costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered through landfill tip fees and/or added program fees to the municipal refuse rates paid by County residents.

## 16. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2019 is as follows:

	General	Roads	Public Health	Social Services	Behavioral Wellness	Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable in form:</b>											
Teeter Tax Losses	\$ 9,089	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9,089
Receivables	2,268	--	--	--	--	--	--	--	--	--	2,268
Prepays/Deposits	50	--	--	--	--	--	--	--	--	--	50
Total nonspendable fund balance	11,407	--	--	--	--	--	--	--	--	--	11,407
<b>Restricted for:</b>											
Purpose of Fund	2,042	23,470	869	4,386	13,048	50,003	4,576	15,377	--	24,807	138,578
Allocated for Capital Outlay	1	--	--	--	--	12,790	--	12,036	--	781	25,608
Local Realignment 2011	18,125	--	--	--	566	--	--	--	--	--	18,691
Health Care Programs	180	--	17,312	--	--	--	--	--	--	--	17,492
Public Safety Prop 172	4,145	--	--	--	--	--	--	--	--	--	4,145
Probation YOBG	3,660	--	--	--	--	--	--	--	--	--	3,660
Sheriff Categorical Grants	2,323	--	--	--	--	--	--	--	--	--	2,323
Recorder Modernization	2,228	--	--	--	--	--	--	--	--	--	2,228
MHSA Prudent Reserve	--	--	--	--	2,023	--	--	--	--	--	2,023
DMV/Livescan	--	--	--	--	--	--	--	--	1,817	--	1,817
P&D Offsite Mitigation	1,699	--	--	--	--	--	--	--	--	--	1,699
Housing Trust Funds	--	--	--	--	--	--	1,243	--	--	--	1,243
Donations	161	--	--	32	--	--	--	--	--	1,050	1,243
Probation LESF/COPS	1,228	--	--	--	--	--	--	--	--	--	1,228
Debt Service	--	--	--	--	--	--	--	--	--	1,200	1,200
PHD Special Projects	307	--	890	--	--	--	--	--	--	--	1,197
Alcoholism Programs	--	--	--	--	1,057	--	--	--	--	--	1,057
Measure A Roads Funds	--	1,017	--	--	--	--	--	--	--	--	1,017
Hollister Ranch Public Access	--	--	--	--	--	--	--	--	--	1,000	1,000
GATV Infrastructure	962	--	--	--	--	--	--	--	--	--	962
Recorder Operations	866	--	--	--	--	--	--	--	--	--	866
Maintenance-Casa Nueva Bldg	699	--	--	--	--	--	--	--	--	--	699
Forfeiture Penalty	659	--	--	--	--	--	--	--	--	--	659
Public Arts Program	642	--	--	--	--	--	--	--	--	--	642
Los Prietos Donation	640	--	--	--	--	--	--	--	--	--	640
Unrealized Gains	--	80	50	25	21	223	57	5	7	94	562
Assessor AB818	504	--	--	--	--	--	--	--	--	--	504
FY 12/13,13/14 Operating Plans	--	--	--	--	67	201	8	--	--	101	377
Gaviota Bikeway	335	--	--	--	--	--	--	--	--	--	335
Survey Monument	316	--	--	--	--	--	--	--	--	--	316
District Attorney Programs	307	--	--	--	--	--	--	--	--	--	307
Sustainability Programs	299	--	--	--	--	--	--	--	--	--	299
Recorder Micrographics	274	--	--	--	--	--	--	--	--	--	274
Dispute Resolution	--	--	--	--	--	--	--	--	--	238	238
Consumer/Environmental	215	--	--	--	--	--	--	--	--	--	215
Drug Abuse Programs	--	--	--	--	210	--	--	--	--	--	210
DSS Childrens Trust	--	--	--	205	--	--	--	--	--	--	205
CalVet Subvention Program	203	--	--	--	--	--	--	--	--	--	203
Vital Records	161	--	--	--	--	--	--	--	--	--	161
State Off Hwy Fee	147	--	--	--	--	--	--	--	--	--	147
DSA Surplus Health Allocations	145	--	--	--	--	--	--	--	--	--	145
ADP SAPT Block Grant Set-Aside	--	--	--	--	143	--	--	--	--	--	143
Recorder ERDS	128	--	--	--	--	--	--	--	--	--	128
Probation Programs	108	--	--	--	--	--	--	--	--	--	108
Animal Control Programs	105	--	--	--	--	--	--	--	--	--	105
Parks Projects	--	--	--	--	--	--	--	--	25	61	86
Weights and Measures	80	--	--	--	--	--	--	--	--	--	80
Recorder Redaction	69	--	--	--	--	--	--	--	--	--	69
Real Estate Fraud	41	--	--	--	--	--	--	--	--	--	41
DARE	40	--	--	--	--	--	--	--	--	--	40
Imprest Cash	10	1	3	15	4	--	--	--	--	1	34
COP Proceeds	--	--	--	--	--	--	--	--	--	12	12
	44,054	24,568	19,124	4,663	17,139	63,217	5,884	27,418	1,849	29,345	237,261

A detailed schedule of fund balances at June 30, 2019 continued:

	General	Roads	Public Health	Social Services	Behavioral Wellness	Flood Control District	Affordable Housing	Fire Protection District	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Committed to:</b>											
Strategic Reserve	34,116	--	--	--	--	--	--	--	--	--	34,116
New Jail Operations	16,284	--	--	--	--	--	--	--	--	--	16,284
Purpose of Fund	1,550	--	--	2,602	--	--	--	--	5,646	1,163	10,961
Disaster Recovery	8,946	--	--	--	--	--	--	--	--	--	8,946
Health Care Programs	--	--	7,399	--	--	--	--	--	--	--	7,399
Litigation	6,713	--	--	--	--	--	--	--	--	--	6,713
Program Stabilization	4,250	--	--	--	--	--	--	--	--	--	4,250
Contingencies	3,855	--	--	--	--	--	--	--	--	--	3,855
Emerging Issues	3,563	--	--	--	--	--	--	--	--	--	3,563
General Services Projects	1,641	--	--	--	--	--	--	--	1,714	--	3,355
Parks Projects	1,513	--	--	--	--	--	--	--	1,624	--	3,137
Mental Health	2,924	--	--	--	--	--	--	--	--	--	2,924
Clerk Record Assessor Projects	1,795	--	--	--	--	--	--	--	--	--	1,795
Auditor Systems Maint/Develop	1,765	--	--	--	--	--	--	--	--	--	1,765
Planning/Development Projects	1,490	--	--	--	--	--	--	--	--	--	1,490
County Executive Programs	1,474	--	--	--	--	--	--	--	--	--	1,474
General County Programs	1,296	--	--	--	--	--	--	--	--	--	1,296
Sheriff Projects	362	--	--	--	--	--	--	--	774	--	1,136
P&D Land Use System	944	--	--	--	--	--	--	--	--	--	944
Elections Voting Equipment	916	--	--	--	--	--	--	--	--	--	916
Unrealized Gains	674	--	26	--	--	--	--	--	6	2	708
Accumulated Capital Outlay	700	--	--	--	--	--	--	--	--	--	700
Props 215/64 - Cannabis	679	--	--	--	--	--	--	--	--	--	679
Assessment Appeals Support	669	--	--	--	--	--	--	--	--	--	669
Tobacco Settlement	634	--	4	--	--	--	--	--	--	--	638
Treas Tax Collector Projects	622	--	--	--	--	--	--	--	--	--	622
Human Resources Programs	573	--	--	--	--	--	--	--	--	--	573
Facilities Maintenance	506	--	--	--	--	--	--	--	--	--	506
District Attorney Programs	492	--	--	--	--	--	--	--	--	--	492
Housing Programs	343	--	--	--	--	--	--	--	--	--	343
North County Jail Contingency	302	--	--	--	--	--	--	--	--	--	302
Public Defender Programs	220	--	--	--	--	--	--	--	--	--	220
Rental Maintenance	164	--	--	--	--	--	--	--	--	--	164
Probation Programs	49	--	--	--	--	--	--	--	--	--	49
Building & Safety Permitting	40	--	--	--	--	--	--	--	--	--	40
Imprest Cash	22	--	--	--	--	--	--	--	--	--	22
Ag Commissioner Projects	1	--	--	--	--	--	--	--	--	--	1
	102,087	--	7,429	2,602	--	--	--	--	9,764	1,165	123,047
<b>Unassigned fund balance:</b>	18,654	--	--	--	--	--	--	--	--	--	18,654
<b>Total fund balances</b>	<b>\$ 176,202</b>	<b>\$ 24,568</b>	<b>\$ 26,553</b>	<b>\$ 7,265</b>	<b>\$ 17,139</b>	<b>\$ 63,217</b>	<b>\$ 5,884</b>	<b>\$ 27,418</b>	<b>\$ 11,613</b>	<b>\$ 30,510</b>	<b>\$ 390,369</b>



## 17. RESTRICTED COMPONENT OF NET POSITION

The restricted component of net position are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

The restricted component of net position at June 30, 2019 for governmental activities is as follows:

Restricted for Policy and Executive:		
County Executive Office	\$ 972	
		\$ 972
Restricted for Public Safety:		
Fire Protection District	27,417	
Probation	23,277	
Sheriff	9,769	
District Attorney	1,325	
Public Defender	217	
Trial Courts	<u>238</u>	
		62,243
Restricted for Health & Public Assistance:		
Public Health	21,901	
Behavioral Wellness	21,811	
Social Services	4,770	
Child Support Services	<u>469</u>	
		48,951
Restricted for Community Resources & Public Facilities:		
Flood Control District	63,218	
Housing	53,996	
Roads	24,568	
Water Agency	10,241	
County Service Areas	3,931	
Other	2,220	
Planning and Development	2,836	
Parks	2,443	
Coastal Resources Enhancement	<u>506</u>	
		163,959
Restricted for General Government & Support Services:		
Clerk-Recorder-Assessor	4,230	
General Services	1,731	
Other	<u>203</u>	
		6,164
Restricted for General County Programs:		
Other	15,726	
Public and Educational Access	3,275	
Criminal Justice and Courthouse Construction	<u>1,051</u>	
		20,052
Total restricted component of net position - governmental activities	<u>\$ 302,341</u>	

Included in governmental activities restricted net position at June 30, 2019 is net position restricted by enabling legislation of \$931.

## 18. DEFICIT IN NET POSITION

### Internal Service Funds

The County’s Risk Management and Insurance Fund has a deficit in net position of \$770 at June 30, 2019. The County Liability Self Insurance and the Workers’ Compensation Self Insurance programs both contributed to this deficit due in part to net pension and other post-employment benefit liabilities incurred by these programs which are not factored in to rates charged to users. In addition, both of these programs and the County unemployment insurance program experienced unanticipated increases in reportable claim liabilities during the year ended June 30, 2019. The portion of the deficit arising from these claim liabilities will be eliminated through future charges to users.

	Balance at July 1, 2018	Balance at June 30, 2019
Medical Malpractice Self-insurance	\$ 430	\$ -
Workers' Compensation Self-insurance	(432)	(564)
County Liability Self-insurance	210	(1,147)
County Unemployment Self-insurance	202	(150)
Dental Self-insurance	866	1,091
	<u>\$ 1,276</u>	<u>\$ (770)</u>

## 19. INTERFUND TRANSACTIONS

### Interfund Receivables / Payables

Amounts due to/from other funds at June 30, 2019 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Behavioral Wellness	\$ 3,875
Social Services	IHSS Public Authority	1,240
General Fund	Criminal Justice Construction	569
Criminal Justice	General Fund	500
General Fund	Affordable Housing	326
General Fund	Court Operations	252
Court Operations	General Fund	149
Total due to/from other funds		<u>\$ 6,911</u>

The balances above are due to be paid in the subsequent fiscal year and resulted from when funds overdraw their share of pooled cash; or the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

There were no advances to/from other funds at June 30, 2019.

Transfers

Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, (2) move receipts identified for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers to/from other funds at June 30, 2019 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Nonmajor Governmental Funds	\$ 9,886	General Fund Contribution
	Social Services Fund	8,631	General Fund Contribution
	Public Health Fund	7,188	General Fund Contribution
	Behavioral Wellness Fund	5,529	General Fund Contribution
	Roads Fund	3,230	Other
	Nonmajor Governmental Funds	2,636	Debt Service
	Roads Fund	1,797	General Fund Contribution
	Nonmajor Governmental Funds	1,482	Other
	Internal Service Funds	1,416	Other
	Capital Projects Fund	1,282	Capital Projects
	Capital Projects Fund	457	Other
	Internal Service Funds	328	Vehicles
	Public Health Fund	100	Other
	Fire Protection District Fund	61	Capital Projects
	Social Services Fund	30	Other
Fire Protection District Fund	23	Other	
		44,076	
Roads Fund	Nonmajor Governmental Funds	9	Other
Public Health Fund	General Fund	1,856	Other
	Behavioral Wellness Fund	313	Other
	Social Services Fund	10	Other
		2,179	
Social Services Fund	Behavioral Wellness Fund	85	Other
	General Fund	1	Other
		86	
Behavioral Wellness Fund	Capital Projects Fund	941	Other
	Nonmajor Governmental Funds	466	Debt Service
	General Fund	156	Other
	Internal Service Funds	23	Vehicles
	Social Services Fund	19	Other
		1,605	
Flood Control District Fund	Internal Service Funds	45	Vehicles
Affordable Housing Fund	General Fund	768	Other
	Capital Projects Fund	423	Other
	General Fund	210	Program Administration
		1,401	

Transfers to/from other funds at June 30, 2019 (continued):

Transfer From	Transfer To	Amount	Purpose
Fire Protection District	General Fund	\$ 1,989	Other
	Internal Service Funds	345	Other
	Internal Service Funds	269	Vehicles
	Nonmajor Governmental Funds	242	Debt Service
	Public Health Fund	12	Other
		<u>2,857</u>	
Capital Projects Fund	Internal Service Funds	335	Other
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,237	Debt Service
	General Fund	840	Other
	Fire Protection District Fund	190	Other
	Roads Fund	186	Other
	Capital Projects Fund	154	Other
	Internal Service Funds	62	Vehicles
	Flood Control Districts Fund	20	Other
		<u>2,689</u>	
Enterprise Funds	General Fund	80	Other
Internal Service Funds	Flood Control Districts Fund	137	Vehicles
	Capital Projects Fund	22	Other
	General Fund	20	Vehicles
	Internal Service Funds	15	Other
	Fire Protection District Fund	11	Other
		<u>205</u>	
	Total transfers	<u>\$ 55,567</u>	

## 20. TAX ABATEMENTS

The County provides property tax abatements through the Agricultural Preserve Program. The program enrolls land in Williamson Act or Farmland Security Zone contracts whereby the land is enforceably restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. Participation in the program is voluntary. The Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones is the set of rules by which the County administers its Agricultural Preserve Program. The Agricultural Preserve Advisory Committee is responsible for administering the County's Agricultural Preserve Program.

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value of the property. The minimum contract term is ten years and automatically renews until a nonrenewal or cancellation process is initiated. Under the nonrenewal process, the annual tax assessment increases over a defined period of time until the assessment reflects the market value of the property. Under the cancellation process, a significant onetime cancellation fee is assessed based upon a certain percentage of the unrestricted, current fair market value of the property.

No other commitments were made by the County as part of the Williamson Act or Farmland Security Zone contracts. For the fiscal year ended June 30, 2019, the Agricultural Preserve Program tax abatements were \$5,049.

## 21. PENSIONS

### General Information about the Pension Plan

#### ***Plan Descriptions***

The County, including the discretely presented component unit First 5 Children and Families Commission, provides pension benefits to eligible employees through cost sharing multiple-employer defined benefit pension plans (pension plans) administered by the Santa Barbara County Employees' Retirement System (SBCERS). Members of the pension plans include all permanent employees working full time, or at least 50% part time for the County, and the following independent special districts: Carpinteria-Summerland Fire Protection District, Mosquito and Vector Management District of Santa Barbara County, Goleta Cemetery District, Santa Maria Cemetery District, Oak Hill Cemetery District, Carpinteria Cemetery District, Summerland Sanitary District, Santa Barbara County Air Pollution Control District, Santa Barbara County Association of Governments, and the Santa Barbara County Superior Court. SBCERS issues its own Comprehensive Annual Financial Report (CAFR) that may be obtained by writing to SBCERS at 3916 State St. Suite 210, Santa Barbara, CA 93105 or on the SBCERS website at: <http://cosb.countyofsb.org/sbcers>.

SBCERS was established on January 1, 1944, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County and participating districts. The Santa Barbara County Board of Supervisors and the governing boards of the participating districts adopt resolutions, as permitted by the California State Government Code §31450 (County Employees' Retirement Law of 1937 (CERL)), which affect the benefits of the SBCERS members. SBCERS is governed by the California Constitution; CERL; and the bylaws, policies and procedures adopted by the SBCERS' Board of Retirement.

SBCERS administers six County pension plans. With the passage of the Public Employees' Pension Reform Act (PEPRA), the County established a new pension plan, Plan 8, with two rate tiers – one for safety and one for general members. As of January 1, 2013, Plan 8 is the only pension plan available to new employees. PEPRA made several changes to the pension benefits that may be offered to employees hired on or after January 1, 2013, including increasing minimum retirement ages, increasing the percentage required for member contributions, and excluding certain types of compensation as pensionable. PEPRA has also created limits on pensionable compensation tied to the Social Security taxable wage base. The cumulative effect of these PEPRA changes will ultimately reduce the County's retirement costs.

**Summary of Plans and Eligible Participants**

Open for New Enrollment:

General Plan 8 (PEPRA) General members hired on or after January 1, 2013.\*

Safety Plan 8 (PEPRA) Safety members hired on or after January 1, 2013.\*

\*Employees who transfer from and are eligible for reciprocity with another public employer will not be PEPRA members if their service in the reciprocal system was under a pre-PEPRA tier.

Closed to New Enrollment:

General Plan 2 Employees hired on or before June 30, 1999, who elected to join General Plan 2. Once vested, Plan 2 members have a one-time election to defer accrued Plan 2 benefits and enter a contributory plan in effect at the time of election. Contributions are based upon age at time of transfer.

General Plan 5A General employees hired before October 10, 1994, who did not elect to join General Plan 2.

General Plan 5B Members in certain bargaining units hired on or after October 10, 1994.

General Plan 5C Members in certain bargaining units hired on or after October 10, 1994. Members in those bargaining units transferred from Plan 5B on March 10, 2008.

General Plan 7 County General employees hired on or after June 25, 2012 and other new non-PEPRA General hires for employers that have adopted Plan 7.

Safety Plan 4A Some safety members hired before October 10, 1994.

Safety Plan 4B Employees in certain bargaining units hired on or after October 10, 1994. Some employees are in Safety Plan 4b without regard to hire date.

Safety Plan 4C Members in certain bargaining units hired on or after October 10, 1994. All members in certain bargaining units. Members in those bargaining units transferred from Plan 4B on July 3, 2006.

Safety Plan 6A Members in certain bargaining units hired prior to October 10, 1994. Members in those bargaining units transferred from Plan 4A on February 25, 2008.

Safety Plan 6B Members in certain bargaining units hired on or after October 10, 1994. Members in those bargaining units transferred from Plan 4B on February 25, 2008.

**Benefits Provided**

All pension plans provide benefits, in accordance with CERL regulations, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing 5 years (or 10 years for Plan 2) of retirement service credit (5 or 10-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 years (or 10 years for Plan 2) of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are based upon final average compensation or retirement benefits (if eligible). Non-service related disability benefits are based on 1) years of service and final average compensation or 2) retirement benefits (if eligible). General Plan 2 participants receive disability benefits through a long-term insurance policy. Death benefits are based upon a variety of factors including whether the participant was retired or not.

Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans except General Plan 2. COLAs are granted to eligible retired members each April based upon the Bureau of Labor Statistics Average Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County area as of the preceding January 1 and is subject to an annual maximum dependent upon the provisions of the pension plans.

Detailed information about the retirement, disability or death benefit calculations and COLA maximums for each of the pension plans are available in the separately issued SBCERS CAFR.

**Contributions**

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the SBCERS Board of Retirement. Depending upon the applicable plan, employees are required to contribute a certain percent of their annual pay. For each of the plans, the County’s contractually required contribution rate for the year ended June 30, 2019, was a specified percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Additional amounts required to finance any unfunded accrued liability are the responsibility of the plan sponsors. Contributions to the pension plans from the County were \$132,329 for the year ended June 30, 2019. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

For the measurement date June 30, 2018, employer and employee contribution rates and active members for each plan are as follows:

	<u>Employer</u> <u>Contribution Rates</u>	<u>Employee</u> <u>Contribution Rates</u>	<u>Active Members</u>
General Plan 2	23.25%	Non-contributory	6
General Plan 5A	34.30%	2.93 - 6.07%	361
General Plan 5B	34.79%	5.86 - 12.15%	199
General Plan 5C	36.06%	2.84 - 6.05%	1265
General Plan 7	34.64%	2.36 - 5.04%	105
General Plan 8	27.81%	8.32%	1020
Safety Plan 4A	54.95%	5.41 - 9.58%	24
Safety Plan 4B	54.04%	10.83 - 19.15%	10
Safety Plan 4C	53.68%	5.23 - 9.45%	302
Safety Plan 6A	62.69%	5.41 - 9.58%	39
Safety Plan 6B	61.87%	5.23 - 9.45%	257
Safety Plan 8	42.70%	14.37%	269

Beginning in FY 2018-19, members of certain plans and bargaining units paid a portion of the employer contributions as a result of FY 2017-18 employee/employer negotiations. No net change occurred in the combined pension contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the County, including its discretely presented component unit, reported a liability of \$802,341 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, updated to June 30, 2018. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2018, the County’s proportion was 92.8477%, which was a decrease of 0.2608% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County, including its discretely presented component unit, recognized pension expense of \$137,298. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2019, the County and its discretely presented component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Proportionate Share			
	County of Santa Barbara		First 5 Children and Families Commission	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	\$ 48,086	\$ --	\$ 89
Changes in assumptions	97,970	--	181	--
Net difference between projected and actual earnings on retirement plan investments	20,691	--	38	--
Changes in proportion and differences between County contributions and proportionate share of contributions	472	--	1	--
County contributions subsequent to the measurement date	132,330	--	244	--
	<u>\$ 251,463</u>	<u>\$ 48,086</u>	<u>\$ 464</u>	<u>\$ 89</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The County and its discretely presented component unit reported \$132,574 as deferred outflows of resources related to pension contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Proportionate Share	
	County of Santa Barbara	First 5 Children and Families Commission
2020	\$ 53,265	\$ 98
2021	27,056	50
2022	3,752	7
2023	(13,026)	(24)
	<u>\$ 71,047</u>	<u>\$ 131</u>



**Actuarial Assumptions**

The total pension liability, measured as of June 30, 2018, was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Increases in pay	3.00% wage inflation component plus additional longevity and promotion component based on employee classification and years of service
Investment rate of return	7.0%, net of investment expense
Administrative expenses	Base of \$5.3 million for the FYE June 30, 2018 with 3.00% wage inflation increases annually
Basic COLA	The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Post-Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.60% per year for General Plans 5A, 5B, and 5C, and Safety Plans 4A, 4B, 4C, 6, and 8 (PEPRA); 1.9% per year for General Plans 7 and Plan 8 (PEPRA), and 0% per year for General Plan 2.
Post-Retirement mortality	<p><u>Healthy Lives:</u> Mortality rates for retirees, beneficiaries, terminated vested, and reciprocals are based on the sex distinct 2014 California Public Employees' Retirement System (CalPERS) Healthy Annuitant Mortality Tables adjusted by 0.95 for males and 0.90 for females, with Generational improvement using Projection Scale MP-2016 from a base year of 2009.</p> <p>Non-duty related mortality rates for active members are based on the sex distinct 2014 CalPERS Pre-retirement Non-Industrial Mortality Table, with no adjustment, with Generational improvement using Projection Scale MP-2016 from a base year of 2009. Safety members are also subject to the CalPERS Pre-retirement Industrial Mortality Table for duty-related deaths, with the same Generational improvements applied.</p> <p><u>Disabled Lives:</u> Mortality for disabled retirees are based on the CalPERS Industrial Disabled Annuitant Mortality, with no adjustment (Safety only), CalPERS Non-Industrial Disabled Annuitant Mortality, with no adjustment (General only), with Generational improvement using Projection Scale MP-2016 from a base</p>

The actuarial assumptions used in the June 30, 2017, updated to June 30, 2018 valuation, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2016. As a result of the June 30, 2016 actuarial experience study, a decrease in the discount rate, decreases in COLA and wage inflation assumptions, and revised mortality assumptions were utilized in the June 30, 2017 actuarial valuation to more closely reflect actual experience.

The long-term expected rate of return, measured as of June 30, 2018, on pension plan investments (7.0 percent) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad U.S. equity	19%	4.30%
Developed market non-U.S. equity	11%	5.50%
Emerging markets equity	7%	7.75%
Core fixed income	17%	1.00%
Custom non-core fixed income	11%	2.92%
Custom real return	15%	3.57%
Custom real estate	10%	4.71%
Private equity	10%	7.50%
Cash	0%	-0.25%
Total	100%	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the County and its discretely presented component unit’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate:

Proportionate share - Net pension liability	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County of Santa Barbara	\$ 1,314,171	\$ 800,865	\$ 382,150
First 5 Children and Families Commission	\$ 2,422	\$ 1,476	\$ 704

**Pension Fund Fiduciary Net Position**

Detailed information about the pension fund’s fiduciary net position is available in the separately issued SBCERS CAFR.

## 22. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### General Information about the OPEB Plan

#### **Plan Description**

The County's agent multiple-employer defined benefit postemployment healthcare plan (OPEB Plan) is administered by the Santa Barbara County Employees' Retirement System (SBCERS). The OPEB plan is funded by the County and other plan sponsors, and is administered in accordance with §401(h) of the Internal Revenue Code (IRC). It was established on September 16, 2008, by the County Board of Supervisors who created a 401(h) Medical Trust. Also in 2008, an application for determination and a voluntary compliance plan was submitted to the Internal Revenue Service (IRS), and in October 2013, the IRS acted favorably on the application. SBCERS and its plan sponsors currently operate under the Voluntary Compliance Plan Statement and regulations adopted in 2013.

Other employer OPEB plan sponsors include the Carpinteria-Summerland Fire Protection District, Goleta Cemetery District, Santa Maria Cemetery District, Carpinteria Cemetery District, Summerland Sanitary District, Santa Barbara County Air Pollution Control District, Santa Barbara County Association of Governments, and the Santa Barbara County Superior Court.

On June 26, 2012, the County closed the OPEB plan to new general employees, and on June 20, 2016, the OPEB plan was closed to new County Safety members.

SBCERS issues its own Comprehensive Annual Financial Report which includes note disclosures and required supplementary information for the OPEB Plan. This may be obtained by writing to the Santa Barbara County Employees' Retirement System at 3916 State St. Suite 210, Santa Barbara, CA 93105 or on the SBCERS website under the Comprehensive Annual Report Section <http://cosb.countyofsb.org/sbcers>.

#### **Benefits Provided**

The OPEB Plan offers healthcare, vision, and dental benefits to eligible County retirees and their dependents. Benefits are provided by third party providers. The County negotiates healthcare contracts with providers for both its active employees and the participating retired members of SBCERS. Retirees are offered the same health plans as active County employees, as well as enhanced senior plans for retirees on Medicare. Retiree premiums are rated separately from active County employees; as such, the County does not have a retiree premium implicit rate subsidy.

Retirees who elect to participate in a County-sponsored health insurance plan are eligible to receive an explicit subsidy for medical premiums funded by the County and other plan sponsors. The monthly subsidy is \$15 per year of service. If the monthly premium for the health plan selected is less than \$15 times the member's years of service, the subsidy is limited to the entire premium. The health plans include coverage for eligible spouses and dependents. After the member's death, a beneficiary is eligible to continue health plan coverage. The subsidy benefit will be equal to \$15 per year of service times the survivor continuation percentage applicable for pension benefits.

If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of \$187 per month or a subsidy of \$15 per month per year of service, whichever is greater. This subsidy is treated as a nontaxable amount to the disabled recipient.

Retirees who choose not to participate in the County-sponsored health insurance plan receive a monthly benefit of \$4 per year of service. This benefit, known as a Healthcare Reimbursement Arrangement, reimburses qualified health care expenses through a health savings account.

## 22. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### General Information about the OPEB Plan

#### **Plan Description**

The County's agent multiple-employer defined benefit postemployment healthcare plan (OPEB Plan) is administered by the Santa Barbara County Employees' Retirement System (SBCERS). The OPEB plan is funded by the County and other plan sponsors, and is administered in accordance with §401(h) of the Internal Revenue Code (IRC). It was established on September 16, 2008, by the County Board of Supervisors who created a 401(h) Medical Trust. Also in 2008, an application for determination and a voluntary compliance plan was submitted to the Internal Revenue Service (IRS), and in October 2013, the IRS acted favorably on the application. SBCERS and its plan sponsors currently operate under the Voluntary Compliance Plan Statement and regulations adopted in 2013.

Other employer OPEB plan sponsors include the Carpinteria-Summerland Fire Protection District, Goleta Cemetery District, Santa Maria Cemetery District, Carpinteria Cemetery District, Summerland Sanitary District, Santa Barbara County Air Pollution Control District, Santa Barbara County Association of Governments, and the Santa Barbara County Superior Court.

On June 26, 2012, the County closed the OPEB plan to new general employees, and on June 20, 2016, the OPEB plan was closed to new County Safety members.

SBCERS issues its own Comprehensive Annual Financial Report which includes note disclosures and required supplementary information for the OPEB Plan. This may be obtained by writing to the Santa Barbara County Employees' Retirement System at 3916 State St. Suite 210, Santa Barbara, CA 93105 or on the SBCERS website under the Comprehensive Annual Report Section <http://cosb.countyofsb.org/sbcers>.

#### **Benefits Provided**

The OPEB Plan offers healthcare, vision, and dental benefits to eligible County retirees and their dependents. Benefits are provided by third party providers. The County negotiates healthcare contracts with providers for both its active employees and the participating retired members of SBCERS. Retirees are offered the same health plans as active County employees, as well as enhanced senior plans for retirees on Medicare. Retiree premiums are rated separately from active County employees; as such, the County does not have a retiree premium implicit rate subsidy.

Retirees who elect to participate in a County-sponsored health insurance plan are eligible to receive an explicit subsidy for medical premiums funded by the County and other plan sponsors. The monthly subsidy is \$15 per year of service. If the monthly premium for the health plan selected is less than \$15 times the member's years of service, the subsidy is limited to the entire premium. The health plans include coverage for eligible spouses and dependents. After the member's death, a beneficiary is eligible to continue health plan coverage. The subsidy benefit will be equal to \$15 per year of service times the survivor continuation percentage applicable for pension benefits.

If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of \$187 per month or a subsidy of \$15 per month per year of service, whichever is greater. This subsidy is treated as a nontaxable amount to the disabled recipient.

Retirees who choose not to participate in the County-sponsored health insurance plan receive a monthly benefit of \$4 per year of service. This benefit, known as a Healthcare Reimbursement Arrangement, reimburses qualified health care expenses through a health savings account.

**Employees Covered By Benefit Terms**

At the OPEB liability measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2,583
Inactive employees entitled to but not yet receiving benefit payments	871
Active employees	4,001
	7,455
	7,455

**Contributions**

On March 1, 2016, the County adopted a resolution approving an OPEB (401(h) Account) Funding Policy. This policy provides for funding the OPEB Plan at 4% of Covered Payroll for the 401(a) Pension Plan (as opposed to the smaller covered payroll of the OPEB Plan). This funding policy went into effect on July 1, 2016. Employees are not required to contribute to the OPEB Plan.

**Net OPEB Liability**

At June 30, 2019, the County, including its discretely presented component unit, reported a net OPEB liability of \$116,463. The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, updated to June 30, 2018.

**Actuarial Assumptions**

The total OPEB liability measured as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3% plus an additional longevity and promotion increase compounded based on years of service
Investment rate of return	7.00%, net of investment expense
Healthcare cost trend rates	The Healthcare Cost Trend Rate is not applicable because the total cost of health benefits is not valued. Only the monthly benefit provided is valued using the assumption that no future increase will be granted to the amount.
Future retiree plan election	55% - monthly subsidy of \$15 per year of service; 45% - \$4 cash benefit option
Mortality rates	<p><u>Healthy Lives:</u> Mortality rates for retirees, beneficiaries, terminated vested, and reciprocals are based on the sex distinct CalPERS Healthy Annuitant Mortality Tables adjusted by 0.95 for males and 0.90 for females, with Generational improvement using Projection Scale MP-2016 from a base year of 2009. Non-duty related mortality rates for active members are based on the sex distinct CalPERS Preretirement Non-Industrial Mortality Table, with no adjustment, with Generational improvement using Projection Scale MP-2016 from a base year of 2009. Safety members are also subject to the CalPERS Preretirement Industrial Mortality Table for duty-related deaths, with the same Generational improvements applied.</p> <p><u>Disabled Lives:</u> Mortality rates for disabled retirees are based on CalPERS Industrial Disabled Annuitant Mortality, with no adjustment (Safety only), CalPERS Non-Industrial Disabled Annuitant Mortality, with no adjustment (General only), with Generational improvement using Projection Scale MP-2016 from a base year of 2009.</p>

The actuarial assumptions used in the valuation as of June 30, 2017, updated to June 30, 2018, were based on 1) the demographic assumptions determined in the actuarial experience study of July 1, 2013 – June 30, 2016 for the Pension Plan, 2) implementation of the OPEB Funding Policy, and 3) current experience for OPEB Plan election by retirees. As the benefit for the OPEB Plan is a fixed payment per year of service that is currently lower than the premiums paid for coverage, and is expected to remain so into the future, no age related costs are required to be developed.

The OPEB assets are invested in the same commingled vehicles as the pension plan, but with a more simple asset allocation. It is expected that as the OPEB assets continue to grow, the asset allocation will shift to be more like that of the pension plan. Therefore, in the long run, we expect the OPEB Plan to realize the same long-term rate of return as the pension plan. The long-term expected rate of return, measured as of June 30, 2018, on pension plan investments (7.0 %) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	60%	4.30%
Fixed income	40%	1.25%
Total	100%	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will continue based upon the current OPEB (401(h) Account) Funding Policy. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. fair value of OPEB Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2018 for the County and its discretely presented component unit’s proportionate share.

	Increase (Decrease)			Proportionate Share	
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	County of Santa Barbara	First 5 Children and Families Commission
	(a)	(b)	(a) - (b)	Net OPEB Liability	Net OPEB Liability
Balances at 6/30/2018	\$ 133,690	\$ 11,414	\$ 122,276	\$ 121,890	\$ 386
Changes for the year:					
Service cost	1,741	-	1,741	1,736	5
Interest	9,131	-	9,131	9,106	25
Differences between expected and actual experience	(3,456)	-	(3,456)	(3,447)	(9)
Contributions - employer	-	12,763	(12,763)	(12,728)	(35)
Net investment income	-	863	(863)	(861)	(2)
Benefit payments	(8,352)	(8,352)	-	-	-
Administrative expense	-	(397)	397	396	1
Allocation basis adjustment*	-	-	-	56	(56)
Net changes	(936)	4,877	(5,813)	(5,742)	(71)
Balances at 6/30/2019	\$ 132,754	\$ 16,291	\$ 116,463	\$ 116,148	\$ 315

\*The percentage allocation basis for the County and First 5's proportionate share change year-over-year. This adjustment corrects for the change in allocation basis percentage from FY 17-18 to FY 18-19.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the County and its discretely presented component unit as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current discount rate:

Proportionate share - Net OPEB liability	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County of Santa Barbara	\$ 130,803	\$ 116,148	\$ 103,796
First 5 Children and Families Commission	\$ 355	\$ 315	\$ 281

**OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB Plan’s fiduciary net position is available in the separately issued SBCERS financial report.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the County, including its discretely presented component unit, recognized OPEB expense of \$9,488. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2019, the County and its discretely presented component unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Proportionate Share			
	County of Santa Barbara		First 5 Children and Families Commission	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,586	\$ -	\$ 7
Net difference between projected and actual earnings on retirement plan investments	76	-	-	-
County contributions subsequent to the measurement date	13,558	-	37	-
	\$ 13,634	\$ 2,586	\$ 37	\$ 7

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Proportionate Share	
	County of Santa Barbara	First 5 Children and Families Commission
2020	\$ (842)	\$ (2)
2021	(842)	(2)
2022	(842)	(3)
2023	16	--
	\$ (2,510)	\$ (7)



## 23. DEFERRED COMPENSATION PLANS

### Santa Barbara County Supplemental Retirement Plan

The Santa Barbara County Supplemental Retirement Plan is an employer discretionary, defined contribution plan established and governed under Internal Revenue Code Section 401(a). Employer-only annual contributions are calculated based upon a percentage of employee compensation under annual agreements with employee bargaining groups and unions.

This plan is administered through a third-party administrator, Empower Retirement, and is available to all employee groups. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County’s financial statements.

The County’s actual contributions for the current year and the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Contributions</u>
6/30/2017	\$ 195
6/30/2018	193
6/30/2019	222

### County of Santa Barbara Employee Contribution Deferred Compensation Plan

The County offers to its employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to substantially all employees and allows participants to defer a portion of their current income until future years, up to a maximum of \$18,500 (in whole dollars) during 2018 (calendar year), and \$19,000 (in whole dollars) during 2019 (calendar year) so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

This plan is administered through a third-party administrator. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County’s financial statements.

### County of Santa Barbara Social Security Compliance Deferred Compensation Plan

The Social Security Compliance Deferred Compensation Plan is a supplemental retirement program utilized by the County in lieu of payments to Social Security (FICA), governed under Internal Revenue Code Sections 3121 and 457. Enrollment in this plan is mandatory for contract, extra-help, seasonal and temporary employees. Employees enrolled in the regular SBCERS pension plans are not eligible for this plan. Based upon the employee’s gross compensation, the employee’s deferral, on a before-tax basis, equals 6.0% and the County’s contribution equals 1.5% for a combined total of 7.5%.

This plan is administered through a third-party administrator and is available to all employee groups. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County’s financial statements.

The County’s actual contributions for the current year and the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Contributions</u>
6/30/2017	\$ 165
6/30/2018	156
6/30/2019	154

## 24. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$494 was made to increase the governmental funds beginning fund balance and governmental activities beginning net position. The prior period adjustment is the result of timing related to the receipt of anticipated revenue and recognition of a deferred inflow of resources in the governmental funds balance sheet.

The restatement of beginning net position of the governmental activities is summarized as follows:

Governmental Activities	
Net position at July 1, 2018, as previously stated	\$ 400,644
Fire prior period adjustment	494
Net position at July 1, 2018, as restated	<u>\$ 401,138</u>

The restatement of beginning fund balance of the governmental funds is summarized as follows:

Governmental Funds	
Fund Balance at July 1, 2018, as previously stated	\$ 336,627
Fire prior period adjustment	494
Fund Balance at July 1, 2018, as restated	<u>\$ 337,121</u>

---

# Required Supplementary Information

---

**Santa Barbara County Employees' Retirement System - Schedule of the County's Proportionate Share of the Net Pension Liability**

Last 10 Fiscal Years\*

	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
County's proportion of the net pension liability	92.8477%	93.1085%	92.7824%	92.8017%	92.6470%	92.3325%
County's proportionate share of the net pension liability	\$ 802,341	\$ 875,937	\$ 780,034	\$ 675,252	\$ 565,460	\$ 721,772
County's covered payroll	\$ 319,452	\$ 316,948	\$ 304,480	\$ 295,365	\$ 283,430	\$ 277,298
County's proportionate share of the net pension liability as a percentage of its covered payroll	251.20%	276.40%	256.20%	228.60%	199.50%	260.30%
Plan fiduciary net position as a percentage of the total pension liability	77.60%	74.90%	75.20%	77.70%	80.46%	73.66%
Measurement date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

\*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

**Santa Barbara County Employees' Retirement System - Schedule of the County's Contributions**

Last 10 Fiscal Years<sup>1</sup>

	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Actuarially determined contribution	\$ 132,574	\$ 122,369	\$ 113,544	\$ 113,889	\$ 114,714	\$ 110,461
Contributions in relation to the actuarially determined contribution	132,574	122,369	113,544	114,197	114,946	110,756
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (308)	\$ (232)	\$ (295)
County's covered payroll	\$ 340,995	\$ 319,452	\$ 316,948	\$ 304,480	\$ 295,365	\$ 283,430
Contributions as a percentage of covered payroll	38.88%	38.31%	35.82%	37.51%	38.92%	39.08%
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

(1) Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

The information presented above relates solely to the County and its discretely presented component unit and not Santa Barbara County Employees' Retirement System as a whole.

The Notes to Required Supplementary Information (RSI) are integral to the above schedules.

### Other Postemployment Benefits (OPEB) Plan - Schedule of Changes in the County's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years\*

	FY 2019	FY 2018
Total OPEB liability		
Service cost	\$ 1,741	\$ 1,856
Interest	9,131	8,962
Changes of benefit terms	-	-
Differences between expected and actual experience	(3,456)	-
Changes of assumptions	-	-
Benefit payments	(8,352)	(8,342)
Net change in total OPEB liability	(936)	2,476
Total OPEB liability - beginning	133,690	131,214
Total OPEB liability - ending (a)	<u>\$ 132,754</u>	<u>\$ 133,690</u>
Plan fiduciary net position		
Contributions - employer	\$ 12,763	\$ 12,642
Net investment income	863	589
Benefit payments	(8,352)	(8,342)
Administrative expense	(397)	(352)
Net change in plan fiduciary net position	4,877	4,537
Plan fiduciary net position - beginning	11,414	6,877
Plan fiduciary net position - ending (b)	<u>\$ 16,291</u>	<u>\$ 11,414</u>
County's net OPEB liability - ending (a) - (b)	<u>\$ 116,463</u>	<u>\$ 122,276</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12.27%	8.54%
Covered payroll	\$ 319,452	\$ 316,948
County's net OPEB liability as a percentage of covered payroll	36.46%	38.58%
Measurement date	6/30/2018	6/30/2017

\*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

The information presented above relates solely to the County and its discretely presented component unit and not Santa Barbara County Employees' Retirement System as a whole.

The Notes to RSI are integral to the above schedules.



# **Governmental Funds – General and Major Special Revenue**





COUNTY OF SANTA BARBARA, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 240,988	\$ 241,696	\$ 244,812	\$ 3,116
Licenses, permits, and franchises	18,685	18,709	16,515	(2,194)
Fines, forfeitures, and penalties	5,080	5,776	5,508	(268)
Use of money and property	2,006	2,837	5,954	3,117
Intergovernmental	88,039	107,401	103,059	(4,342)
Charges for services	75,302	77,195	73,234	(3,961)
Other	2,685	3,425	4,608	1,183
Total revenues	<u>432,785</u>	<u>457,039</u>	<u>453,690</u>	<u>(3,349)</u>
<b>Expenditures</b>				
Current:				
Policy & executive	19,916	22,980	21,707	1,273
Public safety	240,647	242,181	233,223	8,958
Health & public assistance	12,067	12,143	11,365	778
Community resources & public facilities	55,695	56,958	49,128	7,830
General government & support services	59,474	60,141	53,495	6,646
General county programs	1,732	824	316	508
Total expenditures	<u>389,531</u>	<u>395,227</u>	<u>369,234</u>	<u>25,993</u>
Excess of revenues over expenditures	<u>43,254</u>	<u>61,812</u>	<u>84,456</u>	<u>22,644</u>
<b>Other financing sources (uses)</b>				
Transfers in	5,837	6,493	5,920	(573)
Transfers out	(44,402)	(47,876)	(44,076)	3,800
Proceeds from sale of capital assets	8	8	27	19
Total other financing uses, net	<u>(38,557)</u>	<u>(41,375)</u>	<u>(38,129)</u>	<u>3,246</u>
Net change in fund balances	4,697	20,437	46,327	25,890
Fund balances - beginning	129,875	129,875	129,875	--
Fund balances - ending	<u>\$ 134,572</u>	<u>\$ 150,312</u>	<u>\$ 176,202</u>	<u>\$ 25,890</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
ROADS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,230	\$ 7,230	\$ 7,976	\$ 746
Licenses, permits, and franchises	332	332	492	160
Use of money and property	98	179	619	440
Intergovernmental	32,115	32,600	26,602	(5,998)
Charges for services	7,086	7,336	5,535	(1,801)
Other	103	103	155	52
Total revenues	<u>46,964</u>	<u>47,780</u>	<u>41,379</u>	<u>(6,401)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	54,318	55,534	40,568	14,966
Total expenditures	<u>54,318</u>	<u>55,534</u>	<u>40,568</u>	<u>14,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,354)</u>	<u>(7,754)</u>	<u>811</u>	<u>8,565</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,576	9,069	8,059	(1,010)
Transfers out	(2,549)	(3,852)	(2,855)	997
Proceeds from sale of capital assets	20	20	61	41
Total other financing sources, net	<u>5,047</u>	<u>5,237</u>	<u>5,265</u>	<u>28</u>
Net change in fund balances	(2,307)	(2,517)	6,076	8,593
Fund balances - beginning	18,492	18,492	18,492	--
Fund balances - ending	<u>\$ 16,185</u>	<u>\$ 15,975</u>	<u>\$ 24,568</u>	<u>\$ 8,593</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 41,379
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(4,244)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 37,135</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 40,568
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(4,244)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 36,324</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 5,265
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(2,846)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	2,846
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 5,265</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 PUBLIC HEALTH SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 56	\$ 56	\$ 62	\$ 6
Fines, forfeitures, and penalties	404	475	460	(15)
Use of money and property	235	472	608	136
Intergovernmental	20,107	20,990	21,252	262
Charges for services	46,504	46,526	46,066	(460)
Other	3,870	4,461	4,555	94
Total revenues	<u>71,176</u>	<u>72,980</u>	<u>73,003</u>	<u>23</u>
<b>Expenditures</b>				
Current:				
Health & public assistance	<u>78,762</u>	<u>79,607</u>	<u>77,349</u>	<u>2,258</u>
Total expenditures	<u>78,762</u>	<u>79,607</u>	<u>77,349</u>	<u>2,258</u>
Deficiency of revenues under expenditures	<u>(7,586)</u>	<u>(6,627)</u>	<u>(4,346)</u>	<u>2,281</u>
<b>Other financing sources (uses)</b>				
Transfers in	10,119	10,119	9,175	(944)
Transfers out	<u>(6,062)</u>	<u>(5,767)</u>	<u>(4,054)</u>	<u>1,713</u>
Total other financing sources, net	<u>4,057</u>	<u>4,352</u>	<u>5,121</u>	<u>769</u>
Net change in fund balances	(3,529)	(2,275)	775	3,050
Fund balances - beginning	25,778	25,778	25,778	--
Fund balances - ending	<u>\$ 22,249</u>	<u>\$ 23,503</u>	<u>\$ 26,553</u>	<u>\$ 3,050</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 73,003
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(17)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 72,986</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 77,349
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(17)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 77,332</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 5,121
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(1,875)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	1,875
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 5,121</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 SOCIAL SERVICES SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 66	\$ 66	\$ 82	\$ 16
Fines, forfeitures, and penalties	13	13	13	--
Use of money and property	297	328	331	3
Intergovernmental	150,271	153,332	143,628	(9,704)
Charges for services	11	41	61	20
Other	500	500	880	380
Total revenues	<u>151,158</u>	<u>154,280</u>	<u>144,995</u>	<u>(9,285)</u>
<b>Expenditures</b>				
Current:				
Health & public assistance	<u>163,804</u>	<u>165,138</u>	<u>151,762</u>	<u>13,376</u>
Total expenditures	<u>163,804</u>	<u>165,138</u>	<u>151,762</u>	<u>13,376</u>
Deficiency of revenues under expenditures	<u>(12,646)</u>	<u>(10,858)</u>	<u>(6,767)</u>	<u>4,091</u>
<b>Other financing sources (uses)</b>				
Transfers in	8,720	8,690	8,690	--
Transfers out	<u>(92)</u>	<u>(343)</u>	<u>(86)</u>	<u>257</u>
Total other financing sources, net	<u>8,628</u>	<u>8,347</u>	<u>8,604</u>	<u>257</u>
Net change in fund balances	(4,018)	(2,511)	1,837	4,348
Fund balances - beginning	5,428	5,428	5,428	--
Fund balances - ending	<u>\$ 1,410</u>	<u>\$ 2,917</u>	<u>\$ 7,265</u>	<u>\$ 4,348</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 BEHAVIORAL WELLNESS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 24	\$ 44	\$ 39	\$ (5)
Use of money and property	232	254	318	64
Intergovernmental	54,616	57,704	56,036	(1,668)
Charges for services	61,821	62,516	56,538	(5,978)
Other	103	2,648	2,639	(9)
Total revenues	<u>116,796</u>	<u>123,166</u>	<u>115,570</u>	<u>(7,596)</u>
<b>Expenditures</b>				
Current:				
Health & public assistance	<u>126,118</u>	<u>125,809</u>	<u>114,029</u>	<u>11,780</u>
Total expenditures	<u>126,118</u>	<u>125,809</u>	<u>114,029</u>	<u>11,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,322)</u>	<u>(2,643)</u>	<u>1,541</u>	<u>4,184</u>
<b>Other financing sources (uses)</b>				
Transfers in	9,346	9,525	8,280	(1,245)
Transfers out	<u>(3,986)</u>	<u>(3,994)</u>	<u>(3,958)</u>	<u>36</u>
Total other financing sources, net	<u>5,360</u>	<u>5,531</u>	<u>4,322</u>	<u>(1,209)</u>
Net change in fund balances	(3,962)	2,888	5,863	2,975
Fund balances - beginning	<u>11,276</u>	<u>11,276</u>	<u>11,276</u>	<u>--</u>
Fund balances - ending	<u>\$ 7,314</u>	<u>\$ 14,164</u>	<u>\$ 17,139</u>	<u>\$ 2,975</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 115,570
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(11,647)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 103,923</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 114,029
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(11,647)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 102,382</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 4,322
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>(2,353)</u>
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	<u>2,353</u>
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 4,322</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 FLOOD CONTROL DISTRICT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 11,259	\$ 11,259	\$ 11,737	\$ 478
Licenses, permits, and franchises	--	--	74	74
Use of money and property	430	653	1,902	1,249
Intergovernmental	5,078	5,078	8,452	3,374
Charges for services	3,923	3,923	3,820	(103)
Other	2	2	571	569
Total revenues	<u>20,692</u>	<u>20,915</u>	<u>26,556</u>	<u>5,641</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	<u>29,424</u>	<u>35,606</u>	<u>28,106</u>	<u>7,500</u>
Total expenditures	<u>29,424</u>	<u>35,606</u>	<u>28,106</u>	<u>7,500</u>
Deficiency of revenues under expenditures	<u>(8,732)</u>	<u>(14,691)</u>	<u>(1,550)</u>	<u>13,141</u>
<b>Other financing sources (uses)</b>				
Transfers in	641	1,610	989	(621)
Transfers out	(620)	(1,482)	(877)	605
Proceeds from sale of capital assets	20	20	--	(20)
Total other financing sources, net	<u>41</u>	<u>148</u>	<u>112</u>	<u>(36)</u>
Net change in fund balances	(8,691)	(14,543)	(1,438)	13,105
Fund balances - beginning	64,655	64,655	64,655	--
Fund balances - ending	<u>\$ 55,964</u>	<u>\$ 50,112</u>	<u>\$ 63,217</u>	<u>\$ 13,105</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds are different because:

Actual amounts (budgetary basis) Total Revenues from the budgetary comparison schedule	\$ 26,556
Revenues resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(4,030)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 22,526</u>
Actual amounts (budgetary basis) Total Expenditures from the budgetary comparison schedule	\$ 28,106
Expenditures resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(4,030)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,076</u>
Actual amounts (budgetary basis) Total Other Financing Sources, Net	\$ 112
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(832)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	832
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 112</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 AFFORDABLE HOUSING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ --	\$ --	\$ 1	\$ 1
Use of money and property	42	99	331	232
Intergovernmental	3,588	15,786	4,874	(10,912)
Charges for services	50	50	53	3
Other	2,488	2,988	1,506	(1,482)
Total revenues	<u>6,168</u>	<u>18,923</u>	<u>6,765</u>	<u>(12,158)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	<u>7,394</u>	<u>9,794</u>	<u>7,503</u>	<u>2,291</u>
Total expenditures	<u>7,394</u>	<u>9,794</u>	<u>7,503</u>	<u>2,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,226)</u>	<u>9,129</u>	<u>(738)</u>	<u>(9,867)</u>
<b>Other financing uses</b>				
Transfers out	<u>(883)</u>	<u>(2,045)</u>	<u>(1,401)</u>	<u>644</u>
Total other financing uses, net	<u>(883)</u>	<u>(2,045)</u>	<u>(1,401)</u>	<u>644</u>
Net change in fund balances	(2,109)	7,084	(2,139)	(9,223)
Fund balances - beginning	8,023	8,023	8,023	--
Fund balances - ending	<u>\$ 5,914</u>	<u>\$ 15,107</u>	<u>\$ 5,884</u>	<u>\$ (9,223)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 55,442	\$ 55,442	\$ 55,024	\$ (418)
Licenses, permits, and franchises	20	20	22	2
Use of money and property	--	339	374	35
Intergovernmental	1,003	1,003	1,755	752
Charges for services	24,479	24,643	27,010	2,367
Other	267	411	224	(187)
Total revenues	<u>81,211</u>	<u>81,858</u>	<u>84,409</u>	<u>2,551</u>
<b>Expenditures</b>				
Current:				
Public safety	80,912	84,844	80,736	4,108
Total expenditures	<u>80,912</u>	<u>84,844</u>	<u>80,736</u>	<u>4,108</u>
Excess (deficiency) of revenues over (under) expenditures	<u>299</u>	<u>(2,986)</u>	<u>3,673</u>	<u>6,659</u>
<b>Other financing sources (uses)</b>				
Transfers in	213	285	285	--
Transfers out	(8,912)	(9,167)	(2,857)	6,310
Proceeds from sale of capital assets	--	--	75	75
Total other financing uses, net	<u>(8,699)</u>	<u>(8,882)</u>	<u>(2,497)</u>	<u>6,385</u>
Net change in fund balances	(8,400)	(11,868)	1,176	13,044
Fund balances - beginning	25,748	25,748	25,748	--
Prior period adjustment (Note 24)	494	494	494	--
Fund balances, beginning, as restated	<u>26,242</u>	<u>26,242</u>	<u>26,242</u>	<u>--</u>
Fund balances - ending	<u>\$ 17,842</u>	<u>\$ 14,374</u>	<u>\$ 27,418</u>	<u>\$ 13,044</u>



## Notes to Required Supplementary Information

### **Other Postemployment Benefits (OPEB) Plan**

Beginning in FY 2014, the County adopted an OPEB funding rate based upon pensionable payroll. The funding rates were 3.5% for FY 2015 and 3.75% for FY 2016. Effective July 1, 2016, the County OPEB (401(h) Account) Funding Policy adopted an ongoing rate of 4% of covered payroll for the 401(a) Pension Plan.

### **Budgetary Compliance**

The County is legally required to adopt an annual budget and adhere to the provisions of the California Government Code (Sections 29000 – 29144 and 30200), commonly known as the County Budget Act. Budgets are adopted for the general, special revenue, debt service and capital projects funds. Budgets are prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The Board of Supervisors (Board) annually conducts a public hearing for the discussion of a recommended budget. At the conclusion of the hearings, statutorily no later than October 2, the Board adopts the final budget including revisions by resolution. However, it has been the County's practice to adopt the budget prior to the start of the fiscal year. The Board also adopts subsequent revisions that occur throughout the year. All annual appropriations lapse at fiscal year-end.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is maintained at the fund, department, and object level with more stringent control over capital assets, and fund balance accounts which are controlled at the line item level. Except for payroll, the County's financial system does not process payments and disbursements when over-expenditure of object levels would result. For capital asset and fund balance transactions, payments are not processed if over-expenditure at the line item would result. Presentation of the basic financial statements at the legal level is not feasible due to excessive length; therefore, the budget and actual statements have been aggregated by function. The County prepares a separate Final Budget document that demonstrates legal compliance with budgetary control. This document is made available to the public on the County's website <http://www.countyofsb.org/auditor>, or can be obtained from the Auditor-Controller's office.

For the year ended June 30, 2019, no instances existed in which expenditures exceeded appropriations.

The Board must approve amendments or transfers of appropriations between funds or departments, as well as items related to capital assets, and fund balance accounts. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. Finally, the Chief Executive Officer (CEO) approves amendments or transfers of appropriations between object levels within the same department, unless related to capital assets or fund balance in which case Board approval is required. Any deficiency caused by expenditures and other financing uses being greater than revenues and other financing sources is financed by beginning available fund balances as provided for in the County Budget Act.



---

# Other Supplementary Information

---



## **Other Major Governmental Fund**

COUNTY OF SANTA BARBARA, CALIFORNIA  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 5	\$ 88	\$ 189	\$ 101
Intergovernmental	24,004	25,060	20,729	(4,331)
Charges for services	61	1,913	451	(1,462)
Other	136	1,561	1,442	(119)
Total revenues	<u>24,206</u>	<u>28,622</u>	<u>22,811</u>	<u>(5,811)</u>
<b>Expenditures</b>				
Capital outlay	48,125	55,756	35,416	20,340
Total expenditures	<u>48,125</u>	<u>55,756</u>	<u>35,416</u>	<u>20,340</u>
Deficiency of revenues under expenditures	<u>(23,919)</u>	<u>(27,134)</u>	<u>(12,605)</u>	<u>14,529</u>
<b>Other financing sources (uses)</b>				
Transfers in	11,551	13,434	3,528	(9,906)
Transfers out	--	(885)	(584)	301
Total other financing sources, net	<u>11,551</u>	<u>12,549</u>	<u>2,944</u>	<u>(9,605)</u>
Net change in fund balances	(12,368)	(14,585)	(9,661)	4,924
Fund balances - beginning	21,274	21,274	21,274	--
Fund balances - ending	<u>\$ 8,906</u>	<u>\$ 6,689</u>	<u>\$ 11,613</u>	<u>\$ 4,924</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds are different because:

Actual amounts (budgetary basis) Total other financing sources, net	\$ 2,944
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(249)
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	249
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 2,944</u>

# Nonmajor Governmental Funds

Nonmajor governmental funds are funds that do not meet the definition of a major fund, as described in the glossary. The following funds are presented as nonmajor funds in the CAFR:

## SPECIAL REVENUE FUNDS

Special Revenue Funds are established to finance particular governmental activities and are financed by specific taxes or other revenues. Such funds are authorized by statutory provisions to pay for certain activities of a continuing nature. Included in the Special Revenue classification are the following funds:

### Fish and Game

The Fish and Game Fund is used to account for fines and forfeitures received under Section 13003 of the State of California Fish and Game Code and for other revenues and expenditures for the propagation and conservation of fish and game. The Board of Supervisors authorizes expenditures on advice of the Fish and Game Commission.

### Petroleum

The Petroleum Fund, established pursuant to Chapter 25 of the County Code, is used to account for the revenues and expenditures associated with administering the Petroleum Ordinance. The Petroleum Ordinance regulates the issuing of oil well drilling permits. It also regulates drilling, operating and abandoning petroleum wells, pipelines, tanks and associated petroleum equipment for prevention of erosion, pollution and fire hazards and for safety controls.

### Public and Educational Access

The fund for Public and Educational Access was established in December 2001 by the Board of Supervisors to receive grant revenue from the local cable television franchisee. The primary objectives and purposes of the fund are the support of education and public information through programs aimed at expanding public access and educational access to telecommunication services.

### Special Aviation

The Special Aviation Fund is used to account for activity related to the Santa Ynez Airport. It is funded primarily by state and federal grants for airport improvements.

### In-Home Supportive Services (IHSS) Public Authority

The In-Home Supportive Services Public Authority Fund was established by the Board of Supervisors to act as the employer of record for IHSS individual providers. As an administrative unit, it carries out functions prescribed in Welfare & Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers.

### Child Support Services

AB 196, AB 150, and SB 542 established the Child Support Services Fund during FY 00-01 to provide separate fund accountability as required. These legislative bills mandated that all Family Support Divisions located in the District Attorney's Offices become separate and independent departments. Child Support Services establishes paternity, obtains and enforces court orders for child support, collects and distributes payments, and provides community outreach about those services for the benefit of minor children.

### Fishermen Assistance

This column combines the following individual County funds:

#### ***Fisheries Enhancement***

The Fisheries Enhancement Fund (FEF) was established to mitigate impacts to the commercial fishing industry from offshore oil and gas development. Impact fees paid by offshore energy producers, pursuant to permit conditions, supports the FEF. In early 1993, the Planning Commission approved a supplemental needs assessment that, pursuant to Board of Supervisors adopted FEF Guidelines, recommends specific projects to be pursued for FEF awards.



### ***Local Fishermen's Contingency***

The Local Fishermen's Contingency Fund is financed by County permit conditions placed upon energy projects to mitigate impacts to the commercial fishing industry. The intent of the fund is to provide an interest-free loan program to fishermen awaiting payment of claims from the Federal Fishermen's Contingency Fund. The claims are for damage or loss resulting from outer continental shelf development or production, and to reimburse fishermen for damage or loss of gear, not covered under the federal fund, which occurs in state waters because of federal or state oil and gas development, or because of oil production activities such as transport.

### **Coastal Resources Enhancement**

The Coastal Resources Enhancement Fund was established on May 10, 1988 to account for revenues received from offshore oil and gas projects pursuant to permit conditions, and expanded by the Board of Supervisors to projects that mitigate impacts to coastal recreation, aesthetics, tourism, and/or sensitive environmental resources.

### **Court Activities**

AB 2544 in FY 94-95 established the Court Activities Fund to account for the state's portion of Trial Court Funding. AB 233, adopted in FY 97-98, transferred state funding out of the County entity. This fund represents the portion of Trial Court Operations under the County's control.

### **Criminal Justice Construction**

The Criminal Justice Construction Fund was established to account for state authorized surcharges on criminal fines, which are statutorily designated for the establishment of adequate criminal justice facilities in the County.

### **Courthouse Construction**

The Courthouse Construction Fund was established to account for state authorized surcharges on fines for non-parking and other criminal cases, which are statutorily designated for renovation and/or construction of courtroom facilities.

### **Inmate Welfare**

The Inmate Welfare Fund was established pursuant to Penal Code Section 4025 to account for profits from the County jail store and any money attributable to the use of pay telephones. The funds are expended primarily for the benefit, education, and welfare of the inmates confined within the jail.

## **SPECIAL DISTRICTS UNDER THE BOARD OF SUPERVISORS**

Separate special districts have been established for the purpose of providing specific services to distinct geographical areas within the County. Those special districts that are under the jurisdiction of the Board of Supervisors are included within the Special Revenue Fund classification. These are financed principally from property taxes and benefit assessments, and are comprised of the following:

### **County Service Areas (CSAs)**

This column combines the following individual County funds:

#### ***County Service Area #3***

This service area serves part of the Goleta Valley, providing extended park and open space acquisition and maintenance, enhanced library services and street lighting. It provides 1,430 streetlights and maintains approximately 535 acres of open space and 148 acres of parks. This fund also made payments for the Goleta Valley Community Center and the Santa Barbara Shores property prior to the transfer of these assets to the City of Goleta.

#### ***County Service Area #4***

This service area is located north of the City of Lompoc and serves the communities of Mission Hills and Vandenberg Village. It maintains approximately 52 acres of open space.

**County Service Area #5**

This service area serves the Orcutt area south of Santa Maria, providing extended park and open space activities. Extending from Waller Park, to just south of Rice Ranch Road, CSA #5 encompasses approximately 68 acres of parkland (Waller Park) and 11 acres of open space.

**County Service Area #11**

This service area embraces the unincorporated urbanized area of Carpinteria Valley and Summerland. The service area provides the community with parks and 77 streetlights.

**County Service Area #12 – Mission Canyon Sewer Service Charge**

This service area was established for the purpose of assessing property owners for the ongoing maintenance of the sewer system and septic tank inspection services for those properties in the prohibition area, but not on public sewers. A separate assessment is charged to properties remaining on septic systems in order to provide septic performance tracking.

**County Service Area #31**

This service area embraces the unincorporated community of Isla Vista, located west of the University of California at Santa Barbara, and provides 277 streetlights; installation, maintenance and repair of sidewalks, curbs and gutters and planting, along with maintenance and care of street trees.

**County Service Area #41**

This service area was established to assess property owners of the Rancho Santa Rita Subdivision, located outside the City of Lompoc, for road repairs, maintenance and improvements.

**Community Facilities Districts (CFDs)**

This column combines the following individual County funds:

***Orcutt Community Facilities District***

In October 2002, qualified landowners approved the formation of a CFD within the Orcutt Planning Area, located south of the City of Santa Maria. The CFD levied a special tax that may be used to finance infrastructure construction, fire and sheriff protection services, maintenance of parks, parkways and open space, and flood and storm protection services.

***Providence Landing Community Facilities District***

This Mello-Roos district encompasses the Providence Landing subdivision in South Vandenberg Village and provides funding for the maintenance of a public park.

**Lighting Districts**

This column combines the following individual County funds:

***Mission Lighting District***

This district provides 19 streetlights in the unincorporated area of Mission Canyon, located east of the City of Santa Barbara, and is financed by property taxes and benefit assessments.

***North County Lighting District***

Casmalia, Los Alamos, and Orcutt Lighting Districts and the lighting function of CSA #4 and CSA #5 were consolidated in FY 94-95 to form the North County Lighting District which provides 2,764 streetlights in the North County. This district is financed by property taxes and benefit assessments.

**Sandyland Seawall Maintenance District**

This district provides for the maintenance of a seawall constructed in the Sandyland Cove area, and is financed through benefit assessments levied against those properties adjacent to that beachfront area.

### Water Agency

This agency prepares investigations and reports on the County's water requirements, project development, and efficient use of water. The agency provides technical assistance to other County departments, water districts, and the public concerning water availability and water well locations and design. The agency also administers the Cachuma Project and Twitchell Dam Project contracts with the U.S. Bureau of Reclamation. It is funded primarily by state grants and property tax revenue.

## **DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt.

### Santa Barbara County Finance Corporation

The Santa Barbara County Finance Corporation Debt Service Fund accounts for the accumulation of resources for, and payment of, principal and interest incurred from the sale of Certificates of Participation and other municipal debt that is issued to finance various County capital projects.

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2019 (in thousands)

	Special Revenue						
	Fish and Game	Petroleum	Public and Educational Access	Special Aviation	IHSS Public Authority	Child Support Services	Fishermen Assistance
<b>Assets</b>							
Assets:							
Cash and investments	\$ 77	\$ 288	\$ 1,046	\$ 160	\$ 134	\$ 384	\$ 419
Accounts receivable, net:							
Fines, forfeitures, and penalties	--	--	--	--	--	--	--
Use of money and property	--	2	5	1	(2)	6	2
Intergovernmental	--	--	--	12	1,837	305	--
Charges for services	--	--	--	--	--	95	--
Due from other funds	--	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--	--
Restricted cash and investments	--	--	--	--	--	--	--
Total assets	<u>\$ 77</u>	<u>\$ 290</u>	<u>\$ 1,051</u>	<u>\$ 173</u>	<u>\$ 1,969</u>	<u>\$ 790</u>	<u>\$ 421</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable	\$ --	\$ 1	\$ --	\$ --	\$ 67	\$ 33	\$ --
Salaries and benefits payable	--	12	--	--	--	288	--
Other payables	--	--	--	38	--	--	--
Due to other funds	--	--	--	--	1,240	--	--
Customer deposits payable	--	--	--	--	--	--	--
Total liabilities	<u>--</u>	<u>13</u>	<u>--</u>	<u>38</u>	<u>1,307</u>	<u>321</u>	<u>--</u>
Fund balances:							
Restricted	77	277	1,051	135	107	469	421
Committed	--	--	--	--	555	--	--
Total fund balances	<u>77</u>	<u>277</u>	<u>1,051</u>	<u>135</u>	<u>662</u>	<u>469</u>	<u>421</u>
Total liabilities and fund balances	<u>\$ 77</u>	<u>\$ 290</u>	<u>\$ 1,051</u>	<u>\$ 173</u>	<u>\$ 1,969</u>	<u>\$ 790</u>	<u>\$ 421</u>

Special Revenue							
Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	County Service Areas	Community Facilities Districts	
\$ 2,431	\$ 237	\$ --	\$ 3,187	\$ 2,988	\$ 4,488	\$ 930	<b>Assets</b>
							Assets:
							Cash and investments
							Accounts receivable, net:
							Fines, forfeitures, and penalties
							Use of money and property
							Intergovernmental
							Charges for services
							Due from other funds
							Other receivables
							Restricted cash and investments
\$ 2,443	\$ 769	\$ 569	\$ 3,275	\$ 3,002	\$ 4,521	\$ 935	Total assets
							<b>Liabilities and fund balances</b>
							Liabilities:
							Accounts payable
							Salaries and benefits payable
							Other payables
							Due to other funds
							Customer deposits payable
							Total liabilities
							Fund balances:
							Restricted
							Committed
							Total fund balances
\$ 2,443	\$ 769	\$ 569	\$ 3,275	\$ 3,002	\$ 4,521	\$ 935	Total liabilities and fund balances

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2019 (in thousands)

	Special Revenue			Special Revenue Total	Debt Service	Total Nonmajor Governmental Funds
	Lighting Districts	Sandyland Seawall Maintenance District	Water Agency		Santa Barbara County Finance Corporation	
<b>Assets</b>						
Assets:						
Cash and investments	\$ 455	\$ 762	\$ 10,694	\$ 28,680	\$ 117	\$ 28,797
Accounts receivable, net:						
Fines, forfeitures, and penalties	--	--	--	290	--	290
Use of money and property	2	4	53	133	1	134
Intergovernmental	--	--	150	2,304	--	2,304
Charges for services	--	--	4	344	--	344
Due from other funds	--	--	--	649	--	649
Other receivables	4	--	42	55	--	55
Restricted cash and investments	--	--	9	9	1,196	1,205
Total assets	<u>\$ 461</u>	<u>\$ 766</u>	<u>\$ 10,952</u>	<u>\$ 32,464</u>	<u>\$ 1,314</u>	<u>\$ 33,778</u>
<b>Liabilities and fund balances</b>						
Liabilities:						
Accounts payable	\$ 38	\$ --	\$ 121	\$ 797	\$ --	\$ 797
Salaries and benefits payable	--	--	42	363	--	363
Other payables	--	--	--	38	--	38
Due to other funds	--	--	--	2,061	--	2,061
Customer deposits payable	--	--	9	9	--	9
Total liabilities	<u>38</u>	<u>--</u>	<u>172</u>	<u>3,268</u>	<u>--</u>	<u>3,268</u>
Fund balances:						
Restricted	423	766	10,241	28,031	1,314	29,345
Committed	--	--	539	1,165	--	1,165
Total fund balances	<u>423</u>	<u>766</u>	<u>10,780</u>	<u>29,196</u>	<u>1,314</u>	<u>30,510</u>
Total liabilities and fund balances	<u>\$ 461</u>	<u>\$ 766</u>	<u>\$ 10,952</u>	<u>\$ 32,464</u>	<u>\$ 1,314</u>	<u>\$ 33,778</u>



COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Special Revenue						
	Fish and Game	Petroleum	Public and Educational Access	Special Aviation	IHSS Public Authority	Child Support Services	Fishermen Assistance
<b>Revenues</b>							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses, permits, and franchises	--	13	--	--	--	--	--
Fines, forfeitures, and penalties	8	79	--	--	--	--	--
Use of money and property	2	8	30	2	2	26	12
Intergovernmental	--	--	--	110	8,441	9,396	--
Charges for services	--	421	--	--	--	--	--
Other	--	--	--	--	--	7	11
Total revenues	<u>10</u>	<u>521</u>	<u>30</u>	<u>112</u>	<u>8,443</u>	<u>9,429</u>	<u>23</u>
<b>Expenditures</b>							
Current:							
Public safety	--	--	--	--	--	--	--
Health & public assistance	--	--	--	--	9,147	9,357	--
Community resources & public facilities	12	543	--	--	--	--	18
General government & support services	--	--	--	145	--	--	--
General county programs	--	--	--	--	--	--	--
Debt service:							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total expenditures	<u>12</u>	<u>543</u>	<u>--</u>	<u>145</u>	<u>9,147</u>	<u>9,357</u>	<u>18</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2)</u>	<u>(22)</u>	<u>30</u>	<u>(33)</u>	<u>(704)</u>	<u>72</u>	<u>5</u>
<b>Other financing sources (uses)</b>							
Transfers in	--	--	--	--	704	--	--
Transfers out	--	--	--	--	--	(75)	--
Proceeds from sale of capital assets	--	--	--	--	--	3	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>704</u>	<u>(72)</u>	<u>--</u>
Net change in fund balances	<u>(2)</u>	<u>(22)</u>	<u>30</u>	<u>(33)</u>	<u>--</u>	<u>--</u>	<u>5</u>
Fund balances - beginning	79	299	1,021	168	662	469	416
Fund balances - ending	<u>\$ 77</u>	<u>\$ 277</u>	<u>\$ 1,051</u>	<u>\$ 135</u>	<u>\$ 662</u>	<u>\$ 469</u>	<u>\$ 421</u>



Special Revenue							
Coastal Resources Enhancement	Court Activities	Criminal Justice Construction	Courthouse Construction	Inmate Welfare	County Service Areas	Community Facilities Districts	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,483	\$ 738	<b>Revenues</b>
--	--	--	--	--	--	--	Taxes
--	1,412	681	684	--	--	--	Licenses, permits, and franchises
62	21	(12)	81	696	122	23	Fines, forfeitures, and penalties
--	--	--	--	--	13	--	Use of money and property
--	2,880	--	--	--	549	39	Intergovernmental
449	1,137	--	--	1,504	--	--	Charges for services
511	5,450	669	765	2,200	2,167	800	Other
							Total revenues
							<b>Expenditures</b>
							Current:
--	15,331	--	--	1,421	--	--	Public safety
--	--	--	--	--	--	--	Health & public assistance
83	--	--	--	--	895	190	Community resources & public facilities
--	--	--	--	--	--	--	General government & support services
--	--	--	--	--	--	--	General county programs
							Debt service:
--	--	--	--	--	--	--	Principal
--	--	--	--	--	--	--	Interest
83	15,331	--	--	1,421	895	190	Total expenditures
							Excess (deficiency) of revenues over (under) expenditures
428	(9,881)	669	765	779	1,272	610	
							<b>Other financing sources (uses)</b>
--	9,889	350	--	--	9	--	Transfers in
--	--	(1,019)	(219)	--	(943)	(422)	Transfers out
--	--	--	--	--	--	--	Proceeds from sale of capital assets
--	9,889	(669)	(219)	--	(934)	(422)	Total other financing sources (uses)
428	8	--	546	779	338	188	Net change in fund balances
2,015	301	--	2,729	2,197	3,859	747	Fund balances - beginning
\$ 2,443	\$ 309	\$ --	\$ 3,275	\$ 2,976	\$ 4,197	\$ 935	Fund balances - ending

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Special Revenue			Special Revenue Total	Debt Service	Total Nonmajor Governmental Funds
	Lighting Districts	Sandyland Seawall Maintenance District	Water Agency		Santa Barbara County Finance Corporation	
<b>Revenues</b>						
Taxes	\$ 524	\$ --	\$ 3,057	\$ 5,802	\$ --	\$ 5,802
Licenses, permits, and franchises	--	--	20	33	--	33
Fines, forfeitures, and penalties	--	--	(1)	2,863	--	2,863
Use of money and property	13	22	272	1,382	39	1,421
Intergovernmental	4	--	708	18,672	1,382	20,054
Charges for services	--	--	156	4,045	--	4,045
Other	--	--	713	3,821	--	3,821
Total revenues	541	22	4,925	36,618	1,421	38,039
<b>Expenditures</b>						
Current:						
Public safety	--	--	--	16,752	--	16,752
Health & public assistance	--	--	--	18,504	--	18,504
Community resources & public facilities	520	22	3,376	5,659	--	5,659
General government & support services	--	--	--	145	--	145
General county programs	--	--	--	--	18	18
Debt service:						
Principal	--	--	--	--	4,026	4,026
Interest	--	--	--	--	1,775	1,775
Total expenditures	520	22	3,376	41,060	5,819	46,879
Excess (deficiency) of revenues over (under) expenditures	21	--	1,549	(4,442)	(4,398)	(8,840)
<b>Other financing sources (uses)</b>						
Transfers in	--	--	596	11,548	4,410	15,958
Transfers out	--	--	(11)	(2,689)	--	(2,689)
Proceeds from sale of capital assets	--	--	--	3	--	3
Total other financing sources (uses)	--	--	585	8,862	4,410	13,272
Net change in fund balances	21	--	2,134	4,420	12	4,432
Fund balances - beginning	402	766	8,646	24,776	1,302	26,078
Fund balances - ending	\$ 423	\$ 766	\$ 10,780	\$ 29,196	\$ 1,314	\$ 30,510



COUNTY OF SANTA BARBARA, CALIFORNIA  
 FISH AND GAME SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 12	\$ 12	\$ 8	\$ (4)
Use of money and property	1	1	2	1
Total revenues	<u>13</u>	<u>13</u>	<u>10</u>	<u>(3)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	27	27	12	15
Total expenditures	<u>27</u>	<u>27</u>	<u>12</u>	<u>15</u>
Deficiency of revenues under expenditures	<u>(14)</u>	<u>(14)</u>	<u>(2)</u>	<u>12</u>
Net change in fund balances	(14)	(14)	(2)	12
Fund balances - beginning	79	79	79	--
Fund balances - ending	<u>\$ 65</u>	<u>\$ 65</u>	<u>\$ 77</u>	<u>\$ 12</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 PETROLEUM SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses, permits, and franchises	\$ 55	\$ 55	\$ 13	\$ (42)
Fines, forfeitures, and penalties	--	--	79	79
Use of money and property	2	3	8	5
Charges for services	626	626	421	(205)
Total revenues	<u>683</u>	<u>684</u>	<u>521</u>	<u>(163)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	691	691	543	148
Total expenditures	<u>691</u>	<u>691</u>	<u>543</u>	<u>148</u>
Deficiency of revenues under expenditures	<u>(8)</u>	<u>(7)</u>	<u>(22)</u>	<u>(15)</u>
Net change in fund balances	(8)	(7)	(22)	(15)
Fund balances - beginning	299	299	299	--
Fund balances - ending	<u>\$ 291</u>	<u>\$ 292</u>	<u>\$ 277</u>	<u>\$ (15)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 PUBLIC AND EDUCATIONAL ACCESS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 3	\$ 32	\$ 30	\$ (2)
Total revenues	<u>3</u>	<u>32</u>	<u>30</u>	<u>(2)</u>
<b>Expenditures</b>				
Current:				
General county programs	8	8	--	8
Total expenditures	<u>8</u>	<u>8</u>	<u>--</u>	<u>8</u>
Excess (deficiency) of revenues over (under) expenditures	(5)	24	30	6
Net change in fund balances	(5)	24	30	6
Fund balances - beginning	1,021	1,021	1,021	--
Fund balances - ending	<u>\$ 1,016</u>	<u>\$ 1,045</u>	<u>\$ 1,051</u>	<u>\$ 6</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
SPECIAL AVIATION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ --	\$ 1	\$ 2	\$ 1
Intergovernmental	50	203	110	(93)
Total revenues	<u>50</u>	<u>204</u>	<u>112</u>	<u>(92)</u>
<b>Expenditures</b>				
Current:				
General government & support services	48	357	145	212
Total expenditures	<u>48</u>	<u>357</u>	<u>145</u>	<u>212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2</u>	<u>(153)</u>	<u>(33)</u>	<u>120</u>
Net change in fund balances	2	(153)	(33)	120
Fund balances - beginning	168	168	168	--
Fund balances - ending	<u>\$ 170</u>	<u>\$ 15</u>	<u>\$ 135</u>	<u>\$ 120</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 IN-HOME SUPPORTIVE SERVICES (IHSS) PUBLIC AUTHORITY SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ --	\$ --	\$ 2	\$ 2
Intergovernmental	8,748	8,028	8,441	413
Total revenues	<u>8,748</u>	<u>8,028</u>	<u>8,443</u>	<u>415</u>
<b>Expenditures</b>				
Current:				
Health & public assistance	9,846	9,207	9,147	60
Total expenditures	<u>9,846</u>	<u>9,207</u>	<u>9,147</u>	<u>60</u>
Deficiency of revenues under expenditures	<u>(1,098)</u>	<u>(1,179)</u>	<u>(704)</u>	<u>475</u>
<b>Other financing sources</b>				
Transfers in	704	784	704	(80)
Total other financing sources	<u>704</u>	<u>784</u>	<u>704</u>	<u>(80)</u>
Net change in fund balances	(394)	(395)	--	395
Fund balances - beginning	662	662	662	--
Fund balances - ending	<u>\$ 268</u>	<u>\$ 267</u>	<u>\$ 662</u>	<u>\$ 395</u>



COUNTY OF SANTA BARBARA, CALIFORNIA  
CHILD SUPPORT SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 4	\$ 5	\$ 26	\$ 21
Intergovernmental	9,492	9,492	9,396	(96)
Other	--	--	7	7
Total revenues	<u>9,496</u>	<u>9,497</u>	<u>9,429</u>	<u>(68)</u>
<b>Expenditures</b>				
Current:				
Health & public assistance	9,547	9,469	9,357	112
Total expenditures	<u>9,547</u>	<u>9,469</u>	<u>9,357</u>	<u>112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51)</u>	<u>28</u>	<u>72</u>	<u>44</u>
<b>Other financing sources (uses)</b>				
Transfers out	--	(78)	(75)	3
Proceeds from sale of capital assets	--	--	3	3
Total other financing uses	<u>--</u>	<u>(78)</u>	<u>(72)</u>	<u>6</u>
Net change in fund balances	(51)	(50)	--	50
Fund balances - beginning	469	469	469	--
Fund balances - ending	<u>\$ 418</u>	<u>\$ 419</u>	<u>\$ 469</u>	<u>\$ 50</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 FISHERMEN ASSISTANCE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 3	\$ 4	\$ 12	\$ 8
Other	11	11	11	--
Total revenues	<u>14</u>	<u>15</u>	<u>23</u>	<u>8</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	30	30	18	12
Total expenditures	<u>30</u>	<u>30</u>	<u>18</u>	<u>12</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16)</u>	<u>(15)</u>	<u>5</u>	<u>20</u>
Net change in fund balances	(16)	(15)	5	20
Fund balances - beginning	416	416	416	--
Fund balances - ending	<u>\$ 400</u>	<u>\$ 401</u>	<u>\$ 421</u>	<u>\$ 20</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COASTAL RESOURCES ENHANCEMENT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 6	\$ 15	\$ 62	\$ 47
Other	450	450	449	(1)
Total revenues	<u>456</u>	<u>465</u>	<u>511</u>	<u>46</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	1,033	1,033	83	950
Total expenditures	<u>1,033</u>	<u>1,033</u>	<u>83</u>	<u>950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(577)</u>	<u>(568)</u>	<u>428</u>	<u>996</u>
Net change in fund balances	(577)	(568)	428	996
Fund balances - beginning	2,015	2,015	2,015	--
Fund balances - ending	<u>\$ 1,438</u>	<u>\$ 1,447</u>	<u>\$ 2,443</u>	<u>\$ 996</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COURT ACTIVITIES SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 1,438	\$ 1,438	\$ 1,412	\$ (26)
Use of money and property	15	23	21	(2)
Charges for services	3,173	3,180	2,880	(300)
Other	1,124	1,156	1,137	(19)
Total revenues	<u>5,750</u>	<u>5,797</u>	<u>5,450</u>	<u>(347)</u>
<b>Expenditures</b>				
Current:				
Public safety	14,576	15,834	15,331	503
Total expenditures	<u>14,576</u>	<u>15,834</u>	<u>15,331</u>	<u>503</u>
Deficiency of revenues under expenditures	<u>(8,826)</u>	<u>(10,037)</u>	<u>(9,881)</u>	<u>156</u>
<b>Other financing sources</b>				
Transfers in	8,793	10,051	9,889	(162)
Total other financing sources	<u>8,793</u>	<u>10,051</u>	<u>9,889</u>	<u>(162)</u>
Net change in fund balances	(33)	14	8	(6)
Fund balances - beginning	301	301	301	--
Fund balances - ending	<u>\$ 268</u>	<u>\$ 315</u>	<u>\$ 309</u>	<u>\$ (6)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 CRIMINAL JUSTICE CONSTRUCTION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 850	\$ 850	\$ 681	\$ (169)
Use of money and property	--	--	(12)	(12)
Total revenues	<u>850</u>	<u>850</u>	<u>669</u>	<u>(181)</u>
<b>Expenditures</b>				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>850</u>	<u>850</u>	<u>669</u>	<u>(181)</u>
<b>Other financing sources (uses)</b>				
Transfers in	171	421	350	(71)
Transfers out	(1,021)	(1,021)	(1,019)	2
Total other financing uses, net	<u>(850)</u>	<u>(600)</u>	<u>(669)</u>	<u>(69)</u>
Net change in fund balances	--	250	--	(250)
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ --</u>	<u>\$ 250</u>	<u>\$ --</u>	<u>\$ (250)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COURTHOUSE CONSTRUCTION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 750	\$ 750	\$ 684	\$ (66)
Use of money and property	10	21	81	60
Total revenues	<u>760</u>	<u>771</u>	<u>765</u>	<u>(6)</u>
<b>Expenditures</b>				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over expenditures	<u>760</u>	<u>771</u>	<u>765</u>	<u>(6)</u>
<b>Other financing uses</b>				
Transfers out	(220)	(220)	(219)	1
Total other financing uses	<u>(220)</u>	<u>(220)</u>	<u>(219)</u>	<u>1</u>
Net change in fund balances	540	551	546	(5)
Fund balances - beginning	2,729	2,729	2,729	--
Fund balances - ending	<u>\$ 3,269</u>	<u>\$ 3,280</u>	<u>\$ 3,275</u>	<u>\$ (5)</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 INMATE WELFARE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 540	\$ 550	\$ 696	\$ 146
Other	1,335	1,335	1,504	169
Total revenues	<u>1,875</u>	<u>1,885</u>	<u>2,200</u>	<u>315</u>
<b>Expenditures</b>				
Current:				
Public safety	2,007	2,007	1,421	586
Total expenditures	<u>2,007</u>	<u>2,007</u>	<u>1,421</u>	<u>586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(132)</u>	<u>(122)</u>	<u>779</u>	<u>901</u>
Net change in fund balances	(132)	(122)	779	901
Fund balances - beginning	2,197	2,197	2,197	--
Fund balances - ending	<u>\$ 2,065</u>	<u>\$ 2,075</u>	<u>\$ 2,976</u>	<u>\$ 901</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
COUNTY SERVICE AREAS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,476	\$ 1,476	\$ 1,483	\$ 7
Use of money and property	20	36	122	86
Intergovernmental	6	6	13	7
Charges for services	526	526	549	23
Total revenues	<u>2,028</u>	<u>2,044</u>	<u>2,167</u>	<u>123</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	1,105	1,105	895	210
Total expenditures	<u>1,105</u>	<u>1,105</u>	<u>895</u>	<u>210</u>
Excess of revenues over expenditures	<u>923</u>	<u>939</u>	<u>1,272</u>	<u>333</u>
<b>Other financing sources (uses)</b>				
Transfers in	--	9	9	--
Transfers out	(757)	(994)	(943)	51
Total other financing uses, net	<u>(757)</u>	<u>(985)</u>	<u>(934)</u>	<u>51</u>
Net change in fund balances	166	(46)	338	384
Fund balances - beginning	3,859	3,859	3,859	--
Fund balances - ending	<u>\$ 4,025</u>	<u>\$ 3,813</u>	<u>\$ 4,197</u>	<u>\$ 384</u>



COUNTY OF SANTA BARBARA, CALIFORNIA  
COMMUNITY FACILITIES DISTRICTS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 611	\$ 616	\$ 738	\$ 122
Use of money and property	2	5	23	18
Charges for services	--	--	39	39
Total revenues	<u>613</u>	<u>621</u>	<u>800</u>	<u>179</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	<u>203</u>	<u>208</u>	<u>190</u>	<u>18</u>
Total expenditures	<u>203</u>	<u>208</u>	<u>190</u>	<u>18</u>
Excess of revenues over expenditures	<u>410</u>	<u>413</u>	<u>610</u>	<u>197</u>
<b>Other financing uses</b>				
Transfers out	<u>(427)</u>	<u>(427)</u>	<u>(422)</u>	<u>5</u>
Total other financing uses	<u>(427)</u>	<u>(427)</u>	<u>(422)</u>	<u>5</u>
Net change in fund balances	(17)	(14)	188	202
Fund balances - beginning	<u>747</u>	<u>747</u>	<u>747</u>	<u>--</u>
Fund balances - ending	<u>\$ 730</u>	<u>\$ 733</u>	<u>\$ 935</u>	<u>\$ 202</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 LIGHTING DISTRICTS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 525	\$ 525	\$ 524	\$ (1)
Use of money and property	3	5	13	8
Intergovernmental	2	2	4	2
Total revenues	<u>530</u>	<u>532</u>	<u>541</u>	<u>9</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	588	588	520	68
Total expenditures	<u>588</u>	<u>588</u>	<u>520</u>	<u>68</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58)</u>	<u>(56)</u>	<u>21</u>	<u>77</u>
Net change in fund balances	(58)	(56)	21	77
Fund balances - beginning	402	402	402	--
Fund balances - ending	<u>\$ 344</u>	<u>\$ 346</u>	<u>\$ 423</u>	<u>\$ 77</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 SANDYLAND SEAWALL MAINTENANCE DISTRICT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 3	\$ 5	\$ 22	\$ 17
Total revenues	<u>3</u>	<u>5</u>	<u>22</u>	<u>17</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	175	175	22	153
Total expenditures	<u>175</u>	<u>175</u>	<u>22</u>	<u>153</u>
Deficiency of revenues under expenditures	(172)	(170)	--	170
Net change in fund balances	(172)	(170)	--	170
Fund balances - beginning	766	766	766	--
Fund balances - ending	<u>\$ 594</u>	<u>\$ 596</u>	<u>\$ 766</u>	<u>\$ 170</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
WATER AGENCY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,960	\$ 2,960	\$ 3,057	\$ 97
Licenses, permits, and franchises	--	--	20	20
Fines, forfeitures, and penalties	--	--	(1)	(1)
Use of money and property	52	90	272	182
Intergovernmental	6,882	6,882	708	(6,174)
Charges for services	126	126	156	30
Other	--	--	713	713
Total revenues	<u>10,020</u>	<u>10,058</u>	<u>4,925</u>	<u>(5,133)</u>
<b>Expenditures</b>				
Current:				
Community resources & public facilities	11,313	11,313	3,376	7,937
Total expenditures	<u>11,313</u>	<u>11,313</u>	<u>3,376</u>	<u>7,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,293)</u>	<u>(1,255)</u>	<u>1,549</u>	<u>2,804</u>
<b>Other financing sources (uses)</b>				
Transfers in	596	596	601	5
Transfers out	(71)	(71)	(16)	55
Total other financing sources, net	<u>525</u>	<u>525</u>	<u>585</u>	<u>60</u>
Net change in fund balances	(768)	(730)	2,134	2,864
Fund balances - beginning	8,646	8,646	8,646	--
Fund balances - ending	<u>\$ 7,878</u>	<u>\$ 7,916</u>	<u>\$ 10,780</u>	<u>\$ 2,864</u>

Amounts reported in the GAAP Statement of Revenues, Expenditures, and Changes in Fund Balances are different because:

Actual amounts (budgetary basis) Total other financing sources, net	\$ 585
Transfers in resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	5
Transfers out resulting from transfers between the operating funds that are combined into a single special revenue fund are eliminated for financial reporting purposes.	(5)
Total other financing sources, net on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 585</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 SANTA BARBARA COUNTY FINANCE CORPORATION DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 30	\$ 30	\$ 39	\$ 9
Intergovernmental	1,383	1,383	1,382	(1)
Total revenues	<u>1,413</u>	<u>1,413</u>	<u>1,421</u>	<u>8</u>
<b>Expenditures</b>				
Current:				
General county programs	15	65	18	47
Debt service:				
Principal	4,027	4,027	4,026	1
Interest	<u>1,777</u>	<u>1,777</u>	<u>1,775</u>	<u>2</u>
Total expenditures	<u>5,819</u>	<u>5,869</u>	<u>5,819</u>	<u>50</u>
Deficiency of revenues under expenditures	<u>(4,406)</u>	<u>(4,456)</u>	<u>(4,398)</u>	<u>58</u>
<b>Other financing sources</b>				
Transfers in	4,436	4,436	4,410	(26)
Total other financing sources	<u>4,436</u>	<u>4,436</u>	<u>4,410</u>	<u>(26)</u>
Net change in fund balances	30	(20)	12	32
Fund balances - beginning	1,302	1,302	1,302	--
Fund balances - ending	<u>\$ 1,332</u>	<u>\$ 1,282</u>	<u>\$ 1,314</u>	<u>\$ 32</u>



# Internal Service Funds

## INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for services furnished to the County and various other governmental agencies. They are exempt from legal compliance for budgetary control and follow commercial accounting principles for a determination of operating, rather than budgetary, results. Their major source of revenue consists of charges to user departments for services rendered. These charges are based upon standard rates calculated on an estimated cost recovery basis. A more detailed description of the funds established and used by the County follows:

### Information Technology Services

This fund provides enterprise information technology services to County departments and various other governmental agencies. Four lines of service are supported: Network and Security, Infrastructure, Desktop Support, and Enterprise Applications. Costs are allocated to all users based upon utilization factors for each service and are designed to recover costs of each system. Profits or losses are carried forward and used to adjust allocations in subsequent years. Costs of operating the fund include personnel, supplies, utilities, maintenance, and depreciation of equipment.

### Vehicle Operations and Maintenance

This fund provides for the maintenance, servicing and repair of County vehicles. Rental rates, which include the cost of gas, oil, maintenance, replacement of equipment and personnel costs, are charged to the user department to support the vehicle program. Vehicles are replaced based on mileage and age criteria which varies per class of vehicle; new additions to the vehicle fleet are provided through the Garage Equipment and Motor Pool budgets of the General Fund and through contributions from other funds.

### Risk Management and Insurance

This column combines the County's five self-insurance funds: Dental, Unemployment, Workers' Compensation, General Liability, and Medical Malpractice.

#### ***Dental Self-Insurance***

This fund provides for the payment of dental expenses incurred by County employees, eligible dependents and retirees who are part of the self-funded plan. This fund does not account for employees or retirees on the Dental Net, Prudential or Firefighter health plans. Professional administrators process all claims and make payments to claimants based on a payment schedule of medical and dental benefits. The fund reimburses the claims administrator for the payment of claims plus a fee for administration and participation in a prescription drug program. Additionally, the County contracts with a preferred provider organization for reduced fees from member dental service providers, physicians, and other specialists. The County contributes towards the cost of employee coverage through departmental budgets; the employee pays any remaining employee or dependent coverage.

#### ***Unemployment Self-Insurance***

State law requires the County to maintain unemployment insurance. The County has elected to be self-insured and has established this fund for the payment of unemployment insurance claims by County employees, which have been processed and approved by the State Employment Development Department. Each department has been charged a percentage of its gross payroll for the establishment of a general reserve for this program and to provide for claim payments.

#### ***Workers' Compensation Self-Insurance***

This fund provides for investigation services, temporary disability and medical payments, excess insurance, permanent disability awards, administrative services, litigation costs, and safety services. Premiums based on employee worker classifications are charged to each department to maintain actuarially recommended reserves for claims proportionate to current industry rates applicable to job functions.

#### ***General Liability Self-Insurance***

This fund provides for payment of self-insured general liability and automobile liability claims, excess insurance, claims adjusting services, litigation costs, and administrative services. Contributions are made by participating County departments and funds based on past claims experience and appropriate risk factors.



***Medical Malpractice Self-Insurance***

This fund provides for the payment of self-insured medical malpractice and general liability claims, excess insurance, claim investigation services, and litigation costs. Contributions are made by covered participating County departments and are based on allocation of expenses by past claims experience and appropriate risk factor.

**Communications Services**

This fund provides communication services to County departments and various other governmental agencies. Telephone, Radio and Audio-Visual Systems are maintained. Costs are billed from a standard price schedule which is periodically adjusted to reflect cost changes and are designed to recover costs of each system. Profits or losses are carried forward and used to adjust allocations in subsequent years. Costs of operating the fund include personnel, supplies, utilities, maintenance, and depreciation of equipment.

**Utilities**

This fund provides for payment of County-wide utility costs. Utility costs are allocated to various County departments based on their energy consumption. Charging County departments for their energy usage fosters awareness and accountability related to energy costs and savings.

COUNTY OF SANTA BARBARA, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
June 30, 2019 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
<b>Assets</b>						
Current assets:						
Cash and investments (Note 3)	\$ 6,285	\$ 22,878	\$ 22,612	\$ 9,230	\$ 1,464	\$ 62,469
Accounts receivable, net:						
Use of money and property	33	111	118	42	7	311
Charges for services	--	2	65	--	14	81
Inventories	--	128	--	110	--	238
Total current assets	<u>6,318</u>	<u>23,119</u>	<u>22,795</u>	<u>9,382</u>	<u>1,485</u>	<u>63,099</u>
Noncurrent assets:						
Other receivables	--	--	207	--	100	307
Restricted cash and investments (Note 4)	--	10	--	--	--	10
Capital assets, net of accumulated depreciation/amortization (Note 6)	5,054	19,556	3	5,638	3,360	33,611
Total noncurrent assets	<u>5,054</u>	<u>19,566</u>	<u>210</u>	<u>5,638</u>	<u>3,460</u>	<u>33,928</u>
Total assets	<u>11,372</u>	<u>42,685</u>	<u>23,005</u>	<u>15,020</u>	<u>4,945</u>	<u>97,027</u>
<b>Deferred outflows of resources</b>						
Deferred pensions (Note 21)	1,706	825	475	589	139	3,734
Deferred OPEB (Note 22)	104	46	27	41	8	226
Total deferred outflows of resources	<u>1,810</u>	<u>871</u>	<u>502</u>	<u>630</u>	<u>147</u>	<u>3,960</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	197	357	913	339	55	1,861
Salaries and benefits payable	171	80	45	56	12	364
Compensated absences (Note 10)	306	158	59	90	24	637
Bonds and notes payable (Note 12)	--	--	--	--	350	350
Liability for self-insurance claims (Note 13)	--	--	6,134	--	--	6,134
Total current liabilities	<u>674</u>	<u>595</u>	<u>7,151</u>	<u>485</u>	<u>441</u>	<u>9,346</u>
Noncurrent liabilities:						
Compensated absences (Note 10)	25	13	56	31	--	125
Bonds and notes payable (Note 12)	--	--	--	--	2,540	2,540
Liability for self-insurance claims (Note 13)	--	--	15,233	--	--	15,233
Net pension liability (Note 21)	5,434	2,629	1,514	1,875	444	11,896
Net OPEB liability (Note 22)	888	392	227	349	68	1,924
Total noncurrent liabilities	<u>6,347</u>	<u>3,034</u>	<u>17,030</u>	<u>2,255</u>	<u>3,052</u>	<u>31,718</u>
Total liabilities	<u>7,021</u>	<u>3,629</u>	<u>24,181</u>	<u>2,740</u>	<u>3,493</u>	<u>41,064</u>
<b>Deferred inflows of resources</b>						
Deferred pensions (Note 21)	326	158	91	113	27	715
Deferred OPEB (Note 22)	20	9	5	8	2	44
Total deferred inflows of resources	<u>346</u>	<u>167</u>	<u>96</u>	<u>121</u>	<u>29</u>	<u>759</u>
<b>Net position</b>						
Net investment in capital assets	5,054	19,556	4	5,638	470	30,722
Unrestricted	761	20,204	(774)	7,151	1,100	28,442
Total net position	<u>\$ 5,815</u>	<u>\$ 39,760</u>	<u>\$ (770)</u>	<u>\$ 12,789</u>	<u>\$ 1,570</u>	<u>\$ 59,164</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
<b>Operating revenues</b>						
Charges for services	\$ 9,000	\$ 12,072	\$ 30,082	\$ 4,209	\$ 5,996	\$ 61,359
Self-insurance recovery	--	--	3,670	--	--	3,670
Other operating revenues	97	121	59	221	21	519
Total operating revenues	<u>9,097</u>	<u>12,193</u>	<u>33,811</u>	<u>4,430</u>	<u>6,017</u>	<u>65,548</u>
<b>Operating expenses</b>						
Salaries and benefits	4,148	1,927	1,396	1,622	240	9,333
Services and supplies	2,755	5,554	19,594	2,271	5,745	35,919
Self-insurance claims	--	--	14,605	--	--	14,605
Contractual services	145	7	347	212	70	781
Depreciation and amortization	1,071	3,569	--	720	373	5,733
County overhead allocation	276	298	478	95	16	1,163
Total operating expenses	<u>8,395</u>	<u>11,355</u>	<u>36,420</u>	<u>4,920</u>	<u>6,444</u>	<u>67,534</u>
Operating income (loss)	<u>702</u>	<u>838</u>	<u>(2,609)</u>	<u>(490)</u>	<u>(427)</u>	<u>(1,986)</u>
<b>Non-operating revenues (expenses)</b>						
Use of money and property	186	588	678	384	41	1,877
Interest expense	--	--	--	--	(125)	(125)
Gain (loss) on sale of capital assets	--	(31)	--	--	--	(31)
Other non-operating revenues (expenses)	1	14	(115)	--	539	439
Total non-operating revenues (expenses)	<u>187</u>	<u>571</u>	<u>563</u>	<u>384</u>	<u>455</u>	<u>2,160</u>
Income (loss) before transfers	<u>889</u>	<u>1,409</u>	<u>(2,046)</u>	<u>(106)</u>	<u>28</u>	<u>174</u>
Transfers in	425	772	--	1,626	15	2,838
Transfers out	--	(183)	--	(22)	--	(205)
Total transfers in, net	<u>425</u>	<u>589</u>	<u>--</u>	<u>1,604</u>	<u>15</u>	<u>2,633</u>
Change in net position	<u>1,314</u>	<u>1,998</u>	<u>(2,046)</u>	<u>1,498</u>	<u>43</u>	<u>2,807</u>
Total net position - beginning	4,501	37,762	1,276	11,291	1,527	56,357
Total net position - ending	<u>\$ 5,815</u>	<u>\$ 39,760</u>	<u>\$ (770)</u>	<u>\$ 12,789</u>	<u>\$ 1,570</u>	<u>\$ 59,164</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	Information Technology Services	Vehicle Operations and Maintenance	Risk Management and Insurance	Communi- cations Services	Utilities	Total
<b>Cash flows from operating activities</b>						
Receipts from interfund services provided	\$ 9,130	\$ 12,207	\$ 30,118	\$ 4,440	\$ 6,016	\$ 61,911
Receipts from self-insurance recovery	--	--	3,670	--	--	3,670
Payments to employees	(4,308)	(2,035)	(1,163)	(1,417)	(303)	(9,226)
Payments to suppliers	(2,760)	(5,365)	(19,745)	(2,187)	(5,780)	(35,837)
Payments for self-insurance claims	--	--	(12,891)	--	--	(12,891)
County overhead allocation						
payments (to) from the General Fund	(276)	(298)	(478)	(95)	(16)	(1,163)
Other receipts	1	14	(115)	--	439	339
Net cash provided (used) by operating activities	<u>1,787</u>	<u>4,523</u>	<u>(604)</u>	<u>741</u>	<u>356</u>	<u>6,803</u>
<b>Cash flows from noncapital financing activities</b>						
Transfers from other funds	425	772	--	1,626	15	2,838
Transfers to other funds	--	(183)	--	(22)	--	(205)
Net cash provided by noncapital financing activities	<u>425</u>	<u>589</u>	<u>--</u>	<u>1,604</u>	<u>15</u>	<u>2,633</u>
<b>Cash flows from capital and related financing activities</b>						
Purchase of capital assets	(2,722)	(2,027)	--	(2,555)	(34)	(7,338)
Proceeds from sales of capital assets	--	137	--	--	--	137
Principal paid on bonds and notes payable	--	--	--	--	(345)	(345)
Interest paid on bonds and notes payable	--	--	--	--	(125)	(125)
Net cash used by capital and related financing activities	<u>(2,722)</u>	<u>(1,890)</u>	<u>--</u>	<u>(2,555)</u>	<u>(504)</u>	<u>(7,671)</u>
<b>Cash flows from investing activities</b>						
Use of money and property received	115	335	406	277	24	1,157
Changes in fair market value of investments	67	210	229	94	16	616
Net cash provided by investing activities	<u>182</u>	<u>545</u>	<u>635</u>	<u>371</u>	<u>40</u>	<u>1,773</u>
Net change in cash and cash equivalents	(328)	3,767	31	161	(93)	3,538
Cash and cash equivalents - beginning	6,613	19,121	22,581	9,069	1,557	58,941
Cash and cash equivalents - ending	<u>\$ 6,285</u>	<u>\$ 22,888</u>	<u>\$ 22,612</u>	<u>\$ 9,230</u>	<u>\$ 1,464</u>	<u>\$ 62,479</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position</b>						
Cash and investments per Statement of Net Position	\$ 6,285	\$ 22,878	\$ 22,612	\$ 9,230	\$ 1,464	62,469
Restricted cash and investments per Statement of Net Position	--	10	--	--	--	10
Total cash and cash equivalents per Statement of Net Position	<u>\$ 6,285</u>	<u>\$ 22,888</u>	<u>\$ 22,612</u>	<u>\$ 9,230</u>	<u>\$ 1,464</u>	<u>\$ 62,479</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating income (loss)	\$ 702	\$ 838	\$ (2,609)	\$ (490)	\$ (427)	\$ (1,986)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	1,071	3,569	--	720	373	5,733
Other non-operating revenue	1	14	(115)	--	439	339
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:						
Accounts and other receivables	33	16	(23)	14	--	40
Inventories	--	52	--	--	--	52
Accounts payable	140	144	196	296	35	811
Salaries and benefits payable	(160)	(110)	232	201	(64)	99
Liability for self-insurance claims	--	--	1,715	--	--	1,715
Net cash provided (used) by operating activities	<u>\$ 1,787</u>	<u>\$ 4,523</u>	<u>\$ (604)</u>	<u>\$ 741</u>	<u>\$ 356</u>	<u>\$ 6,803</u>
<b>Noncash investing, capital, and financing activities</b>	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

# Agency Funds

## AGENCY FUNDS

Agency funds are custodial in nature and do not involve the measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals and entities at some future time.

Clearing and Revolving Funds provide clearing facilities for items such as payroll withholdings and warrant redemption. These funds are used to temporarily accumulate and hold resources for distribution to third parties.

Deposits Funds account for deposits under the control of the County departments. Dispositions of the deposits are governed by the terms of the statutes and ordinances establishing the deposit requirement.

Other Agency Funds account for assets held by the County in a fiduciary capacity for other entities.

State and City Revenue Funds temporarily hold various fees, fines, and penalties collected by the County departments for the State of California or various cities in Santa Barbara County, which are passed through to these entities.

Tax Collection Funds account for monies received for current and delinquent taxes, which must be held pending authority for distribution. Included are prepaid taxes, disputed taxes, duplicate payment of taxes, etc. These funds also account for monies deposited by third parties pending settlement of litigation and claims. Upon final settlement, monies are dispersed as directed by the courts or by parties to the dispute.

COUNTY OF SANTA BARBARA, CALIFORNIA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED June 30, 2019 (in thousands)

	July 1, 2018	Additions	Deductions	June 30, 2019
<b>Clearing and revolving funds</b>				
Assets:				
Cash and investments	\$ 17,626	\$ 1,313,683	\$ 1,313,723	\$ 17,586
Interest receivable	8	44	38	14
Total assets	<u>\$ 17,634</u>	<u>\$ 1,313,727</u>	<u>\$ 1,313,761</u>	<u>\$ 17,600</u>
Liabilities:				
Accounts payable	\$ 10,781	\$ 314,662	\$ 315,076	\$ 10,367
Funds held as agent for others	6,853	1,628,803	1,628,423	7,233
Total liabilities	<u>\$ 17,634</u>	<u>\$ 1,943,465</u>	<u>\$ 1,943,499</u>	<u>\$ 17,600</u>
<b>Deposits funds</b>				
Assets:				
Cash and investments	\$ 2,312	\$ 15,447	\$ 15,633	\$ 2,126
Interest receivable	2	8	8	2
Total assets	<u>\$ 2,314</u>	<u>\$ 15,455</u>	<u>\$ 15,641</u>	<u>\$ 2,128</u>
Liabilities:				
Accounts payable	\$ 33	\$ 2,935	\$ 2,968	\$ -
Funds held as agent for others	2,281	18,423	18,576	2,128
Total liabilities	<u>\$ 2,314</u>	<u>\$ 21,358</u>	<u>\$ 21,544</u>	<u>\$ 2,128</u>
<b>Other agency funds</b>				
Assets:				
Cash and investments	\$ 8,734	\$ 188,823	\$ 188,374	\$ 9,183
Interest receivable	23	114	104	33
Total assets	<u>\$ 8,757</u>	<u>\$ 188,937</u>	<u>\$ 188,478</u>	<u>\$ 9,216</u>
Liabilities:				
Accounts payable	\$ -	\$ 3,022	\$ 2,945	\$ 77
Funds held as agent for others	8,757	191,882	191,500	9,139
Total liabilities	<u>\$ 8,757</u>	<u>\$ 194,904</u>	<u>\$ 194,445</u>	<u>\$ 9,216</u>
<b>State and city revenue funds</b>				
Assets:				
Cash and investments	\$ 24,308	\$ 228,353	\$ 224,256	\$ 28,405
Interest receivable	130	578	503	205
Total assets	<u>\$ 24,438</u>	<u>\$ 228,931</u>	<u>\$ 224,759</u>	<u>\$ 28,610</u>
Liabilities:				
Accounts payable	\$ 36	\$ 105,954	\$ 105,962	\$ 28
Funds held as agent for others	24,402	334,893	330,713	28,582
Total liabilities	<u>\$ 24,438</u>	<u>\$ 440,847</u>	<u>\$ 436,675</u>	<u>\$ 28,610</u>
<b>Tax collection funds</b>				
Assets:				
Cash and investments	\$ 29,031	\$ 3,043,995	\$ 3,044,666	\$ 28,360
Interest receivable	411	1,594	1,524	481
Total assets	<u>\$ 29,442</u>	<u>\$ 3,045,589</u>	<u>\$ 3,046,190</u>	<u>\$ 28,841</u>
Liabilities:				
Accounts payable	\$ -	\$ 37,192	\$ 37,192	\$ -
Funds held as agent for others	29,442	3,082,781	3,083,382	28,841
Total liabilities	<u>\$ 29,442</u>	<u>\$ 3,119,973</u>	<u>\$ 3,120,574</u>	<u>\$ 28,841</u>
<b>Total - all agency funds</b>				
Assets:				
Cash and investments	\$ 82,011	\$ 4,790,301	\$ 4,786,652	\$ 85,660
Interest receivable	574	2,338	2,177	735
Total assets	<u>\$ 82,585</u>	<u>\$ 4,792,639</u>	<u>\$ 4,788,829</u>	<u>\$ 86,395</u>
Liabilities:				
Accounts payable	\$ 10,850	\$ 463,765	\$ 464,143	\$ 10,472
Funds held as agent for others	71,735	5,256,782	5,252,594	75,923
Total liabilities	<u>\$ 82,585</u>	<u>\$ 5,720,547</u>	<u>\$ 5,716,737</u>	<u>\$ 86,395</u>

See accompanying independent auditor's report.





# STATISTICAL SECTION

---



The information in this section is not covered by the Independent Auditor’s Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the County’s economic condition.

## TABLE OF CONTENTS - STATISTICAL SECTION

Page

### Financial Trends

174

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.

### Revenue Capacity

178

These schedules contain trend information to help the reader assess the County’s most significant local revenue source, the property tax.

### Debt Capacity

182

These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

### Demographic and Economic Information

185

These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the County’s financial activities take place.

### Operating Information

187

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

COUNTY OF SANTA BARBARA, CALIFORNIA  
NET POSITION BY CATEGORY (UNAUDITED)  
LAST TEN FISCAL YEARS (in thousands)  
(accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Governmental activities</b>										
Net investment in capital assets	\$ 466,916	\$ 480,240	\$ 493,753	\$ 511,144	\$ 578,314	\$ 588,989	\$ 612,548	\$ 648,420	\$ 692,549	\$ 736,255
Restricted for:										
Policy & executive	--	--	--	--	--	--	--	436	716	972
Public safety	12,007	9,533	13,450	19,594	24,107	28,640	38,927	49,093	54,810	62,243
Health & public assistance	32,943	42,328	33,627	33,734	31,005	37,477	35,910	36,411	36,848	48,951
Community resources & public facilities	101,591	106,691	95,892	97,710	103,497	152,739	149,668	154,523	154,848	163,959
General government & support services	5,483	4,523	5,240	3,886	4,951	4,960	5,242	5,804	5,447	6,164
General county programs	15,009	15,271	15,957	14,959	15,596	12,736	16,232	18,352	18,373	20,052
Debt service	--	--	--	--	--	--	--	--	--	--
Unrestricted	32,215	16,708	37,170	30,976	62,497	(551,588)	(529,641)	(532,968)	(562,947)	(534,700)
Total governmental activities net position	<u>\$ 666,164</u>	<u>\$ 675,294</u>	<u>\$ 695,089</u>	<u>\$ 712,003</u>	<u>\$ 819,967</u>	<u>\$ 273,953</u>	<u>\$ 328,886</u>	<u>\$ 380,071</u>	<u>\$ 400,644</u>	<u>\$ 503,896</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 59,750	\$ 60,029	\$ 64,943	\$ 65,806	\$ 70,562	\$ 73,988	\$ 78,188	\$ 80,852	\$ 83,764	\$ 82,723
Restricted for:										
Debt service	--	--	--	--	--	--	--	--	--	--
Unrestricted	10,851	12,353	16,606	21,648	25,191	14,062	19,888	21,326	34,638	45,582
Total business-type activities net position	<u>\$ 70,601</u>	<u>\$ 72,382</u>	<u>\$ 81,549</u>	<u>\$ 87,454</u>	<u>\$ 95,753</u>	<u>\$ 88,050</u>	<u>\$ 98,076</u>	<u>\$ 102,178</u>	<u>\$ 118,402</u>	<u>\$ 128,305</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 526,666	\$ 540,269	\$ 558,696	\$ 576,950	\$ 648,876	\$ 662,977	\$ 690,736	\$ 729,272	\$ 776,313	\$ 818,978
Restricted for:										
Policy & executive	--	--	--	--	--	--	--	436	716	972
Public safety	12,007	9,533	13,450	19,594	24,107	28,640	38,927	49,093	54,810	62,243
Health & public assistance	32,943	42,328	33,627	33,734	31,005	37,477	35,910	36,411	36,848	48,951
Community resources & public facilities	101,591	106,691	95,892	97,710	103,497	152,739	149,668	154,523	154,848	163,959
General government & support services	5,483	4,523	5,240	3,886	4,951	4,960	5,242	5,804	5,447	6,164
General county programs	15,009	15,271	15,957	14,959	15,596	12,736	16,232	18,352	18,373	20,052
Debt service	--	--	--	--	--	--	--	--	--	--
Unrestricted	43,066	29,061	53,776	52,624	87,688	(537,526)	(509,753)	(511,642)	(528,309)	(489,118)
Total primary government net position	<u>\$ 736,765</u>	<u>\$ 747,676</u>	<u>\$ 776,638</u>	<u>\$ 799,457</u>	<u>\$ 915,720</u>	<u>\$ 362,003</u>	<u>\$ 426,962</u>	<u>\$ 482,249</u>	<u>\$ 519,046</u>	<u>\$ 632,201</u>

COUNTY OF SANTA BARBARA, CALIFORNIA  
 CHANGES IN NET POSITION (UNAUDITED)  
 LAST TEN FISCAL YEARS (in thousands)  
 (accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Expenses</b>										
Governmental activities:										
Policy & executive	\$ 7,356	\$ 11,074	\$ 11,635	\$ 14,455	\$ 14,057	\$ 10,721	\$ 13,056	\$ 14,315	\$ 18,938	\$ 17,878
Public safety	200,418	215,903	224,486	271,326	282,251	276,688	275,809	314,026	361,703	341,931
Health & public assistance	297,590	308,149	304,747	307,239	319,565	335,132	363,789	364,675	360,185	361,494
Community resources & public facilities	85,914	83,770	88,871	89,382	92,377	88,788	94,254	94,387	110,529	119,654
General government & support services	31,750	31,123	28,965	29,585	33,931	37,766	37,131	37,716	39,023	37,982
General county programs	19,494	20,694	15,077	5,664	3,980	2,462	2,807	2,206	2,514	963
Interest on long-term debt	4,645	4,926	4,146	3,712	3,505	2,651	2,275	2,152	2,024	1,895
Subtotal governmental activities expenses	693,977	722,869	723,982	721,363	749,666	754,208	789,121	829,477	894,916	881,797
Business-type activities:										
Resource Recovery	21,659	21,258	20,601	20,529	20,300	26,250	23,017	29,196	24,507	32,819
Laguna Sanitation	5,633	5,946	5,793	6,181	6,176	6,270	5,631	6,822	6,564	7,204
Other	10	--	--	--	--	--	--	--	--	--
Subtotal business-type activities expenses	27,302	27,204	26,394	26,710	26,476	32,520	28,648	36,018	31,071	40,023
Total expenses	\$ 721,279	\$ 750,073	\$ 750,376	\$ 748,073	\$ 776,142	\$ 786,728	\$ 817,769	\$ 865,495	\$ 925,987	\$ 921,820
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
Health & public assistance	-	-	-	-	75,536	86,215	93,580	97,921	94,589	108,234
Public safety	-	-	-	-	43,635	44,118	51,704	55,405	59,746	57,201
Other	-	-	-	-	54,704	54,258	54,348	57,559	61,750	66,119
Operating grants & contributions	293,672	306,564	308,610	325,138	332,533	346,620	349,865	364,316	386,829	416,369
Capital grants & contributions	85	209	57	50	52,352	44	85	3,201	200	58
Subtotal governmental activities	468,760	482,922	471,369	325,188	558,760	531,255	549,582	578,402	603,114	647,981
Business-type activities:										
Charges for services										
Resource Recovery	20,157	21,151	21,370	22,381	23,439	23,184	24,617	26,053	30,721	31,060
Laguna Sanitation	6,827	7,304	7,688	8,662	9,907	11,069	12,377	12,644	13,183	14,091
Other	--	--	--	--	--	--	--	--	--	--
Operating grants & contributions	2,778	1,245	6,202	1,732	1,038	987	1,150	1,155	1,049	2,437
Capital grants & contributions	--	--	--	--	--	--	--	--	--	--
Subtotal business-type activities	29,762	29,700	35,260	32,775	34,384	35,240	38,144	39,852	44,953	47,588
Total program revenues	\$ 498,522	\$ 512,622	\$ 506,629	\$ 357,963	\$ 593,144	\$ 566,495	\$ 587,726	\$ 618,254	\$ 648,067	\$ 695,569
<b>Net (expense) / revenue</b>										
Governmental activities	\$ (225,217)	\$ (239,947)	\$ (252,613)	\$ (396,175)	\$ (190,906)	\$ (222,953)	\$ (239,539)	\$ (251,075)	\$ (291,802)	\$ (233,816)
Business-type activities	2,460	2,496	8,866	6,065	7,908	2,720	9,496	3,834	13,882	7,565
Total net expense	\$ (222,757)	\$ (237,451)	\$ (243,747)	\$ (390,110)	\$ (182,998)	\$ (220,233)	\$ (230,043)	\$ (247,241)	\$ (277,920)	\$ (226,251)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 207,169	\$ 208,595	\$ 186,047	\$ 227,452	\$ 231,247	\$ 244,139	\$ 254,166	\$ 267,613	\$ 284,284	\$ 290,046
Motor vehicle in-lieu tax	--	--	931	187	155	150	147	167	198	182
Sales taxes	13,444	12,756	14,700	13,527	14,039	15,306	16,332	18,172	18,118	18,995
Transient occupancy tax	5,950	6,977	7,570	6,993	7,539	8,550	9,072	10,068	8,364	10,320
Cannabis tax	--	--	--	--	--	--	--	--	--	6,761
Unrestricted investment earnings	2,404	1,372	1,048	453	1,407	1,661	854	335	753	4,356
Transfers	(995)	1,002	6	2	(34)	--	(15)	--	36	80
Other	10,559	11,877	39,268	8,419	8,100	8,474	9,494	5,905	5,778	5,834
Subtotal governmental activities	238,531	242,579	249,570	257,033	262,453	278,280	290,050	302,260	317,531	336,574
Business-type activities:										
Unrestricted investment earnings	374	286	290	(95)	344	254	416	265	405	2,370
Transfers	995	(1,002)	(6)	(2)	13	--	15	--	(36)	(80)
Other	(126)	1	17	38	34	(38)	99	3	--	48
Subtotal business-type activities	1,243	(715)	301	(59)	391	216	530	268	369	2,338
Total primary government	\$ 239,774	\$ 241,864	\$ 249,871	\$ 256,974	\$ 262,844	\$ 278,496	\$ 290,580	\$ 302,528	\$ 317,900	\$ 338,912
<b>Extraordinary Items</b>										
RDA dissolution transactions	\$ --	\$ --	\$ 16,345	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>Changes in net position</b>										
Governmental activities	\$ 13,314	\$ 2,632	\$ 13,302	\$ 16,309	\$ 71,547	\$ 55,327	\$ 50,511	\$ 51,185	\$ 25,729	\$ 102,758
Business-type activities	3,703	1,781	9,167	6,006	8,299	2,936	10,026	4,102	14,251	9,903
Total primary government	\$ 17,017	\$ 4,413	\$ 22,469	\$ 22,315	\$ 79,846	\$ 58,263	\$ 60,537	\$ 55,287	\$ 39,980	\$ 112,661

COUNTY OF SANTA BARBARA, CALIFORNIA  
**FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)**  
**LAST TEN FISCAL YEARS (in thousands)**  
*(modified accrual basis of accounting)*

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>General Fund</b>										
Nonspendable	\$ 26,704	\$ 25,570	\$ 8,780	\$ 9,618	\$ 10,138	\$ 11,042	\$ 12,130	\$ 13,619	\$ 11,977	\$ 11,407
Restricted	8,271	7,844	17,536	19,800	21,245	22,946	27,527	31,529	38,002	44,054
Committed	53,444	46,096	52,002	50,298	58,018	61,887	67,703	60,161	69,305	102,087
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	736	4,330	7,591	8,092	3,405	3,242	7,684	7,761	10,591	18,654
Subtotal General Fund	89,155	83,840	85,909	87,808	92,806	99,117	115,044	113,070	129,875	176,202
<b>All Other Governmental Funds (1)</b>										
Nonspendable	507	681	586	1,084	791	1,129	1,496	1,942	1,714	--
Restricted	180,115	182,036	149,010	145,842	151,021	162,156	163,656	175,173	175,660	193,207
Committed	16,590	13,623	9,604	18,930	18,630	18,642	19,236	30,864	29,378	20,960
Assigned	932	883	1,817	1,287	--	--	--	--	--	--
Unassigned	22,860	(26,600)	(2,822)	(2,850)	--	--	--	--	--	--
Subtotal all other governmental funds	221,004	170,623	158,195	164,293	170,442	181,927	184,388	207,979	206,752	214,167
Total governmental fund balance	\$ 310,159	\$ 254,463	\$ 244,104	\$ 252,101	\$ 263,248	\$ 281,044	\$ 299,432	\$ 321,049	\$ 336,627	\$ 390,369

**Notes:**

(1) Substantial increases or decreases in fund balance components are explained in the Management's Discussion and Analysis (MD&A).

COUNTY OF SANTA BARBARA, CALIFORNIA  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)  
 LAST TEN FISCAL YEARS (in thousands)  
 (modified accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenues (by source)</b>										
Taxes	\$ 231,648	\$ 234,354	\$ 241,142	\$ 249,414	\$ 254,177	\$ 269,412	\$ 281,279	\$ 295,066	\$ 309,983	\$ 325,337
Licenses, permits, and franchises	13,223	12,639	12,966	14,011	14,030	13,660	14,282	14,221	16,758	17,281
Fines, forfeitures, and penalties	13,527	13,299	10,990	9,582	10,883	9,581	9,160	9,141	11,281	8,883
Use of money and property	6,121	4,582	4,307	2,321	4,995	4,902	4,809	3,332	4,324	12,047
Intergovernmental	290,440	304,347	306,609	321,765	380,785	340,807	345,428	361,392	382,633	402,412
Charges for services	162,525	164,630	139,685	135,625	141,839	161,637	181,022	189,834	189,613	201,067
Other	17,046	22,872	25,920	19,582	20,804	19,033	16,149	16,177	16,255	20,252
Total revenues	734,530	756,723	741,619	752,300	827,513	819,032	852,129	889,163	930,847	987,279
<b>Expenditures (by function)</b>										
Policy & executive	13,266	15,661	15,172	15,349	15,408	15,563	16,484	16,585	21,242	21,707
Public safety	233,156	248,359	250,145	259,968	270,605	281,211	288,174	303,151	329,172	330,711
Health & public assistance	298,239	307,900	300,536	304,982	317,322	343,584	351,911	361,796	353,241	361,345
Community resources & public facilities	100,047	97,672	97,130	100,838	145,572	93,443	106,380	99,463	108,561	122,690
General government & support services	48,818	47,073	42,643	43,691	44,194	47,357	50,104	52,597	53,563	53,640
General county programs	18,449	18,957	12,287	5,091	8,199	3,190	2,679	2,167	1,590	334
Debt service										
Principal	7,506	5,621	23,749	4,133	4,502	15,318	3,764	3,874	3,951	4,026
Interest	4,637	4,918	4,183	3,518	3,308	2,516	2,111	2,002	1,889	1,775
Capital outlay	8,639	18,094	15,795	7,290	7,079	8,353	6,229	24,983	39,756	35,416
Total expenditures	732,757	764,255	761,640	744,860	816,189	810,535	827,836	866,618	912,965	931,644
Excess (deficiency) of revenues over (under) expenditures	1,773	(7,532)	(20,021)	7,440	11,324	8,497	24,293	22,545	17,882	55,635
<b>Other financing sources (uses)</b>										
Transfers in	146,179	88,586	96,986	86,395	49,715	60,305	54,535	68,603	57,082	52,729
Transfers out	(146,991)	(91,204)	(96,912)	(86,338)	(49,965)	(61,278)	(55,935)	(69,673)	(59,669)	(55,282)
Proceeds from sale of capital assets	52	174	220	500	73	347	205	142	283	166
Long-term debt issued	20,387	--	16,957	--	--	9,925	10	--	--	--
Long-term receivable collected	--	--	356	--	--	--	--	--	--	--
Issuance discount on long-term debt	(148)	--	--	--	--	--	--	--	--	--
Issuance premium on long-term debt	278	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	19,757	(2,444)	17,607	557	(177)	9,299	(1,185)	(928)	(2,304)	(2,387)
<b>Extraordinary Items</b>										
RDA dissolution transactions	--	--	(13,092)	--	--	--	--	--	--	--
Net change in fund balance	\$ 21,530	\$ (9,976)	\$ (2,414)	\$ 7,997	\$ 11,147	\$ 17,796	\$ 23,108	\$ 21,617	\$ 15,578	\$ 53,248
Debt service as a percentage of noncapital expenditures (1):	1.71%	1.44%	3.84%	1.07%	1.06%	2.27%	0.74%	0.71%	0.68%	0.65%
<b>Expenditures (2)</b>										
General government	\$ 62,761	\$ 64,450	\$ 48,395	\$ 64,886	\$ 65,289	\$ 64,462	\$ 68,216	\$ 74,054	\$ 74,874	\$ 82,831
Public protection	288,599	296,982	303,442	302,982	316,926	328,238	336,139	353,536	386,355	382,468
Public ways and facilities	32,111	32,489	35,540	29,814	28,226	25,750	30,620	23,720	29,672	37,417
Health and sanitation	157,155	157,961	157,298	155,560	157,460	171,631	173,590	180,615	180,185	186,688
Public assistance	138,166	145,085	138,397	139,800	148,702	159,753	165,569	166,155	158,593	161,040
Education	3,289	3,410	2,734	3,199	3,128	3,132	3,568	3,800	4,097	3,866
Recreational and cultural services	12,899	11,089	10,866	10,504	11,422	12,811	14,237	14,022	16,306	14,776
Debt service	12,144	10,539	27,933	7,651	7,809	17,834	5,875	5,876	5,840	5,801
Capital outlay	25,633	42,250	37,035	30,464	77,227	26,924	30,021	44,840	57,043	56,757
Total expenditures	\$ 732,757	\$ 764,255	\$ 761,640	\$ 744,860	\$ 816,189	\$ 810,535	\$ 827,835	\$ 866,618	\$ 912,965	\$ 931,644

**Notes:**

- (1) In FY 16-17 the calculation for debt service as a percentage of noncapital expenditures was revised to include the appropriate amounts. This change impacted all years reported.  
 (2) By State Controller function.

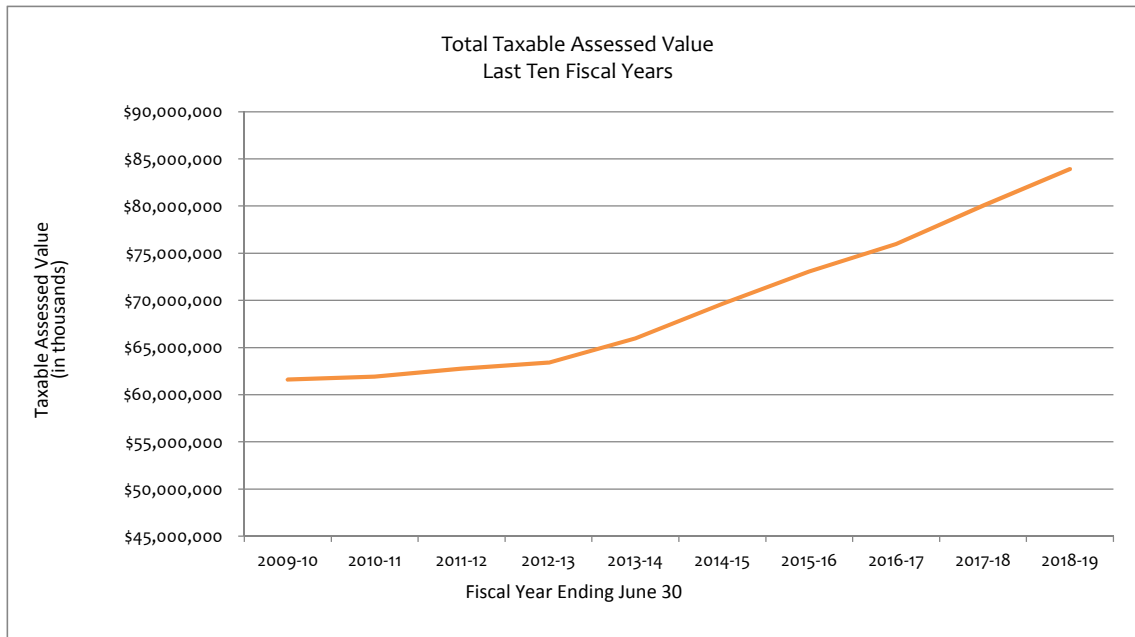
**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY (UNAUDITED)**  
**LAST TEN FISCAL YEARS (in thousands)**

Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the consumer price index (CPI) on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Fiscal Year	(1) Secured	(2) Unsecured	(3) Unitary	(4) Exempt	Total Taxable Assessed Value	Total Direct Tax Rate (%)
2009 - 2010	\$ 60,136,238	\$ 2,874,141	\$ 718,678	\$ (2,128,966)	\$ 61,600,091	1.00000
2010 - 2011	60,558,017	2,901,856	746,117	(2,322,086)	61,883,904	1.00000
2011 - 2012	61,739,881	2,923,496	807,247	(2,713,216)	62,757,408	1.00000
2012 - 2013	62,696,346	2,896,396	883,587	(3,074,291)	63,402,038	1.00000
2013 - 2014	65,478,241	2,897,317	897,504	(3,308,629)	65,964,433	1.00000
2014 - 2015	68,635,212	3,441,635	925,196	(3,353,701)	69,648,342	1.00000
2015 - 2016	71,941,255	3,619,135	1,004,561	(3,505,586)	73,059,365	1.00000
2016 - 2017	75,131,736	3,603,348	1,064,198	(3,807,072)	75,992,210	1.00000
2017 - 2018	79,372,934	3,798,374	1,001,291	(4,123,907)	80,048,692	1.00000
2018 - 2019	83,555,061	3,870,105	1,053,450	(4,560,120)	83,918,496	1.00000

**Notes:**

- (1) Local assessed secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (2) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (3) Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization. Most of the amount reported is unitary but includes a small amount of other state-assessed property.
- (4) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.



**Source:**  
Auditor-Controller, County of Santa Barbara



COUNTY OF SANTA BARBARA, CALIFORNIA  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (UNAUDITED)  
(\$1 PER \$100 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS

---

Fiscal Year	County Direct Rates	Overlapping Rates		
	Santa Barbara County General	Cities (1)	Schools (2)	Total
2009 - 2010	1.00000%	0.00012%	0.01265%	1.01277%
2010 - 2011	1.00000%	0.00012%	0.01284%	1.01296%
2011 - 2012	1.00000%	0.00014%	0.01310%	1.01324%
2012 - 2013	1.00000%	0.00012%	0.01352%	1.01364%
2013 - 2014	1.00000%	0.00013%	0.01462%	1.01475%
2014 - 2015	1.00000%	0.00012%	0.01473%	1.01485%
2015 - 2016	1.00000%	0.00011%	0.01979%	1.01990%
2016 - 2017	1.00000%	0.00010%	0.01875%	1.01885%
2017 - 2018	1.00000%	0.00010%	0.01816%	1.01826%
2018 - 2019	1.00000%	0.00014%	0.02339%	1.02353%

**Notes:**

- (1) Rates shown represent a weighted average of the eight incorporated cities within the County.
- (2) Rates shown represent a weighted average of the various school district tax rate areas within the County.

**Source:**

Auditor-Controller, County of Santa Barbara

**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)**  
**June 30, 2019 AND June 30, 2010 (in thousands)**

In accordance with GASB Statement No. 44, the following tables present information for the County's principal property taxpayers as of June 30, 2019 and June 30, 2010

**June 30, 2019:**

<u>Taxpayers</u>	<u>Type of Business</u>	(1) <u>Net Assessed Secured Property Value</u>	<u>Percentage of Total Net Assessed Value</u>	(2) <u>Total Secured Tax Levy Fiscal Year 2018-19</u>	<u>Percentage of Total Secured Tax Levy Fiscal Year 2018-19</u>
Cwi Santa Barbara Hotel LP (Bacara)	Hotel	\$ 379,312	0.45%	\$ 4,107	0.52%
Southern California Edison Co	Utility	320,949	0.38%	4,170	0.52%
United Launch Alliance LLC	Aerospace	288,573	0.34%	3,380	0.42%
Southern California Gas Company	Utility	245,543	0.29%	3,193	0.40%
Windset Farms California Inc	Agriculture	234,952	0.28%	2,633	0.33%
1260 Bb Property LLC (Biltmore)	Hotels	223,616	0.27%	2,961	0.37%
Pacific Gas & Electric Co	Utility	191,158	0.23%	2,485	0.31%
Fairway Bb Property LLC	Residential Estate	160,428	0.19%	1,659	0.21%
Sp Maravilla LLC	Rest Homes	118,022	0.14%	1,349	0.17%
Celite Corporation	Mining	115,890	0.14%	1,409	0.18%
Ten largest taxpayers		2,278,442	2.71%	27,345	3.43%
All other taxpayers		81,640,054	97.29%	769,104	96.57%
Total		<u>\$ 83,918,496</u>	<u>100.00%</u>	<u>\$ 796,449</u>	<u>100.00%</u>

**June 30, 2010:**

<u>Taxpayers</u>	<u>Type of Business</u>	(1) <u>Net Assessed Secured Property Value</u>	<u>Percentage of Total Net Assessed Value</u>	(2) <u>Total Secured Tax Levy Fiscal Year 2009-10</u>	<u>Percentage of Total Secured Tax Levy Fiscal Year 2009-10</u>
Exxon Corporation	Petroleum & Gas	\$ 345,281	0.56%	\$ 3,544	0.61%
Southern California Gas Company	Utility	169,248	0.27%	1,933	0.33%
Fairway Bb Property LLC	Residential Estates	149,741	0.24%	1,534	0.26%
Verizon California Inc	Utility	149,536	0.24%	1,751	0.30%
Southern California Edison Co	Utility	142,527	0.23%	1,664	0.29%
1260 Bb Property LLC (Biltmore)	Hotels	130,000	0.21%	1,637	0.28%
Pacific Offshore Pipeline Co	Petroleum & Gas	120,447	0.20%	1,235	0.21%
Ht-Santa Barbara Inc (Bacara)	Hotels	118,000	0.19%	1,290	0.22%
Breitburn Energy Companies	Petroleum & Gas	108,281	0.18%	1,185	0.20%
Sp Maravilla LLC	Rest Homes	107,987	0.18%	1,225	0.21%
Ten largest taxpayers		1,541,047	2.50%	16,998	2.91%
All other taxpayers		60,059,043	97.50%	563,534	97.09%
Total		<u>\$ 61,600,090</u>	<u>100.00%</u>	<u>\$ 580,532</u>	<u>100.00%</u>

**Notes:**

- (1) Net Assessed Secured amounts include Secured & Unitary less exemptions.  
See "Assessed Value of Taxable Property and Actual Value of Property" schedule for total assessed value.
- (2) Includes 1%, bonds, fixed charges, late penalties and costs (Only Secured & Unitary Tax Levy amounts).

**Source:**

County of Santa Barbara Treasurer / Tax Collector

COUNTY OF SANTA BARBARA, CALIFORNIA  
PROPERTY TAX LEVIES and COLLECTIONS (UNAUDITED)  
LAST TEN FISCAL YEARS (in thousands)

Fiscal Year	(1) Taxes Levied	(2) Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2009 - 2010	\$ 580,532	\$ 566,808	97.64%	\$ 13,704	\$ 580,512	100.00%
2010 - 2011	579,901	573,537	98.90%	6,311	579,848	99.99%
2011 - 2012	590,345	583,214	98.79%	7,039	590,253	99.98%
2012 - 2013	599,416	593,841	99.07%	5,508	599,349	99.99%
2013 - 2014	626,258	621,794	99.29%	4,323	626,117	99.98%
2014 - 2015	658,542	653,778	99.28%	4,526	658,304	99.96%
2015 - 2016	690,326	684,131	99.10%	5,728	684,131	99.10%
2016 - 2017	720,855	714,505	99.12%	5,424	719,929	99.87%
2017 - 2018	759,352	751,947	99.02%	5,391	757,338	99.73%
2018 - 2019	796,449	788,819	99.04%	--	788,819	99.04%

Notes:

- (1) Secured and Unitary tax levy for the County itself, school districts, cities, and special districts under the supervision of their own governing boards.
- (2) Included are amounts collected by the County on behalf of itself, school districts, cities, and special districts under the supervision of their own governing boards.

Source:

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA  
RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)  
LAST TEN FISCAL YEARS (in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	Certificates of Participation (1)	Capital Leases	Long-Term Loans	Long-Term Settlement (4)	Bonds and Notes Payable	Certificates of Participation (1)	Capital Leases	Long-Term Settlement	Bonds and Notes Payable				
2009 - 2010	\$ 76,824	\$ 4,782	\$ --	\$ --	\$ --	\$ 6,933	\$ 8	\$ --	\$ 6,581	\$ 95,128	0.49%	\$ 218	
2010 - 2011	68,759	4,017	--	--	--	9,532	--	--	10,314	92,622	0.49%	216	
2011 - 2012	44,840	3,735	--	--	22,195	8,144	--	--	9,637	88,551	0.47%	207	
2012 - 2013	43,161	3,418	--	2,222	19,740	7,473	--	--	8,928	84,942	0.43%	193	
2013 - 2014	41,414	3,013	--	2,434	17,070	6,781	--	--	8,203	78,915	0.37%	177	
2014 - 2015	29,550	2,686	--	2,740	23,580	6,061	--	--	7,462	72,079	0.32%	159	
2015 - 2016	28,693	2,351	--	2,266	20,690	5,323	--	--	6,704	66,027	0.29%	143	
2016 - 2017	27,798	1,983	--	1,069	17,745	4,554	--	--	5,930	59,079	0.24%	129	
2017 - 2018	26,872	1,636	--	1,238	14,730	3,766	--	--	5,139	53,381	0.21%	118	
2018 - 2019	25,908	1,315	--	598	11,655	167,038	--	--	4,335	210,849	0.84%	465	

- Notes:**
- (1) Beginning in fiscal year 2013-14, the Certificates of Participation totals in this schedule were updated to include unamortized premiums and discounts.
  - (2) See the "Demographics and Economic Statistics" schedule for personal income and population data. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
  - (3) See the "Demographics and Economic Statistics" schedule for population figures. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
  - (4) Beginning in fiscal year 2018-19, this schedule was updated to include Long-Term Settlements. Prior year balances have been updated to reflect this change.

**Source:**  
Auditor-Controller, County of Santa Barbara

**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)**  
**LAST TEN FISCAL YEARS (in thousands)**

<b>Fiscal Year</b>	<b>(1) Assessed Value</b>	<b>(2) Legal Debt Limit</b>	<b>Total Net Applicable Debt</b>	<b>(3) Legal Debt Margin</b>	<b>Legal Debt Margin / Debt Limit</b>
2009 - 2010	\$ 61,600,091	\$ 770,001	\$ --	\$ 770,001	100%
2010 - 2011	61,883,904	773,549	--	773,549	100%
2011 - 2012	62,757,408	784,468	--	784,468	100%
2012 - 2013	63,402,039	792,525	--	792,525	100%
2013 - 2014	65,964,432	824,555	--	824,555	100%
2014 - 2015	69,453,967	868,175	--	868,175	100%
2015 - 2016	73,059,365	913,242	--	913,242	100%
2016 - 2017	75,992,210	949,903	--	949,903	100%
2017 - 2018	80,048,692	1,000,609	--	1,000,609	100%
2018 - 2019	83,918,496	1,048,981	--	1,048,981	100%

**Notes:**

- (1) Assessed Value does not include tax exempt property. Property value data can be found in the "Assessed Value of Taxable Property and Actual Value of Property" schedule.
- (2) California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25% of the total full cash valuation.
- (3) The legal debt margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

**Source:**

Auditor-Controller, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA  
DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED)  
AS OF June 30, 2019

2018-2019 Assessed Valuation: \$ 83,918,496

	Percent Applicable (1)	Debt
<b>Overlapping Tax and Assessment Debt:</b>		
Allan Hancock Joint Community College District	99.625%	\$ 148,615
Santa Barbara Community College District	100%	58,885
Santa Maria Jt. Union High School District	99.997%	116,731
Santa Ynez Valley Union High School District	100%	13,775
Carpinteria Unified School District	100%	60,410
Cuyama Jt. Unified School District	69.413%	2,742
Lompoc Unified School District	100%	17,016
Santa Barbara Unified School District & High School District	100%	205,674
Santa Barbara Unified School District & Elementary School District	100%	89,684
Buellton Union School District	100%	6,921
Cold Spring School District	100%	3,886
College School District	100%	6,344
Goleta Union School District	100%	12,755
Guadalupe Union School District	100%	2,685
Hope Elementary School District	100%	9,840
Los Olivos School District	100%	3,486
Montecito Union School District	100%	2,100
Orcutt Union School District	100%	24,910
Santa Maria-Bonita Joint School District	99.996%	44,998
Solvang School District	100%	6,469
Lompoc Healthcare District	100%	68,415
City and Special District 1915 Act Bonds	62.113%-100	4,202
Total Overlapping Tax and Assessment Debt		<u>910,541</u>
<b>Direct and Overlapping General Fund Debt</b>		
Santa Maria-Bonita School District Certificates of Participation	99.996%	31,399
Cuyama Joint Unified School District Certificates of Participation	69.413%	1,103
Santa Ynez Valley Union High School District Certificates of Participation	100%	1,989
Santa Maria Joint Union High School District Certificates of Participation	99.997%	2,303
College School District Certificates of Participation	100%	2,076
Guadalupe Union School District Certificates of Participation	100%	3,175
City of Santa Barbara Certificates of Participation	100%	29,825
Carpinteria Sanitary District General Fund Obligations	98.372%	7,063
Total Gross Overlapping General Fund Obligation Debt		<u>78,932</u>
Less: Less: Santa Barbara County utility supported obligations		(2,890)
Less: City of Santa Barbara revenue bonds supported by airport revenues		(29,825)
Less: Carpinteria Sanitary District revenue bonds supported by wastewater system revenues		<u>(7,063)</u>
Total Net Overlapping General Fund Obligation Debt		<u>39,154</u>
Total Net Overlapping Tax and Assessment and General Fund Obligation Debt		<u>949,695</u>
<b>Overlapping Tax Increment Debt:</b>		<u>31,460</u>
<b>Direct General Fund Obligation Debt:</b>		
Governmental Activities Certificates of Participation and Bonds and Notes Payable		37,662
Business-type Activities Certificates of Participation (3)		<u>2,948</u>
Total Direct General Fund Obligation Debt		<u>40,610</u>
Total Net Combined Overlapping and Direct Debt		<u>\$ 1,021,765</u>
Total Gross Combined Overlapping and Direct Debt		<u>\$ 1,061,543 (2)</u>

**Ratio to 2018-19 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt 1.09%

**Ratios to Adjusted Assessed Valuation:**

Total Gross Direct Debt 0.05%  
Total Net Direct Debt 0.04%  
Gross Combined Total Debt 1.26%  
Net Combined Total Debt 1.22%

**Notes:**

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the County.
- (2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds, non-bonded capital lease obligations and state contractual obligations within the Department of Water Resources.
- (3) 2008 and 2010 COP's for Business-type activities are legal obligations of the General Fund. Detailed information can be found at Note-11 Certificates of Participation (COP).

**Source:**

California Municipal Statistics, Incorporated

**COUNTY OF SANTA BARBARA, CALIFORNIA  
 DEMOGRAPHICS AND ECONOMIC STATISTICS (UNAUDITED)  
 LAST FISCAL TEN YEARS (in thousands)**

(1) Year	(2) Population	(3),(4) Personal Income	Per Capita Personal Income	(5) School Enrollment	(6) Unemployment Rate
2010	434	\$ 18,600,000	42.9	66	8.8%
2011	426	19,000,000	44.6	66	8.9%
2012	427	19,000,000	44.5	66	7.9%
2013	429	19,300,000	45.0	66	6.3%
2014	433	20,600,000	47.6	67	5.4%
2015	437	21,700,000	49.7	68	4.7%
2016	447	22,300,000	49.9	69	4.9%
2017	451	24,200,000	53.7	69	4.3%
2018	453	25,000,000	55.2	70	3.9%
2019	455	26,646,853	58.6	69	3.5%

**Detail of estimated population, as of January 1, 2019 (whole numbers):**

(2) Incorporated Cities	
Buellton	5,453
Carpinteria	13,680
Goleta	32,759
Guadalupe	7,839
Lompoc	43,649
Santa Barbara	93,532
Santa Maria	107,356
Svang	5,822
Total of Incorporated Cities	310,090
Total of Unincorporated Areas	144,503
Total Population	454,593

**Notes:**

- (1) Calendar year
- (2) Population as of January 1
- (3) Estimated amounts

**Sources:**

- (2) California Department of Finance
- (4) Bureau of Economic Analysis
- (5) California Department of Education
- (6) Employment Development Department Research Center

**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**PRINCIPAL EMPLOYERS (UNAUDITED)**  
**June 30, 2019 AND June 30, 2010**

**June 30, 2019**

<b>Company or Organization</b>	<b>Type of Business</b>	<b>Jobs (1, 2)</b>	<b>Percent of Total County Employment</b>
County of Santa Barbara	Government	4,600	2.23%
University of California, Santa Barbara	Education	4,300	2.08%
Cottage Health Organization	Health	3,600	1.74%
Vandenberg Air Force Base	Defense	2,500	1.21%
Santa Maria-Bonita School District	Education	2,120	1.03%
Chumash Casino Resort	Recreation/Hospitality	2,000	0.97%
Marian Regional Medical Center	Health	1,920	0.93%
Allan Hancock College	Education	1,480	0.72%
Santa Barbara Unified School District	Education	1,400	0.68%
Safran*	Manufacturer	1,200	0.59%
Total ten largest		25,120	12.16%
Total all other		181,422	87.84%
Total companies or organizations		206,542	100.00%

**June 30, 2010**

<b>Company or Organization</b>	<b>Type of Business</b>	<b>Jobs (3)</b>	<b>Percent of Total County Employment</b>
Vandenberg Air Force Base	Defense	6,330	3.12%
University of California, Santa Barbara	Education	6,230	3.07%
County of Santa Barbara	Government	4,025	1.99%
Santa Barbara Unified School District	Government	2,500	1.23%
Santa Barbara Cottage Hospital	Health	2,468	1.22%
Santa Barbara City College	Education	2,281	1.13%
Santa Maria-Bonita School District	Education	1,886	0.93%
U.S. Postal Service	Government	1,881	0.93%
City of Santa Barbara	Government	1,687	0.82%
Chumash Casino Resort	Recreation/Hospitality	1,500	0.74%
Total ten largest		30,788	15.19%
Total all other		171,912	84.81%
Total companies or organizations		202,700	100.00%

\* Safran was previously called Zodiac Aerospace before the two companies merged in December 2018.

**Sources:**

- (1) Pacific Coast Business Times "Book of Lists" - individual company data
- (2) University of California, Santa Barbara "Economic Summit" - total employment data
- (3) County of Santa Barbara CAFR for fiscal year presented

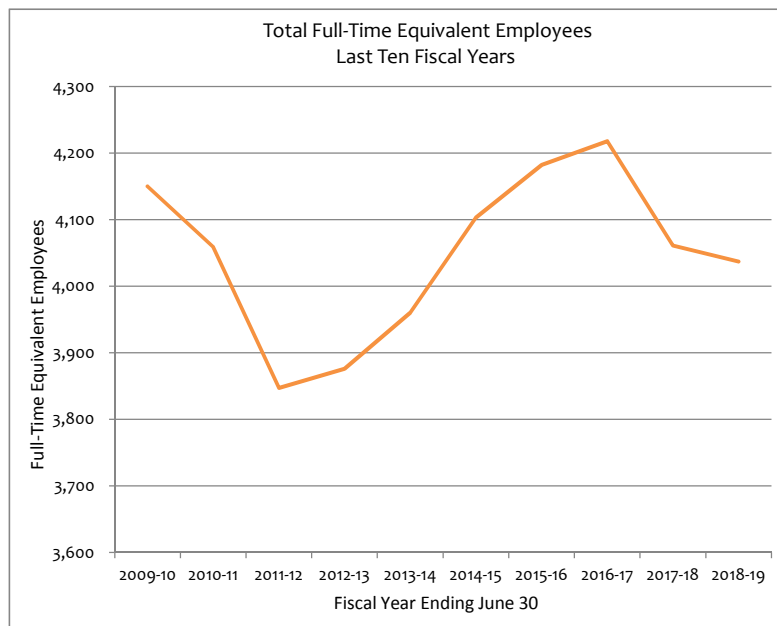


**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**COUNTY EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Paid employees (1)</b>										
Policy & executive	85	93	92	94	96	99	105	103	106	109
Public safety	1,556	1,524	1,455	1,467	1,478	1,498	1,521	1,540	1,540	1,550
Health & public assistance	1,765	1,779	1,634	1,732	1,799	1,926	1,973	1,961	1,806	1,751
Community resources & public facilities	451	432	416	419	424	419	424	443	442	453
General government & support services	410	385	343	334	334	350	359	361	348	341
General county programs	30	15	17	6	5	3	6	6	5	5
Resource Recovery	85	83	81	79	83	81	77	80	77	78
Laguna Sanitation	16	16	16	16	16	16	15	16	17	18
<b>Total County employees</b>	<b>4,398</b>	<b>4,327</b>	<b>4,054</b>	<b>4,147</b>	<b>4,235</b>	<b>4,392</b>	<b>4,480</b>	<b>4,510</b>	<b>4,341</b>	<b>4,305</b>
<b>Actual full-time equivalent employees (2)</b>										
Policy & executive	79	86	85	88	88	91	94	93	93	97
Public safety	1,500	1,455	1,390	1,386	1,394	1,415	1,433	1,448	1,452	1,463
Health & public assistance	1,633	1,637	1,548	1,608	1,679	1,796	1,841	1,842	1,697	1,652
Community resources & public facilities	421	404	391	389	392	382	389	402	402	413
General government & support services	392	369	328	315	313	326	335	339	325	320
General county programs	29	14	13	--	--	1	1	1	1	--
Resource Recovery	80	78	76	74	78	77	74	77	74	75
Laguna Sanitation	16	16	16	16	16	15	15	16	17	17
<b>Total County employees</b>	<b>4,150</b>	<b>4,059</b>	<b>3,847</b>	<b>3,876</b>	<b>3,960</b>	<b>4,103</b>	<b>4,182</b>	<b>4,218</b>	<b>4,061</b>	<b>4,037</b>

**Note:**

- (1) Paid employees: Count of employees paid, including terminated employees. Employees with more than one job will be counted once for each job for which the employee was paid.
- (2) Actual full-time equivalent employees: Count of number of full-time equivalents paid. For full-time and part-time, the full-time equivalent (FTE) used is from the employee's assigned work schedule. For extra help and contractors, the FTE is calculated as the number of hours worked this pay period divided by 80.



**Source:**

Santa Barbara County payroll records as of June 30.

**COUNTY OF SANTA BARBARA, CALIFORNIA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

Function/Program	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Public safety										
Other:										
Filed felonies-District Attorney	2,482	2,462	2,741	2,979	3,176	2,499	2,898	2,835	2,659	2,801
Filed misdemeanors-District Attorney	14,633	13,264	10,983	10,022	9,838	11,347	12,355	12,404	11,124	10,065
Public Defender's total new caseload (2)	23,056	23,563	21,642	18,963	20,973	23,391	24,024	23,414	24,014	12,316
Fire emergency responses	11,278	11,512	12,714	13,989	13,842	13,927	14,307	15,123	15,763	15,634
Sheriff:										
Total miles patrolled	1,530,054	1,519,651	1,447,978	1,230,191	1,477,038	1,413,902	1,439,005	1,413,060	1,454,032	1,441,414
Processed and booked adult offenders	18,319	17,552	15,763	16,677	16,780	17,117	17,744	15,623	14,130	13,710
Probation:										
Juvenile referrals processed	5,431	4,978	4,122	3,449	3,070	3,313	3,371	3,150	2,964	2,656
Adult and Juvenile cases supervised	10,808	9,480	8,364	8,321	8,331	8,196	8,114	8,112	7,358	6,088
Institutional care for minors	67,861	65,313	58,923	52,268	38,763	34,894	37,372	34,214	26,695	22,147
Submit written reports to courts on Adults	4,941	5,544	5,146	6,582	6,628	6,838	6,856	7,337	6,763	5,238
Health & public assistance										
ADMHS clients served	14,785	12,063	11,825	12,313	12,647	13,936	14,653	15,344	13,004	14,711
Established orders for child support	14,800	13,648	12,963	12,565	11,922	11,544	11,452	11,317	11,270	11,227
Assistance claims paid to eligible recipients	77,966	80,025	76,762	72,678	70,924	99,513	99,597	97,127	91,623	88,672
Patient encounters at Public Health clinics	136,867	131,489	120,540	120,700	114,000	111,000	107,000	115,000	111,000	118,500
Community resources & public facilities										
Building inspections	19,159	19,450	19,736	20,689	23,752	22,431	22,583	21,804	24,230	26,930
Enhanced or maintained road lanes (miles)	195	96	81	67	82	73	24	23	21	44
Flood control work requests (1)	195	90	95	--	--	--	--	--	--	--
General government & support services										
Clerk-Recorder-Assessor										
Recorded documents & vital copies issued	108,178	117,932	119,522	135,053	103,060	102,694	110,846	110,089	95,912	90,740
Resource Recovery										
Waste recycled (tons per month)	6,576	7,312	7,824	7,043	7,244	6,792	5,084	5,241	5,825	7,645
Landfill waste disposal (tons per month)	15,626	14,614	13,891	14,607	14,894	15,163	16,690	17,172	19,050	19,215

**Note:**

(1) Beginning in FY 12-13 Public Works no longer tracks flood control work requests.

(2) Beginning in FY 18-19 Public Defender does not include cases previously appointed that were reappointed during the fiscal year

**Sources:**

Various Department Personnel, County of Santa Barbara

COUNTY OF SANTA BARBARA, CALIFORNIA  
 CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)  
 LAST TEN FISCAL YEARS

Function/Program	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Policy & executive										
Buildings	Occupied with general government and support services									
Public safety										
Court buildings	7	7	7	7	7	7	7	7	7	7
Other buildings	5	5	5	5	5	5	5	5	5	5
Fire stations	16	16	16	16	16	16	16	16	16	16
Fire trucks	42	42	42	42	42	42	41	41	43	43
Ambulances	4	4	6	6	6	6	6	6	6	6
Sheriff sub stations	3	4	4	4	4	4	4	4	4	4
Patrol units	49	49	49	49	49	52	52	60	60	59
Aircrafts	6	6	6	6	6	6	6	6	6	7
Jail and detention facilities	6	6	6	6	6	6	6	6	6	6
Administration buildings	9	9	9	9	9	9	9	9	9	10
Health & public assistance										
Clinics	7	7	7	7	7	7	9	9	9	11
Administration buildings	5	5	5	5	5	5	5	5	5	3
Community resources & public facilities										
Public parks & open space acreage	2,469	1,798	2,027	2,122	2,122	2,122	2,122	2,122	2,122	2,122
Day use & camping parks	23	25	26	26	26	26	26	26	26	26
Open space areas (County developed)	18	42	43	45	45	45	45	45	45	45
Outdoor events center	1	1	1	1	1	1	1	1	1	1
Veterans buildings	3	3	3	3	3	3	3	3	3	3
Seawalls	2	2	2	2	2	2	2	2	2	2
Road lane miles	1,685	1,685	1,670	1,671	1,671	1,671	1,671	1,651	1,650	1,650
Bridges	112	113	113	115	115	115	115	115	118	120
Traffic signals	26	26	43	44	44	44	44	44	43	43
Roads heavy equipment	51	51	51	43	43	43	43	43	48	48
Sanitary sewers (miles of collection)	121	121	121	129	129	129	129	129	129	129
Treatment capacity (million gallons per day)	4	4	4	4	4	4	4	4	4	4
Resource Recovery heavy equipment	84	73	78	72	69	57	58	59	71	72
General government & support services										
Buildings	5	5	7	7	7	7	7	7	7	7

**Notes:**

Buildings include those that are capitalized but exclude real property that is leased.

**Sources:**

Various Department Personnel, County of Santa Barbara



# GLOSSARY

---



**ACCOUNTS PAYABLE** - A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

**ACCOUNTS RECEIVABLE** - An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

**ACCRUAL BASIS OF ACCOUNTING** - The recording of the financial effects of a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

**ACCUMULATED DEPRECIATION** - A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

**ACTIVE EMPLOYEES** - Individuals employed at the end of the reporting or measurement period, as applicable.

**ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS** - Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

**ACTUARIAL VALUATION** - The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability or total OPEB liability, and related actuarial present value of projected benefit payments for pensions or OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

**ACTUARIAL VALUATION DATE** - The date as of which an actuarial valuation is performed.

**ACTUARIALLY DETERMINED CONTRIBUTION** - A target or recommended contribution to either a defined benefit pension plan or a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

**AGENCY FUND** - A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

**AGENT MULTIPLE-EMPLOYER PLAN** - A multiple-employer defined benefit OPEB plan that is administered through a trust that meets the criteria of GASB Statement No. 75 and in which OPEB plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.

**AMORTIZATION** - The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

**APPROPRIATION** - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

**ASSESSED VALUATION** - A valuation set upon real estate or other property by a government as a basis for levying taxes.

**ASSIGNED FUND BALANCE** - Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

**AUDITOR'S REPORT** - In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

**BALANCE SHEET** - The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date in conformity with GAAP.

**BASIC FINANCIAL STATEMENTS (BFS)** - The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: governmentwide financial statements, fund financial statements, and notes to the financial statements.

**BASIS OF ACCOUNTING** - A term used to refer to *when* revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

**BENEFICIAL INTEREST** - The right to a portion of the benefits from donated resources pursuant to a split-interest agreement in which the donor enters into a trust or other legally enforceable agreement with characteristics that are equivalent to a split-interest agreement and transfers the resources to an intermediary.

**BUDGET** - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

**BUDGETARY CONTROL** - The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

**BUSINESS-TYPE ACTIVITIES** - One of two classes of activities reported in the governmentwide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. These activities are usually reported in enterprise funds.

**CAPITAL ASSETS** - Long-lived assets obtained or controlled as a result of past transactions, events, or circumstances. Capital assets include equipment, buildings, and improvements other than buildings; land; infrastructure; and intangible assets. In the private sector, these assets are referred to most often as property, plant and equipment, and intangible assets.

**CAPITAL OUTLAY** - Expenditures resulting in the acquisition of or addition to the government's general capital assets.

**CAPITALIZATION POLICY** - The criteria used by a government to determine which outlays should be reported as capital assets.

**CAPITAL LEASE** - An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See **LEASE-PURCHASE AGREEMENTS**.

**CAPITAL PROJECTS FUND** - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**CASH BASIS OF ACCOUNTING** - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**CASH EQUIVALENT** – Short-term, highly liquid investments that are both (1) readily convertible to known amounts of cash and (2) so near their maturity that they present insignificant risk of changes in value due to changes in interest rates.

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM** - A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFRs/Component Unit Financial Reports (CUFRs) and to provide technical assistance and peer recognition to the finance officers preparing them.

**CHANGE IN THE FAIR VALUE OF INVESTMENTS** - The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

**CLOSED AMORTIZATION PERIOD** - Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

**COLLECTIVE DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS AND OPEB** - Deferred outflows of resources and deferred inflows of resources related to pensions or OPEB arising from certain changes in the collective net pension liability or the collective net OPEB liability.

**COLLECTIVE NET PENSION OR OPEB LIABILITY** - The net pension or OPEB liability for benefits provided through (1) a cost-sharing pension or OPEB plan or (2) a single-employer or agent pension or OPEB plan in circumstances in which there is a special funding situation.

**COLLECTIVE PENSION OR OPEB EXPENSE** – Pension or OPEB expense arising from certain changes in the collective net pension or OPEB liability.

**COLLECTIVE TOTAL PENSION LIABILITY** - The total pension liability for benefits provided through (a) a pension or plan that is used to provide pensions to the employees of a primary government and its component units or (b) a pension plan in circumstances in which there is a special funding situation.

**COMMITTED FUND BALANCE** - Amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

**COMPENSATED ABSENCES** - Absences, such as vacation, illness, and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance and long-term disability pay.

**COMPONENT UNIT** – Legally separate organization for which the elected officials of the primary government are financially accountable.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)** - A CAFR is a financial report that encompasses all funds and component units of the government. It contains (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. It is the governmental unit's official annual report and it also contains introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

**CONTINGENT LIABILITY** - Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

**CONTRIBUTIONS** - Additions to a pension or OPEB plan's fiduciary net position for amounts from employers, nonemployer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension or OPEB plan or from recognition by the pension or OPEB plan of a receivable from one of these sources.

**COST-OF-LIVING ADJUSTMENTS** - Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

**COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (COST-SHARING PENSION PLAN)** - A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

**COVERED PAYROLL** - Term used in connection with defined benefit pension and other postemployment benefit plans to describe all elements of annual compensation paid to active employees on which contributions to a plan are based.

**CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS** - Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

**DEBT** - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

**DEBT SERVICE FUND** - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**DEFERRED INFLOWS OF RESOURCES** – An acquisition of net position that is applicable to a future reporting period.

**DEFERRED OUTFLOWS OF RESOURCES** – A consumption of net position that is applicable to a future reporting period.

**DEFICIT** - (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

**DEFINED BENEFIT OPEB** - OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount; (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation; or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums.

**DEFINED BENEFIT OPEB PLAN** – OPEB plans that are used to provide defined benefit OPEB.

**DEFINED BENEFIT PENSION PLAN** - Pension plans that are used to provide defined benefit pensions.



**DEFINED BENEFIT PENSIONS** - Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation.

**DEPRECIATION** - (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

**DISCOUNT RATE** - A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

**DUE FROM OTHER FUNDS** - An asset account reflecting amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

**DUE TO OTHER FUNDS** - A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

**ECONOMIC RESOURCES MEASUREMENT FOCUS** - Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for governmentwide financial reporting. It is also used by business enterprises in the private sector.

**EMPLOYER'S CONTRIBUTIONS** - Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

**ENCUMBRANCES** - Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

**ENTERPRISE FUND** - Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

**ENTRY AGE ACTUARIAL COST METHOD** - A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the *normal cost*. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the *actuarial accrued liability*.

**EXCHANGE-LIKE TRANSACTION** - Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

**EXPENDITURES** - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, and capital outlays, and intergovernmental grants, entitlement, and shared revenues.

**EXPENDITURE-DRIVEN GRANTS** - Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

**EXPENSES** - Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

**EXTERNAL AUDITORS** - Independent auditors typically engaged to conduct an audit of a government's financial statements.

**EXTERNAL INVESTMENT POOL** - An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsor's reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

**FAIR VALUE** - The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**FIDUCIARY FUNDS** - The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

**FINANCIAL RESOURCES** - Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables or investments). Financial resources may also include inventories and prepaids (because they obviate the need to expend current available resources).

**FISCAL AGENT** - A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

**FUND** - A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

**FUND BALANCE** - The difference between fund assets and fund liabilities of governmental and similar trust funds.

**FUND FINANCIAL STATEMENTS** - Basic financial statements presented on the basis of funds. Term used in contrast with *governmentwide financial statements*.

**FUND TYPE** - Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

**FUNDING POLICY** - The program for the amounts and timing of contributions to be made by plan members, employer(s), and other contributing entities (for example, state government contributions to a local government plan) to provide the benefits specified by an OPEB plan.

**GENERAL FUND** - The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

**GENERAL REVENUES** - All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax (e.g., property tax, sales tax, and transient occupancy tax). All other nontax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** - The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local governments are set forth by Statement of Accounting Standards (SAS) No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles" in the Independent Auditor's Report*.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)** - An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

**GOVERNMENTAL ACCOUNTING** - The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

**GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)** - The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

**GOVERNMENTAL ACTIVITIES** - Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

**GOVERNMENTAL FUNDS** - Funds generally used to account for tax-supported activities. The five different types of governmental funds are as follows: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

**GOVERNMENTWIDE FINANCIAL STATEMENTS** - Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic governmentwide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

**HEALTHCARE COST TREND RATES** - The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

**IMPROVEMENT** - An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

**INACTIVE EMPLOYEES** - Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

**INDIRECT EXPENSES** - Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

**INFRASTRUCTURE** - Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

**INTERFUND RECEIVABLE/PAYABLE** - Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

**INTERFUND TRANSFERS** - Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

**INTERMEDIARY** - The trustee, fiscal agent, government, or any other legal or natural person that is holding and administering donated resources pursuant to a split-interest agreement. An intermediary is not required to be a third party.

**INTERNAL SERVICE FUND** - A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

**INVESTMENTS WITH FISCAL AGENT** - An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

**IRREVOCABLE SPLIT-INTEREST AGREEMENT** - A split-interest agreement in which the donor has not reserved, or conferred to another person, the right to terminate the agreement at will and have the assets returned to the donor or a third party.

**JOINT VENTURE** - A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

**LAPSE** - As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

**LEAD INTEREST** - A type of beneficial interest that confers the right to receive all or a portion of the benefits of resources during the term of a split-interest agreement.

**LEGAL LEVEL OF BUDGETARY CONTROL** - The level at which spending in excess of budgeted amounts would be a violation of law.

**LEVEL PERCENTAGE OF PROJECTED PAYROLL AMORTIZATION METHOD** - Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

**LIABILITIES** - Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

**LIFE-CONTINGENT TERM** - A term specifying that the termination of a split-interest agreement is contingent upon the occurrence of a specified event, commonly the death of either the donor or other lead interest beneficiary.

**LOANS RECEIVABLE** - An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

**MAJOR FUND** - A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)** - A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

**MEASUREMENT FOCUS** - A way of presenting an entity's financial performance and position by considering which resources are measured (financial or economic) and when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of governmentwide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

**MEASUREMENT PERIOD** - The period between the prior and the current measurement dates.

**MODIFIED ACCRUAL BASIS OF ACCOUNTING** - The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

**MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN** - A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

**NET INVESTMENT IN CAPITAL ASSETS** - One of three components of net position that must be reported in both governmentwide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

**NET OPEB LIABILITY** - The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of GASB Statement No. 75.

**NET PENSION LIABILITY** - The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

**NET POSITION** - The residual of all other elements presented in a statement of financial position.

**NONSPENDABLE FUND BALANCE** - Amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

**OPERATING TRANSFERS** - All interfund transfers other than residual equity transfers (e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

**OTHER FINANCING SOURCES** - An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

**OTHER FINANCING USES** - A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)** - Benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as postemployment healthcare benefits paid in the period after employment (if any), regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits or termination payments for sick leave.

**OPEB PLANS** - Arrangements through which OPEB is determined, assets dedicated for OPEB (if any) are accumulated and managed, and benefits are paid as they come due.

**OVERLAPPING DEBT** - The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

**PAY-AS-YOU-GO** - a method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

**PAYROLL GROWTH RATE** - an actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

**PENSION BENEFITS** - Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except healthcare benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan.

**PENSION PLANS** - Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

**PENSIONS** - Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.

**PERIOD-CERTAIN TERM** - A term specifying that the termination of a split-interest agreement occurs after a specified period. (For example, a number of years.)

**PLAN MEMBERS** - Individuals that are covered under the terms of a pension or OPEB plan. Plan members generally include (a) employees in active service (active plan members) and (b) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

**POSTEMPLOYMENT** - The period after employment.

**POSTEMPLOYMENT BENEFIT CHANGES** - Adjustments to the pension or OPEB of an inactive employee.

**POSTEMPLOYMENT HEALTHCARE BENEFITS** - Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.

**PROJECTED BENEFIT PAYMENTS** - All benefits estimated to be payable through the pension or OPEB plan to current active and inactive employees as a result of their past service and their expected future service.

**PROGRAM REVENUES** - Term used in connection with the governmentwide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

**PROJECTED BENEFIT PAYMENTS** - All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

**PROPRIETARY FUNDS** - Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**REAL RATE OF RETURN** - The rate of return on an investment after adjustment to eliminate inflation.

**REBATEABLE ARBITRAGE** - A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

**REMAINDER INTEREST** - A type of beneficial interest that confers the right to receive all or a portion of the resources remaining at the end of a split-interest agreement's term.

**REPORTING ENTITY** - The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

**REQUIRED SUPPLEMENTARY INFORMATION** - Consists of statements, schedules, statistical data, or other information that according to the GASB is necessary to supplement, although not required to be a part of, the basic financial statements.

**RESTRICTED ASSETS** - Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**RESTRICTED FUND BALANCE** - Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**RESTRICTED NET POSITION** - A component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

**REVENUE BONDS** - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

**REVENUES** - (1) Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. Also, general long-term debt proceeds and operating transfers in are classified as "other financing sources", rather than as revenues. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions, and residual equity transfers. Also, operating transfers in are classified separately from revenues.

**RISK MANAGEMENT** - All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

**SELF-INSURANCE** - A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

**SERVICE COSTS** - The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

**SERVICE LIFE** - The average remaining years of service of all members of the retirement plan (both current employees and retirees).

**SINGLE AUDIT** - An audit performed in accordance with *Title 2 U.S. Code of Federal Regulations*. The Single Audit allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

**SPECIAL DISTRICT** - An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, cemetery districts, transit authorities, port authorities, and electric power authorities.

**SPECIAL REVENUE FUND** - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

**SPLIT-INTEREST AGREEMENT** - An agreement in which the donor enters into a trust or other legally enforceable agreement (with characteristics that are equivalent to a split-interest agreement) under which the donor transfers resources to an intermediary to administer for the benefit of at least two beneficiaries, one of which could be a government.

**SUBSTANTIVE PLAN** - Terms of an OPEB plan as understood by the employer(s) and plan members.

**TAX ABATEMENT** - A reduction of or exemption from taxes granted to encourage certain activities.

**TAX AND REVENUE ANTICIPATION NOTES (TRAN)** - Notes issued in anticipation of the collection of taxes and revenues, usually retireable only from tax collections, and frequently only from the proceeds of the tax and revenue levy whose collection they anticipate.

**TERMINATION BENEFITS** - Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

**TOTAL PENSION LIABILITY** - The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

**TRUST FUNDS** - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

**UNASSIGNED FUND BALANCE** - The residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**UNCONDITIONAL BENEFIT** - A right belonging to the government that cannot be taken away without the government's consent, such as an unconditional beneficial interest.

**UNEARNED REVENUES** - Resource inflows that do not yet meet the criteria for revenue recognition. In governmental funds, earned amounts also are reported as unearned revenue until they are available to liquidate liabilities of the current period.

**UNMODIFIED OPINION** - An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

**UNRESTRICTED NET POSITION** - That portion of net position that is neither restricted nor invested in capital assets (net of related debt).

**VARIANCE POWER** - The unilateral power to redirect the benefit of the transferred resources to another beneficiary, overriding the donor's instructions. This transfer would occur without the approval of the donor, specified beneficiaries, or any other interested party.

